

THE CHAIR AND ALL MEMBERS OF THE COUNCIL

Thursday 29 February 2024

Dear Member

COUNCIL - FRIDAY 8TH MARCH, 2024

You are hereby summoned to attend a meeting of the Council of the Borough of Middlesbrough to be held on **Friday 8th March, 2024** at **7.00 pm** in the to transact the following business, namely:-

1. Apologies for Absence
2. Declarations of Interest
3. Announcements/Communications

To receive and consider any communications from the Chair, Mayor, Executive Members or Chief Executive (if any).

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|----|---|-----------|
| 4. | Council Plan 2024-2027 | 3 - 22 |
| 5. | Council Tax Reduction Scheme 2024/25 | 23 - 136 |
| 6. | 2024/25 Revenue Budget, Medium Term Financial Plan, Council Tax setting and Treasury Management | 137 - 446 |

Section 106 of the Local Government Finance Act 1992 places a duty to declare an interest on any councillor who is two or more months in arrears with their Council Tax payments if they attend any meeting involved in setting the Council tax rate for the local authority. They must abstain from any vote involved in the setting of the Council tax rate until they are no longer in arrears.

- | | | |
|----|---|-----------|
| 7. | Local Government Boundary Commission 2023/24 (Phase Two Council Proposal) | 447 - 488 |
|----|---|-----------|



Charlotte Benjamin,
Director of Legal and Governance Services

PLEASE NOTE THERE IS RESTRICTED
DISABLED ACCESS TO THE COUNCIL CHAMBER

Inspection of Papers – Documents referred to on this Summons may be downloaded from the Council's Website.

Questions / Motions – Details of questions or notices of motion received and not enclosed with the Summons will be circulated prior to the meeting.

Should you have any queries in regard to the items on this agenda please contact Bernie Carr, Democratic Services on (Direct Line 01642 729714 or e-mail on: bernie_carr@middlesbrough.gov.uk).

Address: Democratic Services, Middlesbrough Council, Town Hall, Middlesbrough TS1 9FX

Website: www.middlesbrough.gov.uk

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MIDDLESBROUGH COUNCIL

Report of:	Chief Executive
Executive Member:	The Mayor and Executive Member for Adult Social Care and Public Health
Submitted to:	Council
Date:	8 March 2024
Title:	The Council Plan, 2024-27
Report for:	Decision
Status:	Public
Strategic Priority:	Not applicable. The purpose of this report is to set out the planned approach to development and delivery of the Council Plan 2024-27 and its strategic priorities and ambitions.
Key decision:	No
Why:	Not applicable
Subject to call in?:	No
Why:	Not applicable

Proposed decision(s)

That Council:

- Approves the final Council Plan 2024-27 and associated strategic priorities and outcomes to enable development of detailed, supporting delivery plans.

Executive summary

This report sets out the Council Plan 2024-27, seeking Council approval on its structure and content, setting out how we will work with communities, to take forward our shared priorities over the 2024 to 2027 period.

The Council Plan 2024-27 is structured around the following vision and priorities:

The vision for Middlesbrough is a thriving, healthier, safer and more ambitious place where people want to live, work, invest, and visit. We will support our residents to live fulfilling lives, to ensure that our communities thrive.

A Successful and Ambitious Town: *Maximising economic growth, employment, and prosperity, in an inclusive and environmentally sustainable way.*

A Healthy Place: *Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.*

Safe and Resilient Communities: *Creating a safer environment where residents can live more independent lives.*

Delivering Best Value: *Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.*

More detailed service and delivery plans, will be considered by the Executive in March 2024.

Purpose

1. This report sets out the Council Plan 2024-27 and seeks Council approval on its structure and content, setting out how we will work with our communities, to take forward our shared priorities over the 2024 to 2027 period.
2. The intent of the report is to provide enough information and assurance for Council to approve the Council Plan 2024-27, ensuring that it remains current and reflective of major developments of the past year, and those anticipated in the coming three years.

Recommendations

That Council:

- Approves the final Council Plan 2024-27 and associated strategic priorities and outcomes to enable development of detailed, supporting delivery plans.

Rationale for the recommended decision(s)

3. To enable Council to approve Council Plan 2024-27, ensuring that it is reflective of major developments of the past year, and those anticipated in the coming three years.

Background and relevant information

4. The Council Plan, formerly known as the Strategic Plan, is the Council's overarching business plan for the medium-term, and is refreshed on an annual basis, setting out the priorities of the Elected Mayor of Middlesbrough, the ambitions for our communities and the ways in which we seek to achieve them.
5. Part of the Council's Policy Framework, the Council Plan requires the approval of full Council, as set out in the [Constitution](#). The Council's Budget and Policy Framework Procedure Rules provide

for the Executive to draw up firm proposals on the Strategic Plan (Change Strategy) for submission to Full Council.

6. Full Council approved the previous Strategic Plan 2021-2024 on 16 February 2021, which expressed the previous Mayors' priorities for the town.
7. This report proposes a new Council Plan for the 2024-27 period articulating the aims and ambitions of Mayor Cooke elected in May 2023, which are informed by, and responsive to the views of residents and which will need to be delivered within available resources.

Corporate Governance Journey

8. The Council is currently mid-way through a corporate governance improvement journey, following the report and findings of the Council's external auditor, Ernst and Young LLP in July 2022 which reported significant areas of concerns in governance, including relations between members and officers.
9. Following communication of the findings of the external auditor, the Council brought in external support (CIPFA and the LGA) to support with the development of the corporate governance improvement plan, alongside undertaking a review of the organisation's financial resilience.
10. Despite progress made, in January 2023, the Department of Levelling Up, Housing and Communities (DLUHC), issued a Best Value Notice. To respond effectively to the wider governance challenges facing the Council, the corporate governance improvement plan was refreshed in September 2023 around two specific themes: cultural transformation and financial resilience. Simultaneously, the external auditor escalated concerns via statutory recommendations, under Section 24 of the Local Audit and Accountability Act, which the Council responded to with an action plan of improvements, aligning with the Corporate Governance Improvement Plan intentions.
11. An Independent improvement Advisory Board was established to provide expertise, challenge, and advice against delivery of the revised governance improvement plan, with the first meeting taking place in September 2023. Progress against which (and including the Section 24 improvements), is reported at these monthly Boards, as well as each meeting of full Council and Audit Committee.
12. Whilst Government has since recognised progress made, however due to the seriousness and extent of the issues identified, the Best Value Notice has been extended for a further six months.

Resident and Budget Consultation impact

13. The Council's strategies and plans must be evidence-based and financially sustainable, if they are to be effective in addressing the challenges facing Middlesbrough. To that end, the output and analysis of the recent resident survey and the Medium-Term Financial Plan (MTFP) and budget consultations have been used to shape the Council Plan and determine service priorities within the financial constraints facing the Council. Both reports were considered at the same meeting of the Executive on 28 February 2024 and are submitted to Council for approval.

2023 Resident Survey

14. The detailed findings of the Resident Survey were presented to a meeting of the Executive in December 2023, though to summarise they identified a decline in satisfaction with Council services since the survey was last undertaken in 2017. These findings have shaped the priorities within the proposed Council Plan 2024-27.
15. Key headline findings were:

- 37% of residents felt that the Council provided value for money, compared to 48% in 2017 and national average, also of 48%.
- 47% of residents were satisfied with street cleaning, in comparison to 66% previously.
- 66% of residents are satisfied with the local area as a place to live, in comparison to 81% in 2017.

2024/25 Budget Consultation

16. The outcome of the budget consultation exercise informs the final budget proposals which will be presented as part of the final 2024/25 Budget and Medium-Term Financial Plan (MTFP) Update 2024/25 to 2026/27 report for approval by full Council on 8 March 2024, at the same time at this report. Furthermore, the analysis of the consultation will shape the development of detailed service plans to enable delivery of the Council Plan 2024-27.
17. A number of channels were used to promote the budget consultation to enable members of the public, Council staff and local businesses to engage and contribute. As a result:
- Over 1,100 responses to the consultation were received: the highest response rate in the last 5 years.
 - Four public consultation events were held and attended by over 90 people.
 - The creation of social media posts and an e-newsletter enabled more targeted consultation.

Approach to developing Council Plan priorities and success measures

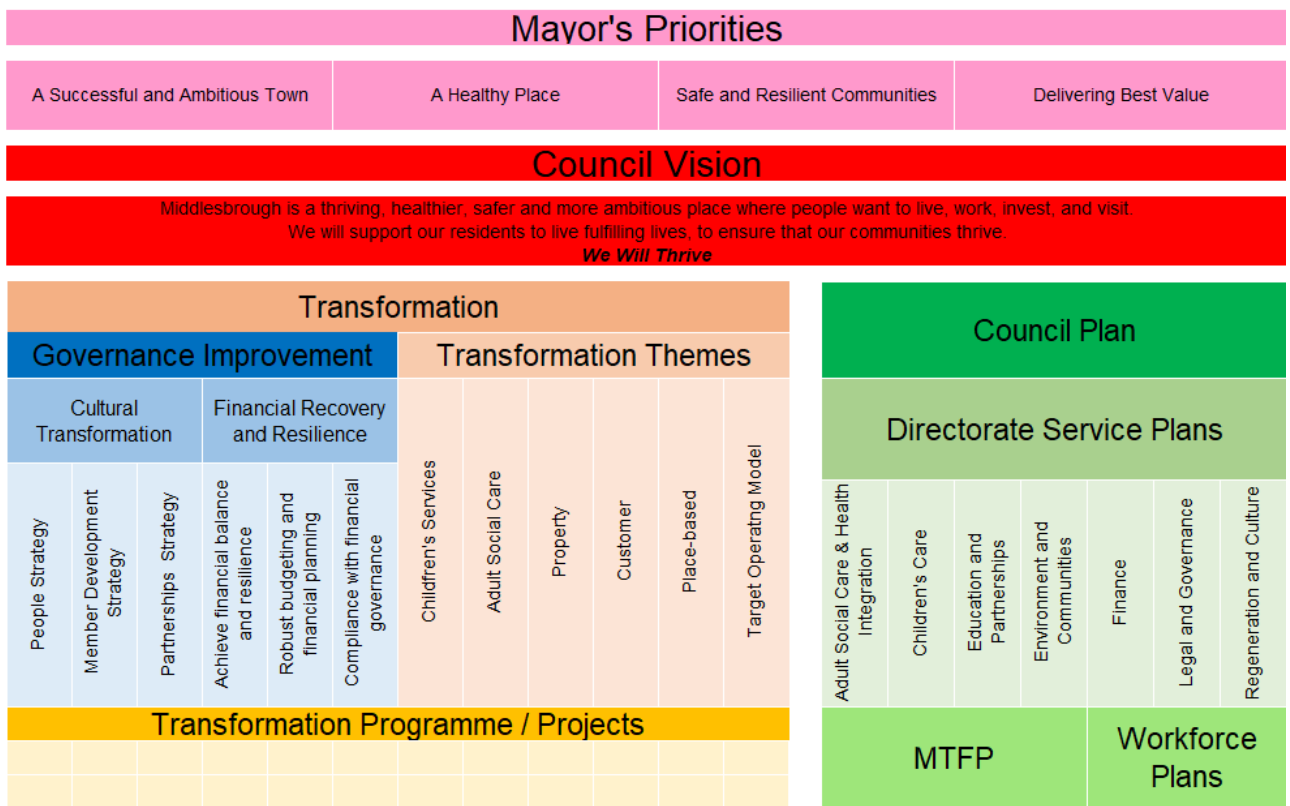
18. The Leadership Team has worked collaboratively with the Mayor and the Executive to develop and shape the Mayor’s priorities for the town within the proposed Council Plan 2024-27, as set out below.

A Successful and Ambitious Town	A Healthy Place	Safe and Resilient Communities	Delivering Best Value
Maximising economic growth, employment and prosperity, in an inclusive and environmentally sustainable way.	Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.	Creating a safer environment where residents can live more independent lives.	Changing how we operate, to deliver the best outcomes for residents and businesses.
Attract and grow local business, increasing employment opportunities Improve attainment in education and skills Housing provision will meet local demand and need	Improve life-chances for children and adults, to address and respond to health inequalities Protect and improve our environment Promote inclusivity for all Reduce poverty	Support adults to be independent for longer Improve connectivity, digital and transport Promote new ideas and community initiatives Reduce crime and anti-social behaviour	Set a balanced revenue budget and Medium Term Financial Plan, restoring financial resilience and sustainability Demonstrate robust and effective corporate governance

19. Appendix 1 sets out the Council Plan for the 2024-27 period, which includes:
- an introduction from the Mayor of Middlesbrough and the Chief Executive
 - the Mayor’s priorities
 - the Council’s ambitions and priorities for 2024-27
 - measures of success
 - plans for transformation
20. The Council Plan will be underpinned by a performance management framework, to assess the impact of planned activities against achievement of its ambition. Progress will be reported to the Executive each quarter and will include the success measures determining the impact upon:
- the types of businesses being established in Middlesbrough, to ensure that we attract those which will give residents access to well-paid and rewarding careers,
 - healthy life expectancy of residents of Middlesbrough, who currently experience ill-health much earlier than wealthy areas across the UK,

- community safety, as part of our plans to reduce crime and make residents and communities feel safer,
- progress against the Council’s governance improvement journey, to provide assurance to members of the public and our partners, that the services we are providing are value for money.

21. The performance management framework is currently being scoped and once developed, will be presented to the Executive for consideration and adoption, following agreement of the Council Plan 2024-27.
22. Supporting initiatives and workplans to support delivery of the Council Plan 2024-27 ambitions and measures of success are being developed into Service Plans, alongside the proposed performance and governance arrangements for Executive decision in March 2024.
23. The diagram below demonstrates the links between the Mayor’s Priorities, the Council Plan, the MTFP, our governance improvement journey and our intentions towards transformation.



Transformation

1. Successful organisation-wide transformation of the organisation is integral to delivering the Council Plan and MTFP and will see new approaches to the design of service delivery, drive improved controls and efficiencies and implement effective demand management measures to enable the Council to deliver improved outcomes for the community, from a lower cost base that is financially sustainable. In recognising the evolving landscape, the Council is committed to adopting innovative approaches in the design and delivery of services, encompassing new strategies, partnerships and collaborative efforts with stakeholders.
2. As an authority in the midst of significant change and challenge, transformation is key to delivering services more effectively and making positive changes to improve our culture. This involves a continuous process of monitoring external factors, staying abreast of best practice and innovation, and being agile in responding to emerging challenges and opportunities. The

Council sees transformation not as a one-time event but as an ongoing journey that aligns with the ever-changing landscape of public service and governance.

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

3. It is imperative that the Council effectively articulates and communicates an overarching plan to direct activity across Directorates and services, towards the achievement of its priorities and ambitions.
4. The only other realistic potential decision would be to leave the Council's strategic objectives unchanged on the assumption that they are sufficiently robust to address and achieve previously identified outcome measures. This, however, is not correct and neither would it represent an appropriate response to the needs of the town, it would detrimentally impact local communities and the business of the Council for some years ahead.
5. The only other feasible decisions therefore relate to the structure of the document, and its horizon (i.e., reverting to an annual plan). It is strongly in the Council's interest to plan over the medium-term, (between 3 – 5 years) in line with the indicative budgets over this period outlined by the Government. The proposed document achieves this whilst also providing an appropriate level of detail for all audiences on the Council's planned activity over this period.

Impact(s) of the recommended decision(s)

Financial (including procurement and Social Value)

6. The Council Plan 2024-27 and the Council's annual revenue and capital budgets are developed in parallel, to ensure full alignment between the Council's ambitions and spending plans. In outlining an achievable programme of work that delivers performance improvement within reduced resources, the Council Plan and its supporting Service Plans therefore demonstrate how the Council will deliver value for money in the medium-term.

Legal

7. Implementation of the Council Plan 2024-27 will enable the Council to operate within the resources available to it, and continue to meet its various statutory duties, including the overarching Duty of Best Value.

Risk

8. The proposed Council Plan sets out a range of activity to address the key risks within the Council's Strategic Risk Register which have the ability to impact on the Council's ability to achieve the ambitions set out in the Council Plan. As such, once the new Council Plan is agreed by full Council, a review of the current content will be completed, with any changes reported to Executive, as part of the quarterly performance management reports.

Human Rights, Public Sector Equality Duty and Community Cohesion

9. The Council Plan 2024-27 will have a positive impact on individuals and communities. It contains within it, plans to ensure that the Council has an inclusive approach for all its residents. An impact assessment has been completed on the draft plan and is attached to this report at Appendix 2.

Climate Change / Environmental

10. The proposed Council Plan will have a positive impact on climate change and the environment, with a specific priority to 'protect and improve our environment' which will focus Council activity

on these areas. The Plan will set a series of measurable outcomes to be achieved against this theme.

Children and Young People Cared for by the Authority and Care Leavers

11. The proposed Council Plan will have a positive impact on children and young people, with a proposed priority to 'improve education and attainment' with focused activity directed at these areas. The Plan will set a series of measurable outcomes to be achieved against this theme including a particular focus on the steps we can take to improve the educational attainment of children and young people cared for by the Authority and Care leavers.

Data Protection / GDPR

12. There are no concerns that the proposed plan could impact adversely on data protection or GDPR.

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

Action	Responsible Officer	Deadline
Subject to full Council approval of Council Plan 2024-27, supporting Service Plans and associated delivery plans will be developed and presented to Executive for approval.	Head of Strategy, Business and Customer	Mar 2024

Appendices

1	Council Plan 2024-27
2	Impact Assessment (screening level)

Background papers

Body	Report title	Date
Executive	Strategic Plan 2021-24	16 Feb 2021
Executive	Strategic Plan 2022-24	14 Feb 2022
Executive	Refreshing the Strategic Plan workplan for the 2022-24 period	5 Apr 2022
Executive	2023 Residents Survey	20 Dec 2023
Executive	Draft Council Plan 2024-27	20 Dec 2023

Contact: Gemma Cooper, Head of Strategy, Business and Customer

Email: gemma_cooper@middlebrough.gov.uk

Appendix 1: Council Plan 2024-27

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Council Plan 2024-27



'The Council's vision for Middlesbrough is a thriving, healthier, safer and more ambitious place where people want to live, work, invest, and visit. We will support our residents to live fulfilling lives, to ensure that our communities thrive.'

Foreword

Welcome to our Council Plan for the 2024-27 period.

The Council has experienced lots of change following May 2023's elections and this plan sets out the new administration's visions and ambitions.

Like most local authorities, Middlesbrough faces lots of challenges. As a Council, we're determined to work with local people, our partners and businesses to overcome them.

We are also working closely with government and other bodies to make changes to our culture. There are problems from the past we are determined to resolve so we can look to the future with confidence.

We will recover, reset and deliver for the people of Middlesbrough.

By recovering our financial position, we will put the Council on a stronger footing for the future.

By resetting our priorities, we will ensure our attention is focused on things that matter to people and businesses.

With those foundations in place the Council will be able to put all its energy into delivering services that people value.

The Council's vision for Middlesbrough is a thriving, healthier, safer and more ambitious place where people want to live, work, invest, and visit. We will support our residents to live fulfilling lives, to ensure that our communities thrive.

While acknowledging the difficulties and societal problems that people face, we must also promote Middlesbrough as an area where great things happen.

Our town centre hosts thousands of people on a regular basis whether it be for football, live music, or the various cultural festivals we're proud to play a part in.

We're home to innovative companies that do business on the world stage and we boast award-winning educational institutions preparing our young people for prosperous lives.

Middlesbrough is a brilliant town, and we must use the talent, pride and positivity of our people to make the most of the opportunities that come our way.

Clearly, there's a lot of work to get through as we set about transforming the way we do things.

We believe this Council Plan can help create a fair, welcoming, and thriving place.

Chris Cooke
Elected Mayor of
Middlesbrough

Clive Heaphy
Chief Executive



Chris Cooke, Elected
Mayor of Middlesbrough



Clive Heaphy, Interim
Chief Executive.

Middlesbrough's challenges and opportunities

1. Middlesbrough is a lively and exciting place with an increasingly diverse population. Approximately 18% of our people are of an ethnic minority.

We are proud that our 2023 residents' survey found increasing numbers of people think Middlesbrough is a place where people from different backgrounds get on well together



5. Our population is younger than the regional and national averages



6. We must ensure our future workforce has the right skills so we can attract investment



7. Life expectancy and healthy life expectancy for men and women are both lower than national averages



8. We must transform our services in the face of reductions in government funding and declining resident satisfaction



2. We're the heart of the Tees Valley with 800,000 people living within a 30-minute radius. We're a busy place with lots happening



3. Our population of around 144,000 lives in an area of just 35 square miles. Roughly 19 people live on each football pitch size of land making it the most densely populated part of the North East



4. Middlesbrough is a vibrant place with a strong sense of community



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Sources:
 · Office for National Statistics 2021 Census
 · Middlesbrough Council Resident Survey 2023
 · Indices of Deprivation 2019

Our vision and priorities

We will thrive

Our vision for Middlesbrough is a thriving, healthier, safer and more ambitious place where people want to live, work, invest, and visit. We will support our residents to live fulfilling lives, to ensure that our communities thrive.



1

A successful and ambitious town

Maximising economic growth, employment and prosperity in an inclusive and environmentally sustainable way.

2

A healthy place

Helping our residents to live longer, healthier lives.

3

Safe and resilient communities

Creating a safer environment where residents can live more independent lives.

4

Delivering best value

Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.



A successful and ambitious town

Maximising economic growth, employment and prosperity in an inclusive and environmentally sustainable way.

Aims:

Attract and grow businesses to increase employment opportunities

Middlesbrough is home to thriving companies in innovative industries who compete on the world stage. To ensure we continue to be an attractive place to start or build a business, we will work to grow the range of employment opportunities. We will attract new businesses and support existing ones to grow, increasing the links between employers and job seekers.

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Improve attainment in education and skills

Our town boasts award-winning education institutions including Teesside University, Middlesbrough College and the Northern School of Art. We have dozens of wonderful schools led by inspirational teachers.

We will work alongside these organisations to ensure skills provision is focused on the future needs of the economy and that our residents are equipped for work.

Ensure housing provision meets local demand

Our population is growing and we need to have homes that meet all types of needs and aspirations. Housing provided through the Council must promote and support independent living.

Services for homeless people will be safe and dignified, supporting access into long-term sustainable accommodation.

How will we know we are delivering?

We need to increase the proportion of our residents that are economically active. 45.4% of residents are economically inactive compared to 39.1% nationally (ONS 2021 Census).

We track the number of businesses based here and the sectors they operate in.

Our residents need support to find work. 15.3% have either never worked or are long term unemployed, compared to 8.5% nationally (ONS 2021 Census).

We need to have more well paid, secure jobs in the town. Currently, those in employment are more likely to work in sales, care, leisure or manual jobs when compared to regional and national averages.

We need more roles in senior management positions and professional and technical occupations.

Increasing our skills base is key to attracting businesses and improving job prospects. Currently, 23.9% of residents have no qualifications, compared to 20.3% regionally and 18.1% nationally.

26.4% of residents have a Level 4 equivalent qualification or higher, compared to 28.6% regionally and 33.9% nationally.

We track the number of new homes that are delivered and the number of affordable homes. We monitor the levels of homelessness and the circumstances of people at the risk of homelessness.



A healthy place



Helping our residents to live longer, healthier lives.

Aims:

Improve life chances of our residents by responding to health inequalities

Using our Family Hub model, we will support families to secure the best start in life for children.

We will improve children's readiness to learn and help them develop strong foundations for success at school.

Early intervention and support for families will prevent issues escalating and build resilience.

Through our Public Health Strategy we will work with partners to increase the prevention and early detection of disease and act on the structural factors that drive ill health.

Adult Social Care Services will further develop early intervention and prevention services to reduce the need for social care assessment.

We will consistently promote the conditions for improved health and wellbeing to users of our services and their carers.

Protect and improve our environment

Through our Green Strategy we will continue to drive up recycling rates and encourage our residents to join with us in protecting our environment, green spaces and parks.

Promote inclusivity for all

To ensure the principle of fairness is at the heart of everything we do, we will work together with communities and partners to develop solutions that improve outcomes for all.

We will always consider the impact our policies, strategies and decision making have on health inequalities.

Reduce poverty

We will work with partners to support our residents out of poverty and improve community resilience to prevent people falling into poverty.

Meeting this challenge is central to all of the ambitions within the Council Plan.



How will we know we are delivering?

We track the percentage increase of families who are engaging with the Family Hub service, the percentage of eligible families supported to take up their funded place for two year olds and the number of children reached each month via the literacy pathway.

Life expectancy at birth in Middlesbrough is 75.4 for males and 79.8 for females, compared to 79.3 and 83.1 nationally. Healthy life expectancy is also lower than national averages. We must work to close the gaps.

56.5% of over-16s in Middlesbrough are classed as 'active', taking part in sport and physical activity for over 150 minutes per week. This compares to 67.3% nationally. Obesity and

overweight rates for both children and adults are higher than the national average.

Promoting and supporting healthier lifestyles can influence these measures that impact on people's health.

We track resident satisfaction on environmental issues, including maintenance, parks and green spaces, via the Resident Survey.

We have statistics for amounts of waste sent for refuse, recycling and composting.

Based on the 2019 Indices of Deprivation, Middlesbrough is the fifth most deprived council area in England. This measure is due to be updated in 2025.



Safe and resilient communities

Creating a safer environment where residents can live more independent lives.



Aims:

Support for adults to be independent for longer

We will improve access to advice and information for adults and informal carers.

We will develop and expand our use of assistive technology and reablement to minimise the need for ongoing care.

We will develop the choice of accommodation and support options for vulnerable adults to promote independent living, reducing reliance on residential care.

Improved transport and digital connectivity

Our transport infrastructure will meet the needs of our residents and businesses and also support the town's green agenda by increasing the number of electric vehicle charging points.

We will work to improve digital connectivity, including by allowing residents to access Council services in the most convenient way.

Promotion of new ideas and community initiatives

We will develop an approach that empowers individuals and groups to build resilient and thriving communities.

Reducing crime and antisocial behaviour

We will work to reduce crime and antisocial behaviour across the town, allowing residents to live safer lives.

How will we know we are delivering?

Middlesbrough has consistently had the highest crime rate in the Cleveland Police area for the past five years. We must narrow the gap between our town and the rest of the Tees Valley.

We track the number of adults whose long-term support needs are met by admission to residential and nursing care homes.

We track the number of over-65s who receive reablement/rehabilitation services after discharge from hospital.

We monitor the number of people who use public transport and the average minimum travel time to reach key services by different modes of travel.



Delivering best value

Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.

Aims:

Ensuring robust and effective corporate governance

It will be a priority over the life of this plan to provide government and the Council's auditors with assurances the Council has effectively addressed concerns as set out in the Best Value notice and subsequent statutory recommendations.

Set a balanced revenue budget and Medium Term Financial Plan to restore financial resilience and sustainability

The Council is required by law to manage its annual revenue expenditure within its available financial resources.

It also has a Best Value duty to deliver a balanced Medium Term Financial Plan over three to five years to demonstrate financial stability and sustainability in delivering its wider Council Plan objectives.

The Council faces a significant risk that it is unable to balance its revenue expenditure with its available resources in 2024/25, and over the medium term to 2026/27, without fundamental transformation and redesign of services.

The Council's financial resilience is currently weak due to its critically low level of usable revenue reserves which constrain its ability to respond effectively to unforeseen financial pressures.

The Council's Medium Term Financial Planning and annual budget setting framework provides the affordability envelope within which the Council's plans will need to be developed in order to secure financial sustainability.

This includes the requirement to plan to rebuild revenue reserves to strengthen financial resilience that will enable more stable financial planning and management in delivering wider objectives and priorities over the medium term.

How will we know we are delivering?

By demonstrating successful cultural transformation and financial recovery and resilience, we will aim for the removal of the Best Value notice within the period of this plan.

We will deliver the action plan in response to the external auditor's statutory recommendations and move towards an unqualified set of accounts within the period of this plan.

Monthly budget monitoring takes place with Executive Member oversight.

The Section 151 officer will assess the financial health of the council, including a risk assessment

of the adequacy of reserves annually as part of medium term financial planning and budget setting.

Audits, risks to the organisation, complaints, programme and project management, health and safety and information security incidents are all tracked.

Compliance with Freedom of Information Act and Subject Access Request legislation to ensure we are demonstrating transparency and accountability by the way in which we respond to requests.



Transformation

We are working to 'recover, reset and deliver' to ensure that we deliver modern cost-effective services, focused on the needs of residents and arranged around individuals, their families, carers and communities.

We will be an inclusive and supportive Council where staff thrive, prosper and feel valued in their work.

Aims:

Transformation is not only a response to challenges, but a proactive strategy to shape a future-ready organisation.

It is a catalyst for positive change, driving the organisation forwards.

In embracing this ethos, the Council aspires to create a culture that thrives on adaptability and continuous improvement, ensuring its resilience in the face of ongoing challenges and changes.

Our transformation is focused on key areas and priorities:

Service delivery: we are committed to adopting new approaches to the design and delivery of services to better meet the needs of our residents.

Controls and efficiencies: our emphasis is on driving improved controls and efficiency measures across the organisation, ensuring streamlined processes and resource optimisation.

Demand management: through implementing effective demand management measures, we aim to optimise resource allocation and target our interventions precisely where they are needed most

Outcomes: ultimately, the goal of our transformation is to deliver improved outcomes for our residents, communities and businesses, elevating the overall quality of life.

How will we know we are delivering?

In recognising the evolving landscape and dynamic nature of our operating environment, the Council is dedicated to embracing innovative approaches in the design and delivery of services.

This commitment involves new strategies, partnerships and collaborative efforts with stakeholders.

To methodically track our progress and ensure the successful delivery of our transformative vision, we will establish a comprehensive Transformation Portfolio. This portfolio will serve as a structured framework, outlining a range of projects and programmes designed to implement our initiatives effectively.

Our approach will be both strategic and adaptive, examining short and long-term transformative opportunities to ensure that our efforts align with the evolving needs of our community and the broader landscape. Through this approach, we will proactively gauge our success and respond to emerging opportunities and challenges.






Middlesbrough
moving forward

Post: **Middlesbrough Council,**
PO Box 500, Middlesbrough, TS1 9FT

Phone: **01642 245432** (Monday to
Thursday, 8.30am to 5pm, and
Friday, 8.30am to 4.30pm)

Website: **www.middlesbrough.gov.uk**

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Appendix 2: Impact Assessment Level 1 (Initial screening assessment)

Subject of assessment:	Council Plan 2024-27			
Coverage:	Overarching / crosscutting			
Decision relating to:	<input checked="" type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process / procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements: <input checked="" type="checkbox"/>		
Description:	<p>Key aims, objectives, and activities: The Council Plan, formerly known as the Strategic Plan, is the Council's overarching business plan for the medium-term, and is refreshed on an annual basis, setting out the priorities of the Elected Mayor of Middlesbrough and other corporate priorities and ambitions for the Council.</p> <p>Statutory drivers: Local Government Act 1999; Equality Act 2010.</p> <p>Differences from any previous approach: This will result in a new Council Plan which includes new aims, priorities and ambitions.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate): Elected members, employees of the Council, local communities and businesses, partners.</p> <p>Intended outcomes: To ensure that the Council's strategic objectives are achieved, and that the Council continues to comply with the duties of the Equality Act 2010 relating to the publication and pursuit of equality objectives.</p>			

Live date:	February 2024			
Lifespan:	2024-27, though reviewed annually			
Date of next review:	Potential for review in 2024/25			
Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The content of the proposed plan and delivery of it would not contravene Human Rights as identified in national legislation.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The Strategic Plan commits to reducing inequalities within Middlesbrough. It is based on a robust evidence base of needs and includes a commitment to inclusivity for all. As a result, there are no concerns that the Plan or associated activity could have a disproportionate adverse impact on groups or individuals with characteristics protected in national legislation.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The Plan commits to improving community resilience within the town, which will result in direct benefits for cohesion. As a result, there are no concerns that the proposed plan could have an adverse impact on community cohesion.
Assessment completed by:	Gemma Cooper. Head of Strategy, Business and Customer			
Date:	6 December 2023			
Head of Service:	Clive Heaphy, Chief Executive			
Date:	6 December 2023			

MIDDLESBROUGH COUNCIL	
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Report of:	Interim Director of Finance
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Relevant Executive Member:	Executive Member for Finance and Governance
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Submitted to:	Council
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Date:	8 March 2024
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Title:	Council Tax Reduction Scheme 2024/25
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Report for:	Decision
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Status:	Public
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Strategic priority:	Vulnerability
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Key decision:	Yes
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Why:	Decision(s) will have a significant impact in two or more wards
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Subject to call in?:	Yes
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Why:	non urgent report only
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Proposed decision(s)	
That Council approves the Council Tax Reduction (CTR) scheme for 2024/25.	

Executive summary	
<p>This report sets out the proposed Council Tax Reduction (CTR) scheme (often referred to as Council Tax Support) for 2024/25. Each Billing Authority in England has a statutory requirement to design and locally fund a Council Tax Reduction scheme no later than 11 March each year, which is approved by a full Council decision.</p> <p>The proposed amendments are;</p>	

- I. Care Leavers; the inclusion of the cost of support for Care Leavers into the Collection Fund from the General Fund which is a technical adjustment. The adjustment has no impact on the support available to Care Leavers, which remains unchanged and means that the cost will be shared between all precepting authorities as with other reductions, discounts, and exemptions from Council Tax.
- II. Childcare cost element; it is proposed that this element be disregarded as income within the Council Tax Reduction scheme. This will increase the support to those households with children who take paid employment.

These recommendations are proposed to further assist low-income households and support the collection of Council tax whilst remaining affordable for the Council. The proposed scheme had been subject to consultation between 9 October and 5 November 2023 and the response shows that 54.54% agree or strongly agree, whilst 18.18 are neutral.

As well as the proposed amendments it is also recommended that the schemes income bandings are subject to the annual inflation uplift to reflect the rate of inflation for working age benefits so that the current level of support for claimants is maintained and continues to provide appropriate support for the towns financially vulnerable residents.

Is therefore requested that Council approve the Council Tax Reduction (CTR) scheme for 2024/25, following Executive endorsement on 17.1.24.

Purpose

1. To seek approval of the Council Tax Reduction (CTR) scheme for 2024/25.

Recommendations

2. That Council approve the Council Tax Reduction (CTR) scheme for 2024/25 which includes the following amendments.
 - An inflationary uplift to the scheme's income bandings.
 - The cost of support for Care Leavers into the Collection Fund from the General Fund;
 - Disregard the childcare element of Universal Credit as 'income' within the Council Tax Reduction Scheme.

Rationale for the recommended decision(s)

3. The proposed amended scheme will further assist low-income households and support the collection of Council Tax whilst remaining affordable for the Council to provide.

Background and relevant information

4. 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.

5. Middlesbrough Council, as the billing authority, has a statutory requirement to revise or design and fund a CTR scheme by no later than 11 March each year which is approved by a full Council decision.

Current Scheme

6. In 2022/23 the Council moved to an income-banded scheme, away from the previous complex means-tested schemes, to simplify the claiming process and reduce the administrative burden. The simplification of the scheme avoided the need for multiple in-year changes, thereby reducing overall costs associated with the recalculation of instalments and in turn supporting the collection of Council Tax.

7. 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).

8. The current scheme remained unchanged apart from an inflationary uplift for 2023/24 to the income bandings to reflect the inflation increase applied to working age benefits, to maintain the level of support for residents due to the Cost of Living and Energy crises.

Proposed Approach for the 2024/25 Council Tax Reduction Scheme

9. It is proposed that the current income-banded scheme be retained for 2024/25 noting the proposed amendments. It is also proposed that the scheme income bandings are increased in line with inflation.

10. On 22 November 2023, the Chancellor announced in the Autumn Statement that benefits including Universal Credit and working age benefits would increase in line with inflation at 6.7% from April 2024.

11. This increase in income from benefits due to the inflation uplift could mean a lower discount rate band applies, based on the existing CTR income ranges set, and result in a reduction in the level of support, which for some households would add in excess of £300.00 per year to their bill.

12. The CTR scheme provides for income band ranges to be increased “by the appropriate level of inflation decided by the Council”. It is therefore proposed to adjust the income band ranges for 2024/25 to reflect the inflation increase applied to state benefits and thereby maintain the level of support for applicants.

13. The weekly income ranges for the current 2023/24 CTR scheme are as follows:

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 1	90%	£0 - £110.10	£110.11 - £176.16	£176.17 - £242.22	£242.23 - £154.14	£154.15 - £225.71	£225.72 - £286.26
Band 2	72%	£0 - £198.18	£198.19 - £264.24	£264.25 - £324.80	£324.81 - £264.24	£264.25 - £309.38	£309.39 - £374.34
Band 3	36%	£0 - £236.72	£236.73 - £280.76	£280.77 - £385.35	£385.36 - £319.29	£319.30 - £352.32	£352.33 - £440.40
Band 4	23%	£0 - £280.76	£280.77 - £308.28	£308.29 - £495.45	£495.46 - £374.34	£374.35 - £407.37	£407.38 - £528.48
	0%	Over £280.76	Over £308.28	Over £495.45	Over £374.34	Over £407.37	Over £528.48

14. The proposed new weekly income ranges for 2024/25 are as follows:

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 1	90%	£0 - £117.48	£0 - £187.96	£0 - £258.45	£0 - £164.47	£0 - £240.83	£0 - £305.44
Band 2	72%	£117.49 - £211.46	£187.97 - £281.94	£258.46 - £346.56	£164.48 - £281.94	£240.84 - £330.11	£305.45 - £399.42
Band 3	36%	£211.47 - £252.58	£281.95 - £299.57	£346.57 - £411.17	£281.95 - £340.68	£330.12 - £375.93	£399.43 - £469.91
Band 4	23%	£252.59 - £299.57	£299.58 - £328.93	£411.18 - £528.65	£340.69 - £399.42	£375.94 - £434.66	£469.92 - £563.89
	0%	Over £299.57	Over £328.93	Over £528.65	Over £399.42	Over £434.66	Over £563.89

15. The cost of implementing the new ranges has been modelled and estimated at c£180,000 against the current CTR scheme expenditure. Due to the variables contained within the scheme, the actual cost may alter according to prevailing individual circumstances.

16. In addition to the uplift in income bandings the following amendments are proposed for 2024/25 - (option 2 in the table at paragraph 22):

- I. **Care Leavers:** Inclusion of the cost of support for Care Leavers into the Collection Fund from the General Fund which is essentially a technical adjustment. The adjustment has no impact on the support provided to Care Leavers within the scheme, this 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. This has the effect of 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.

17. Work has been undertaken throughout this year to analyse the implications of various scheme options and amendments. The amendments recommended in paragraph 16 have been subject to consultation with the public and the major precepting authorities.

Consultation Process

18. On the 9 October 2023, the Executive approved that the proposed scheme progress to consultation. Public consultation was open from 9 October 2023 to 5 November 2023 and publicised by way of multiple social media posts and advertisement on numerous pages on the Council's website - which provided a direct link to the consultation form. Details about the consultation were included within the Council's resident e-newsletter.

19. The results suggested that the majority of respondents in general support the options presented, with 54.54% agreeing or strongly agreeing, and 18.18% neutral.

20. A summary of the results from the 44 completed public surveys can be found in Appendix B.

21. As part of the public consultation the major precepting authorities (Police and Crime Commissioner and the Fire Authority) were directly contacted and have been informed of the proposed changes.

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

22. The full list of options considered prior to consultation were as follows:

OPTION	£m	Proposed	Reason
1. No Change	0.00	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 the childcare costs element as income 	(0.021)	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	3.15	No	The Council is unable to meet this additional cost within the current budget position.
4. 100% scheme	4.0	No	The Council is unable to meet this additional cost within the current budget position.
5. 90% with band uplift	0.442	No	The Council is unable to meet this additional cost within the current budget position.

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

24. Options 3 and 4 - enhance or increase the scheme to a 95% or 100% maximum discount scheme respectively. This is not recommended as the associated cost (c£3.15 million for a 95% scheme and c£4 million for a 100% scheme) is disproportionately high. The increased cost to the General Fund budget is a significant pressure that is unaffordable given the Council’s current financial position.

25. Option 5 provides an uplift in the amount of CTR 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)

Financial (including procurement and Social Value)

26. The current CTR scheme annual budget is £20m, which is allocated to the Council's Collection Fund. Costs are shared between the Council and the major precepting authorities as shown below.

Major Precepting Authorities	% Cost Share	£m Cost Share
Middlesbrough Council	84%	16.8
Police & Crime Commissioner	12%	2.4
Fire	4%	0.8

27. The proposed scheme was costed on the number of active claims as of July 2023. It is not possible to estimate the impact to the scheme brought about by changes to claimants' circumstances or unforeseeable events.

28. To uplift the schemes income bandings, it is anticipated that the total cost to the Council for its share will be c£151,000 and this will be factored into the updated Medium Term Financial Plan in February 2024.

29. The overall cost of the proposed amendments to the scheme are shown below:

Proposal	Budget Implication	£m
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 (From Consultation)	(0.021)
Those in receipt of Universal Credit to have the childcare costs element disregarded as income.	An estimated cost of £50,000 to the CTR scheme – which would lead the Council to pay £42,000 which is the Council's precepting share. (From Consultation) .	0.042
Uplifting the scheme's income bandings	Cost is c£180,000 of which the estimated cost to the Council £151,000. (No requirement to Consult) .	0.151
Total net increase in scheme cost		0.172

30. After adjusting for the precepting authorities within the Collection Fund, the cost to the Council is £172,000. This will impact the Collection Fund in 2024/25 and General Fund budget in 2025/26 as this is the next time the Council can precept on the Collection Fund, after the change has been made.

31. The Collection Fund is legally separate from the Council's General Fund and equates to all 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.

32. 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 resident's ability to pay in accordance with the CTR scheme criteria. Normally the impact of the CTR will reduce any overall surplus or increase deficit on the Collection Fund, which would lead to a reduced share of income being available to fund the Council's General Fund Budget.
33. For Council Tax, the Council is 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 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 the Collection 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. For example, the 2022/23 outturn on the Collection Fund is fed into 2024/25 General Fund budget setting.

Legal

34. 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.
35. Paragraph 3, of the Act, applies to an authority when revising a scheme as it applies to an authority when making a scheme:
 - I. consult any major precepting authorities which has power to issue a precept to it;
 - II. publish a draft scheme in such manner as it thinks fit and;
 - III. consult such other persons as it considers are likely to have an interest in the operation of the scheme.
36. 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 CTR scheme, and Section 5 (2) of Schedule 1A requires that each billing authority in England must make a CTR scheme by no later than 11 March each year. The above legislation states that the authorisation of the full scheme is subject to Council approval.

Risk

37. The scheme supports the delivery of the Council's strategic priority to reduce poverty as set out in the Council Plan 2024-2027. 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.

38. The implementation of a local CTR scheme ensures 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, Public Sector Equality Duty, and Community Cohesion

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

Climate Change / Environmental

40. There are no disproportionate adverse impacts on the aspirations of the Council to achieve net zero, net carbon neutral or be the lead authority on environmental issues.

Children and Young People Cared for by the Authority and Care Leavers

41. The current scheme provides support for Care Leavers, the proposal is for the cost of the support to be allocated to the Collection Fund rather than the General Fund. This change has no impact on the support available to Care Leavers, it does however share the cost of the support with the Precepting Authorities.

Data Protection / GDPR

42. The collation and use of personal data will be managed in accordance with the Council’s Data Protection policy and the Benefits, Council Tax and Business Rates Privacy Notice [Privacy notice - Housing Benefit and Council Tax Reduction | Middlesbrough Council](#)

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

Action	Responsible Officer	Deadline
The CTR scheme will be updated as outlined above. Subject to Full Council approvals. The scheme for 2024/2025 will be published on the Council’s website by 31 March 2024.	Janette Savage	31 March 2024

Appendices

A	2024-25 Proposed Council Tax Reduction Scheme, S13A and Schedule 1a of the Local Government Finance Act 1992 (to follow)
B	A summary of the public consultation survey results (attached)

Background papers

No background papers were used in the preparation of this report.

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

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1.0 Introduction to the Council Tax Reduction Scheme

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

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

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

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

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

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

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

The three prescribed classes are as follows;

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

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

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

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

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

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

Class C: alternative maximum Council Tax Reduction

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

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

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

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

- (a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;

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

Disregard of certain incomes

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

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

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

- 1.6 The adopted scheme for working age applicants is an income band 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 **two** classes of persons who will receive a reduction in line with adopted scheme. Working age applicants must not be of a prescribed class exempted from reduction. The majority of working age applicants will receive a reduction as calculated in this document (Class D). The Council has a class for care leavers (Class E) which is defined within Schedule 4.

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 £10,000;
- (h) not have income above the levels specified within the scheme;
- (i) be a person in respect of whom a day in which s/he is liable to pay council tax 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.

Class E

To obtain reduction the individual must:

- (a) be a defined care leaver and under the age of 25;
- (b) be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- (c) is not deemed to be absent from the dwelling;
- (d) 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;
- (e) be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated; and
- (f) has made a valid application for reduction.

Council Tax Reduction Scheme

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

2.0 Interpretation – an explanation of the terms used within this policy.

2.1 In this policy–

‘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:

‘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;

‘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).

‘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;

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

‘couple’ means;

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

Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes.

‘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;

‘family’ has the meaning assigned to it by section 137(1) of the Act and Section 8 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;

‘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;

‘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;

'net earnings' means such earnings as are calculated in accordance with this scheme;

'net profit' means such profit as is calculated in accordance with this scheme;

'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 an applicant has moved, or is about to move, in which the applicant is or will be resident;

'non-dependant' means any person, who normally resides with an applicant or with whom an applicant normally resides except;

(a) any member of the applicant's family;

(b) if the applicant is polygamously married—

(i) where the applicant has (alone or jointly with his partner) an award of universal credit, any—

(aa) party to such a marriage other than the applicant's partner; and

(bb) any child or young person who is a member of his household and for whom he or his partner or another party to the polygamous marriage is responsible; or

(ii) in any other case, 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 paragraph 8 (households);

(d) any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);

(e) 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; and

(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.

'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;

'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 7 consecutive days commencing upon a Monday and ending on 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;

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

'self-employed earner' is to be construed in accordance with section 2(1)(b) of the Act;

'self-employment route' means assistance in pursuing self-employed earner's employment whilst participating in–

(a) an employment zone programme;

(b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);

(c) the Employment, Skills, and Enterprise Scheme;

(d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;

(e) Back to Work scheme.

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

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

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

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

‘the SSCBA’ means the Social Security Contributions and Benefits Act 1992

‘State Pension Credit Act’ means the State Pension Credit Act 2002;

‘student’ has the meaning prescribed in section 43;

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

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

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

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

(a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People’s Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;

(b) to a person for his maintenance or in respect of a member of his family; and

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

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

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

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

‘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 amended.

2.2 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.

2.3 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).

2.4 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.

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 Requirement to provide a National Insurance Number

3.1 No person shall be entitled to reduction unless the criteria below in 3.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming reduction.

3.2 This subsection is satisfied in relation to a person if—

(a) the claim for reduction is accompanied by;

- i. a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
- (b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

3.3 Paragraph 3.2 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.

4.0 Persons who have attained the qualifying age for state pension credit.

4.1 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.

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

Persons treated as not being in Great Britain

5.1 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.

5.2 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.

5.3 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.

5.4 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).

- 5.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
 - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 5.4B Paragraph (5A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
 - (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 5.5 A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
 - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
 - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
 - (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in sub-paragraph (a);
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
 - (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
 - (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th

July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;

- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion, or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance; 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).

5.6 A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.

5.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

5.8 In this regulation—
“**claim for asylum**” has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
“**Crown servant**” means a person holding an office or employment under the Crown;
“**EEA Regulations**” means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020
“**EEA national**” has the meaning given in regulation 2(1) of the EEA Regulations;
“**family member**” has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);
“**His Majesty's forces**” has the same meaning as in the Armed Forces Act 2006; and
“**relevant person of Northern Ireland**” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971.

Persons subject to immigration control

5.9 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.

5.10 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 5.9.

5.11 “**Person subject to immigration control**” has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

6.0 Transitional provision

6.1 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 6.2 occurs.

6.2 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.

6.3 In this section "the Act" means the Local Government Finance Act 1992.

7.0 Temporary Absence (period of absence)

7.1 A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.

7.2 In sub-paragraph (1), 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 in Great Britain 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) subject to sub-paragraph (2B), a period of absence within Great Britain 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;
- (c) a period of absence not exceeding 52 weeks, beginning with the first whole day of that 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 sub-paragraph (3) applies; and
 - (iv) subject to sub-paragraph (2D), a period of absence within Great Britain is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period and;
- (d) subject to sub-paragraphs (2F), (3C), (3E) and (3G) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain 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 resides is not let or sub-let; and (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks;

7.2A The period of 13 weeks referred to in sub-paragraph (2)(b) shall run or continue to run during any period of absence from Great Britain.

7.2B Where—

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
 - (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and
 - (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,
- then any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).

7.2C The period of 52 weeks referred to in sub-paragraph (2)(c) shall run or continue to run during any period of absence from Great Britain.

7.2D Where —

1. a person returns to Great Britain after a period of absence from Great Britain (period A);
2. that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and
3. at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, then, any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(c).

7.2E This sub-paragraph applies where—

1. a person is temporarily absent from Great Britain;
2. immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

7.2F If the temporary absence referred to in sub-paragraph (2)(d) is in connection with the death of—

1. the person's partner or a child or young person for whom the person or the person's partner is responsible;
2. the person's close relative;
3. the close relative of the person's partner; or
4. the close relative of a child or young person for whom the person or the person's partner is responsible, then the period of 4 weeks in the opening words of sub-paragraph (2)(d) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in subparagraph (iii) of that paragraph to a period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).";

7.3 This sub-paragraph applies to a person who—

- (a) is a person to whom sub-paragraph (3A) applies;
 - (i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007, or is detained in custody pending sentence upon conviction;
- (b) is resident in a hospital or similar institution as a patient;
- (c) is undergoing, or whose partner or dependent child is undergoing medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- (d) is following a training course;
- (e) is undertaking medically approved care of a person;
- (f) is 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 or medical treatment;
- (g) is receiving medically approved care provided in accommodation other than residential accommodation;
- (h) is a student;
- (i) is receiving care provided in residential accommodation and is not a person to whom subparagraph (2)(a) 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.

7.3A This sub-paragraph applies to a person ("P") who is—

- (a) detained in custody on remand pending trial;

- (b) detained pending sentence upon conviction; or
- (c) as a condition of bail required to reside—
 - (i) in a dwelling, other than a dwelling P occupies as P's home; or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007(a),and who is not also detained in custody following sentence upon conviction.

- 7.3B This sub-paragraph applies where—
- (a) a person is temporarily absent from Great Britain;
 - (b) the person is a member of His Majesty's forces posted overseas, a mariner or a continental shelf worker;
 - (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- 7.3C Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (a) the person intends to return to the dwelling;
 - (b) the part of the dwelling in which he usually resided is not let or sub-let;
 - (c) the period of absence from Great Britain is unlikely to exceed 26 weeks.
- 7.3D This sub-paragraph applies where—
- (a) a person is temporarily absent from Great Britain;
 - (b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of subparagraph (3);
 - (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- 7.3E Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (a) the person intends to return to the dwelling;
 - (b) the part of the dwelling in which he usually resided is not let or sub-let;
 - (c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
- 7.3F This sub-paragraph applies where—
- (a) a person is temporarily absent from Great Britain;
 - (b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of subparagraph (3);
 - (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
- 7.3G Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—
- (a) the person intends to return to the dwelling;
 - (b) the part of the dwelling in which he usually resided is not let or sub-let;
 - (c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.
- 7.4 This sub-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, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995; 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.

- 7.5 Where sub-paragraph (4) 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 sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;
 - (b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;
 - (c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.
- 7.6 In this paragraph—
- “continental shelf worker”** means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998(a);
- “designated area”** means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964(b) as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;
- “mariner”** means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—
- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
 - (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;
- “medically approved”** means certified by a medical practitioner;
- “member of His Majesty’s forces posted overseas”** means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006(c)), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of His Majesty’s regular forces or reserve forces;”; and
- “patient”** means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;
- “prescribed area”** means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;
- “residential accommodation”** means accommodation which is provided in—
- (a) a care home;
 - (b) an independent hospital;
 - (c) an Abbeyfield Home; or
 - (d) 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.

Transitional provision

- 7.7 Subject to paragraph (8), the provision shall not apply in respect of a person who is temporarily absent from Great Britain on 1st April 2017 until the day that person returns to Great Britain.
- 7.8 Paragraph (7) does not apply to a person who, on 1st April 2017, is temporarily absent from Great Britain and is—
- (a) a member of His Majesty’s forces posted overseas;
 - (b) absent in the capacity of a continental shelf worker; or
 - (c) absent in the capacity of a mariner.
- 7.9 In this section—
- “continental shelf worker”** means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;
- “designated area”** means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;
- “mariner”** means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—
- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
 - (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;
- “member of His Majesty’s forces posted overseas”** means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the dwelling that the person normally occupies as his home because the person has been posted outside of Great Britain to perform the duties of a member of His Majesty’s regular forces or reserve forces; and
- “prescribed area”** means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

8.0 Membership of a family

- 8.1 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'.

- 8.2 Paragraph 8.1 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.

- 8.3 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.

9.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person.

- 9.1 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.

- 9.2 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.

- 9.3 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.

10.0 Circumstances in which a child or young person is to be treated as being or not being a member of the household.

- 10.1 Subject to paragraphs 10.2 and 10.3, the applicant and any partner and, where the applicant or his partner is treated as responsible 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.

- 10.2 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 with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002.

10.3 Subject to paragraph (4), paragraph (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).

10.4 The authority shall treat a child or young person to whom paragraph (3a) 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.

10.5 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.

11.0 Calculation of income and capital of members of applicant’s family and of a polygamous marriage

11.1 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.

11.2 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.

11.3 The income and capital of a child or young person shall not be treated as the income and capital of the applicant.

12.0 Calculation of income and capital: persons who have an award of universal credit.

12.1 Any universal credit new claim notification received by the authority may be used as a claim for reduction or in the assessment of council tax reduction including data received from the Secretary of State where the applicant no longer qualifies for a universal credit award.

12.2 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 may 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. The authority may use any other assessment based on the information provided by the Secretary of State.

- 12.3 The authority may adjust the amount referred to in sub-paragraph (2) to take account of
- (a) income consisting of the award of universal credit;
 - (b) any sum to be disregarded in the calculation of earnings;
 - (c) any sum to be disregarded in the calculation of income other than earnings; and
 - (d) any sum determined by the authority as the proportion of housing costs award;
- 12.4 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.
- 12.5 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.

13.0 Calculation of income on a weekly basis

- 13.1 For the purposes of this scheme 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.

14.0 Average weekly earnings of employed earners.

- 14.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by the authority by reference to his actual earnings over a period determined by the authority as reasonable. This period will not exceed 52 weeks.
- 14.2 Where the applicant is recently employed and cannot furnish the appropriate evidence, the authority may 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.
- 14.3 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.

15.0 Average weekly earnings of self-employed earners

- 15.1 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. This period shall not exceed 52 weeks.

15A.0 Minimum Income Floor

- 15A.1 Where no start up period (as defined within 15A.2) applies to the applicant or partner, the income used by the Council in the calculation of their award will be the gross amount declared by the applicant or a substituted amount whichever is the higher. This substituted amount shall not be less than 35 hours multiplied by the national living wage (or national minimum wage as

appropriate) From that, the Council will deduct only an estimate for tax, national insurance and a pension contribution (where a pension contribution is being made).

15A.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the applicant or partner. This will normally be one year from the date of commencement of the employment activity. During this period, no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.

15A.3 Where an applicant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the substituted amount where appropriate.

15A.4 No start-up period may be applied in relation to an applicant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Reduction.

15A.5 In order to establish whether to award a start up period, the applicant must satisfy the Council that the employment is:

- Genuine and effective. The Council must be satisfied that the employment activity is being conducted; and
- Being conducted with the intention of increasing the income received to the level that would be conducive with that form of employment.

15A.6 For the purposes of determining whether an applicant is in gainful self-employment or meets the conditions for a start up-period, the Council will require the applicant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self-employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start-up period are met.

15A.7 Where the applicant satisfies the authority that, based on his or her circumstances, there are good reasons that a Minimum Income Floor should not apply, the authority may, at its discretion, determine that no Minimum Income Floor applies to that particular award of Council Tax Reduction.

16.0 Average weekly income other than earnings

16.1 An applicant's income which does not consist of earnings shall be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately. Such period shall not exceed 52 weeks.

17.0 Calculation of average weekly income from tax credits

17.1 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 (2)

17.2 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.

17.3 For the purposes of this section 'tax credit' means child tax credit or working tax credit.

18.0 Calculation of weekly income

- 18.1 For the purposes of this scheme 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.
- 18.2 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.

19.0 Earnings of employed earners.

- 19.1 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 amended.
- 19.2 Earnings shall not include—
- (a) 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

20.0 Calculation of net earnings of employed earners.

- 20.1 For the purposes of this scheme, the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall be his net earnings.
- 20.2 There shall be disregarded from an applicant's (or their partner's) net earnings, £25 per week. This shall apply irrespective of the applicant's household and only one disregard shall be applied per claim.
- 20.3 Net earnings shall 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 National Insurance contributions
 - (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 20.5 in respect of any qualifying contribution payable by the applicant; and
- 20.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.
- 20.5 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.
- 20.6 Where the earnings of an applicant are estimated an appropriate estimate of net earnings shall be determined in line with paragraph (3) above.

21.0 Earnings of self-employed earners

- 21.1 'Earnings', in the case of employment as a self-employed earner, means the gross income of the employment
- 21.2 'Earnings' shall not include any payment 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.
- 21.3 This paragraph applies to—
- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent, or trademark; or
 - (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book of work concerned.

22.0 Calculation of net profit of self-employed earners

- 22.1 For the purposes of this scheme 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 this scheme; and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 22.2 There shall be disregarded from an applicant's (or their partner's) net earnings, £25 per week per claim.
- 22.3 The net profit of the employment must be calculated by taking into account the earnings for the employment over the assessment period less:
- (a) any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - (b) an amount in respect of;
 - i. income tax, and
 - ii. national insurance contributions payable calculated in accordance with section 22; and
 - iii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 22.4 For the purposes of paragraph (1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 22.5 No deduction shall be made under paragraph (3 a) or (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.
- 22.6 A deduction shall be made under paragraph (3 a) or (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.
- 22.7 The authority shall refuse to make deduction in respect of any expenses where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 22.8 For the avoidance of doubt–
- (a) deduction shall not be made in respect of any sum unless it has been expended for the purposes of the business;
 - (b) a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;

iii. any payment of interest on a loan taken out for the purposes of the employment

22.9 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 calculated by the authority in line with 23.2;
- (c) one-half of the amount any qualifying pension contribution in accordance with (11).

22.10 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.

22.11 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.

22.12 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.

23.0 Deduction of tax and contributions of self-employed earners

23.1 The amount to be deducted in respect of income tax under section 22 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 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 is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

23.2 The amount to be deducted in respect of national insurance contributions under section shall be the total of—

- (a) the amount of Class 2 National Insurance contributions payable 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.

23.3 In this section 'chargeable income' means—

- (a) the earnings derived from the employment less any expenses deducted under section 22;
- (b) in the case of employment as a child minder, one-third of the earnings of that employment.

24.0 Calculation of income other than earnings

- 24.1 For the purposes of this scheme, the income of an applicant which does not consist of earnings to be taken into account shall be his gross income and any capital treated as income under section 25.
- 24.2 There shall be disregarded from the calculation of an applicant's gross income any sum, where applicable, specified in Schedule 2.
- 24.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account shall be the gross amount payable.
- 24.4 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.
- 24.5 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 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.
- 24.6 'Tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.
- 24.7 Paragraphs (7),(8), (9) and (10) apply to any applicant who is a student. Paragraph (8) and (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.
- 24.8 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 (1) in respect of a person to whom paragraph (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 he last day of the academic term in which he abandoned, or was dismissed from, his course;
B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;
C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax 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.
- 24.9 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 (1) in respect of a person to whom paragraph (8) applies, shall be calculated by applying the formula in paragraph (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.

24.10 In this section– ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of this scheme, ‘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.

25.0 Capital treated as income and Notional Income

25.1 Any payment received under an annuity shall be treated as income.

25.2 Any earnings to the extent that they are not a payment of income shall be treated as income.

25.3 Any Career Development Loan paid pursuant to section 2 of the 1973 Act shall be treated as income.

25.4 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.

25.6 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.

25.7 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) rehabilitation allowance made under section 2 of the 1973 Act;
- (e) child tax credit; or
- (f) working tax credit,

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.

25.8 Any payment of income made–

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
- (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

25.9 This section 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.

25.10 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 1st April in that year.

25.11 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.

25.12 Paragraph (11) 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.

25.13 ‘Work placement’ means practical work experience which is not undertaken in expectation of payment.

25.14 Where an applicant is treated as possessing any income under this section, 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.

25.15 Where an applicant is treated as possessing any earnings under this section 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 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 subparagraph shall be calculated on a pro rate basis;
- (b) an amount equivalent to the amount of the primary Class 1 National Insurance contributions that would be payable by him 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.

26.0 Capital limit

26.1 For the purposes of this scheme, the prescribed amount is £10,000 and no reduction shall be granted when the applicant has an amount greater than this level.

27.0 Calculation of capital

27.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under this scheme.

27.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (1), any capital, where applicable, specified in Schedule 3.

28.0 Disregard of capital of child and young person

28.1 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.

29.0 Income treated as capital.

29.1 Any bounty derived from employment and paid at intervals of at least one year shall be treated as capital.

29.2 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.

29.3 Any holiday pay which is not earnings shall be treated as capital.

29.4 Any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

29.5 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.

29.6 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.

29.7 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.

29.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

29.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

30.0 Calculation of capital in the United Kingdom

30.1 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;

31.0 Calculation of capital outside the United Kingdom

31.1 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.

32.0 Notional capital

32.1 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 33.

32.2 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 3; 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 Schedule 3 refers; or

(f) child tax credit; or

(g) 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.

32.3 Any payment of capital, other than a payment of capital specified in paragraph (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.

32.4 Paragraph 32.3 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—
 - vi. 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;
 - vii. the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - viii. 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.

32.5 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 be disregarded; and
- (b) he shall 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.

32.6 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 (5) shall be disregarded.

32.7 Where an applicant is treated as possessing capital under any of paragraphs (1) and (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.

33.0 Diminishing notional capital rule.

33.1 Where an applicant is treated as possessing notional capital the amount which he is treated as possessing shall be reduced by the amount calculated by the authority as the weekly amount of council tax reduction lost due to the inclusion of the notional capital within the calculation.

33.2 The authority will reduce any notional capital at a frequency of 13 weeks.

34.0 Capital jointly held.

34.1 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.

35.0 Students - Student related definitions

35.1 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' means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary;

'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

35.2 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.

35.3 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.

36.0 Students who are excluded from entitlement to council tax reduction.

36.1 Students (except those define in paragraph (3)) are not able to claim Council tax reduction under Classes D of the authority’s reduction scheme.

36.2 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 person from abroad within the meaning of section 7 of this scheme (persons from abroad).

36.3 Paragraph 36.2 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) who is in receipt of a Personal Independence Payment;
- (d) 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;
- (e) (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),
- (f) 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);
- (g) 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; oron account of his disability by reason of deafness.

36.4 For the purposes of paragraph (3)(f)(i) the student must have begun or been enrolled or accepted onto the course before attaining the age of 19.

36.5 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.

36.6 An intercalating student may be eligible for a reduction if the following circumstances are met:

- (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 (7).

36.7 The period specified for the purposes of paragraph (6) 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.

37.0 Students - Calculation of grant income

37.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs (2) and (3), be the whole of his grant income.

37.2 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 childcare costs of a child dependant.
- (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

37.3 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 amounts shall be adjusted annually in line with the Housing Benefit Regulations 2006.

37.4 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.

37.5 Subject to paragraphs (6) and (7), a student's grant income shall be apportioned;

- (a) subject to paragraph (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.

37.6 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.

37.7 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 shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

37.8 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.

38.0 Students - Calculation of covenant income where a contribution is assessed.

38.1 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 (3), the amount of the contribution.

38.2 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 (1) by 52 or 53, whichever is reasonable in the circumstances; and
- (b) by disregarding from the resulting amount, £5.

39.0 Students - Covenant income where no grant income or no contribution is assessed.

39.1 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 the 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 in the 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.

39.2 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 (1).

40.0 Students - Covenant Income and Grant income – non-disregard

40.1 No part of a student's covenant income or grant income shall be disregarded under this scheme.

41.0 Treatment of student loans

41.1 A student loan shall be treated as income.

41.2 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.

41.3 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.

41.4 Where a student is treated as possessing a student loan under paragraph (3), the amount of the student loan to be taken into account as income shall be, subject to paragraph (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.

41.5 There shall be deducted from the amount of income taken into account under paragraph (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 amounts shall be adjusted annually in line with the Housing Benefit Regulations 2006.

42.0 Students - Treatment of fee loans

42.1 A 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.

43.0 Students - Treatment of payments from access funds

43.1 A payment from access funds, other than a payment to which paragraph 43.2 applies, shall be disregarded as income.

- 43.2 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.

43.3 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.

44.0 Students - Disregard of contribution

44.1 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.

45.0 Further disregard of student's income

45.1 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.

46.0 Students - Income treated as capital.

46.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

46.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

46.3 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.

47.0 Students - Disregard of changes occurring during summer vacation.

47.1 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.

48.0 Maximum Council Tax Reduction

48.1 Subject to paragraphs (2) to (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 90 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.

48.2 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.

48.3 Subject to paragraph (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 who is excluded from entitlement to Council Tax Reduction applies, in determining the maximum Council Tax Reduction in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

48.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (3) shall not apply in his case.

49.0 Date on which entitlement is to begin.

49.1 Subject to paragraph (2), any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that reduction shall be so entitled from the date on which that claim is made or is treated as made.

49.2 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.

50.0 Date on which change of circumstances is to take effect.

50.1 A change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from date on which the change actually occurs.

50.2 Where the change of circumstances is that income, or an increase in the amount of income, 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.

51.0 Making an application.

51.1 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.

- 51.2 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.
- 51.3 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.
- 51.4 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).
- 51.5 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).
- 51.6 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.
- 51.7 The authority must;
- (a) inform any person making an application of the duty imposed on them
 - (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.

52.0 Procedure by which a person may apply for a reduction under the authority's scheme¹

52.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme.

52.2. An application may be made;

- (a) in writing,

¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (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) a notification of a new claim for Universal Credit from DWP, may be treated by the authority as a claim for reduction.

52.3 An application which is made in writing must be made to the designated office on a properly completed form. The form must be provided free of charge by the authority for the purpose.

52.4 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.

52.5 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.

52.6 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. An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

52.7 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.

52.8 If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect. An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

52.9 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.

52.10 Where an applicant ('C') makes a claim which includes (or which C subsequently requests should include) a period before the claim is made, the authority may, at its discretion, where there is a good reason, treat the claim as made on an earlier date up to one year (or the beginning of the financial year) in which the request is received by the authority.

53.0 Date on which an application is made²

53.1 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,

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

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.

53.2 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.

53.3 Where there is a defect in an application 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.

53.4 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.

53.5 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.

53.6 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.

53.7 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.

53.8 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.

54.0 Submission of evidence electronically

54.1 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.

55.0 Use of telephone provided evidence.

55.1 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.

56.0 Information and evidence³

56.1 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.

56.2 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.

56.3 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.

56.4 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.

56.5 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.

56.6 Where the authority makes a request under sub-paragraph (4), it must;

- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
- (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

56.7 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

³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Limited, the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund; and
(b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);

- 56.8 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.

57.0 Amendment and withdrawal of application⁴

- 57.1 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.
- 57.2 Where the application was made by telephone the amendment may also be made by telephone.
- 57.3 Any application amended is to be treated as if it had been amended in the first instance.
- 57.4 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.
- 57.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 57.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 57.7 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.

58.0 Duty to notify changes of circumstances⁵

- 58.1 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.
- 58.2 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

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

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

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.

58.3 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.

58.4 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.

58.5 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.

58.6 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.

58.7 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.

59.0 Decisions by the authority⁶

59.1 The authority must make a decision on an application under its scheme within 14 days or as soon as reasonably practicable thereafter.

60.0 Notification of decision⁷

60.1 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.

60.2 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);

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

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

- (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.

60.3 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.

60.4 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.

60.5 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.

60.6 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.

60.7 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).

60.8 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 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.

61.0 Time and manner of granting council tax reduction⁸

61.1 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.

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

61.2 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).

61.3 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.

61.4 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).

62.0 Persons to whom reduction is to be paid⁹

62.1 Subject to paragraph (2), any payment of the amount of a reduction must be made to that person.

62.2 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.

63.0 Shortfall in reduction¹⁰

63.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

64.0 Payment on the death of the person entitled¹¹

64.1 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

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

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

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

administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

65.0 Offsetting

65.1 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.

66.0 Payment where there is joint and several liability¹²

66.1 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.

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

66.3 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 this scheme or is treated as having been so appointed, the amount of the reduction may be paid to that person.

67.0 Use of information from and to the Department for Work and Pensions (DWP) and His Majesty's Revenue and Customs (HMRC)

67.1 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

67.2 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 requirements¹³.

68.0 Collection of information

68.1 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

68.2 The authority may verify relevant information supplied to or obtained.

¹² Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

¹³ Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

69.0 Recording and holding information.

- 69.1 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.

70.0 Forwarding of information.

- 70.1 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.

71.0 Persons affected by Decisions.

- 71.1 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;

72.0 Terminations

- 72.1 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. Where the amount of reduction reduces to zero, the award will end.

73.0 Procedure by which a person may make an appeal against certain decisions of the authority¹⁴

- 73.1 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.
- 73.2 The authority must
- (a) consider the matter to which the notice relates;
 - (b) notify the aggrieved person in writing;

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

- (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.

73.3 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 Act¹⁵.

74.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act¹⁶

74.1 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.

74.2 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).

75.0 Exceptional Hardship Scheme

75.1 The authority may provide additional help to an applicant who is entitled to reduction under its Exceptional Hardship Scheme.

75.2 Such payments shall be deemed to be made under S13A (1)(a) of the 1992 Act.

76.0 Interpretation for the use of electronic communication

76.1 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.

77.0 Conditions for the use of electronic communication

77.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.

77.2 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.

77.3 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.

77.4 The second condition is that the person uses an approved method of;

¹⁵ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

¹⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (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.

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

77.6 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.

77.7 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.

77.8 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.

78.0 Use of intermediaries

78.1 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.

79.0 Effect of delivering information by means of electronic communication.

79.1 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.

79.2 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).

79.3 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.

80.0 Proof of identity of sender or recipient of information

80.1 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.

81.0 Proof of delivery of information

81.1 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.

81.2 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.

81.3 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.

82.0 Proof of content of information

82.1 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.

83.0 Counter Fraud and compliance

83.1 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.

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

- (a) will implement rigorous procedures for the verification of claims for council tax reduction;
- (b) will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- (c) will actively tackle fraud where it occurs in accordance with this scheme;
- (d) will co-operate with the Department for Work and Pensions (DWP), His Majesty's Revenue and Customs and take part in joint working including prosecutions; and
- (e) will in all cases seek to recover all outstanding council tax.

83.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph (1) and (2) can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Calculation of the amount of Council Tax Reduction in accordance with the Discount Scheme.

1. The authority's Council Tax Reduction scheme from 2024/25 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
WEEKLY Income Ranges							
Band 1*	90%	£0 - £110.10	£0 - £176.16	£0 - £242.22	£0 - £154.14	£0 - £225.71	£0 - £286.26
Band 2	72%	£110.11 - £198.18	£176.17 - £264.24	£242.23 - £324.80	£154.15 - £264.24	£225.72 - £309.38	£286.27 - £374.34
Band 3	36%	£198.19 - £236.72	£264.25 - £280.76	£324.81 - £385.35	£264.25 - £319.29	£309.39 - £352.32	£374.35 - £440.40
Band 4	23%	£236.73 - £280.76	£280.77 - £308.28	£385.36 - £495.45	£319.30 - £374.34	£352.33 - £407.37	£440.41 - £528.48
	0%	Over £280.76	Over £308.28	Over £495.45	Over £374.34	Over £407.37	Over £528.48

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; and
 - The capital of the applicant and partner as defined within this scheme.
3. For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.
4. Discount bands vary depending on both weekly income and the household (family as defined within this scheme).
5. Any applicant and any partner whose capital is greater than £10,000 shall not be entitled to any Council Tax Reduction whatsoever.
6. The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation decided by the Council.
7. *Where an applicant or partner is in receipt of Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at Band 1 level.

Schedule 2

Sums to be disregarded in the calculation of income other than earnings.

1. Any amount paid by way of tax on income,
2. Any payment made to the applicant and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills, and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
4. Any payment in respect of any expenses incurred or to be incurred by an applicant who is–
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
5. Any payment in respect of expenses arising out of the applicant’s participation in a service user group.
5. 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.
6. 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.
7. 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.
8. 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.
9. Any disability living allowance or personal independence payment or AFIP
10. Any concessionary payment made to compensate for the non-payment of;
 - (a) income support;
 - (b) an income-based jobseeker’s allowance.
 - (c) an income-related employment and support allowance.
11. 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.
12. Any attendance allowance.
13. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
14. (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).
15. 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.
- 16 (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.
- 17 (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.

- 18. 100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow’s pension or war widower’s pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

- 19. £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.

- 20. (1) Any income derived from capital to which the applicant is or is treated as beneficially entitled.

- 21. 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.

- 22. (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 defined within this scheme.
 - (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.
23. Any payment made to the applicant by a child or young person or a non- dependant.
24. Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
- (b) where the aggregate of any such payments is £20 or more per week, £20.
25. (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.
26. (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.
27. 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.
28. (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) 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);

- (a) 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.
29. 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).
30. 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
31. 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).
32. (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.
33. (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).
34. Any payment of income which is to be treated as capital.
35. 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
36. Any payment under Part 10 of the Act (Christmas bonus for pensioners).
37. 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.
38. (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.

39. Any Housing Benefit or where the applicant is entitled to an award of Universal Credit which includes a housing element, any sum determined by the authority as the proportion of housing costs award.
40. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
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. 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).
43. (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).
44. 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).

45. 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.
46. (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).
47. (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.
48. 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.
49. Any guardian's allowance.
50. (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.
51. 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.
52. 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.
- 53 (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).

- 54. Any council tax reduction or council tax benefit to which the applicant is entitled.
- 55. 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).
- 56. (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
- 57. (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.
- 58. 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.
- 59. 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.
- 60. 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.
- 61. (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.
- 62. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 63. Any payment of child benefit.

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.
67. Carers Allowance.
68. The support component of Employment and Support Allowance.
69. Where the applicant, partner or any dependant / young person is deemed to be disabled, a further disregard of £40 shall be made from their weekly income.
70. Any Local Welfare Payment paid to the applicant by the authority;
71. Any payment of Council Tax Rebate paid under the Government announcement on 3rd February 2022.
72. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
 - (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled.

"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.
73. The Disabled Child , Child Care, Limited Capability for Work, Limited Capability for Work and Work Related Activity, Carers or Severe Disability elements of Universal Credit (this includes any transitional award).
74. **Provision for all applicants: Homes for Ukraine scheme**
 - (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
 - (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled.
 - (2) In this regulation—

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

Schedule 3
Capital to be disregarded.

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.
2. 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.
3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills, and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
4. 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.
5. 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.
6. 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.
7. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
8. 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.
9. 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.
10. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged

or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

11. (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) an income-related benefit;
 - (b) an income-based jobseeker's allowance;
 - (c) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (d) working tax credit and child tax credit
 - (e) an income-related employment and reduction allowance

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

12. 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.

13. 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.

14. 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 reduction.

15. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

16. 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.

17. (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).

18. The value of the right to receive any income under a life interest or from a life rent.
19. The surrender value of any policy of life insurance.
20. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
21. 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).
22. (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.
23. Any social fund payment.
24. 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.
25. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
26. 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.
27. 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.
28. 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 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 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 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) 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.

29. (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.
30. 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.
31. 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.
32. 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.
33. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
34. The value of the right to receive an occupational or personal pension.
35. The value of any funds held under a personal pension scheme
36. 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.
37. 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).
38. 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.
39. 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.
40. 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.

41. Any arrears of supplementary pension which is disregarded under this scheme but only for a period of 52 weeks from the date of receipt of the arrears.
42. (1) Any payment or repayment made—
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),
 but only for a period of 52 weeks from the date of receipt of the payment or repayment.
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers, or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
43. 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.
44. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
45. 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.
46. 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.
47. 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.
48. (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.
49. (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.
50. 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.

51. Any payment to the applicant as holder of the Victoria Cross or George Cross.
52. 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.
53. (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.
54. (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).
55. 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.
56. 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.
57. 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.

58. (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.

- 59. 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.
- 60. (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.
- 61. 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).
- 62. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 63. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 64. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments),
- 65. Any Windrush compensation payment.
- 66. Any payment made under the We Love Manchester Emergency Fund.
- 67. Any payment made under the London Emergency Trust.
- 68. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
 - (a) an applicant’s entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled.
 “The Energy Rebate Scheme 2022” means the scheme to provide financial support in respect of

energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.

69. Provision for all applicants: Homes for Ukraine scheme

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

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

(2) In this regulation—

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

Schedule 4

Class E - Care Leavers

1. The Council has determined that defined care leavers will have an entitlement under this scheme where they are liable to pay Council Tax.

Definition of a Care Leaver for the purposes of this scheme

2. The term 'care leaver' is defined in The Children (Care Leavers) Act 2000 and refers to eligible, relevant, and former relevant children:
 - The person is someone for whom a council has acted previously as a corporate parent;
 - Relevant children are those young people aged 16 and 17 who have already left care, and who were 'looked after' for at least 13 weeks from the age of 14 and have been 'looked after' at some time while they were 16 or 17; and
 - Former relevant children are those young people aged 18, 19 or 20 who have been eligible and/or relevant.
3. Care leavers can also be classified as a 'qualifying' care leaver. This category applies to young people who:
 - (a) Left care after 1st October 2001, after they had turned 16, but who are not 'eligible' or 'relevant' because they did not fulfil the 13-week criteria;
 - (b) Were accommodated, but in residential education, mental/health provision private fostering or Special Guardianship; or
 - (c) For the purposes of this policy 'qualifying care leavers' will be treated in the same way as 'care leavers'.
4. Additionally former care leavers born before 2001 will be designated as a qualifying care leaver for the purposes of this policy.

Entitlement to a reduction

5. Where the care leaver meets the definition as defined above **and** either the care leaver or their partner (if they have one) is liable for Council Tax, all income and capital (of the care leaver and their partner) shall be disregarded.
6. In such cases, the maximum Council Tax Reduction as calculated under Section 48 shall be 100%.

Transition from S13A(1)(C)

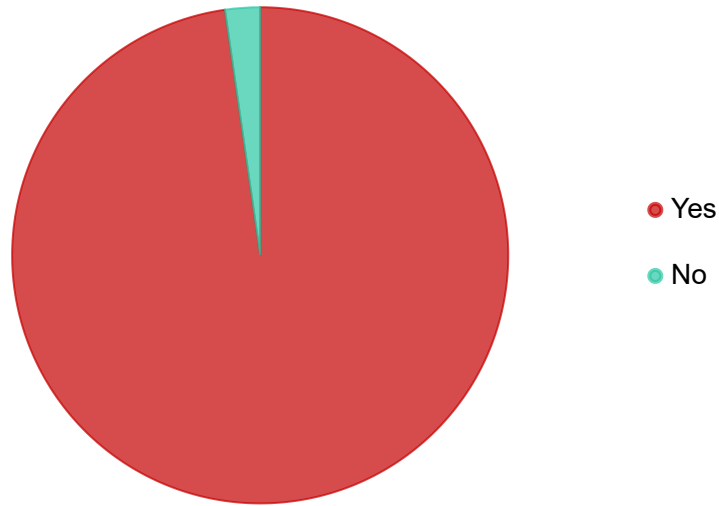
7. Previously the Council provided assistance to care leavers under Section 13A(1) (c) of the Local Government Finance Act 1992. Where the care leaver is moved to this scheme, any claim for reduction received no later than 30th June 2024, shall be treated as effective from 1st April 2024. Section 52.10 shall not apply to care leavers defined in this schedule.

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Middlesbrough Council - Council Tax Reduction Scheme 2024/25 Consultation

CONSULTATION QUESTIONNAIRE

Q1. I have read the background information about the Council Tax... *



Answers	Count	Percentage
Yes	43	97.73%
No	1	2.27%

Answered: 44 Skipped: 0

Q2. Do you think the Council should keep the current Council Tax...

Response	Count
You should not include extra elements including, children, carers, disability, why should people suffer	1
Yes disregard the income to cover childcare as it is unfair on parents who need to work, it further hinders them, rather than helping them.	1
Would be helpful if got helped a lot more with council tax. I'm a single parent with 4 kids, I work full time but have to pay full council tax which I struggle sometimes to pay	1
There are hundreds of children living in poverty in Middlesbrough so anything that helps them, via their parents income being better supported, is good for their development, learning and life chances	1
There are already many schemes that help parents for example family allowance, child benefit, so many free hours child care etc. When people decide to have children they should consider the financial aspect involved. I thought the council was struggling financially, can it afford to supplement people who choose to have children?	1
The proposed changes seem to be fair and encourage people into employment, I support them.	1
The form is very complicated to fill in and a lot of information is not clear.	1
The council tax reduction scheme needs to change. When I took on a second job and had £800 childcare fees paid back to me via UC my council tax trebled therefore I was actually getting in debt by working and ultimately I had to leave my job as a cleaner for Middlesbrough council as it was also having a negative impact on my mental health working for nothing.	1
The childcare element should not be included in income	1
The childcare element of universal credit should not be taking into account when assessing the claims. The money that's awarded from UC for childcare is not extra money it's money that's been spent on childcare and will be used towards the next months childcare. It's disgusting that this has even been allowed.	1
People working on low income with children are the worst off in the area, they still get charged almost full council tax, slight reduction isn't enough. Make it fair so working poor people aren't penalized for trying to better themselves	1
MORE DISCOUNT SHOULD BE GIVEN TO RESEDINTS WHO ARE SELF EMPLOYED AND AFFECTED BY THE MINIMUM INCOME FLOOR	1
Live in a one bedroom bungalow but in same band as the 3 bedroom houses in TS5 6RU also no garage	1

It's great your thinking about people that are on low income however the council loose £1000's in revenue from people on benefits who move frequently and do not register for reductions . You loose money through couples and families claiming 25% single discount and you loses £10 of thousands with landlords that owe sometimes 30k on properties but still fill out forms for regeneration funding that is offered by the council . Employ a few revenue officers to investigate these issues and you'll soon be out of debt	1
It has changed many lives accross Middlesbrough allowing them to receive the extra support and help they need as it's such a tough place for money at the moment in 2023 with prices rising and wages not increasing.	1
I think the proposed additions for childcare or those leaving care is excellent. It is so important to look after children and young adults, and alleviating the cost of living for them is such a great idea.	1
I lost my full time job now I have a part time job but my council tax bill stays the same or goes higher. £176 a month is my highest direct debit after rent . Please don't increase it again	1
I don't understand why the childcare element was even included to start with. It's a reimbursement not an additional income. That element could also vastly change from month to month eg higher amounts paid out in school holidays would see higher element paid out making the awarded UC higher. The council would do much less recalculating if it just looked at the main part of the award.	1
Give more help to people who work but have no children and live alone. One wage income it's hard. I don't get a top up if I have no money. If I have no money I don't eat.	1
Childcare is undeniably an essential expense for working parents and it is unjust to classify it as income. This practice misrepresents financial circumstances and places an undue burden on families striving to make ends meet. Childcare costs should be disregarded in order to accurately assess the financial situations of families in our community. Childcare costs are not a source of income, failing to acknowledge this distinction can lead to inaccurate financial assessments, potentially denying families access to vital social services and support they rightly deserve. It is essential to recognize that accurate income assessments are crucial in determining eligibility within the scheme. By counting childcare costs as income, we undermine the very purpose of these programs, which is to help those who need it.	1
Child care costs should not be included as they are not disposable income . They are awarded for the hours your child is in childcare and this has to be proven so there is no extra income for the claimant.	1
Changes could add to the bills of people who pay, whose budgets are already stretched.	1
Because we don't any money it goes to a child care provider	1

As a single parent of 3 working 16 hrs p/w, I have no choice but to pay extortionate nursery fees that are double my income in order to attend work as I have no other support. My basic income from employment and UC entitles me to a 72% CTR. When my children attend nursery (during half term for example) and I claim back these costs, my 'income' is boosted so much that I am entitled to 0% CTR, even though my spendable income does not change. I claim that it is unethical to treat an expense as an income considering childcare costs are so out of proportion to my salary and extremely unfair as each parent has differing childcare needs/costs depending on what hours they work and the CTR scheme does not align with UC's values of supporting people back into work. This has left me feeling unable to seek alternative employment or look for additional hours as I would need to claim back even more childcare costs. Finally, I would like to thank the council for taking my complaint seriously.

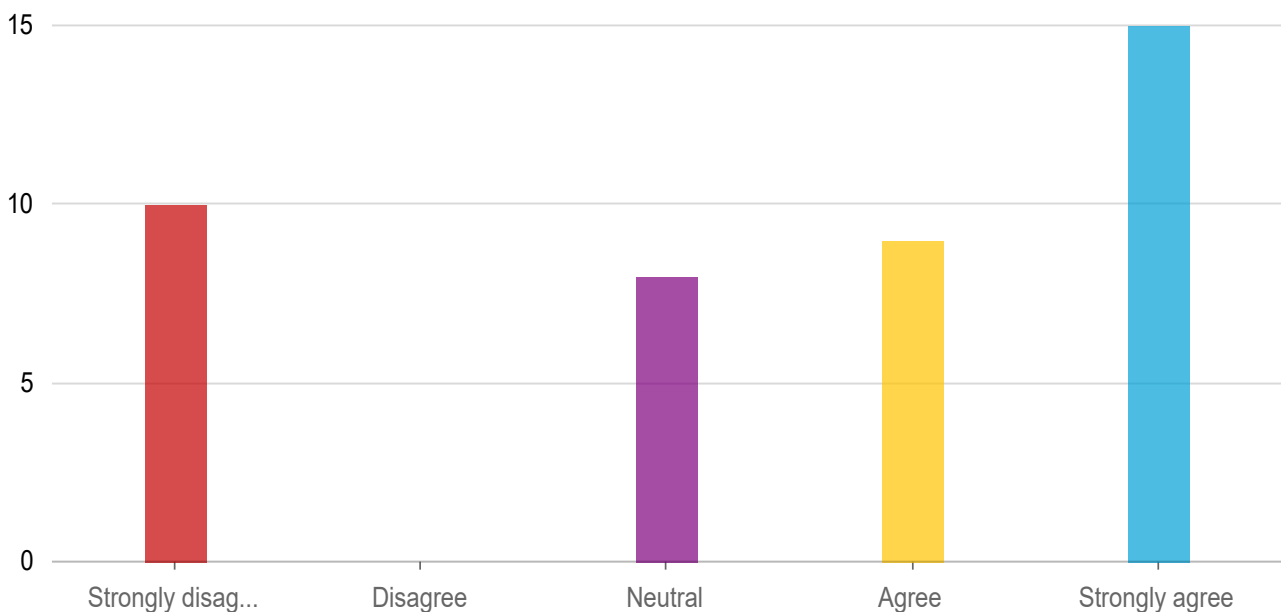
1

Appreciate the cost of living crisis is affecting everyone but it feels like the same households are getting all the support whereas I feel the support should be across the board or directed to those in the lower council tax brackets. Eg I am working, two adults in the house earning salaries just above NMW, and am not entitled to any support.

1

Answered: 25 Skipped: 19

Q4. To what extent do you agree or disagree with the proposed change...



Answers Count Percentage

Answers	Count	Percentage
Strongly disagree	10	22.73%
Disagree	0	0%
Neutral	8	18.18%

Agree	9	20.45%
Strongly agree	15	34.09%

Answered: 42 Skipped: 2

Q5. If you disagree what alternative would you propose?

The word cloud requires at least 20 answers to show.

Response	Count
Working class people should be getting more help not the people who don't work. They get all the child care for free. WHY THEY DONT WORK	1
The council does not take into consideration as to what the child element of universal credit is used for by families. That money could be used for uniforms, food etc for the month, people are literally getting into debt not paying their council tax because their children need essentials throughout the month. It's a biased system	1
Support across the board for those in the lower council tax bands	1
Keep things as they are. Parents choose to have children. They already get so many hours free child care, which wasn't available for many parents in the past, but they still managed. It's about parents deciding on priorities. How many children under 5 now have tablets? As the council should be aware, it's about deciding what you can or can't afford.	1
Keep cost as it is	1
I don't get a childcare element included in my universal credit but I pay for school meals for 2 children everyday while takes a lot out of my income.	1
Disregard any elements on uc	1
Chase debts . At the minute there's a threshold for debt worth chasing . All debt is worth chasing and should be . The council has been a soft touch for too long	1
All should pay council tax. Amounts should be based on combination of income and household size. There should not be reductions for benefits or mental impairment, where the total income into the household is over 28k.	1

Answered: 9 Skipped: 35

Q6. Do you have any further comments, questions or alternative proposals regarding...

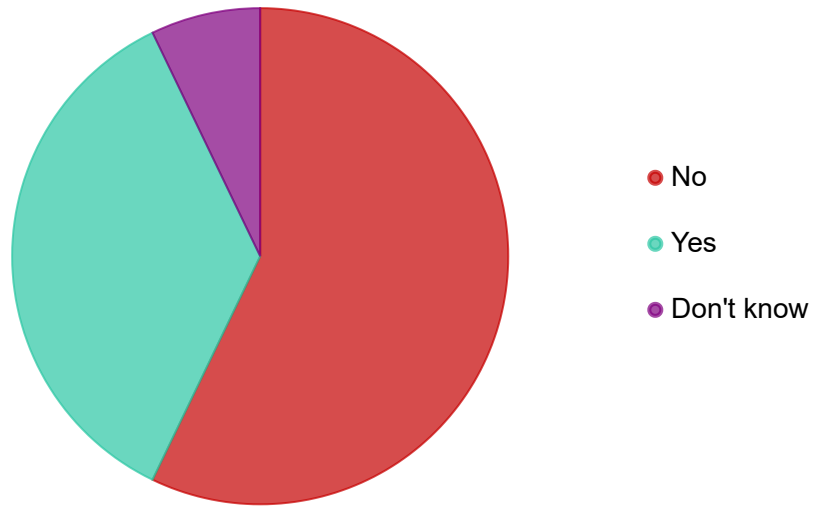
The word cloud requires at least 20 answers to show.

Response	Count
This should never of been allowed, how anyone has sat there and said that the childcare element of universal credit should be taken into account is beyond me.	1
There needs to be a clearer way of adapting to someone's changing circumstances. I've reduced hours so I got a new bill, then got another bill when my hours went up again and then I was declared unfit for work and my bill changed. It's really hard to know how much you should pay. It would be easier to have a set bill and the later reimburse people if they have over paid or get that overpayment put towards their next year. It's very challenging as a dyslexic person to have to read the paperwork and get confused with the bill totals and what is my current expected monthly payment.	1
The childcare element should of never been included in the calculations to start with because it's not income	1
Stop raising council tax every year when my salary is reduced	1
Policing is a joke, bins get emptied when they want. Working class people get nothing but pay for it all.	1
Parents get way too much help as it is. Free milk, free fruit & veg tokens, family allowance, child benefit, so many free hours child care. Soon parents won't be paying anything to support their own children!	1
I'm in one of the top council tax bands, and although our household income is under 35k I would happily see a small rise across the most expensive bands to cover this cost.	1
I hope you're not doing the same to people on legacy benefits	1
I agree to changes It I didn't agree when there brought it in	1
Every time I receive a revised CT bill because of my changing childcare costs, my direct debit does not come out and I miss the payment resulting in the other monthly payments being higher every time, which is annoying, causes stress and inconvenient calls to make manual payments. I don't feel the system is designed to cope with frequent changes to income and I feel disregarding childcare costs would ease pressure on the council customer service team who have to manually have to recalculate these bills and subsequently have to take calls from people who are unhappy about it.	1
25% single reduction needs looking at . Nearly every 3 bed house in Middlesbrough has single adult occupancy both my neighbours claim it and 1 is married with 3 kids ! No wonder the council is in debt giving away 25% of their ctax revenue Willy nilly without checking	1

Answered: 11 Skipped: 33

About you

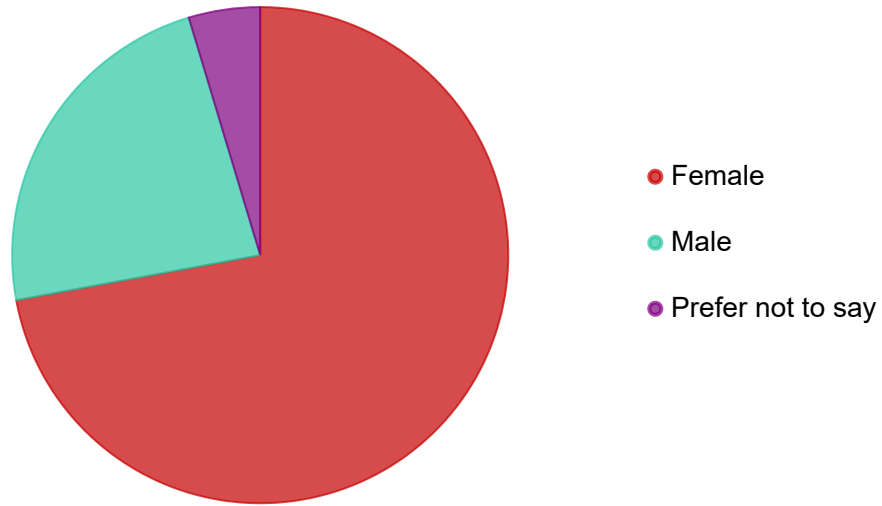
Q7. Are you, or someone in your household, getting a Council Tax...



Answered: 42 Skipped: 2

About you > GENDER

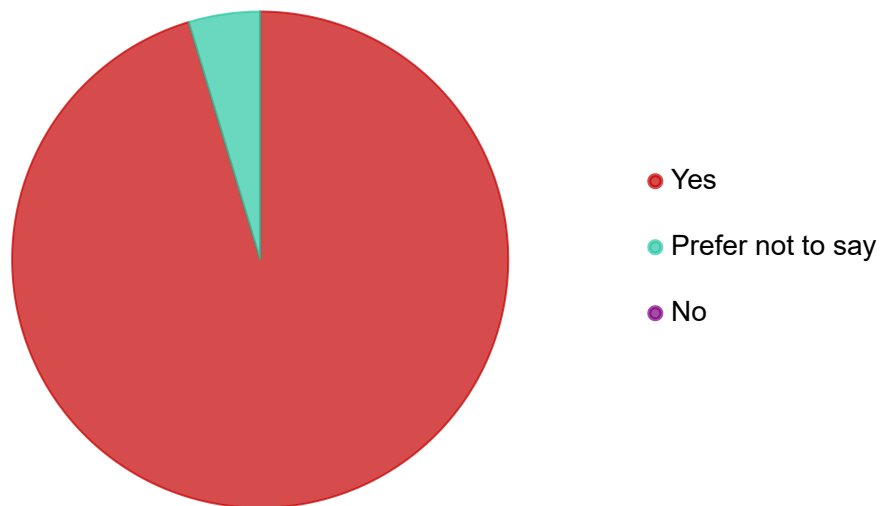
Q8. Are you male or female?



Answers	Count	Percentage
Female	31	70.45%
Male	10	22.73%
Prefer not to say	2	4.55%

Answered: 43 Skipped: 1

Q9. Is your gender the same now as it was when it was assigned at...



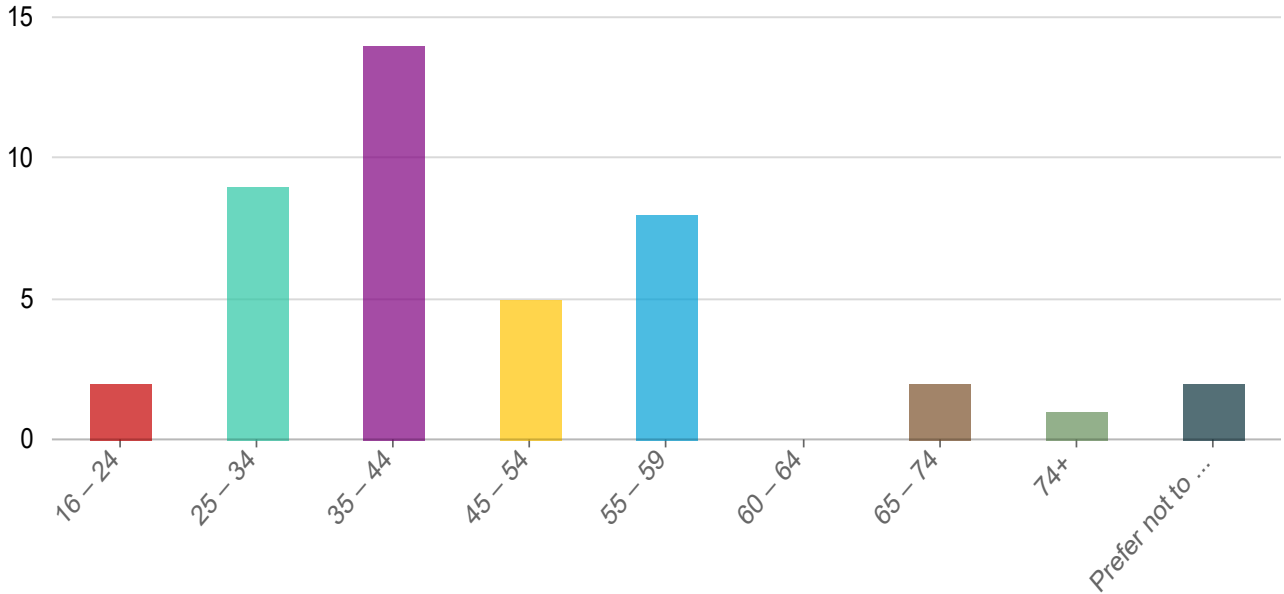
Answers	Count	Percentage
Yes	41	93.18%

Prefer not to say	2	4.55%
No	0	0%

Answered: 43 Skipped: 1

About you > AGE

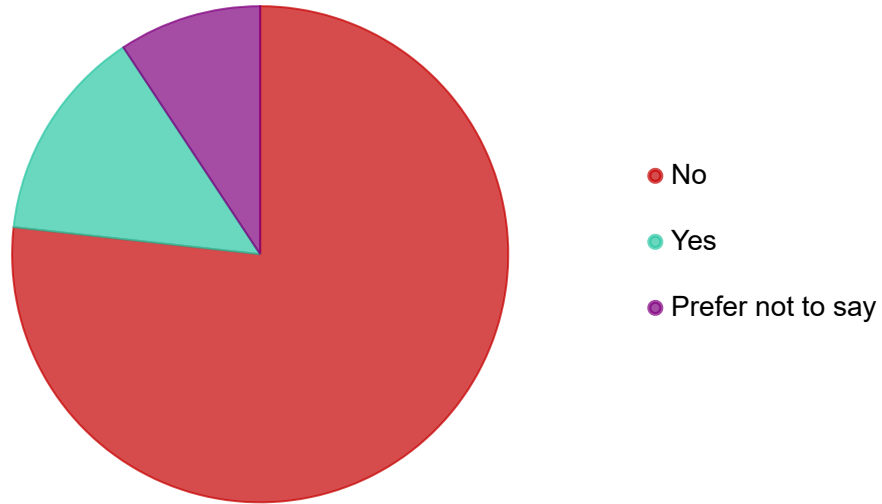
Q10. Please indicate which of these age bands you fit into?



Answers	Count	Percentage
16 – 24	2	4.55%
25 – 34	9	20.45%
35 – 44	14	31.82%
45 – 54	5	11.36%
55 – 59	8	18.18%
60 – 64	0	0%
65 – 74	2	4.55%
74+	1	2.27%
Prefer not to say	2	4.55%

About you > DISABILITY

Q11. Do you consider yourself to be a person with a disability?



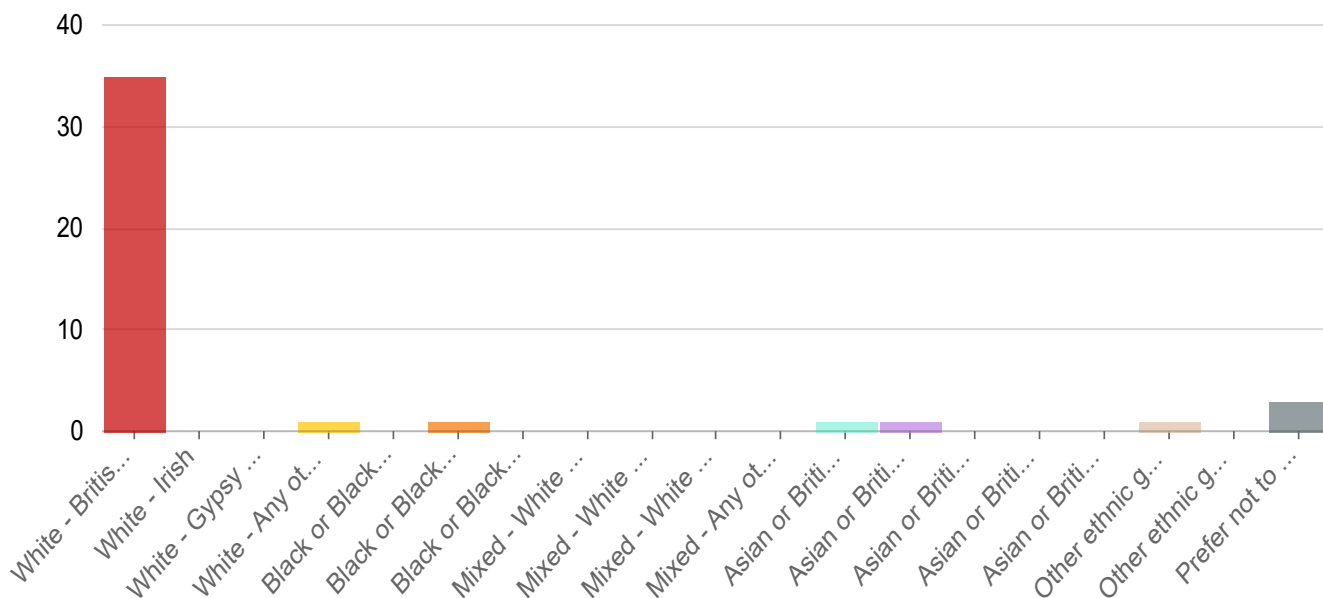
Answered: 43 Skipped: 1

Answers	Count	Percentage
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No	33	75%
Yes	6	13.64%
Prefer not to say	4	9.09%

About you > ETHNICITY

Q12. To which of these groups do you consider you belong?



Answers	Count	Percentage
White - British	35	79.55%
White - Irish	0	0%
White - Gypsy or Irish Traveller	0	0%
White - Any other White background (please write below)	1	2.27%
Black or Black British - Caribbean	0	0%
Black or Black British - African	1	2.27%
Black or Black British - Any other Black background (please write below)	0	0%
Mixed - White and Black Caribbean	0	0%
Mixed - White and Black African	0	0%
Mixed - White and Asian	0	0%
Mixed - Any other Mixed background (please write below)	0	0%
Asian or British Asian - Indian	1	2.27%
Asian or British Asian - Pakistani	1	2.27%
Asian or British Asian - Bangladeshi	0	0%
Asian or British Asian - Chinese	0	0%

Asian or British Asian - Any other Asian background (please write below)	0	0%
Other ethnic group - Arab	1	2.27%
Other ethnic group - Any other background (please write below)	0	0%
Prefer not to say	3	6.82%

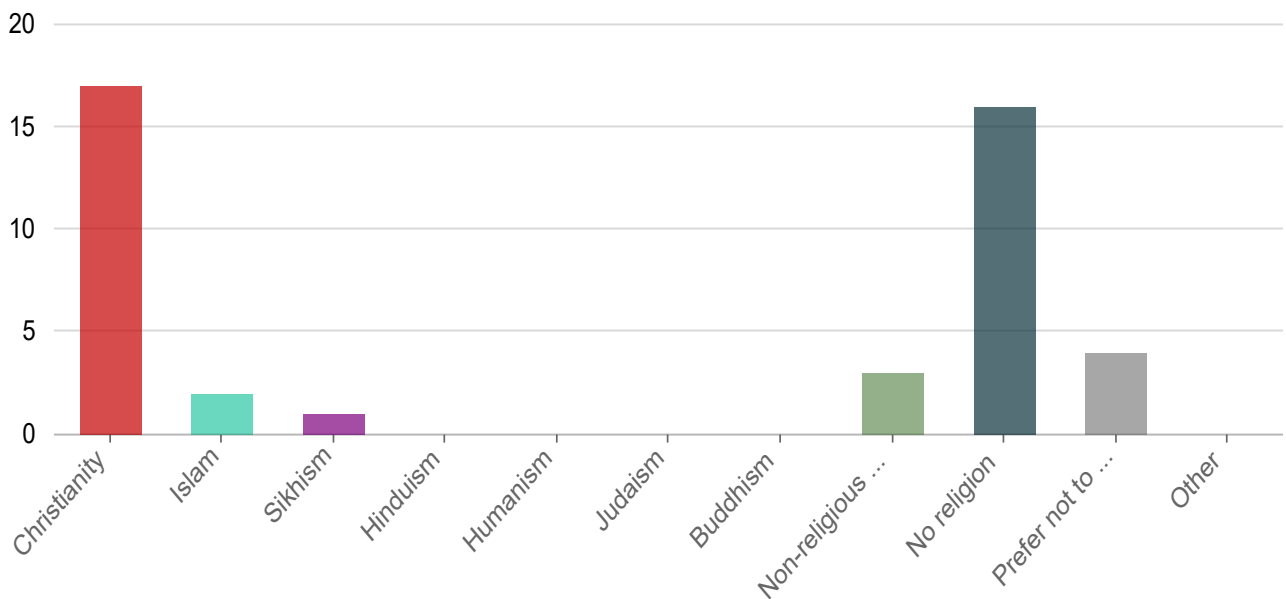
Answered: 43 Skipped: 1

Q12a. If you have selected an 'Any other' ethnic group, please provide details below.

There are no answers to this question yet.

About you > RELIGION OR BELIEF

Q13. What is your religion or belief?



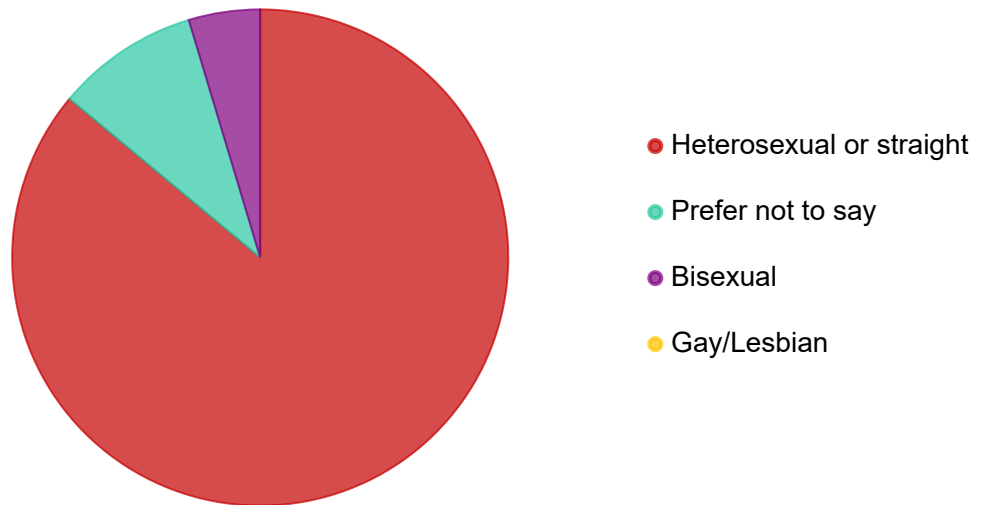
Answers	Count	Percentage
Christianity	17	38.64%
Islam	2	4.55%
Sikhism	1	2.27%
Hinduism	0	0%

Humanism	0	0%
Judaism	0	0%
Buddhism	0	0%
Non-religious belief	3	6.82%
No religion	16	36.36%
Prefer not to say	4	9.09%
Other	0	0%

Answered: 43 Skipped: 1

About you > SEXUAL ORIENTATION

Q14. What is your sexual orientation/sexuality?



Answers	Count	Percentage
Heterosexual or straight	37	84.09%
Prefer not to say	4	9.09%
Bisexual	2	4.55%
Gay/Lesbian	0	0%

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MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance (s151 Officer)
Relevant Executive Member:	The Mayor and Executive Member for Adult Social Care and Public Health
Submitted to:	Council
Date:	8 March 2024
Title:	2024/25 Revenue Budget, Medium Term Financial Plan, Council Tax setting, and Treasury Management Strategy 2024/25
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?:	No
Why:	

Proposed decision(s)
<p>Council is recommended to accept the ‘in-principle’ offer of up to £13.4m of Exceptional Financial Support (EFS) issued by the Department for Levelling Up Homes & Communities (DLUHC) and the associated terms and conditions (letter from DLUHC attached at Appendix A). The ability of the Council to meet its statutory responsibility to set a balanced and robust budget for 2024/25 by 11 March 2024 is wholly dependent upon acceptance of the EFS.</p> <p>If the Council does not accept the ‘in-principle’ EFS offer from DLUHC, it will not be able to set a robust and balanced budget nor set the Council Tax for 2024/25 at this budget meeting dated 8 March 2024. As a result, the Council would fail to meet its statutory responsibility to set the budget and council tax by 11 March 2024. This would result in</p>

the s151 Officer being required to issue a s114 Notice, the adverse implications of which are set out in paragraph 5.3 of this report.

Subject to acceptance of the DLUHC 'in-principle' offer of EFS of up to £13.4m and its associated terms and conditions, the Council will then be able to take decisions in relation to the 2024/25 revenue budget, MTFP and council tax setting, and the Treasury Management Strategy.

It is recommended that Council approve the revenue budget for 2024/25, Medium Term Financial Plan 2024/25 to 2026/27, Capital Programme 2024/25 to 2026/27, and Council Tax levels for 2024/25, as set out in the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024. Details are set out in Section 2 of this report and cross referenced to **Appendix B**.

It is recommended that Council approve the Prudential Indicators for 2024/25 to 2026/27, Treasury Management Strategy for 2024/25, Minimum Revenue Policy (MRP) for 2024/25 and the Approved Authorised Limit for External Debt for 2024/25, as set out in the Prudential Indicators and Treasury Management Strategy 2024/25 report to Executive on 28 February 2024. Details are set out in Section 2 of this report and cross referenced to **Appendix C**.

Executive summary

The Minister for Local Government wrote to the Elected Mayor on 27 February 2024 to inform him that DLUHC approves 'in-principle', the Council's application of up to £13.4m of EFS subject to standard terms and conditions. Details of the decision were made public by DLUHC on 29 February 2024. Acceptance of this offer by the Council is essential to enable the Council to approve a lawful balanced and robust budget and for the Council Tax level to be set by the statutory deadline of 11 March 2024.

The details of the DLUHC decision and associated conditions are set out in a letter from Minister Simon Hoare MP to the Elected Mayor on 27 February 2024 which is attached at **Appendix A** and set out in paragraph 4.13 below. The terms are standard, with no bespoke requirements upon the Council and are not negotiable.

It is recommended that the Council accepts the DLUHC offer of EFS support and its associated terms and conditions in order that the Council can then debate and vote on the 2024/25 Revenue Budget, MTFP and set the Council Tax for 2024/25 and the Performance Indicators and Treasury Management Strategy as detailed in this report.

If Council either:

- does not approve the recommendation to accept the EFS offered by DLUHC along with its terms and conditions, it will be unable to vote on the Mayor's budget as presented to this meeting

or

- does accept EFS but then fails to agree a robust and balanced budget at this meeting and therefore by the statutory deadline of 11 March 2024 in respect of 2024/25 financial year

the implications would be as follows:

The Council:

- Would be unable to set the level of Council Tax for 2024/25.
- Would be unable to bill for Council Tax in respect of the Middlesbrough Council Tax requirement of £71.438m before April 2024.
- Would be unable to bill for Council Tax in respect of other precepting authorities, i.e. Cleveland Police and Crime Commissioner of £10.976m and Cleveland Fire Authority of £3.233m.
- In these circumstances, Middlesbrough Council would need to pay over precepts due to these precepting authorities and bear the financial costs of this action. This would also have severe cashflow implications for the Council, putting its ability to deliver all services to the community and pay suppliers and its staff in jeopardy.

The s151 Officer will have no option but to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988. The key issues to consider are summarised below and set out in detail in the 2024/25 Budget and MTFP – Application for EFS report to Executive on 17 January 2024 (**Appendix E**) :

- The Council would be required to meet within 21 days to consider the s114 Notice and to agree a plan to set a balanced budget that will deliver at least the value of savings set out in this report, i.e. £13.910m in 2024/25.
- From the date of the s114 notice to the day following the Council meeting, there would be a prohibition period during which time the s151 Officer would require no new expenditure to be incurred on non-statutory and non-essential services. All statutory services would need to be delivered at the minimum level to meet statutory obligations. Therefore, there will be an adverse impact upon the ability to deliver services to the public.
- The budget development work undertaken to date has confirmed that without service transformation, further savings above those set out in this report will not be possible to be achieved without also putting at risk the Council's ability to safely meet its statutory responsibilities and/ or preserve existing service standards for non-statutory services. Developing further robust savings of substantial values will take several months and the Council cannot delay setting a balanced budget and its council tax.
- Consequently, this means that the Council is unable to recover its financial position without central Government support via EFS. It is required in order to close the 2024/25 budget gap after all proposed savings. Further, the Council has insufficient reserves to cover the financial risks that it faces in its operating environment and the s151 Officer could not recommend that the budget is robust. Therefore, EFS would be required to support any alternative plan to balance the budget in a s114 scenario.
- The longer-term implications of not setting a balanced budget by 11 March upon the delivery of Council services to the public and in relation to its financial viability, cannot be fully assessed at this time, but there would almost certainly be extreme and wide-ranging adverse consequences.
- Failure to set a balanced budget will also increase the likelihood of an escalation of government intervention in the Council's decision-making processes and likely to result in increased expenditure pressures for the Council in relation to that intervention.

S151 Officer's advice

It is the professional opinion of the s151 Officer, that in order to set a legally balanced and robust budget whilst maintaining adequate revenue reserves for 2024/25, the Council must:

- accept £13.4m Exceptional Financial Support from Central Government comprising the following elements:
 - meet the budget gap of £4.7m for 2024/25 after all proposed savings
 - Contingency sums to cover the following risks that will only be used if necessary:
 - manage the financial implications of savings programme delivery risk (£3.5m)
 - temporarily support the funding of investment in transformation and redundancies pending the realisation of capital receipts from the asset disposal programme (£4.6m)
 - contingency of £0.6m

- not attempt to utilise EFS to replace robust and deliverable savings based upon political priorities as this will not be permitted by DLUHC and will reduce the amount of EFS available.
- approve and deliver robust budget proposals to the values set out in this report.
- increase Council Tax by the levels set out in this report.

It is recommended that Council approve the revenue budget for 2024/25, Medium Term Financial Plan 2024/25 to 2026/27, Capital Programme 2024/25 to 2026/27, and Council Tax levels for 2024/25, as set out in the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024. Details are set out in Section 2 of this report and cross referenced to **Appendix B**.

It is recommended that Council approve the Prudential Indicators for 2024/25 to 2026/27, Treasury Management Strategy for 2024/25, Minimum Revenue Policy (MRP) for 2024/25 and the Approved Authorised Limit for External Debt for 2024/25, as set out in the Prudential Indicators and Treasury Management Strategy 2024/25 report to Executive on 28 February 2024. Details are set out in Section 2 of this report and cross referenced to **Appendix C**.

1. Purpose

- 1.1 The report seeks approval of the Mayor's proposed budget and to enable the Council to set the Council Tax in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011, on or before 11 March 2024. Prior to setting the Council Tax, Members are required to consider and agree the following:
- 1.2 Agree to accept EFS of up to £13.4m offered 'in-principle' by DLUHC to enable the consideration and approval of the Mayor's proposed budget.
- 1.3 Provided Council accept the EFS offered by DLUHC then this report seeks approval of:

Appendix B

- A 2024/25 net revenue budget of £143.190m, and Medium Term Financial Plan (MTFP) for the period 2024/25 to 2026/27 following the confirmation of the Local Government Finance Settlement.
- The proposed Council Tax increase for 2024/25 of 4.99%, comprising 2% Adult Social Care Precept and 2.99% Core Council tax which is within the referendum limits set by Government.
- A Capital Programme of £88.549m for 2024/25 and totalling £174.980m over the period from 2024/25 to 2026/27 together with a financing statement comprising a combination of external funding and council resources.

Appendix C

- Approval of the Prudential Indicators and Treasury Management Strategy (TM) for 2024/25.
 - Approval of the Minimum Revenue Provision Policy.
 - Approval of the Authorised Limit for External Debt of £372m for the 2024/25 financial year.
- 1.4 Finally, approval of the Council Tax for the year 2024/25 in accordance with s30 to 38 of the Local Government Finance Act 1992 as amended.

2 Recommendations

That Council makes the following decisions:

- 2.1 That the Council accepts the DLUHC 'in-principle' offer of Exceptional Financial Support of up to £13.4m and associated terms and conditions as set out in **Appendix A**.
- 2.2 That if the Council accepts the DLUHC 'in-principle' offer of Exceptional Financial Support the recommendations as submitted in the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 as set out in **Appendix B paragraphs 2.1 to 2.7** be approved:
- 2.3 That Council approves the Prudential Indicators and limits for 2024/25 to 2026/27, Treasury Management Strategy for 2024/25, and the Minimum Revenue Provision

(MRP) Policy for 2024/25, and the Approved Authorised Limit for External Debt of £372m for the 2024/25 financial year as shown in the separate Prudential Indicators and Treasury Management Strategy 2024/25 report to Executive on 28 February 2024 as set out at **Appendix C paragraph 2**.

- 2.4 That Council approve the Council Tax for the year 2024/25 in accordance with s30 to 38 of the Local Government Finance Act 1992 as amended as set out in paragraphs 4.17 to 4.24 of this report.
- 2.5 The Council delegate authority to the Director of Finance (s151 Officer) to adjust the Corporate Contingency Budget to account for any further variations that may arise in finalising technical calculations.

3 Rationale for the recommended decision(s)

Exceptional Financial Support (EFS)

- 3.1 The Council is dependent upon receipts of EFS totalling up to £13.4m in order to set a lawful balanced and robust budget for 2024/25 in order to:
 - Provide time to develop and implement transformation plans to achieve financial recovery and sustainability within the period of the MTFP.
 - Avoid the need for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.

Medium Term Financial Plan

- 3.2 All Council members have a legal obligation to agree a balanced robust budget and set the Council Tax by 11 March 2024. In addition, the Council has a Best Value duty to demonstrate financial sustainability through the delivery of a balanced Medium Term Financial Plan (MTFP) over a period of at least 3 years. The setting of the budget is part of the budget and policy framework and therefore requires Full Council approval.
- 3.3 The Council is required to take a systematic, coherent, and controlled approach to addressing its ongoing financial challenges over the medium-term, while enabling the delivery of the Mayor's vision and priorities for Middlesbrough through delivery of the wider Council Plan.

Council Tax

- 3.4 The Council is required by Section 30 to 38 of the Local Government Finance Act 1992 to set its council tax for each year on or before 11 March in the preceding financial year. In order to do so, it must calculate its council tax requirement in accordance with the Act as detailed below including taking into account its estimated forthcoming spending requirements and ensuring that there are adequate reserves to draw on in the event that these estimates turn out to be insufficient.
- 3.5 The Council must also take into account the report of its Section 151 Officer (set out at Appendix 1 to the 2024/25 Revenue Budget, Medium Term Financial Plan, and

Council Tax setting report to Executive on 28 February 2024 – **Appendix B**) on the robustness of these estimates and the adequacy of the proposed reserves.

- 3.6 The total council tax being set also includes the precepted requirements of the Cleveland Police and Crime Commissioner and the Cleveland Fire Authority.
- 3.7 Under Section 52 of the Local Government Finance Act 1992 each authority must determine whether its council tax for a financial year is excessive, as defined by a set of principles determined by the Secretary of State, and whether a referendum must be held.
- 3.8 The council tax increases proposed in this report will not require a referendum as they do not exceed the qualifying criteria as set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2024/25.

Prudential Indicators and Treasury Management Strategy 2024/25, MRP Policy (Appendix C)

- 3.9 The recommendations will fulfil the following for the local authority:
 - a) To comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & Communities (DLUHC) guidance on investments.
 - b) To comply with the Treasury Management Code of Practice for Local Authorities.
 - c) To comply with the requirements of the Local Government Act 2003 Part 1.
 - d) To approve a financial governance framework within which officers will operate when making both borrowing and investment decisions and entering financial transactions.

4 Background and relevant information

Exceptional Financial Support (EFS)

- 4.1 On 17 January 2024, the Executive approved that an application for Exceptional Financial Support (EFS) be made to the Department for Levelling Up Homes and Communities (DLUHC) for the sum of £15m in order to enable a balanced and robust budget to be recommended to Council for approval at its 2024/25 budget setting meeting.
- 4.2 Following the allocation of an additional £1.6m of Social Care Grant in the Final Local Government Finance Settlement on 5 February 2024, the budget gap has reduced by this sum from £6.3m to £4.7m. Consequently, the EFS application was adjusted from £15m to £13.4m.
- 4.3 The Minister for Local Government wrote to the Elected Mayor on 27 February 2024 to inform him that DLUHC approves 'in-principle' the Council's application of up to

£13.4m of EFS application subject to standard terms and conditions. Acceptance of this offer by the Council is essential to enable the Council to approve a lawful balanced and robust budget and for the Council Tax level to be set by the statutory deadline of 11 March 2024.

- 4.4 The details of the DLUHC decision and associated conditions are set out in a letter from Minister Simon Hoare MP to the Elected Mayor on 27 February 2024 which is attached at **Appendix A** and set out in paragraph 4.13 below. The terms are standard, with no bespoke requirements upon the Council and are not negotiable. The decision was made public by DLUHC on 29 February 2024.
- 4.5 It is recommended that the Council accepts the DLUHC offer of EFS support and its associated terms and conditions in order that the Council can then vote on the 2024/25 Revenue Budget, MTFP and set the Council Tax for 2024/25 and the Performance Indicators and Treasury Management Strategy as detailed in this report.
- 4.6 EFS is a one-off solution in order to finance the capitalisation of revenue expenditure in a particular year to provide breathing space for the Council to implement plans to recover its financial position. It is not a grant and is not free money.
- 4.7 EFS will take the form of a capitalisation direction that enables the Council to treat revenue expenditure as capital and fund it through borrowing or capital receipts. Given that the Council will have no or limited capital receipts available at 1 April 2024, and is dependent upon capital receipts to fund its Transformation Programme, the Council will fund the expenditure through borrowing.
- 4.8 The elements of the £13.4m EFS award are summarised as follows:
- Budget Gap - £4.7m (required to balance the budget)
 - Contingency on Budget Gap - £0.6m (will only be used if necessary)
 - Savings Delivery Risk - £3.5m (will only be used if necessary)
 - Capital Receipts Delivery Risk - £4.6m (will only be used if necessary)
- 4.9 The amount of borrowing will be determined based upon the Council's financial performance during the 2024/25 financial year. It will be necessary to borrow £4.7m unless the Council underspends its 2024/25 budget.
- 4.10 Provided that all planned savings are delivered and capital receipts are realised to plan by 31 March 2025, it will not be necessary to call upon the further sum of £8.7m.
- 4.11 DLUHC conditions specify that EFS borrowing will be at a premium rate over Public Works Loans Board (PWL) borrowing over a period of up to 20 years This would be at a 1% premium above normal PWLB borrowing rates for the capital programme. The amount, period and rate of borrowing will be determined at an appropriate point during 2024/25, taking account the Council's financial performance, prevailing interest rates and the impact and affordability of revenue repayments over the period. This will be a professional judgement of the s151 Officer, based upon the expert

advice of the Head of Finance and Investments and the Council's external Treasury Management advisers. This sum will need to be agreed with DLUHC providing final approval of the EFS award.

- 4.12 The approval of the application by DLUHC and the acceptance by the Council of the amount awarded is essential to enable the Council to approve a lawful balanced and robust budget and for the Council Tax level to be set by the statutory deadline of 11 March 2024.
- 4.13 The details of the DLUHC decision and associated conditions are set out in a letter from Minister Simon Hoare MP to the Elected Mayor on 27 February 2024 which is attached at **Appendix A**. The terms are standard, with no bespoke requirements upon the Council and are not negotiable, and are summarised below:
- to undergo an external assurance review which will include, but will not be limited to, an assessment of the Council's financial position and financial management practices and the Council's work to improve its productivity and efficiency, linked to the broader work expected by the Department to produce productivity plans to improve service performance and reduce wasteful expenditure;
 - to engage with the Department to provide assurance of improvement as set out in its January 2024 Best Value Notice extension;
 - the Authority may only capitalise expenditure when it is incurred;
 - where expenditure is capitalised, that the Authority shall charge Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years, in accordance with relevant guidance;
 - where the Authority's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction, any further borrowing from the date of the capitalisation letter up to and including, but not exceeding, the increase in the financing requirement must be obtained from the Public Works Loan Board and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to. This requirement does not apply to borrowing in relation to your Housing Revenue Account. Where any borrowing to which these conditions initially apply is refinanced, the conditions must continue to apply to the resulting borrowing;
 - any capitalisation direction issued would be contingent on the Council reporting to the Department the final amount identified for which it requires capitalisation for this year, with the agreement of the Council's external auditors.

2024/25 Budget, MTFP, Capital Programme, & Treasury Management

- 4.14 The Council is required to formally approve the revenue budget for 2024/25, Medium Term Financial Plan 2024/25 to 2026/27, Capital Programme 2024/25 to 2026/27, and Council Tax levels for 2024/25. It is also required to formally approve the management of the Council's treasury management functions, including the Treasury Management Strategy, Prudential Indicators, and Minimum Revenue Provision Policy.

4.15 Members are asked to refer to the reports considered by Executive on 28 February 2024 including the appendices and any supplementary papers, as the recommendations before Council make specific reference to these reports.

4.16 Attached to this report are:

- **Appendix D** which are the draft minutes of the Executive meeting on 28 February 2024.

Council Tax

4.17 The legislation governing the setting of council tax is contained in Sections 30 to 38 of the Local Government Finance Act 1992. Section 31B(1) requires a billing authority to calculate the basic amount of its council tax, which in Middlesbrough Council's case is that applicable to Band D dwellings in its area.

4.18 The calculation is made in accordance with a formula R/T where

R is the amount calculated by the Middlesbrough Council as its council tax requirement for 2024/25, calculated in accordance with section 31A(4) of the Act. This has been calculated as **£71,438,123**.

T is the amount calculated by Middlesbrough Council as its council tax base for 2024/25. On 20 December 2023 the Executive calculated the amount of **36,137.9** as its council tax base for the year 2024/25 in accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

4.19 Application of the formula R/T thus gives a basic amount of council tax of **£1,976.82** for a Band D property in accordance with Section 31B(1) of the Act as shown in **Table 1** below:

Table 1 – Calculation of Basic Council Tax 2024/25

	£	£
Net Budget Requirement		143,190,245
Less:		
Revenue Support Grant	15,121,685	
Top up Payment	30,485,592	
Top up Payment 23/24 reconciliation	(24,629)	
Local Share of NNDR	17,844,227	
		63,426,875
		79,763,370
Estimated Collection Fund Surplus 2023/24		(8,325,247)
Council Tax Requirement	R	71,438,123
Taxbase	T	36,137.9
Basic Council Tax	(R) / (T)	1,976.82

The basic amount is now relevant only for statistical purposes, but must still be calculated by law. It represents the average tax paid across the Council area, including parish precepts.

4.20 The calculation of the actual Council Tax (Band D) for parish and non-parish areas (Middlesbrough Council only element excluding Cleveland Police and Crime Commissioner and Cleveland Fire Authority precepts) is as follows:

a. Table 2 – Actual Council Tax (Band D) - Areas other than Nunthorpe and Stainton & Thornton Parishes – 4.99% increase:-

	£	£
Basic Amount as above:		1,976.82
Less : Parish Precepts	38,153	
Divided by Tax Base	36,137.9	
Equals		1.06
Band D Tax		1,975.76

b. Table 3 – Actual Council Tax (Band D) – Nunthorpe Parish:-

	£	£
Add: Parish Precept	25,000	
Divided by Tax Base	2,386.6	
Equals		10.48
Band D Tax		1,986.24

c. Table 4 - Actual Council Tax (Band D) Stainton & Thornton Parish:-

	£	£
Add: Parish Precept	13,153	
Divided by Tax Base	1,412.8	
Equals		9.31
Band D Tax		1,985.07

4.21 The calculation of the actual Council Tax for each valuation band for the Middlesbrough Council only element (excluding Cleveland Police and Crime Commissioner and Cleveland Fire Authority precepts) is shown in **Table 5** below:

Table 5 - Middlesbrough Council Tax bands 2024/25 (excluding Police & Fire Precepts)

Middlesbrough Council Tax bands excluding Police & Fire Precepts				
Band	Proportion	Areas without Parishes £	Nunthorpe £	Stainton & Thornton £
A	6/9	1,317.17	1,324.16	1,323.38
B	7/9	1,536.70	1,544.85	1,543.94
C	8/9	1,756.23	1,765.55	1,764.51
D	1	1,975.76	1,986.24	1,985.07
E	11/9	2,414.82	2,427.63	2,426.20
F	13/9	2,853.88	2,869.01	2,867.32
G	15/9	3,292.93	3,310.40	3,308.45
H	18/9	3,951.52	3,972.48	3,970.14

- 4.22 Cleveland Fire Authority has set a precept for Middlesbrough of **£3,232,896** and a 2.99% increase in Band D Council Tax. Council Tax levels for 2024/25 are set out in **Table 6** below.

Table 6 – Cleveland Fire Authority Council Tax 2024/25

Cleveland Fire Authority	
Band	Tax £
A	59.64
B	69.58
C	79.52
D	89.46
E	109.34
F	129.22
G	149.10
H	178.92

- 4.23 Cleveland Police and Crime Commissioner has set a precept of **£10,976,164** and a 4.47% increase in Band D Council Tax. Council Tax levels for 2024/25 are set out in **Table 7** below.

Table 7 – Cleveland Police & Crime Commissioner Council Tax 2024/25

Cleveland Police & Crime Commissioner	
Band	Tax £
A	202.49
B	236.23
C	269.98
D	303.73
E	371.23
F	438.72
G	506.22
H	607.46

- 4.24 The total tax to be levied for each band (including Middlesbrough Council, Cleveland Fire Authority, Cleveland Police and Crime Commissioner, and Parishes) is set out in **Table 8**.

Table 8 - Middlesbrough Council Tax bands 2024/25 including Police & Fire Precepts

Middlesbrough Council Tax bands including Police & Fire Precepts			
Band	Areas without Parishes £	Nunthorpe £	Stainton & Thornton £
A	1,579.30	1,586.29	1,585.51
B	1,842.51	1,850.66	1,849.75
C	2,105.73	2,115.05	2,114.01
D	2,368.95	2,379.43	2,378.26
E	2,895.39	2,908.20	2,906.77
F	3,421.82	3,436.95	3,435.26
G	3,948.25	3,965.72	3,963.77
H	4,737.90	4,758.86	4,756.52

5. Other potential alternative(s) and why these have not been recommended

5.1 If Council either:

- does not approve the recommendation to accept the EFS offered by DLUHC along with its terms and conditions, it will be unable to vote on the Mayor's budget as presented to this meeting

or

- Does accept EFS but then fails to agree a robust and balanced budget at this meeting and therefore by the statutory deadline of 11 March 2024 in respect of 2024/25 financial year

the implications will be as follows:

5.2 The Council:

- Would be unable to set the level of Council tax for 2024/25.
- Would be unable to bill for Council Tax in respect of the Middlesbrough Council Tax requirement of £71.438m before April 2024.
- Would be unable to bill for Council Tax in respect of other precepting authorities, i.e. Cleveland Police and Crime Commissioner of £10.976m and Cleveland Fire Authority of £3.233m.
- In these circumstances, Middlesbrough Council would need to pay over precepts due to these precepting authorities and bear the financial costs of this action. This would also have severe cashflow implications for the Council, putting its ability to deliver all services to the community and pay suppliers and its staff in jeopardy.

5.3 The s151 Officer will have no option but to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988. The key issues to consider are summarised below and set out in detail in the 2024/25 Budget and MTFP – Application for EFS report to Executive on 17 January 2024 (**Appendix E**) :

- The Council would be required to meet within 21 days to consider the s114 Notice and to agree a plan to set a balanced budget that will deliver at least the value of savings set out in this report, i.e. £13.910m in 2024/25.
- From the date of the s114 notice to the day following the Council meeting, there would be a prohibition period during which time the s151 Officer would require no new expenditure to be incurred on non-statutory and non-essential services. All statutory services would need to be delivered at the minimum level to meet statutory obligations. Therefore, there will be an adverse impact upon the ability to deliver services to the public.
- The budget development work undertaken to date has confirmed that without service transformation, further savings above those set out in this report will not be possible to be achieved without also putting at risk the Council's ability to safely meet its statutory responsibilities and/ or preserve existing service standards for non-statutory services. Developing further robust savings of substantial values will take several months and the Council cannot delay setting a balanced budget and its council tax.
- Consequently, this means that the Council is unable to recovery its financial position without central Government support via EFS. It is required in order to close the 2024/25 budget gap after all proposed savings. Further, the Council

has insufficient reserves to cover the financial risks that it faces in its operating environment and the s151 Officer could not recommend that the budget is robust. Therefore, EFS would be required to support any alternative plan to balance the budget in a s114 scenario.

- The longer-term implications of not setting a balanced budget by 11 March upon the delivery of Council services to the public and in relation to its financial viability, cannot be fully assessed at this time, but there would almost certainly be extreme and wide-ranging adverse consequences.
- Failure to set a balanced budget will also increase the likelihood of an escalation of government intervention in the Council's decision-making processes and likely to result in increased expenditure pressures for the Council in relation to that intervention.

6. Impact(s) of the recommended decision(s)

6.1 *Financial (including procurement and Social Value)*

6.1.1 Financial implications are detailed in this report and further detailed financial implications were considered in the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 (appended to this report at **Appendix B**), and in the Prudential Indicators and Treasury Management Strategy 2024/25 report to Executive on 28 February 2024 (appended to this report at **Appendix C**).

6.1.2 The Council is required by law to set a legally balanced budget by 11 March 2024. Failure to do so will result in the statutory requirement for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.

6.2 *Legal*

6.2.1 Since 2020, the government has agreed to provide a small number of local authorities with support via the Exceptional Financial Support framework. The support is provided on an exceptional basis and as a last resort. In this local authority's case it can be seen as a means of avoiding further statutory measures such as the issuing of a section 114 notice pursuant to s114(3) of the Local Government Finance Act 1988. Requests for support will be considered against the principles of the EFS framework to ensure consistency of approach, Value for Money and the minimising of moral hazard. At present the provision of EFS is not enshrined in statute, though it is a feature of the draft Best Value Standards and Intervention Statutory Guidance which was published by DLUHC in July 2023.

6.2.2 The Council is required under legislation to set a balanced budget for each year. The Medium Term Financial Plan and revenue and capital budgets form part of the Council's policy framework, as set out in its constitution. The approach outlined within the document will enable the Council to operate within the resources available and continue to meet its many statutory duties.

6.2.3 Elected members (individually and collectively) have a fiduciary duty to local taxpayers and so duty to facilitate, rather than frustrate, the setting of a lawful budget, and not to do so would bring damaging legal, financial, operational, and reputational consequences for the Council, and precepting authorities such as the police, fire service and local parish councils. It may also give rise to personal liability

for individual members for misfeasance in public office, negligence, or breach of statutory duty, should they be found to be purposely failing to set a lawful budget.

6.3 Risk

- 6.3.1 The revision of the Council's Medium Term Financial Plan for 2024/25 to 2026/27 plays a fundamental role in ensuring that the Strategic Plan is delivered effectively.
- 6.3.2 The proposed approach will ensure a positive impact on the strategic risk that the Council fails to achieve a balanced budget. The proposed approach also aligns with legal requirements around consultation and assessing the impact of proposals. It therefore impacts positively on the risks that the Council could fail to achieve good governance or comply with the law.
- 6.3.3 There is a risk that the financial position of the Council will be adversely affected by any non-achievement of the proposed budget savings, delivery of capital receipts, delivery of transformational plans that are required to redesign services from a lower cost base and other proposals for 2024/25 outlined in the report.

6.4 Human Rights, Public Sector Equality Duty and Community Cohesion

- 6.4.1 An Equality Impact Assessment (EIA) has been carried out and was detailed in Appendix 3 of the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 – **Appendix B**. Due regard has been given to the equality implications identified in the EIA.
- 6.4.2 The complete overall impact assessment included in Appendix 3 of that report, along with all the individual impact assessments found that there was a justified adverse impact from these proposals in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations.

6.5 Climate Change / Environmental

- 6.5.1 A number of the proposals within the proposed budget are relevant to this theme. The proposals to make changes to waste and recycling services and cessation of financial support for Environment City in particular. The impact of this has been assessed with the results and the supporting Impact Assessment included in Appendix 3 of the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 – **Appendix B**.

6.6 Children and Young People Cared for by the Authority and Care Leavers

- 6.6.1 A number of the proposals within the 2024/25 proposed budget are relevant to these groups. The proposals will ensure that service provision is reviewed to ensure it is fit for purpose. The proposal in relation to the Special Guardianship Order Payment review will be particularly relevant, the proposal is to review policy and practice to bring it into line with regulations, the impact of this has been assessed during the consultation period and this is set out in Appendix 3 of the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 – **Appendix B**.

6.7 Data Protection / GDPR

6.7.1 There are no concerns that the proposals within the report will impact negatively on data protection or GDPR.

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

Action	Responsible Officer	Deadline
If approved by Council on 8 March 2024, the proposals set out in this report will form the basis of the 2024/25 revenue budget of the Council	Head of Financial Planning & Support	8/3/24

Appendices

A	Letter from DLUHC regarding decision for Exceptional Financial Support and associated conditions
B	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024
C	Prudential Indicators and Treasury Management Strategy 2024/25 report to Executive on 28 February 2024
D	Draft minutes of Executive meeting of 28 February 2024
E	2024/25 Budget and MTFP – Application for Exceptional Financial Support report to Executive 17 January 2024

Background papers

Body	Report title	Date
Executive	Children's Service Financial Improvement Plan	14/2/23
Council	Budget 2023/24 -S25 Report of the Chief Finance Officer	27/2/23
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2023/24	27/2/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter One 2023/24	23/8/23
Executive	MTFP Update	23/8/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter Two 2023/24	21/11/23
Executive	Asset Review	21/11/23
Executive	Fees and Charges Review 2023/24	21/11/23
Government (Chancellor)	Autumn Spending Review 2023	22/11/23
Department for Levelling Up, Housing & Communities (DLUHC)	Local Government Finance Policy Statement 2024/25	5/12/23
Department for Levelling Up, Housing & Communities (DLUHC)	Provisional Local Government Finance Settlement	18/12/23

Executive	The Council Plan, 2024-27	20/12/23
Executive	Draft 2024/25 Budget and MTFP Refresh	20/12/23
Executive	2024/25 Budget and MTFP – Application for Exceptional Financial Support	17/1/24
Department for Levelling Up, Housing & Communities (DLUHC)	Final Local Government Finance Settlement	5/2/24
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter Three 2023/24	14/2/24
Executive	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	28/2/24
Executive	Prudential Indicators and Treasury Management Strategy Report – 2024/25	28/2/24



Department for Levelling Up,
Housing & Communities

Simon Hoare MP
Minister for Local Government

*Department for Levelling Up, Housing and
Communities*
2 Marsham Street
London
SW1P 4DF

Mayor Chris Cooke
Middlesbrough Council
By email

27th February 2024

Dear Chris,

EXCEPTIONAL FINANCIAL SUPPORT FOR MIDDLESBROUGH COUNCIL

I write in relation to Middlesbrough Council's request of 17 January 2024 for exceptional financial support in respect of 2024-25.

Government's view continues to be that councils requiring exceptional financial support should take all possible steps locally to manage their budget pressures and restore long-term financial sustainability.

The Secretary of State has considered very carefully the Council's position including the interest of local people in Middlesbrough, and the need to provide sufficient stability to the Council and to make sure that service delivery, especially for the most vulnerable citizens, is not disrupted.

This letter sets out the Department's current position but does not constitute a capitalisation direction.

With respect to the financial year 2024-25, the Secretary of State is minded to approve a capitalisation direction of a total not exceeding £13.4 million. Before the capitalisation direction can be approved, your Council will need to undertake certain actions. This is consistent with the approach used by the Department since 2020 to those councils that have applied for exceptional financial support. If the Secretary of State decides to approve any directions, he would confirm in due course any conditions that would be applied. The actions your Council is required to take now plus conditions the Secretary of State is minded to apply to any confirmed direction are fully addressed in the attached annex.

As you will be aware, on 30 January the Department issued the Authority with a revised Best Value Notice for a further 6 months. I acknowledge that the Council has worked effectively with the Department to set out and implement a range of improvement measures to effectively address the identified concerns. I am aware, however, that more work is still to be embedded to ensure sustained and material improvements, particularly in relation to financial sustainability, delivery of transformation and effectively implementing new strategies to embed positive cultures. It is critical these are delivered by the Council and I hope that the Notice will provide a clear basis for continued engagement between your Authority and the Department.

You will be aware that on 24 January, the Secretary of State announced the expectation for all councils to produce a productivity plan focused on improving service performance and reducing wasteful expenditure. I wish to emphasise that this productivity plan should be completed alongside your ongoing improvement and recovery work.

I am grateful for your support and the support of your officers whilst we have considered your request for exceptional financial support, and for engaging so positively with me and officials throughout. I look forward to continuing to work with you and the Council in that spirit going forward.

I should be grateful if the Council would confirm to me in writing by 28 February that you wish to proceed in accordance with the position set out in this letter. I have copied this letter to the Chief Executive and Section 151 Officer.

SIMON HOARE MP

Annex – Assurance required for approving exceptional financial support

Assurance

If the Secretary of State decides to give any directions, he would confirm in due course the final amount of capitalisation support and any conditions that would be applied. In order for the Department to provide a final capitalisation direction, the Council is required:

- to undergo an external assurance review which will include, but will not be limited to, an assessment of the Council's financial position and financial management practices and the Council's work to improve its productivity and efficiency, linked to the broader work expected by the Department to produce productivity plans to improve service performance and reduce wasteful expenditure;
- to engage with the Department to provide assurance of improvement as set out in its January 2024 Best Value Notice extension.

Conditions

Such directions may be subject to conditions, which would be set out in any capitalisation directions should the Secretary of State decide to exercise his powers under sections 16(2)(b) and 20 of the Local Government Act 2003.

If the Secretary of State decides to give any directions, he is minded to attach the following conditions:

- the Authority may only capitalise expenditure when it is incurred;
- where expenditure is capitalised, that the Authority shall charge Minimum Revenue Provision using the asset life method with a proxy 'asset life' of no more than 20 years, in accordance with relevant guidance;
- where the Authority's capital financing requirement is increased as a result of the capitalisation of expenditure under this direction, any further borrowing from the date of the capitalisation letter up to and including, but not exceeding, the increase in the financing requirement must be obtained from the Public Works Loan Board and must be subject to an additional 1 percentage point premium on the interest rate above the rate the loan would otherwise be subject to. This requirement does not apply to borrowing in relation to your Housing Revenue Account. Where any borrowing to which these conditions initially apply is refinanced, the conditions must continue to apply to the resulting borrowing.

With this in mind the Secretary of State may also attach additional bespoke conditions to any directions issued in respect of the financial years above, depending on the Council's individual circumstances.

Confirming final amounts

Although the Secretary of State is minded to approve a capitalisation direction for 2024-25, this would be contingent on the Council reporting to the Department the final amount identified for which it requires capitalisation for this year, with the agreement of the Council's external auditors.

Report of:	Director of Finance (s151 Officer)
Relevant Executive Member:	The Mayor and Executive Member for Adult Social Care and Public Health
Submitted to:	Executive
Date:	28 February 2024
Title:	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?:	No
Why:	The approval of the budget and MTFP will be taken by Council on 8 March 2024

Proposed decision(s)

The annual budget report and MTFP is by its nature a detailed and complex report which forms the basis of the Budget and Policy Framework. Members need to have regard to all information presented in the main report which highlights the key issues for consideration and provides substantial detail in the supporting appendices.

This report contains the following documents for noting and endorsement by the Executive before referring for consideration and approval by Council at its budget setting meeting. Recommendations are detailed in section 2.

The report incorporates the following sections following the conclusion of the recent budget consultation and the Final Local Government Finance Settlement for 2024/25:

- Report of the Director of Finance (s151 Officer's) in relation to the robustness of budget estimates and the adequacy of financial reserves under s25 of the Local Government Finance Act 2003.
- Proposed 2024/25 Net Revenue Budget of £143.190m
- Council Tax increase of 4.99% for 2024/25
- Medium Term Financial Plan (MTFP) 2024/25 to 2026/27
- Budget Consultation feedback
- Reserves Policy
- Fees and Charges Policy
- Proposed Capital Programme and Capital Strategy Report for 2024/25 to 2026/27 totalling £174.980m and the associated financing
- Schools Budgets

Executive summary

The Council's financial position is critical, given that it is unable to set a robust and balanced revenue budget for 2024/25 and due to its critically low level of revenue reserves, without recourse to Exceptional Financial Support (EFS) approved by Government.

Following confirmation of the Local Government Finance Settlement announced on 5 February 2024, the Council is dependent upon the approval and receipt of EFS by the Department of Levelling Up Housing and Communities (DLUHC) of up to £13.4m to set a lawful and balanced budget for 2024/25.

The decision from DLUHC regarding EFS is expected to be made for all local authorities at the same time by 1 March 2024, although this is not guaranteed. If the requested amount is not approved by DLUHC, the Council will be unable to set a lawful and balanced budget at its meeting on 8 March and the s151 Officer would be required by statute to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.

This report is presented to the Executive on the fundamental assumption that the amount of £13.4m is approved by DLUHC and the terms are subsequently agreed as acceptable to the Council. If the recommendations in this report are agreed by the Executive, this report as presented will be referred to Council for consideration and approval on 8 March 2024.

On 8 March 2024 the Council will be required to consider and accept the sum and terms imposed by DLUHC to enable it then to progress to consider the Mayor's proposed budget as set out in this report. It is the responsibility of each Council member to agree a balanced budget and set the level of Council Tax by the statutory deadline each financial year.

Council approval of the 2024/25 budget and proposed Council Tax will therefore be required at the Council meeting on 8 March 2024 in order to comply with the statutory deadline of 11 March 2024 and to enable the billing of Council Tax to Middlesbrough households to be undertaken.

In the event that the Council does not:

- accept the amount and terms of the EFS offered by DLUHC; or
- reach agreement on the Mayor's proposed budget and level of Council Tax

at its meeting on 8 March, it will be unable to set a lawful and balanced budget by 11 March 2024 which has the following profound adverse implications:

- the s151 Officer will be required by law to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988. This will result in a significant adverse impact upon the provision of non-statutory services whilst the Council develops and approves an alternative plan to balance the budget. Statutory services would be required to be delivered at the minimum standard.
- It would not be possible for the Council to set the Council Tax and bill households for the Council Tax Requirement of £71.438m, which would have

catastrophic cashflow implications for the organisation, putting its ability to deliver all services to the community and to pay suppliers and its staff in jeopardy.

This report provides information and advice to the Executive in terms of the proposed budget for 2024/25 and MTFP to 2026/27. It makes recommendations in relation to the matters in the following sections:

- **Report of the Director of Finance (s151 Officer's) s25 of the Local Government Finance Act 2003. (Appendix 1)**
 - An assessment of the robustness of budget estimates and the adequacy of financial reserves in relation to the Council's operating environment for 2024/25.
 - Members are required by law to have due regard to this report when making decisions on agreeing the budget and setting Council Tax for the financial year 2024/25.
 - A summary of the risks and issues that need to be addressed as a priority in order to strengthen the Council's grip on its financial management arrangements to deliver financial recovery and achieve financial resilience over the period of the MTFP.
 - Sets out the accountabilities and responsibilities of all members and officers in relation to delivering in accordance with the 2024/25 Budget and MTFP in order to secure the financial future of the organisation.

- **Medium Term Financial Plan (MTFP) 2024/25 to 2026/27 (Appendix 2)**
 - An update on the changes in financial planning assumptions since the report to Executive on 20 December 2023 following the Final Local Government Finance Settlement announcement.
 - Confirmation of the financial impact of proposed savings following the budget consultation exercise, which total £13.910m in 2024/25 rising to £21.028m by 2026/27
 - Movement in the budget gap from £6.3 to £4.7m as a result of finalised financial planning assumptions, confirmation of income sources, planned expenditure and savings and an increase in funding via the final settlement.
 - The consequent reduction in the EFS required from £15m to £13.4m.
 - Proposes the 2024/25 Net Revenue Budget of £143.190m
 - Proposes a Council Tax increase of 4.99% for 2024/25 comprising 2% ASC Precept and 2.99% Core Council Tax.

- **Budget Consultation feedback (Appendix 3)**
 - Provides a summary of consultation activity and responses.
 - Provides an update on the proposed revisions to some savings in light of the consultation responses.
 - Provides an explanation of the consideration of reasons for not revising some proposed savings plans in light of consultation responses.

- **Reserves Policy (Appendix 4)**
 - Provides an overview of the Council's reserves and the planned replenishment of the usable revenue reserves over the term of the MTFP in order to achieve financial resilience.
 - Sets out the governance arrangements for use of reserves.

- **Fees and Charges Policy (Appendix 5)**
 - Proposes a new fees and charges policy to be adopted by the Council with effect from 2024/25 to provide a framework within which to review and set discretionary charges for services for the future.
 - Provides a new centralised schedule of fees and charges that will be maintained and published annually on the Council's website.

- **Capital Programme and Capital Strategy Report for 2024/25 to 2026/27 (Appendix 6)**
 - Sets out the proposed capital programme for the period of the MTFP together with the financing statement showing use of external funding and Council resources in the form of capital receipts and borrowing.
 - Includes EFS budget of £13.4m and funding from borrowing.
 - Includes a cash limited budget allocation within which the transformation programme will need to be developed and delivered and funded within planned capital receipts subject to further approval of the Transformation Programme and Flexible Use of Receipts Strategy by Executive and Council on 28 March.
 - Capital strategy sets out the Council's approach to capital investment, the revenue consequences of borrowing and affordability of borrowing in the context of the net revenue budget.
 - Sets out the Minimum Revenue Provision (MRP) policy in accordance with statutory capital financing regulations which govern how the Council will plan and account for the repayment of the principal element of its borrowing over the long term.

- **Council Tax Setting (Appendix 7)**
 - Sets out the Council Tax base, Council Tax increase, and detailed calculations required by statute to determine the Council tax applicable to each Council Tax band.

- **Schools Budgets (Appendix 8)**
 - Summarises the Dedicated Schools Grant (DSG) funding allocations for schools and the local authority budget as determined by the National Funding Formula as submitted and considered and approved by the Schools Management Forum on 17 January 2024.
 - Provides an analysis of DSG in relation to the funding blocks
 - Provides a summary of funding allocation on the High Needs Block and the forecast deficit together with a summary of work being undertaken as part of the Delivering Better Value (DBV) Programme with the Department for Education (DfE).
 -

The report should be read in conjunction with the Prudential Indicators and Treasury Management Strategy (TM) 2024/25 report elsewhere on this agenda. The TM Strategy report translates the Council's revenue income and expenditure plans and capital investment plans for the purpose of the council's cash flow management together with setting the framework within which the Council's investment and borrowing activity is governed.

1. Purpose

- 1.1 This report proposes a 2024/25 net revenue budget of £143.190m, and Medium Term Financial Plan (MTFP) for the period 2024/25 to 2026/27 following the confirmation of the Local Government Finance Settlement and sets out the financial planning assumptions applicable to the budget based upon the best information available at this time.
- 1.2 A Council tax increase for 2024/25 of 4.99% is proposed, comprising 2% Adult Social Care Precept and 2.99% Core Council tax which is within the referendum limits set by Government.
- 1.3 The report proposes a Capital Programme of £88.549m for 2024/25 and totalling £174.980m over the period from 2024/25 to 2026/27 together with a financing statement comprising a combination of external funding and council resources. In addition, the proposed capital strategy sets out the Council's approach to capital investment and financing, including the forecast levels of borrowing and the Minimum Revenue Provision (MRP) Policy which governs how the Council accounts for debt repayment in accordance with statutory regulations. The Capital programme provides for EFS of £13.4m to be financed from borrowing over a period of up to 20 years whilst the actual amount and terms will be determined by the s151 Officer, based upon the actual requirements, borrowing rates and an assessment of revenue affordability at the appropriate time during the 2024/25 financial year.
- 1.4 A summary of the Schools' Budget and allocation of the Dedicated Schools Grant (DSG) as determined under the Department for Education's (DfE's) National Funding Formula, together with an overview of the financial pressures on the DSG High Needs Block and forecast deficit which is being addressed under the Delivering Better Value (DBV) Programme.
- 1.5 The s151 Officer's recommended Reserves Policy for 2024/25 sets out the plan for replenishing and maintaining usable revenue reserves over the period of the MTFP in order to achieve financial recovery and re-establish the Council's financial resilience.
- 1.6 The s151 Officer's recommended Fees and Charges Policy sets out the proposed framework within which discretionary charged for services will be reviewed and fees and charges set in the future in order to ensure financial viability of discretionary services.
- 1.7 The report is underpinned by the Section 151 Officer's report in accordance with s25 of the Local Government Act 2003 which assesses the robustness of budget estimates and the adequacy of financial reserves in the context of the known financial risks that exist in the Council's operating environment. The report sets out the responsibilities of all officers and members to work collaboratively together in order to enable the Council to successfully navigate the complex and challenging path to recover its financial position and achieve financial sustainability over the medium term. Under s31A of the Local Government Finance Act 1992, the Council is required to have regard to this report when making decisions on agreeing the budget and setting the Council Tax.

2 Recommendations

That Executive makes the following decisions:

2.1 Robustness of the Medium-Term Financial Plan (Appendix 1)

- a) Note the statutory s25 report of the Council's Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves.

2.2 Revenue Medium Term Financial Plan 2024/25 to 2026/27 (Appendix 2)

- a) Note the updated financial planning assumptions following the Final Local Government Finance Settlement, together with confirmed government income sources, expenditure plans and local income budgets.
- b) Recommend to Council budget proposals for savings and income generation of £13.910m in 2024/25 rising to £21.028m in 2026/27, which incorporates the revisions to savings in light of the consultation response as set out in Appendix 3.
- c) Recommend to Council an increase in Council Tax of 4.99% resulting in a Council Tax level (Band D) of £1,975.76 excluding parish, Fire, and Police precepts (detailed in Appendix 7).
- d) Note that after all available measures have been taken in relation to budget proposals, a budget gap of £4.7m exists representing a shortfall of annual income compared to net expenditure plans. Therefore, the Council is dependent upon approval by DLUHC to capitalise this expenditure and finance it from Council borrowing under the provisions of Exceptional Financial Support (EFS) in order to set a balanced budget for 2024/25.
- e) Recommend to Council the approval of the proposed General Fund revenue budget for 2024/25 with a net budget requirement of £143.190m after adjusting for the capitalisation of £4.7m of revenue expenditure relating to EFS;
- f) Note whilst the budget gap for 2024/25 has been addressed by the EFS, there will still be a budget gap of £7.474m in 2025/26 and £0.491m in 2026/27 resulting in a cumulative budget gap over the MTFP period of £7.965m. Further savings proposals arising from the Transformation Programme will be required as a minimum to meet these budget gaps.
- g) Note that in assessing the adequacy of reserves in the context of financial risks within the Council's operating environment, the s151 Officer has determined that financial provision for:
 - the sum of £3.5m in relation to savings delivery risk
 - the sum of £4.6m in relation to the timing of realisation of capital receipts to fund Transformation expenditure

are required in the form of capitalisation of expenditure to be funded from

Council borrowing under the provisions of EFS to provide assurance on the adequacy of reserves, should those risks crystallise.

- h) Note that the recommended budget is dependent upon DLUHC approval of EFS in the sum of £13.4m in order for it to be considered and approved by Council as a robust and deliverable balanced budget.
- i) Note that in the event of DLUHC not approving EFS totaling £13.4m, the s151 Officer will have no option but to issue a s114 Notice under s14(3) of the Local Government Finance Act 1988 with the implications as set out in paragraph 4.11 of Appendix 2.

2.3 Budget Consultation (Appendix 3)

- a) Note the feedback of the budget consultation exercise, and submissions from Overview and Scrutiny Board.
- b) Approve the recommended response to the consultation as set out in Appendix 3

2.4 Financial Reserves Policy (Appendix 4)

- a) Recommend to Council the approval of the Financial Reserves Policy for 2024/25 which proposes:
 - o A minimum General Fund Balance of 7.5% of the Net Revenue Budget (£147.890m before EFS temporary adjustment), equivalent to £11.1m for 2024/25
 - o That the Council builds a Financial Resilience Reserve Balance of between £8m and £10m over the term of the MTFP to 2026/27 to strengthen its financial resilience
- b) Note that the reserves policy will be subject to an annual review and Council approval at annual budget setting and will be revised to reflect changes in risk and/or external factors that the Council needs to address in order to secure its financial resilience over the medium to long term.
- c) Note the estimated balances on usable revenue reserves as at 1 April 2024 of:
 - o General Fund balance - £11.1m
 - o Earmarked reserves – unrestricted £6.3m
 - o Earmarked reserves – restricted £4.7m

2.5 Fees & Charges (Appendix 5)

- a) Recommend to Council the approval of the proposed Fees & Charges Policy for 2024/25
- b) Recommend to Council the approval of the schedule of fees and charges arising from the application of the approved policy for 2024/25

2.6 **Capital Programme 2024/25 to 2026/27 and Capital Strategy 2024/25 (Appendix 6)**

- a) Recommend to Council the approval of the proposed 2024/25 – 2026/27 Capital Programme totalling £174.980m and the associated financing statement as shown in Appendix 6.
- b) Recommend to Council the approval of the Capital Strategy and endorse the recommendations included in it as shown in para. 4.20 of this report and detailed in Appendix 6.
- c) Note the Council's revenue cost of borrowing for 2024/25 is £11.154m which is equivalent to 7.8% of the Net Revenue Budget and is approaching the maximum affordable level, therefore future capital investment will need to rely more heavily on external funding and capital receipts in order to maintain borrowing at affordable levels.
- d) Note that the high level estimate of Transformation and Redundancy Expenditure totalling up to £13.7m in 2024/25, £7.7m 2025/26 and £5.2m in 2026/27 is required to be approved within this report to set the capital expenditure and financing limits, together with prudential indicators for borrowing within the Treasury Management Report elsewhere on this agenda.
- e) Note that the detailed development of the Transformation Programme governance, investment plans and funding through the Flexible Use of Capital Receipts Strategy, will be the subject of further reports to the Executive and Council in March 2024 to incorporate into the Budget and Policy framework for 2024/25.

2.7 **Schools Budget (Appendix 8)**

- a) Note details of the Dedicated Schools Grant (DSG) Grant for 2024/25 and the allocation to schools as detailed in Appendix 8.
- b) Note the forecast pressures upon the High Needs block of £6.644m in 2024/25 and the resulting cumulative deficit on the DSG account of £13.208m at 31 March 2025.
- c) Note that the Council is part of the Delivering Better Value (DBV) scheme operated by the Department for Education (DfE) to support local authorities to manage and control the deficit.
- d) Note that a statutory override is in place which prevents the DSG deficit from being met from General Fund resources and the Government's plan to deliver a funding solution is awaited. This presents a potential significant medium term financial risk to the Council in the event that the statutory override is removed without a suitable funding solution.

3 Rationale for the recommended decision(s)

- 3.1 All Council members have a legal obligation to agree a balanced budget and set the Council Tax by 11 March 2024. In addition, the Council has a Best Value duty to demonstrate financial sustainability through the delivery of a balanced Medium Term Financial Plan (MTFP) over a period of at least 3 years. The setting of the budget is part of the budget and policy framework and therefore requires Full Council approval.
- 3.2 The recommendations enable the Council to progress towards meeting its statutory responsibility to set a balanced revenue budget in 2024/25 and the requirement to secure financial sustainability of the period of the MTFP.
- 3.3 The Council is required to take a systematic, coherent, and controlled approach to addressing its ongoing financial challenges over the medium-term, while enabling the delivery of the Mayor's vision and priorities for Middlesbrough through delivery of the wider Council Plan.

4 Background and relevant information

s151 Officer s25 Report (Appendix 1)

- 4.1. Section 25 of The Local Government Act 2003 requires the Chief Financial Officer (CFO) to report to the Council on:
 - the robustness of the estimates made for the purpose of the budget calculations;
 - the adequacy of the proposed financial reserves.
- 4.2. The Council is required to take this report into account when making its decisions in relation to setting the annual budget and setting the Council Tax.
- 4.3. Section 26 of the Local Government Act 2002 places an onus on the CFO (The Corporate Director of Finance and Resources and s151 Officer) to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.
- 4.4. The s151 Officer's report is extremely important and sets the context within which the 2024/25 budget and MTFP report and the Treasury Management Strategy reports should be considered. The s25 report is detailed in Appendix 1 and includes the following sections:
 - Legal Framework
 - Chief Finance Officer Overall Opinion
 - Current context and financial standing of the Council
 - Best Value Notice and External Auditor's Statutory Recommendations in relation to financial recovery and resilience
 - Robustness of Estimates
 - Governance
 - Accounting Practice

- Budget Savings Delivery
- Key Risks impacting Budget Delivery
- Adequacy of Reserves

Revenue Medium Term Financial Plan 2024/25 to 2026/27 (Appendix 2)

4.5. This section of the report includes:

- The finalisation of financial planning assumptions following the final local government finance settlement
- Special Interest Group of Municipal Treasurers (SIGOMA) undertook a piece of work to understand the 'real terms' effect of Core Spending Power, to note the research shows that whilst Middlesbrough has had a cash increase from 2010/11 to 2024/25, there is a cumulative 'real terms' cut, £62.1m (25.6%) based on 2023/24 prices, equating to a 'real term cut' of £958.5 per dwelling. This is both more than the national average and the SIGOMA average.
- Confirmation of the financial impact of proposed savings following the budget consultation exercise
- Summarises the profiled savings of £13.910m in 2024/25 rising to £21.028m in 26/27
- Movement in the budget gap from £6.3m to £4.7m as a result of finalised financial planning assumptions, confirmation of income sources, planned expenditure and savings
- Summarises the Council's reliance on EFS totalling £13.4m
- Proposes the 2024/25 Net Revenue Budget of £143.190m after adjusting for the capitalisation of £4.7m of revenue expenditure relating to EFS on a one-off basis;
- Proposes a Council Tax increase of 4.99% for 2024/25 comprising 2% ASC Precept and 2.99% Core Council Tax.

Budget Consultation Feedback 2024/25 (Appendix 3)

4.6. The Mayor has considered the feedback from the recent Residents' Survey, and prioritised service areas to protect them from further cuts. As a result, a number of services were not included in the new budget proposals for 2024/25 and therefore were part of the wider consultation. A 'growth' adjustment for savings from 2023/24 for delivery in 2024/25 is proposed to ensure these services are retained at their current level.

- Area Care e.g., grass cutting, street cleaning and general maintenance
- Community Safety e.g. Street wardens and Neighbourhood safety officers and their running costs
- Street Lighting, noting a required £0.081m of capital investment will be saved as a result. This was to install the technology to enable selective reduction of street lighting overnight, the maintenance of lighting levels at night supports the strategy to increase the perception of safety of residents of Middlesbrough and the reduction in crime and anti-social behaviour.

- Welfare Rights Service - previously activity was supported through central government grant, and this funding is no longer available so in order to continue services Council resource is required.
- Although, there are no specific financial proposals relating to School Crossing Patrols and Youth Clubs, these services also form part of Mayor's Priorities.

4.7. A 4 week public consultation on the 2024/25 MTFP proposals opened on 21 December and concluded on 18 January 2024 with consultation taking place via on-line survey and a range of targeted and general engagement events in person and on line. Following this consultation period, the recommendations are set in detail on how to proceed in light of the consultation and are set out in Appendix 3.

Consultation received the views of range of people through diverse channels of engagement, below is a summary of consultation activity:

- 1,171 people responded to the questionnaire, The highest response rate the Council has had to a consultation in the last 5 years.
- 50 people sent emails or completed a webform in order to comment on the consultation.
- 4 consultation in person events were attended by approximately 90 people
- 10 social media posts with estimated total reach of 36,525 people
- Councillors were provided with details of the budget consultation to enable them to share with residents in their ward
- An email newsletter was sent to 44,390 people and 12,792 opened.
- Member briefings on budget proposals
- Attendance of Mayor and Executive Member for Finance at Overview and Scrutiny Board, and individual scrutiny panels considering budget proposals with relevant Executive Members invited to attend.
- Formal consultation with the North East Chamber of Commerce

4.8. The on-line survey invited respondents to tell us about their views on the 20 budget proposals that were deemed to be subject to public consultation. While councillors are not obliged to change their budget proposals in light of the outcome of the consultation, they are required to have due regard to it in making their decisions around the Council's Council Tax levels and the Medium-Term Financial Plan.

4.9. Following consultation, the recommendation is to proceed with savings and income assumptions presented in the December Executive Board MTFP report, apart from a number of the proposals which have been amended and one withdrawn, as set out in Appendix 3.

4.9.1. Outline of the Mayor's changes on proposals are listed below:

- **ECS09** – Having listened to feedback from People across the town the proposal 'ECS09 – Car Parking Charge at Stewart Park, £0.060m to be delivered in 2025/26' has been removed.

- **REG03** Captain Cook Birthplace Museum - In recognition of the wealth of feeling in the community and the suggestions forthcoming from the consultation, together with the helpful attitudes of both ward councillors and the Captain Cook Birthplace Trust, the Mayor has been assured that there are more and better options than closure. Therefore, the decision on the future of the Captain Cook Birthplace Museum will be deferred until 30 September 2024 to provide time for other alternative options which avoid closure to be explored more fully. A decision will be taken by the Executive and will be subject to further consultation as required. As a result, the proposed budget savings have been reprofiled resulting in a reduction in 2024/25 by £0.100m and an equivalent increase in 2025/26.
- **FIN08** Reduction in the allocation of resource for voluntary and community sector grants from the local authority. Following consultation feedback from the Overview and Scrutiny Board (OSB) the savings proposal 'FIN08 Reduction in Voluntary and Community Sector grants' has been amended. The proposed savings will still include ceasing the small grants programme saving £0.127m in 24/25, but following the OSB proposal, a provision for one-off grants for residents and small community groups will be incorporated in a merged Community Chest and Development Grants budget for which criteria will be reviewed and revised. These two merged budgets will, as previously proposed, see a 20% reduction in 24/25 a saving of £0.011m, leaving £0.042m. Support will be offered to enable organisations to access external grant funding opportunities, and a business case to access some Better Care Fund monies to support grants for vulnerable people in the communities will be developed. As the core grants are under a contractual service level agreement the 20%, or £0.028m saving, on this part of the budget will be deferred to 25/26 to allow for revised negotiations and service level agreements to be developed following the final year of a 3-year agreement.

4.9.2 While there was engagement and concern on other savings proposals, they are recommended for implementation given the Council's inability to balance the budget which has resulted in the submission of an application for Exceptional Financial Support, as reflected in the s151 Officer's statutory report at Appendix 1 and detailed in Appendix 3.

Below is a summary of the considerations and rationale for those proposals where there was a higher negative response than positive response from the public, excluding those amended or withdrawn and the proposals on Council Tax increase are listed below:

- **ECS08: Resident Parking Scheme** – These schemes relate to a small part of the town that requires additional Council action to support resident parking and enforce compliance with it in order to ensure residents are able to park near their home and other car users are diverted to more appropriate locations. That activity and enforcement comes at a cost. The proposed charge contributes towards the cost of administration and enforcement,

many other councils already have such a charge, and many have a higher charge. By also attaching a charge we aim to limit the number of passes that are misused by non-residents to utilise parking closest to the town centre. An element of the proposal is that the current £10 for care professionals visiting the area, payable by their employer, is not amended.

- **ECS01 Fortnightly Residual Waste Collections** -The proposal will bring Middlesbrough Council practice into line with most other councils and will support efforts to also improve recycling rates. The Waste Service has experienced significant budget pressures in 2023/24, (£1.0m Quarter 3 forecast Outturn), this is primarily due to a combination of household behaviour with regards to recycling and the cost of disposal. It is important to note that there is a significant cost to disposing of waste incorrectly The cost of disposing of recycled waste (average disposal rate is £53.01 per tonne) is much lower than the cost of residual waste (disposal rate is £72.56 per tonne). Residual waste that is put in the recycling bin causes contamination to the recycled waste stream and is rejected by waste operators and diverted to the residual waste stream for which the Council has to pay to process twice, (average residual waste disposal rate of £173.78 per tonne). This additional cost is avoidable if the residents work with the Council and comply with guidance on segregating their household waste.

The implementation of this proposal will go alongside significant communication and education plan to ensure residents are supported in their move to the new system. Based on the experiences of other authorities, it is not expected that this proposal will result in a significant increase on fly-tipping.

Following consultation, the proposed implementation plan has been amended to include adjustments for those households who require a larger waste bin:

- families of 3 or more rather than 4 or more, will be able to request a 240 Ltr wheel bin,
- Following a proposal from back-bench councillors, families of 2 will be able to purchase an additional 140 Ltr wheel bin, the cost will be a one-off fee of £40.

The Council will continue to provide assisted bin collections for those who meet the thresholds for that support, and areas with communal bins or residents who are only served by black sack collection as they are not accessible for wheelie bins, will continue on weekly collections. When comparing to neighbouring authorities this proposal brings us in line with residual waste collection proposals.

- **ECS02 Green Waste Charges** - This is a discretionary service which many councils already charge for and only benefits households in those parts of the town who have gardens. It will be optional, with an opt in process, and the new green bins will only be supplied and charged for as when requested. Free disposal will continue to be available to those who wish to use the Household Waste and Recycling Centre. This proposal is an enhanced service than current, and collections will run from first week of April until end of November on a fortnightly basis. The proposal is in line with green waste services compared to neighbouring authorities. See comparative table for Tees Area in Appendix 3.
- **ECS04 Charges for Bins** - This charge is planned to be introduced in 2025/26, enabling the Council to put other measures in place first in response to concerns about potential bin theft and to allow the roll out of the new bins associated for some households with green waste and/or fortnightly refuse collections. The Council will continue to replace bins at no cost where they have been damaged by Council operatives.

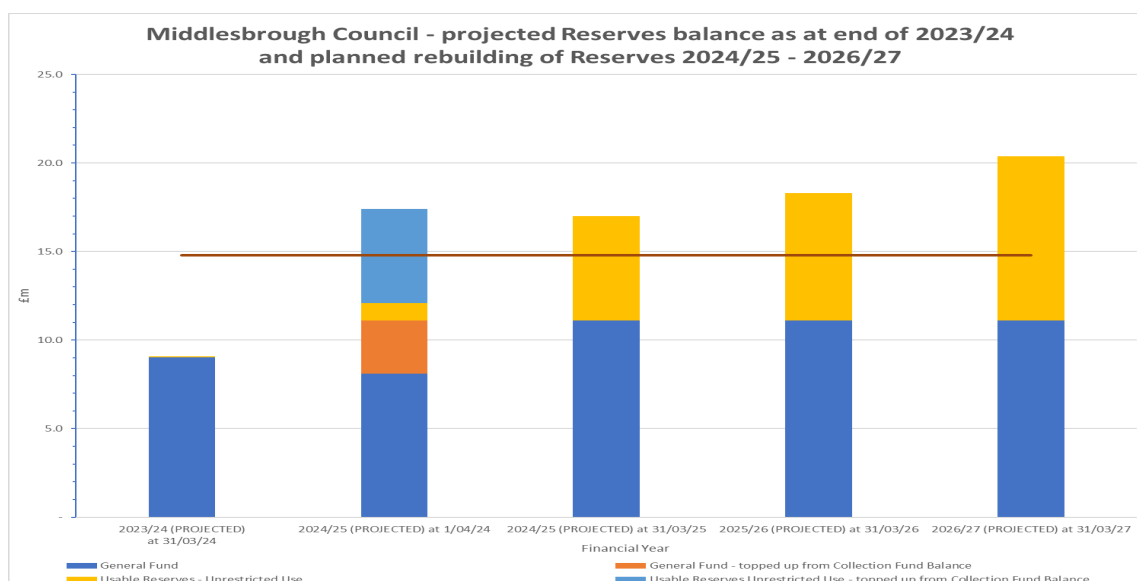
4.10. Responses to the budget consultation survey were analysed to assess whether there were any concerns about impacts from proposals that varied by protected characteristic, which could give an indication of an unintended impact or a concern that there would be a disproportionate adverse impact on individuals or groups because they held one or more protected characteristics. This analysis is set out in the Human Rights, Equality and Data Protection section (section 6.4) of this report. Impact assessments for the budget proposals that were subject to public consultation and an overall impact assessment are set out in Appendix 3 and Appendix 3 – Annex 1 and Annex 2.

Financial Reserves Policy (Appendix 4)

- 4.11. The Financial Reserves policy at Appendix 4 provides an overview of the Council's Reserves and set out the principles governing their use. The Policy will be reviewed and updated annually as part of the annual budget setting cycle going forward.
- 4.12. The recommended minimum balance on the General Fund Reserve is recommended to be 7.5% of the Net Revenue budget, (excluding EFS adjustment) equivalent to £11.1m in 2024/25. In addition, the s151 Officer recommends the replenishment of the Financial Resilience Reserve to between £8m to £10m by the end of 2026/27.
- 4.13. The summary forecast of all usable reserves and the General Fund balance is set out in the table below:

Earmarked Reserves Projections over MTFP period 2024/25 to 2026/27										
	2024/25			2025/26			2026/27			
	Opening Balance	Projected Additions	Projected Drawdowns	Closing Balance	Projected Additions	Projected Drawdowns	Closing Balance	Projected Additions	Projected Drawdowns	Closing Balance
	01/04/24			31/03/25			31/03/26			31/03/27
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Usable										
General Fund Reserve	11.1	-	-	11.1	-	-	11.1			11.1
Unrestricted Use	6.3	1.3	(1.7)	5.9	2.1	(0.7)	7.2	2.8	(0.7)	9.3
Total Unrestricted Use	17.4	1.3	(1.7)	17.0	2.1	(0.7)	18.3	2.8	(0.7)	20.4
Total Restricted Use	4.7	0.6	(0.1)	5.2	0.5	-	5.7	0.5		6.2
Usable total	22.2	1.9	(1.8)	22.2	2.6	(0.7)	24.0	3.3	(0.7)	26.6

4.14. The planned replenishment of usable revenue reserves is illustrated in the graph below.



Fees and Charges Policy (Appendix 5)

4.15. The Council has undertaken an organisation wide review to develop a consistent approach to the levying of fees and charges across the organisation that will be reviewed and updated as part of the annual budget cycle going forward for 2024/25 and future years. Appendix 5 Section A provides an overview of the scope, approach, learning and key outcomes from the review. The review has recognised a range of different factors in setting a price including legislative requirements and constraints, the full cost of delivering services, benchmarking with other organisations and the impact upon other policy objectives.

4.16. Appendix 5 Section B details the proposed Fees and Charges policy developed as part of the review, which applies sector wide good practice on the levying of fees and charges into Middlesbrough's context.

4.17. Appendix 5 Annex 1 provides a Schedule of proposed Fees and Charges for 2024/25 for services provided by the Council, arising from the application of the proposed policy for 2024/25.

Capital Programme 2024/25 to 2026/27 & Capital Strategy 2024/25 (Appendix 6)

4.18. The summary proposed General Fund capital programme totalling £174.980m for the period 2024/25 to 2026/27 is set out in **Table 1** below. Further detail is included in Appendix 6.

Table 1: Summary of Capital Programme 2024/25 to 2026/27

Summary of Capital Programme 2024/25 to 2026/27							
	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL		Council Funding £m	External Funding £m
Directorates	61.449	65.518	7.913	134.880		70.959	63.921
Transformation Programme	5.500	4.800	3.300	13.600		13.600	-
Redundancies	6.500	-	-	6.500		6.500	-
Contingencies	1.700	2.900	2.000	6.600		6.600	-
Exceptional Financial Support (EFS)	13.400	-	-	13.400		13.400	-
TOTAL CAPITAL EXPENDITURE	88.549	73.218	13.213	174.980		111.059	63.921
	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL		Council Funding £m	External Funding £m
FUNDED BY							
Prudential Borrowing	23.037	28.009	1.913	52.959		52.959	-
EFS Borrowing	13.400	-	-	13.400		13.400	-
Capital Receipts	6.000	6.000	6.000	18.000		18.000	-
Flexible Receipts	13.700	7.700	5.300	26.700		26.700	-
Grants	29.897	27.931	-	57.828		-	57.828
Contributions	2.515	3.578	-	6.093		-	6.093
TOTAL FUNDING	88.549	73.218	13.213	174.980		111.059	63.921

4.19. The Council operates a strict approach to considering and prioritising schemes for inclusion in the capital programme set against available resources including a technical review process, as set out in the Capital Strategy in Appendix 6.

4.20. It is recommended that the Executive endorse the following recommendations to Council arising from the Capital Strategy:

- Notes the review of the capital programme undertaken in January 2024 and prior to setting the budget.
- Approves the total capital expenditure over the MTFP period from 2024/25 to 2026/27 of £174.980m, with a programme of £88.549m for 2024/25.
- Notes the inclusion of transformation and redundancy expenditure which can be capitalised under the flexible use of capital receipts strategy (FUoCR) of £13.7m in 2024/25 and then this will be determined in detail through development of transformation programme business cases increasing to up to £26.7m, plus an

expected amount of £13.400m for Exceptional Financial Support which will be funded by additional borrowing.

- Approves the funding of the capital programme, by a combination of external borrowing, grants and contributions, capital receipts and flexible capital receipts for transformation purposes, as shown in **Table 1** and Appendix 6
- Notes that any further capital receipts produced by the asset review will be carried forward for future year's transformation costs.
- Notes that the capital financing requirement (need to borrow) will need to increase to £334.188m and external debt will increase to £310.535m to support these plans.
- Notes that a capital financing cost expected to be £11.194m or 7.8% of the revenue budget being proposed of £143.290m. This £0.200m less than the revenue budget allocated for the financial year.

4.21. Although the proportion of the net revenue budget being spent is increasing as shown in **Table 2** below, this has been fully funded by additional budget allocations. The level is now very close to the 10% threshold which was indicated by CIPFA as an upper limit for debt financing costs when the prudential code was introduced in 2007. The Council needs to rationalise its spending plans over the medium to long term and seek to fund expenditure via external fundings sources or capital receipts from asset sales rather than borrowing which needs to be rationed going forward in order to maintain affordability. The overall capital financing position makes it more important that the Council controls its revenue expenditure within budget, delivering its savings plans in full and realises the planned capital receipts to fund transformation and future capital investment.

Table 2: Prudential Indicators

Prudential Indicator	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Capital Financing Requirement (underlying need to borrow)	299.928	331.863	355.426	352.332
External Borrowing	259.498	310.535	333.294	329.910
Internal Borrowing	40.430	21.328	22.132	22.422
Authorised limit for External Debt	328.000	372.000	396.000	393.000
Annual Capital Financing Cost	9.376	11.154	12.814	14.496
% of Net Revenue Budget on debt costs	7.4%	7.8%	8.6%	9.8%

Council Tax Setting 2024/25 (Appendix 7)

4.22 Appendix 7 sets out the Council tax base, proposed Council tax increase and detailed calculations required by statute to determine the Council Tax applicable to each Council tax band.

4.23 It shows that if the final budget proposed in this report is approved by Council the Net Revenue Budget requirement for 2024/25 will be £143.190m (after adjusting for the £4.7m EFS) with a Council Tax Requirement of £71.438m, equating to a Council Tax (Band D) for non-parish areas (Middlesbrough Council only element) of £1,975.76 and Band A of £1,317.17. This represents a total increase in Council Tax of 4.99% for 2024/25 comprising of a general increase of 2.99% and an adult social care precept of 2.00%.

Schools Budget 2024/25 (Appendix 8)

4.24 Appendix 8 provides details of the Dedicated Schools Grant for 2024/25 totalling £189.360m after deductions for national non domestic rates and direct funding of high needs by Education & Skills Funding Agency (EFSA).

4.25 This budget has 4 elements - budgets delegated to individual schools, support to high needs pupils, provision for early years expenditure and support for central services.

4.26 The key points relating to the Schools budgets are:

- Total indicative grant funding for Middlesbrough is **£189.360m** for 2024/25;
- This is made up of the following four blocks of funding:

DSG Block	2023/24 £m	2024/25 £m	Increase £m	Increase %
Schools Block	131.071	139.332	8.261	6.3
Central School Services Block	1.043	1.046	0.003	0.3
High Needs Block	29.978	31.045	1.067	3.6
Early Years Block	12.121	17.937	5.816	48.0
TOTAL DSG AFTER DEDUCTIONS	174.213	189.360	15.147	8.7

- This is an increase of **£15.147m (8.7%)** from the 2023/24 indicative budget after deductions
- The figures currently are indicative and the grant will be amended throughout the year as the Schools Block includes amounts which are passported straight to academies
- The DSG deficit is predicted to increase by £6.644m during 2023/24 and it is currently forecast that there will be a total cumulative DSG deficit of £13.208m at 31 March 2024, including £13.665m relating to the High Needs Block which is partly offset by £0.457m of surplus forecast across the other blocks. The pressure has been driven up by Education and Health Care Plans (EHCPs) increasing from 2022 to 2023 by over 27% (up from 1370 to 1743) and the service has faced the full year effect of this increase along with continued increasing numbers in the past 12 months, and increasing exclusions. The position will be closely monitored during 2024/25 and reported through the quarterly budget monitoring.

- Middlesbrough are signed up to the Delivering Better Value (DBV) programme that invests £1m over an approximate 18-month period ending 31 March 2025 which aims to deliver cost efficiencies.
- A range of management actions are being taken alongside the DBV programme and the initiatives are detailed in paragraph 1.6 of Appendix 8.

5. Other potential alternative(s) and why these have not been recommended

Not applicable.

6. Impact(s) of the recommended decision(s)

6.1 *Financial (including procurement and Social Value)*

6.1.1 The detailed financial implications are set out throughout the report.

6.1.2 The Council is required by law to set a legally balanced budget by 11 March 2024. Failure to do so will result in the statutory requirement for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.

The Council is dependent upon the approval of its EFS application to DLUHC to set a lawful and balanced budget at its meeting on 8 March 2024. The EFS application has been revised from £15m to £13.4m as a result of the increased funding received in the final local government finance settlement. The result of the application is expected to be received by 1 March 2024 and an update will be provided as part of the budget report to Council on 8 March 2024.

6.1.3 Council approval of the 2024/25 budget and proposed Council Tax will therefore be required at the Council meeting on 8 March 2024 in order to comply with the statutory deadline of 11 March 2024 and to enable the billing of Council Tax to Middlesbrough households to be undertaken.

6.1.4 In the event that the Council does not:

- accept the amount and terms of the EFS offered by DLUHC; or
- reach agreement on the Mayor's proposed budget and level of Council Tax at its meeting on 8 March

it will be unable to set a lawful and balanced budget by 11 March 2024 which has the following profound adverse implications:

- the s151 Officer will be required by law to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988. This will result in a significant adverse impact upon the provision of non-statutory services whilst the Council develops and approves an alternative plan to balance the budget. Statutory services would be required to be delivered at the minimum standard.

- It will not be possible for the Council to set a the Council Tax and bill households for the Council Tax Requirement of £71.438m, which would have catastrophic cashflow implications for the organisation, putting its ability to deliver all services to the community and to pay suppliers and its staff in jeopardy.

6.2 Legal

- 6.2.1 The Council is required under legislation to set a balanced budget for each year. The Medium Term Financial Plan and revenue and capital budgets form part of the Council's policy framework, as set out in its constitution. The approach outlined within the document will enable the Council to operate within the resources available and continue to meet its many statutory duties.
- 6.2.2 Elected members (individually and collectively) have a fiduciary duty to local taxpayers and so duty to facilitate, rather than frustrate, the setting of a lawful budget, and not to do so would bring damaging legal, financial, operational, and reputational consequences for the Council, and precepting authorities such as the police, fire service and local parish councils. It may also give rise to personal liability for individual members for misfeasance in public office, negligence, or breach of statutory duty, should they be found to be purposely failing to set a lawful budget.

6.3 Risk

- 6.3.1 The revision of the Council's Medium Term Financial Plan for 2024/25 to 2026/27 plays a fundamental role in ensuring that the Strategic Plan is delivered effectively.
- 6.3.2 The proposed approach will ensure a positive impact on the strategic risk that the Council fails to achieve a balanced budget. The proposed approach also aligns with legal requirements around consultation and assessing the impact of proposals. It therefore impacts positively on the risks that the Council could fail to achieve good governance or comply with the law.
- 6.3.3 There is a risk that the financial position of the Council will be adversely affected by any non-achievement of the proposed budget savings and other proposals for 2024/25 outlined in the report.

6.4 Human Rights, Public Sector Equality Duty and Community Cohesion

- 6.4.1 Budget savings proposals for 2024/25 and beyond were initially assessed and categorised in Appendices 1 and 2 of the report to Executive on 20 December 2023 and then were subject to public consultation starting on 21 December 2023 and ending on 18 January 2024.
- 6.4.2 The Council must ensure that, in line with the Public Sector Equality Duty, that any budget saving proposals, other budget proposals, or proposed Council Tax increases thought to impact on those with protected characteristics are assessed, mitigated where possible and/or justified. As such impact assessments for those proposals and the overall budget are included within Annex 1 and Annex 2 of

Appendix 3 of this report. The completed impact assessments are appended to this report, along with an overall impact assessment at Appendix 3.

6.4.3 The Public Sector Equality Duty (PSED) (as set out in the Equality Act 2010) places a statutory duty on the Council in exercising its functions, to have regard to the need to:

- eliminate discrimination, harassment and victimisation;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6.4.4 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

6.4.5 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Where proposed decisions may be relevant to one or more of these protected characteristics, the Council is obliged to assess the impact. If there is judged to be an adverse impact on these characteristics that is relevant to the duty above steps are taken to consider whether it can be avoided or mitigated. Where it cannot be avoided or mitigated, a decision can only be taken if it can be justified.

6.4.6 As a result of the above, the 20 proposals set out at Appendix 2 of the December report have been subject to a screening impact assessment. Following the consultation process, one proposal was withdrawn and two of the proposals have moved to an 'in year decision' in order to allow for further consultation to be undertaken and / or to further develop proposed implementation plans. Should those proposals no longer be viable following that process, alternative savings proposals will be identified. In year decisions will be taken on the proposals and they will follow an appropriate governance route to ensure ongoing compliance with the Public Sector Equality Duty.

Of the 17 remaining 16 of those proposals were found to have no concerns that they could have a disproportionate adverse impact on individuals or groups because they hold one or more of the protected characteristics or there were no concerns the proposals could have an adverse impact on human rights or community cohesion.

6.4.7 Two of the proposals proceeded to a level 2 impact assessment to assess, in line with the Public Sector Equality Duty whether they could be avoided or mitigated.

6.4.8 It was determined that these two proposals had impacts that could not be fully mitigated but that they were justified in terms of impact. The impact assessment findings for the two proposals are summarised in the table below:

Proposal	Impact Assessment
FIN08: Reduction in grants to the Voluntary and Community Sector.	The impact assessment found that the proposed reduction would have an adverse impact on all equality characteristics, concerns about impacts on the vulnerable and community spirit which in turn could have an adverse impact on community cohesion. The completed impact assessment found that while the impact could be partially mitigated by the continuing of some funding, it could not be fully mitigated. It found there was a justified adverse impact on all protected characteristics and community cohesion in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations
ECS 03 Junk Job Chargeable Collections	The impact assessment found that the proposal would have a disproportionate adverse impact on disability and age protected characteristics. Although there are some mitigations possible by signposting to charities who could assist, however it could not be fully mitigated. The completed impact assessment found that there was a justified adverse impact on the Disability and age protected characteristics in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations.

6.4.9 As a result of the above, the overall impact assessment has found that the impact of these two proposals on the protected characteristics cannot be fully mitigated. The complete overall impact assessment included in Appendix 3, along with all the individual impact assessments found that there was a justified adverse impact from these proposals in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations.

6.5 *Climate Change / Environmental*

6.5.1 A number of the proposals within the proposed budget are relevant to this theme. The proposals to make changes to waste and recycling services and

cessation of financial support for Environment City in particular. The impact of this has been assessed with the results and the supporting Impact Assessment included in this report.

6.6 Children and Young People Cared for by the Authority and Care Leavers

6.6.1 A number of the proposals within the 2024/25 proposed budget are relevant to these groups. The proposals will ensure that service provision is reviewed to ensure it is fit for purpose. The proposal in relation to the Special Guardianship Order Payment review will be particularly relevant, the proposal is to review policy and practice to bring it into line with regulations, the impact of this has been assessed during the consultation period and this is set out within this report and the report to Council in March 2024 along with the supporting Impact Assessment.

6.7 Data Protection / GDPR

6.7.1 There are no concerns that the proposals within the report will impact negatively on data protection or GDPR.

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

Action	Responsible Officer	Deadline
That this report is presented to Full Council on 8 March 2024 for approval of the Revenue Budget and Council Tax for 2024/25, the updated Capital Programme for the period to 2026/27, and the Capital Strategy 2024/25. Council will also be requested to approve the MTFP for 2024/25 to 2026/27.	Head of Financial Planning & Support	8/3/24
If approved by Council on 8 March 2024, the proposals set out in this report will form the basis of the 2024/25 revenue budget of the Council	Head of Financial Planning & Support	8/3/24

Appendices

1	s151 Officer Statement on Robustness of the budget and adequacy of reserves, required under s25 of The Local Government Act 2003 (Pt I)
2	Revenue Medium Term Financial Plan 2024/25 to 2026/27
3	Budget Consultation feedback 2024/25
4	Financial Reserves Policy
5	Fees and Charges Policy
6	Capital Programme 2024/25 to 2026/27 and Capital Strategy 2024/25
7	Council Tax Setting 2024/25
8	Schools Budget 2024/25

Background papers

Body	Report title	Date
Executive	Children's Service Financial Improvement Plan	14/2/23
Council	Budget 2023/24 -S25 Report of the Chief Finance Officer	27/2/23
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2023/24	27/2/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter One 2023/24	23/8/23
Executive	MTFP Update	23/8/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter Two 2023/24	21/11/23
Executive	Asset Review	21/11/23
Executive	Fees and Charges Review 2023/24	21/11/23
Government (Chancellor)	Autumn Spending Review 2023	22/11/23
Department for Levelling Up, Housing & Communities (DLUHC)	Local Government Finance Policy Statement 2024/25	5/12/23
Department for Levelling Up, Housing & Communities (DLUHC)	Provisional Local Government Finance Settlement	18/12/23
Executive	The Council Plan, 2024-27	20/12/23
Executive	Draft 2024/25 Budget and MTFP Refresh	20/12/23
Executive	2024/25 Budget and MTFP – Application for Exceptional Financial Support	17/1/24
Department for Levelling Up, Housing & Communities (DLUHC)	Final Local Government Finance Settlement	5/2/24
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter Three 2023/24	14/2/24
Executive	Prudential Indicators and Treasury Management Strategy Report – 2024/25	28/2/24

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Appendix 1 - S151 Officer Section 25 Report

The robustness of the 2024/25 budget and adequacy of reserves

1 Purpose of the report

- 1.1 This is an important report which provides the context within which the entire suite of the 2024/25 budget and MTFP and Treasury Management Strategy Reports on this agenda must be considered when making decisions in relation to setting the annual budget and council tax.
- 1.2 The report advises members of the Council of the Director of Finance's (s151 Officer) report on the robustness of estimates made for the purposes of the budget calculations and the adequacy of proposed financial reserves as required by statute.

2 Legal Framework

- 2.1 Section 25 of The Local Government Act 2003 (the Act) includes the following statutory duty in respect of the budget report to Council:

'the Chief Financial Officer (CFO) of the authority must report to it on the following matters:

- a) the robustness of the estimates made for the purpose of the calculations;*
- and*
- b) the adequacy of the proposed financial reserves.'*

- 2.2 The Act also requires the Authority to which the report is made to have regard to the report when taking decisions about the budget and setting the council tax. The Chief Finance Officer is as defined in Section 151 of the Local Government Act 1972 and is fulfilled by the Director of Finance.
- 2.3 Section 26 of the Local Government Act 2003 places an onus on the CFO (The Director of Finance and s151 Officer) to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget. For the purpose of the Act 'reserves' include the 'General Fund Balance.
- 2.4 This report has been prepared by the CFO to fulfil this duty and gives the required advice relating to the 2024/25 financial year. This includes a consideration of the budget proposals as a whole and the key financial risks facing the Council.
- 2.5 In accordance with s31A of the Local Government Finance Act 1992, the Council is required to have regard to this report when making decisions on agreeing the budget and setting the council tax for the financial year 2024/25.

3 Chief Finance Officer Overall Opinion

- 3.1 The Council's financial position is critical, given its inability to set a balanced revenue budget for 2024/25 without recourse to Exceptional Financial Support (EFS), for which a decision from Department for Levelling Up, Housing and Communities (DLUHC) is expected during the week commencing 26 February 2024. The Council will be required to accept the terms of any agreed amount of EFS to then progress to consider and set a balanced budget at its meeting on 8 March 2024 in order to avoid a s114 Notice being issued under s114(3) of the Local Government Act 2988 in relation to the 2024/25 budget. The implications of issuing a s114 notice are set out in the summary report and Appendix 2 – 2024/25 Revenue Budget and MTFP
- 3.2 The Council has been unable to fully mitigate its financial pressures during 2023/24 in relation to adults and children's social care, SEND transport and waste disposal expenditure and as a result the level of revenue reserves required to finance the forecast overspend of £5.544m (at Quarter Three / period 9) will reduce the level of the General Fund Balance and unrestricted usable earmarked reserves to £9.091m which is considered to be inadequate.
- 3.3 The critically low level of revenue reserves advised to the Council at budget setting in March 2023 have been further depleted as a result of the continued expenditure pressures which Service Directors have been unable to control whilst operating under their current arrangements. The forecast level of reserves of £9.091m at 31 March are insufficient and would have resulted in the s151 Officer needing to issue a s114 Notice in 2023/24 if it had not been possible to identify a solution set out in 3.4.
- 3.4 The detailed review of the balance sheet identified the need to review and apply a one off and exceptional adjustment of £8.3m to the Collection Fund Bad Debt provision resulting from the application of the accounting methodology to comply with accounting standard IAS37. This provides a solution to restore unrestricted usable revenue balances to the level of £17.4m at 1 April 2024. Revenue reserves will be replenished by the application of the forecast Collection Fund surplus of c£8.3m on 1 April 2024.
- 3.5 As a result of these actions and a review of the Reserves Policy (Appendix 3), the minimum level of the General Fund Balance will be set at a minimum of 7.5% of the Net Revenue Budget on 1 April 2024 which is £11.1m
- 3.6 The Council must aim to rebuild its unrestricted revenue reserves over the period of the MTFP. The balance on earmarked unrestricted reserves at 1 April 2024 is planned to be £6.3m.
- 3.7 Within unrestricted revenue reserves, the Financial Resilience Reserve (FRR) will operate as a budget smoothing reserve to meet unanticipated financial

pressures subject to recommendation by the s151 Officer to the Executive. The FRR is required to be rebuilt and maintained at between £8m to £10m by 2026/27 to provide sufficient resilience to support the management of risks in the delivery of the revenue budget over the period.

3.8 On the basis of the risks and issues set out in this report, in my opinion as Director of Finance (s151 Officer), the budget estimate of £143.190m (after adjusting for EFS) and a council tax requirement of £71.438m to be presented for approval by Council is robust on the basis that:

- a) All Members and Officers will work collaboratively together with an unrelenting focus and priority placed upon:
 - a. controlling costs within cash limited budgets without exception.
 - b. Delivery of all £13.9m of planned new savings for 2024/25 on an ongoing basis
 - c. Identify and develop further transformational savings to enable implementation to secure delivery of a minimum of £7.475m further savings from 2025/26.
 - d. Noting that the failure to deliver planned savings in any financial year will add to the budget gap in the following financial year
 - e. Following extensive training in the new Financial and Contract Procedure Rules, Directors will ensure full staff compliance across their respective service areas.

These control measures will serve to preserve and rebuild the Council's revenue reserves to strengthen the Council's financial resilience over the medium term as required by the external auditor's statutory recommendations and DLUHC requirements in relation to recent revision to the Council's Best Value Notice.

- b) DLUHC agrees to the Council's request for Exceptional Financial Support in the form of a capitalisation direction up to £13.4m for 2024/25 to meet the budget gap of up to £4.7m and contingency sums of £8.7m in respect of potential savings delivery slippage and delays in realisation of capital receipts required to fund transformation thereby supporting the Council's financial recovery plans.
- c) The Council takes all necessary measures to realise the delivery of £24m of planned asset sales in 2024/25 which are critical to fund transformation investment over the MTFP.
- d) That transformation and savings delivery plans are developed at pace and appropriate temporary resources are secured across Service Directorates to ensure delivery in line with programme delivery profiles. Each Director will need to ensure that they secure the necessary resources to deliver within available transformation financial resources given the risks to delivery noted in section 5.3 below.

- e) That sufficient senior and specialist capacity of the Finance Team is secured to be able to service the organisational requirements associated with delivering transformation alongside its normal duties in upholding the s151 officer statutory responsibilities to the required standard. The resources within the substantive team are currently insufficient to deliver at the extent of improvements in financial management required to meet statutory s24 audit recommendations, support the delivery of transformation, and uphold the business-as-usual statutory duties of the s151 officer.

S114 (7) of the Local Government Finance Act 1988 requires that the Council provide the s151 Officer with sufficient resources as the s151 Officer considers necessary to fulfil their statutory duties under the Act.

The Finance Team will therefore be dependent upon a level of temporary professional senior resource over the course of 2024/25, and this will be addressed within the development of the transformation programme delivery and resource plans. The operating model and structure of the Finance Function will be reviewed during the year as part of the financial management improvement plan to ensure that it is adequate to meet the longer term needs of the Council.

- 3.9 The forecast level of Council reserves remains critically low but are adequate to support the budget for 2024/25 having regard to the assessment of current financial and other risks and the implementation of recommended management control measures as set out in this report. Provided these assessed risks do not increase substantially and beyond those that have been reasonably assumed in developing the budget; together with a successful EFS application to cover identified risks as noted, the Council is capable of delivering an increase in its financial resilience over the MTFP period.
- 3.10 The Council must continue to proactively address the areas for improvement set out in the Culture and Governance Improvement Plan and External Auditor's s24 Recommendations Action Plan. In particular, embedding improvements to budget modelling and forecasting within the operational management of services underpinned by effective systems and processes will deliver improved and embedded financial management practices across all directorates.

4. Current Context and Financial Standing of the Council

2023/24 Financial Position

- 4.1 The Council approved a balanced budget for 2023/24 in February 2023. Whilst the budget was assessed as robust by the former s151 Officer at that time, usable earmarked revenue reserves were noted to be at a critically low level of £2.788m together with a General Fund Balance of £12.041m at 31 March 2023. The need for strict cost control and delivery of savings during 2023/24 was emphasised within the s151 Officer's 2023/24 s25 report.

- 4.2 However, at period 2 (31 May 2023) financial monitoring, the current Interim Director of Finance (151 officer) identified a substantial forecast overspend and implemented immediate monthly monitoring and control measures across the organisation advising the Leadership Team, Elected Mayor and Executive of the potential seriousness of the Council's financial position in early June and calling for prompt management action to address the situation.
- 4.3 On 23 August 2023, the Quarter 1 (Period 3 to 30 June 2023) revenue and capital budget monitoring report forecast an overspend of £11.563m (9.2%) on the approved £126.354m. In view of the critically low revenue reserves position of £14.8m including the General Fund Reserve of £12.041m and unrestricted revenue reserves of £2.788m, it was noted that the Council was at risk of a s114 Notice being issued during 2023/24. In July 2023, the s151 Officer introduced a range of management and control measures to restrict expenditure as set out in the Q1 report. These arrangements have continued through the course of the 2023/24 financial year and will remain in place until further notice.
- 4.4 At Quarter 3 (Period 9 to 31 December 2023), the forecast outturn has been reduced to an overspend of £5.544m (4.4%) as reported to the Executive on 14 February 2024. Throughout the year, cost control measures have been deployed and an assessment made of the pressures in terms of their on-going vs one off nature. A large proportion of management actions taken have been one-off in nature and therefore whilst they have reduced the extent of the in-year overspend, they have not provided solutions to move the Council to a financially sustainable position to enable a balanced budget in 2024/25.
- 4.5 The Council's approach to financial management and control must be revised and strengthened through 2024/25 to establish a firm grip on financial management and embed this in the strategic and operational management of the organisation. This is essential to achieve and sustain financial recovery. The summary forecast outturn at Quarter 3 is set out below.

All Directorates	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Forecast Variance as % of Current Budget	Movement from Quarter Two (Forecast Variance)	
	£m	£m	£m	£m	%	£m	
				Adv / (Fav)		Adv / (Fav)	
Adult Social Care	49.808	51.692	53.050	1.358	2.6	(0.405)	↑
Public Health	(3.280)	(3.095)	(3.095)	0.000	0.0	0.000	↔
Children's Care	54.649	55.692	58.576	2.884	5.2	(0.289)	↑
Education & Partnerships	5.494	5.737	7.180	1.443	25.2	(0.500)	↑
Regeneration	(1.987)	1.010	0.675	(0.335)	(33.2)	0.179	↓
Environment & Communities	20.228	19.533	20.476	0.943	4.8	0.175	↓
Legal & Governance	10.245	10.780	10.834	0.054	0.5	0.050	↓
Chief Executive	0.000	0.234	0.234	(0.000)	(0.1)	0.012	↓
Finance	4.429	5.181	4.846	(0.335)	(6.5)	(0.187)	↑
Total Directorates	139.586	146.764	152.776	6.012	4.1	(0.965)	↑
Central Budgets	(13.232)	(20.411)	(20.878)	(0.467)	2.3	(2.047)	↑
Total Budget	126.354	126.354	131.898	5.544	4.4	(3.012)	↑

4.6 There has been an unrelenting focus by the Leadership and Management Team and Executive Members upon managing and tracking the delivery of approved savings over the course of the year. Where original plans have proved difficult or not possible to deliver within the year, alternative mitigations have been deployed as far as possible by Directors through the development and implementation of Financial Recovery Plans. The Quarter 3 position on savings delivery is summarised below by Directorate.

Directorate	23/24 RED (£000s)	23/24 AMBER (£000s)	23/24 GREEN (£000s)	23/24 BLUE (£000s)	TOTAL (£000s)
Regeneration	0	0	300	296	596
Environment and Commercial Services	0	0	1,261	782	2,043
Legal and Governance	0	0	120	121	241
Adult Social Care and Health Integration	0	0	416	86	502
Public Health	0	0	0	296	296
Education and Partnerships	0	0	0	313	313
Children's Care	56	0	0	698	754
Central	0	0	0	543	543
Finance	0	0	0	130	130
Fees and Charges	0	0	1,111	0	1,111
Children's Services Financial Improvement Plan	1513	0	174	1167	2,854
TOTAL (000s)	1569	0	3382	4432	9,383
Overall Percentages	17%	0.00%	36.04%	47.23%	

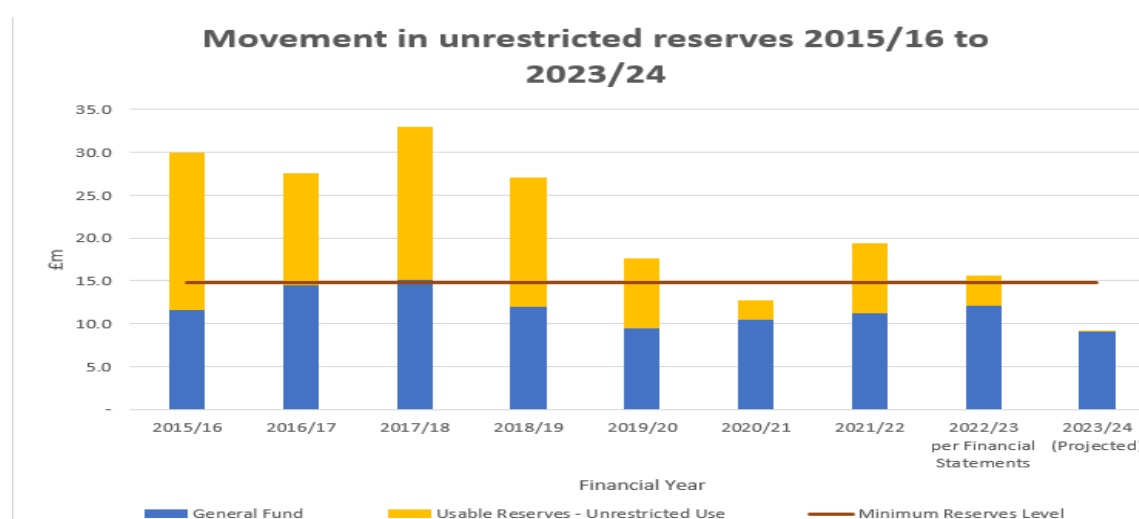
4.7 Undeliverable savings RAG rated red are factored into the 2023/24 forecast overspend of £5.544m and have been revised and replacement savings proposed in the 2024/25 budget. The table below summarises the main variances within the organisation which have proven difficult to mitigate fully due to a combination of:

- The demand led and statutory nature of the services which have experienced increased demand and complexity of need beyond those anticipated.
- Inflationary pressures continuing to impact the supply chain for goods, works and services.
- The nature of current operating models which need to be modernised to realise efficiencies.
- The requirement for more effective demand management to support and enable communities to become more resilient and self-reliant.

2023/24 Financial Forecast Outturn Quarter 3	£m
Adult Social Care	1.358
Children's Social care	2.884
Education & Partnerships	1.443
Environment and Community Services	0.943
Other variances (Regeneration, Legal and Governance, Finance and Central)	(1.084)
Total	5.544

- 4.8 It is essential that robust measures are taken in 2024/25 to manage demand more effectively, deliver efficiencies and develop longer term transformation to control costs, particularly in the areas of Adult Social Care, Children’s Care, Education and Partnerships (SEND transport), Homelessness and Environment and Communities (Waste Disposal).
- 4.9 The forecast overspending at period 9 will result in earmarked revenue reserves and the General Fund balance being reduced to £9.091m at 31 March 2024 against the minimum balance of £14.829m advised at 31 March 2023.
- 4.10 The reduction in usable unrestricted reserves and the General Fund Balance over the period 2015/16 to 2023/24 is illustrated in **Figure 1** below. The Council must now take firm and unwavering action in 2024/25 in order to control expenditure within its annual income sources without exception in order to protect and rebuild reserves to a sufficient level over the medium term 2024/25 to 2025/26.

Figure 1: Movement in unrestricted reserves 2015/16 to 2023/24



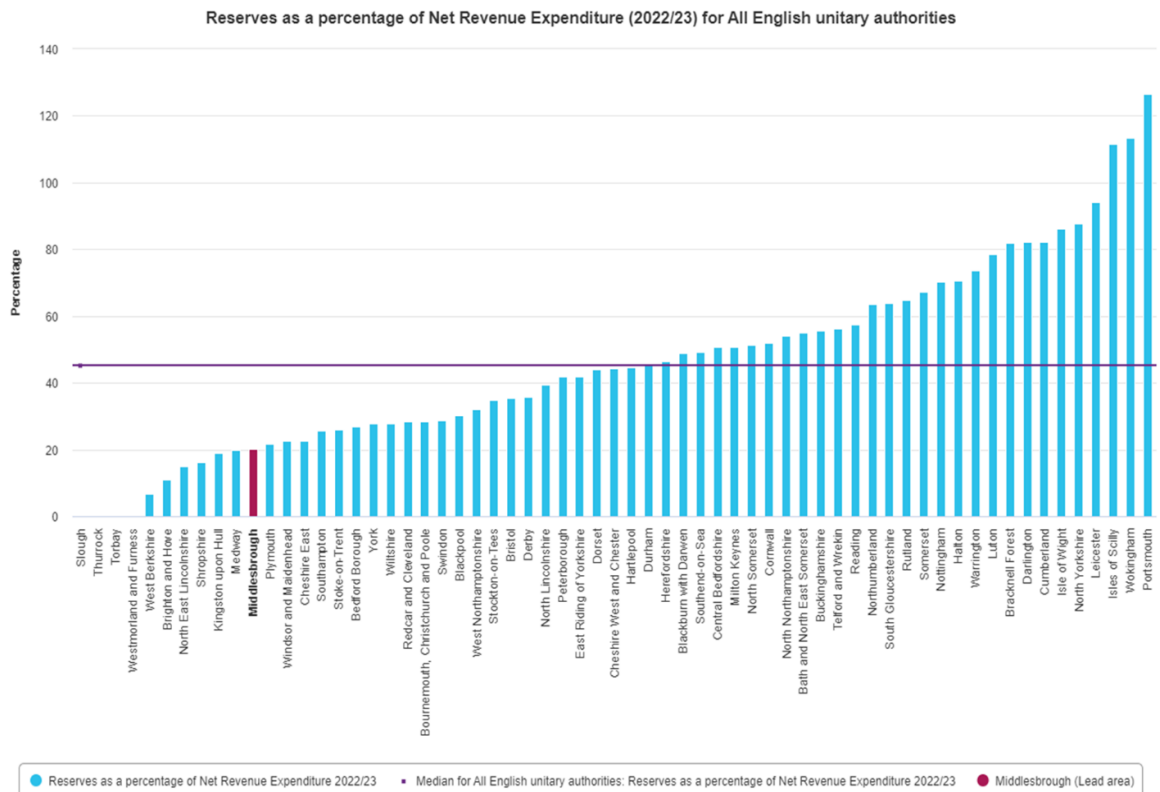
- 4.11 The Director of Finance initiated a detailed review of the balance sheet during the 2023/24 in response to the identified risk to reserves and as a result:

- has identified a number of reclassifications in General Fund Reserves at 31 March 2023.
- review of the methodology to calculate the bad debt provision in line with International Accounting Standard IAS37 within the Collection Fund has been undertaken. This has identified a favourable adjustment in 2021/22 accounts which remain subject to audit. This adjustment has been reflected in 2022/23 and 2023/24 accounts and has resulted in a cumulative forecast surplus on the Collection Fund at 31 March 2024.
- The Collection Fund is a legally separate account from the General Fund and surpluses and deficits are taken into account at annual budget setting.

Therefore, a cumulative surplus of c£8.3m is available to the General Fund from 1 April 2024. This surplus must be used to replenish revenue reserves to an acceptable minimum and will not be available to balance the 2024/25 budget.

- 4.12 The combined actions of reducing overspending and revising the Collection Fund Bad Debt provision have served to enable the Council to avoid a s114 Notice during 2023/24.
- 4.13 However, the Council still has a very low level of financial resilience as a result of the weaknesses in its financial management practices over a number of years. The need to exercise financial grip on operational expenditure and achieve transformation of its service delivery models and financial management practices at pace through 2024/25 is critical to stabilise the financial position.
- 4.14 The Council has one of the lowest levels of total reserves as a proportion of its net revenue expenditure when compared to all unitary councils in England as illustrated in Figure 2 below:

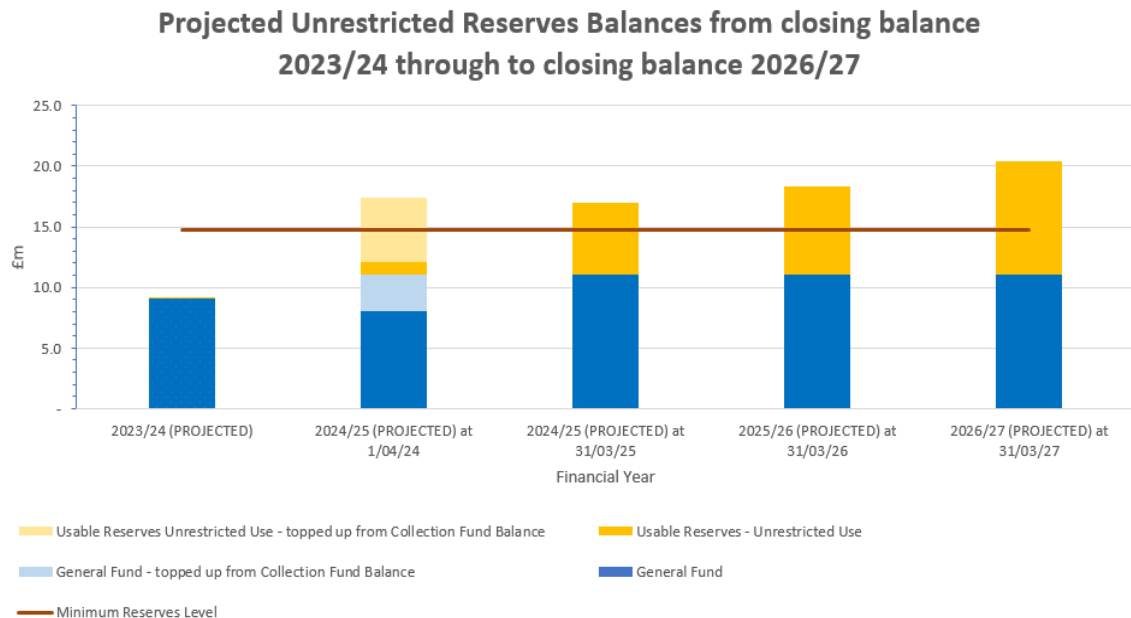
Figure 2: Reserves as a percentage of Net Revenue Expenditure 2022/23 for all English Unitary Authorities



Source: LG Inform

4.15 The Financial Reserves Policy at Appendix 4 sets out the plans to rebuild and maintain the level of reserves over the 2024/25 to 2026/27 period of the MTFP as reflected in Figure 3 below:

Figure 3: Projected Unrestricted Reserves Balances from closing balance 2023/24 through to closing balance 2026/27



5 Best Value Notice and External Auditor’s Statutory Recommendations in relation to financial recovery and resilience

5.1 In January 2023 the Department for Levelling Up Housing and Communities issued a Best Value Notice in relation to the Council’s failings in culture and governance for an initial period of 12 months. The notice was extended by the Minister for Local Government, Simon Hoare in January 2024, who acknowledged the Council’s progress on a range of improvement measures over the course of the 12-month period. However, it was stressed that much more work is required to embed improvements in relation to securing financial sustainability and delivery of transformation, whilst effectively implementing new strategies to embed positive cultures. The Minister will reassess the Council’s progress in July 2024, when possible, outcomes will range from the removal of the Council from DLUHC intervention, through to an escalation of intervention if sufficient progress and improvement is not demonstrated.

5.2 In short, the Council is at a crossroads on its improvement journey and must seize opportunities to deliver modernisation and efficiency in its operations and embed more robust financial management practices at pace in order to protect its financial position and succeed in the medium term.

5.3 The Council currently lacks sufficient capacity within its permanent staffing establishment across service directorates and enabling services such as HR, Legal, IT and Finance in order to achieve the level of change required at the

pace expected and this presents a significant risk which needs to be addressed through the resource planning for transformation that is currently underway. This risk has been highlighted by the Middlesbrough Independent Improvement and Advisory Board (MIAB) and also Inner Circle Consulting who have been engaged to help develop the Council's Transformation Programme. Ensuring that the Council has the appropriate skills, knowledge and capacity in place across service directorates and enabling services such as finance, HR, ITC and legal services is critical to the Council's success. This will be addressed within the development of the transformation programme resource plans.

- 5.4 In August 2023 the External Auditor, EY LLP issued eleven statutory recommendations under Section 24 Schedule 7(2) of the Local Audit and Accountability Act 2014 in relation to the Council's failures to meet its Best Value Duties. Recommendations 4 to 6 specifically relate to the significant weaknesses in arrangements for securing the Council's financial sustainability as quoted below:

4	<i>We recommend that the Council builds upon the steps already taken to control its expenditure to identify specific deliverable savings over the short term (next 12 months) and protect its limited remaining reserves. Where appropriate, this may need to include the Council changing how it meets its statutory responsibilities and the extent to which it delivers services which are not required to discharge its statutory responsibilities.</i>
5	<i>We recommend that the Council reviews its service delivery models to ensure that they are efficient, represent value for money and achieve the outcomes required for the resources invested. Where opportunities to improve service delivery models are identified, the Council should develop detailed plans for implementation of service delivery transformation and how the upfront transformation costs will be funded</i>
6	<i>We recommend that the Council reviews its financial forecasting processes to understand why significant financial pressures, over and above those anticipated and reflected in the Council's annual budget, have emerged within the first half of both the 2022/23 and 2023/24 financial years and ensure future forecasting reflects those lessons learned.</i>

- 5.5 These recommendations are being addressed through the establishment and delivery of the Corporate Governance Improvement Plan and S24 Action Plan for which the latest update on progress is set out in a report to Council on 17 January 2024¹.

¹ [Report.pdf \(middlesbrough.gov.uk\)](#)

- 5.6 Alongside the need to redesign and transform service delivery, there is a requirement to fundamentally change and strengthen the financial management arrangements within service directorates, including the adoption of a corporate standard approach to demand and cost modelling, forecasting and reporting, improved financial management skills amongst budget holders, upskilling the finance team and ensuring underlying IT systems, business processes and procedures are in place to establish 'one version of the financial truth' for Middlesbrough Council to support its financial planning and strategic and operational decision making.
- 5.7 The nature of the demand pressures in adult and children's social care, SEND transport, homelessness, and Waste Disposal have proved difficult to control and mitigate during 2023/24 and are key themes within the transformation and savings programmes proposed for 2024/25 and over the medium term and in turn are critical to securing financial sustainability of the Council.
- 5.8 Service Directors will be required to deliver fully on their savings plans during 2024/25 whilst proactively managing operational income and expenditure to remain within the budget allocations for which they are responsible and accountable without exception.
- 5.9 In addition to ensuring appropriate resources within the service areas, this work will need appropriate engagement of the Finance Business Partnering function. The Finance service is currently depleted in terms of its capacity to meet the needs of the organisation at this time and presents a specific risk to the Council's ability to deliver on transformation and meet the statutory responsibilities of the s151 Officer. Resources need strengthening in terms of the input of senior professional capability in the short term in order to achieve this objective, given that there is unsustainable pressure on a small number of key finance officers within the permanent finance team which is untenable.
- 5.10 A significant amount of work has been undertaken by the Finance Team to develop the Council's approach to demand and cost modelling which is the foundation of robust financial management. This has been achieved with the support of senior interim resources during 2023/24 as the capacity and capability of the permanent Finance Team is limited due to historical budget reductions. Further work will be required during 2024/25 and will build upon the foundations laid during 2023/24 and will require the integration of operational and financial management through activity-based costing at the most basic level of operational management and decision making across all directorates. In particular, senior finance input will be required to be embedded in transformation programme multi-disciplinary teams to ensure that effective and robust financial management systems and processes are established and embedded in the redesigned and transformed service models.
- 5.11 Budget holders and decision makers within service areas must become more proficient in understanding and managing the financial consequences of their decisions and training will be provided throughout 2024/25.

- 5.12 The standard of Finance Business Partnering needs to be developed to provide forward looking, proactive analysis, information, advice and constructive challenge to Directorate Management Teams. The Finance Business Partner is the s151 Officer's representative and should be positioned as a full and equal member of the Directorate DMT, representing and advising Service Directors on behalf of the s151 Officer and upholding the statutory responsibilities of the s151 Officer. The s151 Officer will seek to modernise the traditional approach to delivering accountancy support and financial reporting that is currently the norm across the organisation. This is necessary in order to establish a firm grip upon the financial management of Service Directorates and embed a strong financial management culture.
- 5.13 There is a fundamental risk to achieving this requirement given there is insufficient capacity of appropriately skilled and experienced staff within the permanent Accountancy function as outlined above. Section 114(7) of the Local Government Finance Act 1988 requires the local authority to provide its Chief Finance Officer with such staff, accommodation and other resources as are in his/her opinion sufficient to allow his/her duties under the Act to be performed. This risk will be addressed as set out above in relation to the transformation programme and s24 recommendation resource requirements.

6. Robustness of Estimates

- 6.1 Budget estimates are based upon a combination of known data and assumptions of which some are within the organisation's control, and some are outside of its control. Therefore, it is not possible to predict the future with certainty and so the statement on robustness of estimates cannot give a 100% guarantee that expenditure and income will be incurred as expected in developing those budget estimates. The financial planning environment is particularly uncertain as the impact of the Covid19 pandemic upon demand upon business and communities continues to evolve combined with volatility in the global economy.
- 6.2 Work has commenced to establish a standardised approach to demand and cost modelling in the areas of adult social care, children's social care and the Integrated Transport Unit given the scale of the expenditure and financial pressures being experienced in order to improve the Council's approach to budget setting, monitoring and forecasting as required by the external auditor's statutory recommendations.
- 6.3 Models are assessed as adequate, but work will need to continue through 2024/25 to improve the Council's financial planning and forecasting capability through more focus upon data and forecasting techniques to strengthen the links between service and financial planning for the future.
- 6.4 The s151 Officer has relied upon the following measures in order to meet the requirements for assessing the robustness of estimates:

- Budgets have been aligned to the identified spending needs of the Council through the assessment of demand, pay inflation, non pay inflation, contractual inflation and assessment of income sources as set out in the detailed Budget and MTFP at Appendix 2.
- Compliance by all Directors in the use of budget development guidance issued to support the development of budget saving proposals, including the use of standardised summary business case templates (R2 forms) which capture the costs, benefits, risks, impact of proposals together with a high level profile of delivery timescales.
- A review of income from fees and charges for discretionary services has been undertaken and a new Fees and Charges policy is proposed for 2024/25 and future years to provide a framework within which fees and charges should be managed going forwards.
- A review of savings proposals and their achievability by the Executive, LMT, Departmental Management Teams and an independent due diligence review by Inner Circle Consulting to assess the robustness and deliverability of proposals.
- The Overview and Scrutiny Board and individual Service Scrutiny Panels have been engaged in the review and challenge of budget proposals during the consultation period and a series of all member briefings and consultation events have been held to help shape budget proposals.
- Budget proposals have been subject to public and staff consultation where appropriate and feedback has been factored into the finalisation of proposals.
- Directors have taken responsibility and accountability for the delivery of their budget proposals and have formally signed them off as deliverable.
- The use of in-year budget monitoring by Directors and engagement through monthly budget challenge sessions to understand and address the underlying drivers of cost and the recurrent vs non recurrent nature of pressures being experienced in year.
- Director's assessment of expected demand for service provision over the term of the MTFP and testing this in order to assess the credibility of future growth pressures.
- Sensitivity analysis on the assessment of service demand for the demand led statutory service areas to assess the adequacy of reserves.
- The capital programme has been extensively reviewed and reprioritised to minimise and focus expenditure funded from Council resources within affordable limits, reducing the planned 2024/25 programme from £110m to £61m, and planned borrowing from £53m to £29m (before the effects of EFS).
- The Treasury Management position reflects the annual budget to meet capital financing costs of £11.154m in 2024/25 which is equivalent to 7.8% of the Net Revenue Budget.

7 Governance

- 7.1 The Budget has been prepared with the full involvement of the Leadership Management Team led by the Chief Executive and has engaged fully the Elected Mayor and the Executive over many months and iterations of budget proposals.
- 7.2 Under the Council's Constitution, financial management is delegated to each Director, and they are required to manage expenditure within approved resources allocated to their control.
- 7.3 Following the revision of the Constitution and Contract and Financial Procedure rules in September 2023, all senior officers have received relevant training and are required to comply fully with these procedures.
- 7.4 Enhanced monthly budget monitoring, forecasting and reporting arrangements will continue throughout 2024/25 and essential spending controls including vacancy management and contract compliance will remain indefinitely.
- 7.5 Monthly tracking of savings delivery will be reported by the Programme Management Office engaging fully with Finance Officers to ensure savings delivery and overall cost control remain on track.
- 7.6 An enhanced transformation and programme management framework will operate in relation to the delivery of proposed savings and the development of new transformational projects throughout 2024/25 and over the period of the medium-term financial plan.
- 7.7 Realisation of capital receipts from asset sales is critical to funding investment in transformation and therefore will be managed as a workstream within the programme management framework to provide assurance of delivery.

8 Accounting Practice

- 8.1 The 2022/23 annual audit report by the Head of Internal Audit (Veritau) gave a Limited Assurance conclusion in July 2023 in relation to the framework for governance, risk management and control operating in the Council, which was primarily due to the wider context of officer, member relationships and separation of duties between their roles; governance arrangements for Middlesbrough Development Company.
- 8.2 However, it is noted that within that assessment, the conclusion of the most recent internal audit reports relating to core financial systems has given substantial assurance on the audit of the main accounting system, debtors and payroll, and reasonable assurance for creditors, which gives the s151 officer some degree of assurance over the control environment and completeness and accuracy of financial reporting arrangements for core financial systems that impact upon budgeting and financial reporting. Issues identified in relation to use of Purchase Cards in Children's services in

2022/23 has resulted in a revision and strengthening of policies and procedures for the use of purchase cards across the wider organisation.

- 8.3 Due diligence has been undertaken by the s151 Officer and Director of Public Health during the 2023/24 financial year to assure the eligible use of Public Health Grant in accordance with regulations (Public Health Ring Fenced Grant Determination 2023 to 2024: NO 31/6550) which was found to be acceptable.
- 8.4 Further due diligence will be undertaken in relation to accounting practice including Dedicated Schools Grant and capitalisation of expenditure through 2024/25 and so it is possible that new issues may emerge as this work is delivered.

9 Budget Savings Delivery

- 9.1 The budget development process for 2024/25 has introduced the requirement to produce a summary business case as a minimum standard (referred to as R2 form) in relation to every budget proposal which captures key financial information around investment, income, expenditure reduction (staff and non staff), impact upon service users, equality impact assessment, risks and dependencies and high level delivery timescale, together with a RAG rating on the risks associated with delivery of planned savings.
- 9.2 More complex and transformational savings initiatives will be subject to enhanced programme and project management in accordance with the new Transformation Programme governance arrangements to provide assurance of delivery.
- 9.3 Given the significant scale of the savings programme for 2024/25 valued at c£14m, the Council has engaged external consultants Inner Circle Consulting, to support the Council in:
- Assessing deliverability of savings and establishing appropriate resources and delivery plans within directorates to assure the s151 Officer of the robustness and deliverability of savings for the purpose of budget setting.
 - establishing appropriate Programme management arrangements to secure delivery during the year.
 - Establish a Transformation Programme to identify further savings opportunities to deliver in excess of the remaining £7.5m to be delivered during 2025/26.

This investment is considered essential to ensure the successful delivery of planned and further savings which are critical to achieving financial stability of the organisation.

- 9.4 It is critical that the Leadership Management Team and Executive have an unwavering focus upon ensuring the following during 2024/25:

- delivery of planned savings
 - development and implementation of further transformation, efficiency and demand management plans.
 - Strict cost control including on vacancies, other staff costs and expenses,
 - Compliance with Contract Procedure Rules to ensure expenditure is 'on-contract' and appropriate use and control of purchase card expenditure.
 - Continuation of monthly budget monitoring, forecasting and challenge sessions to ensure that proactive arrangements are in place to address adverse variances as they emerge.
 - Continuation of quarterly member led budget challenge and review sessions with full engagement of portfolio holders in overseeing financial performance on a monthly basis.
 - Integration of operational and financial management processes that enable the development of more robust data driven demand and cost models which are the foundation for effective financial planning, forecasting, monitoring and control.
- 9.5 The Inner Circle assessment of deliverability of the savings concludes that savings of c£14m are achievable and ideas for further savings are credible, requiring development of further business cases. However, they have highlighted that there is a real risk to successful delivery due to the Council's current lack of capable staff capacity which is in the process of being addressed by the LMT and will be critical to successful implementation.
- 9.6 The s151 Officer has made financial provision of delivery slippage of on average one financial quarter, due to the following factors:
- the challenging nature of the savings programme which is predicated heavily upon new transformation, redesign and demand management measures
 - the fact that programmes of this magnitude are normally planned and developed for implementation over 3-6 months. Work with Inner Circle Consulting commenced in earnest during mid December 2023 and so has been conducted in less than 3 months.
 - The council's current lack of sufficient resources to ensure delivery at pace which requires prompt action to secure temporary resources to enable delivery.
- 9.7 Given the critically low level of revenue reserves are insufficient to cover this delivery risk, a capitalisation direction of £3.5m (25% of £14m planned savings) has been included in the EFS requested from DLUHC.
- 9.8 The Council's investment in transformation and programme management expenditure is estimated to be £5.5m (does not include Contingency) in 2024/25, together with estimated redundancy costs up to £6.5m which is to be funded by Flexible use of Capital Receipts which are estimated to total £24m during the year, although are mostly profiled to be received from Quarter 3 onwards. It is essential that at least £12m of capital receipts are received

during the year. A capitalisation direction funded by borrowing for £4.6m has been requested from DLUHC in order to fund transformation expenditure through to Q2 given that the Council will hold minimal or no capital receipts on 1 April 2024 that are necessary to ensure expenditure is financed.

- 9.9 Provided sufficient capital receipts are realised by 31 March 2025, it is expected that this capitalisation direction will not be required. However, in order to provide assurance to the adequacy of the 2024/25 revenue budget which is dependent upon transformation and programme activity, this is considered necessary.

10 Key Risks impacting Budget Delivery

- 10.1 **Demand for Children's Social Care** - As described in the MTFP at Appendix 2, the Council continues to experience exceptionally high levels of demand, complexity, and cost of children's social care, particularly in relation to its reliance upon external residential provision to meet the needs of children in its care. The budget has increased from £33m in 2012/13 to £55.7m in 2023/24, with a further increase of £4.7m for demand in 2024/25 based upon further expected pressures.
- 10.2 **Demand and cost of Adult Social Care** – Costs are increasing due to increased demographic demand pressures, together with higher care fees to providers to offset their rising costs and capacity constraints due to labour shortages. The Adult Social Care service is also experiencing challenges in recruitment and retention of staff of which pay is a driving factor.
- 10.3 **SEND Transport** – The budget for the Integrated Transport Unit which provides transport services has been reviewed in detail and rebased during 2023 in order to address the increasing numbers and complexity of SEND pupils requiring transport. The budget has been increased by £2.9m to £6.6m for 2024/25. Further work is required to establish more robust demand and cost modelling to support financial planning and budgetary control.
- 10.4 **Homelessness** - In line with the national issue affecting many local authorities across the country, the Council is experiencing an increase in the number and complexity of homelessness cases and a need for temporary accommodation, This is coupled with an increase in the cost of provision, especially in relation to bed and breakfast accommodation. The Local Housing Allowance (LHA) within Housing Benefit Subsidy is proving to be insufficient to meet these costs resulting cost pressure to the General Fund budget.
- 10.5 **Waste Disposal Costs** – Inflationary provisions have been built into the budget for waste disposal given that the Council is nearing the end of its existing contractual arrangements for residual waste disposal, and it is necessary to reflect the expected uplift in market prices that is likely to result from replacement provision. This, combined with budget proposals aimed to

increase recycling rates and reduce the proportion of residual waste, aims to deliver cost efficiencies in 2024/25 and future years. This is dependent upon changing the behaviours of households across the town to dispose of waste more responsibly and has potential to achieve significant cost savings / cost avoidance if implemented effectively.

- 10.6 **Delivery of Savings** – The budget for 2024/25 is predicated on £13.910m of new savings being delivered in addition to £1.392m of savings approved in 2023/24. As set out in section 9, enhanced transformation and programme management governance arrangements are being established with the support of external expertise from Inner Circle Consulting to provide assurance on delivery over the course of the year. In addition, a further £4.7m+ of ongoing savings are to be identified during 2024/25 through additional transformation themes over the course of the year, as well as a further £3.3m ongoing to address the budget gap over the MTFP planning period.
- 10.7 **Outcome of OFSTED inspection** – Members will be aware that the ILACS inspection conducted in March 2023 concluded that the Children’s service had improved from ‘inadequate’ to ‘requires improvement’. The Council continues to engage with OFSTED and the DfE on its improvement journey through a formal statutory board which is continuing to oversee the delivery of service improvements. The Executive Director of Children’s Services is devising a range of transformational plans that aim to improve outcomes for children from a lower cost base which are integral to the 2024/25 budget proposals.
- 10.8 **Insured and uninsured risks** – During 2022/23 the Council’s Insurance Actuary undertook a review of the insurance arrangements and as a result the Council set aside £7m for known and future insurance claims that are likely to be settled. Of this, £3.33m was set aside as a provision in 2020/21 Statement of Accounts for claims received but not yet paid. With effect from the 2023/24 budget, an annual contribution of £0.5m is made over future years to address the remaining £3.7m of potential claims that may be received in the longer term.
- 10.9 **Internal Borrowing** – The Council adopts a policy of optimising its treasury management activities to utilise internal borrowing from its cash balances where it is prudent to do so. This is expected to be around £21.328m in 2024/25. Much of this relates to revenue and capital reserves held on the balance sheet that are expected to be used over the MTFP period. This and the associated costs of external borrowing are factored into the capital financing budget of £11.154m for 2024/25.
- 10.10 **Finalisation of prior year Statement of Accounts 2021/22 and 2022/23** – The Council currently has prior years Statements of Account that remain subject to the completion of the external audit, with the delay due largely to the impact of the national reset of the local authority audit market by DLUHC. DLUHC is currently consulting between 8 February and 7 March 2024 in relation to arrangements for re-setting the local authority audit market and the

prospect of local authority accounts being subject to qualification or disclaiming (not being audited) by the external auditor as part of the approach to clear the backlog of legacy accounts up to 2022/23 by 30 September 2024. Officers will discuss with the auditor once they set out their proposals for concluding the 2021/22 and 2022/23 audit for Middlesbrough in light of the consultation. An earmarked reserve of £1m has been set aside to provide for unforeseen adverse audit adjustments that may arise from the conclusion of these legacy audits in future periods.

10.11 **DSG deficits** - Whilst Middlesbrough received approximately £30m for DSG High Needs, the Council are forecasting spending an estimated £36.6m expenditure in 2023/24, an in year pressure of £6.6m which would double the Council's overall DSG deficit position to £13.2m at 31 March 2024. The pressure has been driven up by Education and Health Care Plans (EHCPs) increasing from 2022 to 2023 by over 27% (up from 1370 to 1743) and the service has faced the full year effect of this increase along with continued increasing numbers in the past 12 months, and also increasing exclusions. The Dedicated Schools Grant (DSG) statutory override which instructs Councils to account for the DSG negative balance in a separate reserve and not to fund it by using its General Fund will continue to 31 March 2026. However, no further information in relation to a Government funding solution or the continuation of the statutory override beyond that date has yet been received and therefore this presents a significant financial risk to the Council in the future. Middlesbrough participates in the Delivering Better Value (DBV) programme that invests £1m over an approximate 18-month period ending 31 March 2025, and a range of management actions are being taken alongside the DBV programme to try to reduce this deficit. Further focus in this area is required during 2024/25.

10.12 **Utilisation of Reserves** – Whilst the proposed budget for 2024/25 relies upon Exceptional Financial Support in order to achieve a balanced revenue position, it does not place any requirement or reliance upon the use of revenue reserves in order to balance the revenue budget position and this principle will be upheld over the term of the MTFP.

11 Adequacy of Reserves

11.1 The Council's General Fund balance is forecast to be £9.0m at 31 March 2024 which is below the level considered adequate at £9.5m (7.5% of the Net Revenue Budget). Usable unrestricted revenue reserves will be depleted to zero and therefore the reserves position at 31 March 2024 is considered to be inadequate.

11.2 However, mitigating actions have been taken by the s151 Officer during the 2023/24 financial year in order to avoid a s114 position evolving in year. In addition to financial recovery measures to reduce the level of the 2023/24 overspend, a detailed review of the balance sheet has been undertaken as

detailed within the Reserves Policy. As a result, adjustments to the Collection Fund Bad Debt provision have been made as a result of that review there is an anticipated surplus on the Collection Fund at 31 March 2024 of £8.3m. This sum must be used to replenish the General Fund Balance and unrestricted revenue reserves, in particular the Financial Resilience Reserve to preserve balances at a level considered to be the minimum adequate to support the Council's 2024/25 budget in the context of the range of risks set out in section 10.

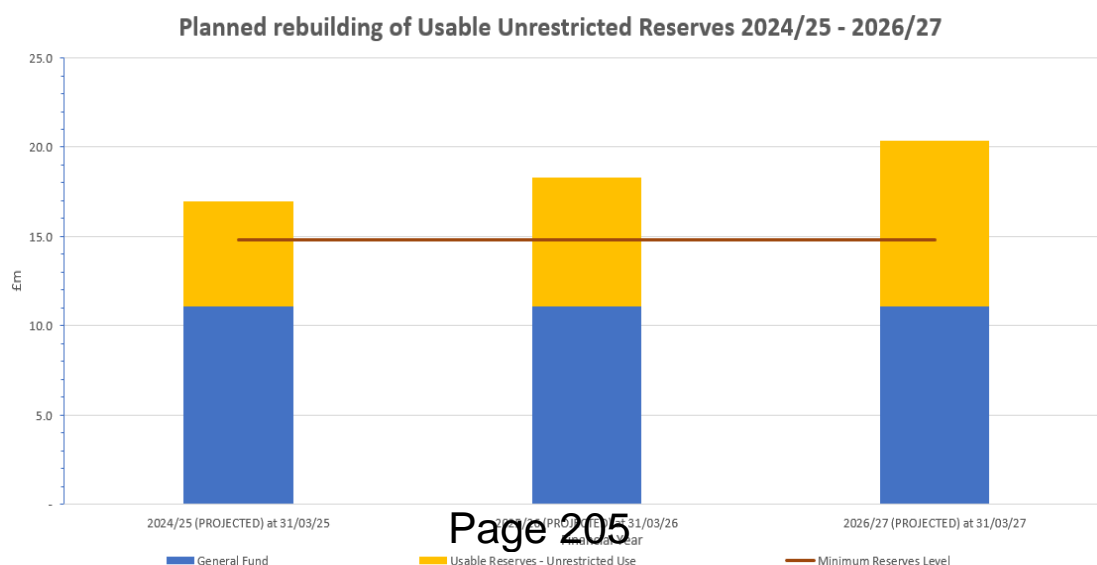
- 11.3 The Financial Reserves Policy sets out the proposed approach to rebuilding and maintaining revenue reserves over the period of the MTFP to 2026/27 as required by external auditor's statutory recommendations to recover the Council's financial position and rebuild its financial resilience. It is essential that Directorates exercise strict management of expenditure within approved budgets in 2024/25 with no overspending, which will detract from achieving the planned rebuilding of reserves. A summary of the forecast reserves is set out in **Table 1** below:

Table 1: Earmarked Reserves Projections over MTFP period 2024/25 to 2026/27

	Earmarked Reserves Projections over MTFP period 2024/25 to 2026/27									
	2024/25			2025/26			2026/27			
	Opening Balance 01/04/24 £m	Projected Additions £m	Projected Drawdowns £m	Closing Balance 31/03/25 £m	Projected Additions £m	Projected Drawdowns £m	Closing Balance 31/03/26 £m	Projected Additions £m	Projected Drawdowns £m	Closing Balance 31/03/27 £m
Usable										
General Fund Reserve	11.1	-	-	11.1	-	-	11.1			11.1
Unrestricted Use	6.3	1.3	(1.7)	5.9	2.1	(0.7)	7.2	2.8	(0.7)	9.3
Total Unrestricted Use	17.4	1.3	(1.7)	17.0	2.1	(0.7)	18.3	2.8	(0.7)	20.4
Total Restricted Use	4.7	0.6	(0.1)	5.2	0.5	-	5.7	0.5		6.2
Usable total	22.2	1.9	(1.8)	22.2	2.6	(0.7)	24.0	3.3	(0.7)	26.6

- 11.4 **Figure 4** below sets out the planned replenishment of useable unrestricted reserves over the period:

Figure 4: Projected Unrestricted Reserves Balances replenishment from 2024/25 to 2026/27



- 11.5 The minimum General Fund Balance is recommended to be no less than 7.5% of the Net Revenue Budget each financial year (equivalent to £11.1m in 2024/25), whilst a balance of between £8m to £10m should be accumulated within the Financial Resilience Reserve (FRR) to provide sufficient resilience to manage the risk of unforeseen pressures upon service budgets without recourse to the General Fund Balance by 31 March 2027. The forecast balance on the FRR at 31/3/25 is £4.8m.
- 11.6 The Council has made an application for Exceptional Financial Support of up to £15m. Following the Final Local Government Finance Settlement, DLUHC have indicated that additional funding provided of £1.6m, which reduces the £6.3m budget gap to £4.7m is expected to reduce the EFS requirement. This is reflected below.

Request for Exceptional Financial Support	£m	£m
Budget Gap 2024/25	4.7	
Contingency	0.6	
Firm Request		5.3
Savings Delivery Slippage Risk	3.5	
Funding of transformation and redundancy expenditure pending realisation of capital receipts	4.6	
Contingency Request if Risks crystalise		8.1
Total Request for EFS		13.4

Appendix 2

Medium Term Financial Plan (MTFP)

Introduction

- 1.1. The Council maintains a MTFP which sets out the financial envelope that is available within which the aims of the Council Plan are to be achieved. It is integrated with the Transformation Programme that will deliver the business change required to establish services from a lower cost within a financially sustainable cost envelope. A further report will be submitted to Executive and Council in March 2024 detailing the Transformation Programme together with the Flexible Use of Capital Receipts Strategy which will then be referred to Council for consideration and approval and incorporation into the Budget and Policy Framework.
- 1.2. The Council is committed to making the changes needed to secure its long term financial stability whilst maintaining and improving services to residents. This will be achieved by the prudent management of the Council's finances and the strengthening of its financial resilience through enhanced budget monitoring controls, more effective financial forecasting, minimising new borrowing, and the effective management of reserves.
- 1.3. The MTFP Update 2024/25 to 2026/27 report to Executive on 20 December 2023 set out the financial challenges facing the Council. This was based upon a number of key assumptions in relation to the wider economic environment and local challenges faced by the Council in meeting the needs of the community. Cost pressures are driven largely by persistently high inflation and increased demand and complexity of need in adult social care, children's social care and SEND transport particularly. In addition, the Council is experiencing increased demand and cost of homelessness, and market driven increases in the cost of waste disposal. This report confirms the financial planning assumptions following the announcement of the Final Local Government Finance Settlement announced on 5 February 2024 upon which the 2024/25 budget and MTFP to 2026/27 is based.
- 1.4. The revenue element of the MTFP is set out in the context of:
 - a period of persistently high inflation
 - a cost of living crisis impacting on citizens;
 - a challenging employment market, with recruitment and retention issues internally within the Council and generally across the wider public sector;
 - increased demand for services, in particular those relating to Adults Social Care and Children's Social Care, Home to School Transport, and Homelessness which is expected to continue over the life of the plan;
 - the need to secure financial recovery by protecting the current level of revenue reserves and rebuilding them to strengthen the Council's financial resilience.
 - continued lack of certainty over future Government funding that impacts adversely upon the Council's ability to carry out effective long term financial planning.

Constructing the Medium Term Financial Plan (MTFP)

- 2.1 The development of the MTFP has identified a range of financial pressures including inflation on pay, energy and contracts, together with increased service demand across statutory services like adult social care, children's social care, homelessness, home to school transport and waste disposal (details of drivers behind these pressures were provided in the December report to Executive). These have been offset by identifying deliverable expenditure reductions and income growth through a range of budget proposals that are programmed to deliver significant cost efficiency and/or demand reduction whilst delivering improved outcomes for citizens, thereby improving value for money.
- 2.2 The revenue budget and the capital programme are intrinsically linked By the Treasury Management Strategy and MRP Policy which determines how the Council accounts for the revenue cost of borrowing The Council's investment in its capital programme is reliant upon borrowing, external grants, contributions and the generation of capital receipts that are realised from the sale of its fixed assets. The Council is in the process of fundamentally reviewing and rationalising its asset portfolio to realise a substantial pipeline of capital receipts that is required to fund its transformation programme, future capital investment and/or repayment of borrowing to reduce the revenue costs of borrowing (as detailed in the Asset Review report to Executive in November 2023) ¹.
- 2.3 Given the Council's critical level of financial revenue reserves and the lack of capital receipts in the bank at the start of 2024/25, the successful delivery of capital receipts arising from the future planned asset disposals in 2024/25 is critical to funding the delivery of the Transformation Programme and realising the savings that are due to be delivered in 2024/25 and are further required over the period of the MTFP to return to financial sustainability.
- 2.4 The aim is to achieve a financially balanced and sustainable General Fund revenue budget, and Capital Programme that support the delivery of the Council's priorities, meets statutory requirements and delivers value for money services to citizens over the MTFP period.
- 2.5 The profile of capital receipts during 2024/25 to 2026/27 is summarised below:

Planned capital receipts	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m
Receipts from approved asset disposals	8.0	4.2	9.7	21.9
Additional Receipts proposed in Asset Review report (latest profile)	16.5	9.0	-	25.5
Total Planned Receipts	24.5	13.2	9.7	47.4

¹ Asset Review

Funding Overview

- 3.1 The Government allocates grant funding to local authorities in a process called the 'local government finance settlement'. These can be multi-year settlements but since 2015 they have been single year settlements which creates undue risk and uncertainty for local authorities in their medium term business and financial planning.
- 3.2 The Local Government Finance Settlement (LGFS) confirms funding for 2024/25 only and therefore significant uncertainty remains with regard to the Council's resources for 2025/26 and beyond. The long delayed 'Fair Funding' review and the reform of business rates which seek to change the way that government funding is allocated to local authorities, have been delayed for a number of years. It is not expected to be addressed until after the next General Election and will require substantial consultation before changes are implemented therefore is unlikely before 2026/27. Middlesbrough as an area of very high deprivation, would expect to benefit more from these, based upon our analysis of national work undertaken during the 2010's. The prolonged delay in completing the review therefore disadvantages local authorities like Middlesbrough.

Local Government Finance Settlement (LGFS) Funding

- 3.3 In the provisional LGFS published on 18 December 2023 the Government outlined 2024/25 grant funding for local authorities. This was issued prior to the publication of the report to Executive in December 2023.
- 3.4 The final LGFS was published on 5 February 2024, with the major change from the provisional LGFS being the announcement of additional Social Care Grant funding of £1.579m for Middlesbrough as detailed in paragraph 3.25). This settlement announcement, alongside other changes since the December report are reflected in this report.
- 3.5 Settlement Funding is the amount of funding assumed by the Department for Levelling Up, Housing and Communities (DLUHC) to be available to an authority through the estimated business rates share and general grant funding.

Table 1 summarises the total amount of funding assumed by DLUHC to be available to the Council through an estimated business rates share and general grant funding (including previous specific grants which have been rolled into it).

Table 1: Final Local Government Finance Settlement 2024/25

Main Element of Settlement	Final Settlement 2024/25 £m
Revenue Support Grant	15.122
Business Rates Baseline	19.173
Business Rates Top Up	30.486
Business Rates Top Up 23/24 reconciliation	(0.025)
	64.756

3.6 The Government has assumed a level of retained business rates for Middlesbrough based on their own projections drawing from the new 2023 business rates revaluation. The baseline figure used in the settlement calculations and included in **Table 1** is **£1.329m** higher than the forecast of retained business rates income of **£17.844m** as reported to DLUHC in the NNDR1 return and included in the proposed budget. This DLUHC estimate is based on the original 2013/14 level assumed when the local retained scheme was introduced, uplifted by multiplier inflation and revaluations. It does not take account of local changes in the underlying tax base.

3.7 In the absence of any Government exemplifications of the likely impact of any 'Fair Funding' policy and business rates reforms the future settlement funding, included in the MTFP from 2025/26 onwards, assumes an unchanged underlying system with projected inflationary increases. Where increases are expected for specific grants listed in **Table 2** these have been projected on the best available data, and a summary of the amounts assumed is provided in **Table 12**.

Core Spending Power

3.8 Core Spending Power is the Government calculation used to illustrate the overall impact of local authority funding. This includes the Settlement funding, their assessment of Council Tax income and various specific grants. This measure attempts to assess the total resources over which the Council can exercise discretion on how it can spend its funding.

3.9 The Government has published that in their assessment Middlesbrough's overall core spending power for 2024/25 is **£2,733** per dwelling. This represents an assumed annual increase in core spending power of **7.3%** or **£186** per dwelling in 2024/25 as set out in **Table 2**. This is below the England total percentage change in core spending power of 7.5%.

Table 2: Core Spending Power (CSP)

Elements of DLUHC Core Spending Power	DLUHC estimates	
	Revised 2023/24 £m	Final 2024/25 £m
Settlement Funding Assessment	61.922	64.756
Compensations for lower BR multiplier (DLUHC estimate)	8.132	9.845
Council Tax Requirement (DLUHC estimate)	67.275	71.737
Improved Better Care Fund	8.646	8.646
New Homes Bonus Grant	1.102	0.499
Social Care Grant	15.017	19.202
ASC Market Sustainability & Improvement Fund	1.775	3.316
ASC Discharge Fund	1.212	2.020
Services Grant	1.861	0.321
Grants rolled in	1.153	0.000
Funding Guarantee	0.000	0.000
Total	168.095	180.343
Increase in CSP		£12.248m
Annual % change in CSP		7.3%
CSP per dwelling (£)	£2,547	£2,733
Increase in CSP by dwelling (£)		£186

3.10 The source of local authority funding has altered in recent years with a greater proportion of overall funding coming from Council Tax and less from Revenue Support Grant (RSG). **Figure 1** below shows the Council's Core Spending Power for 2013/14 to 2024/25 with **Table 3** showing the absolute figures used for the chart to provide detail on the individual components. This shows a change in the mix of funding over the years including increasing percentage of overall funding from Council Tax and a reducing percentage from RSG. As shown in **Table 3** above, Middlesbrough Council has suffered a significant reduction in general Government funding in the form of RSG and Business Rates Top Up Grant with a reduction of £35.6m (44%) from £81.2m received in 2013/14 to £45.6m in 2024/25. This does not take into account inflation. It should be noted that some of this reduction has been offset by growth in service specific grants, such as iBCF, Social Care grant as illustrated in **Figure 1**. Given the mix of government funding has altered substantially over the period, some widely used comparisons that focus upon RSG and Business Rates top up need to be interpreted with great care.

Figure 1: Core Spending Power per year 2013/14 to 2024/25

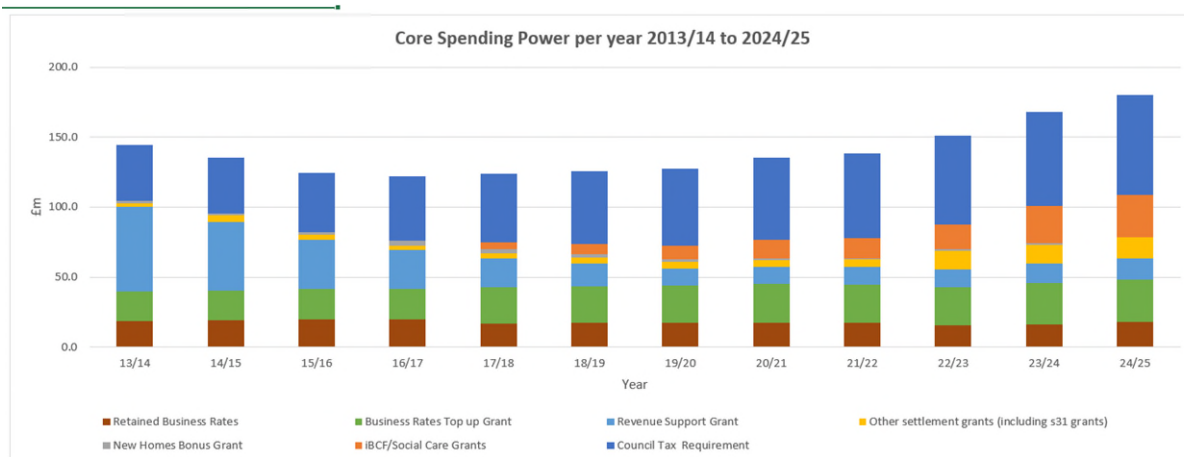


Table 3: Core Spending Power per year 2013/14 to 2024/25

Core Spending Power												
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retained Business Rates	18.9	19.1	20.0	19.9	16.9	17.4	17.5	17.7	17.6	15.5	16.4	17.8
Business Rates Top up Grant	20.8	21.2	21.6	21.8	25.7	26.0	26.9	27.3	27.3	27.3	29.3	30.5
Revenue Support Grant	60.4	49.1	34.9	27.6	21.1	16.5	12.0	12.2	12.2	12.6	14.2	15.1
Other settlement grants (including s31 grant)	2.5	4.6	3.6	3.3	3.3	4.1	4.6	5.0	6.0	13.6	13.2	14.9
New Homes Bonus Grant	1.6	1.7	2.1	3.3	3.0	2.3	2.0	1.3	0.2	0.9	1.1	0.5
iBCF/Social Care Grants	0.0	0.0	0.0	0.0	5.1	7.3	9.7	13.2	14.7	17.7	26.7	29.8
Council Tax Requirement	40.2	40.0	42.6	46.2	49.1	51.9	55.3	58.7	60.6	63.8	67.3	71.7
Core Spending Power	144.5	135.7	124.8	122.1	124.1	125.5	127.8	135.4	138.6	151.2	168.1	180.3
% Annual change		-6.1%	-8.0%	-2.1%	1.6%	1.1%	1.8%	6.0%	2.4%	9.1%	11.2%	7.2%

Note – above does not factor in inflation

3.11 The Special Interest Group of Municipal Treasurers (SIGOMA) has undertaken some research to understand the 'real terms' effect of the Core Spending Power changes from 2010/11 to 2024/25. They have done this by determining a 2010/11 Core Spending Power notional figure which allows direct comparison to reflect the rolling out of grants and changes to the composition of Core Spending Power and by using the GDP deflator produced in the Autumn Statement each year. **Table 3a**

below shows that whilst Middlesbrough has had a cash increase in Core Spending Power from 2010/11 to 2024/25 it has actually suffered a £62.1m (25.6%) cumulative 'real terms' cut in Core Spending Power from 2010/11 to 2024/25 based on 2023/24 prices, equating to a 'real term cut' of £958.5 per dwelling. This is both more than the national average and the SIGOMA average.

Table 3a: Core Spending Power Changes 2010/11 to 2024/25 (SIGOMA)

Local authority	Real terms cuts			Cash terms cuts		
	Cum. Cut 14 years 10-11 to 24-25 at 2023-24 prices	Percentage real term cut	£ per dwelling real term cut	Cash increase/cut 14 years 10-11 to 24-25	Percentage cash term increase/ cut	Cash Increase/ Cut 10-11 to 24-25 Per dwelling
	£m	%	£ pd	£m	%	£ pd
England	-13,902.2	-18.1%	-556.4	8,723.6	15.7%	349.1
Middlesbrough	-62.1	-25.6%	-958.5	8.6	4.7%	132.4
SIGOMA	-4,765.0	-23.3%	-756.3	1,193.7	7.9%	189.46

- 3.12 It is important to note that the Government's calculation of Core Spending Power assumes that the local authority increases the Council Tax by the maximum permitted. Therefore, the extent to which the Council has determined Council Tax increases below the maximum permitted, results in a level of funding below the assessed Core Spending Power.

Council Tax income

- 3.13 The final LGFS confirmed that local authorities can increase Council Tax up to a maximum of 3% plus 2% Adult Social Care precept (a total of up to 5%) without the requirement for a referendum for 2024/25. The increases in Council Tax being proposed for 2024/25 is 2.99% and 2% respectively and is therefore within the maximum permissible increase and these are detailed in Appendix 7 with a summary of the Middlesbrough element of the Council Tax (excluding parishes, Police and Fire) being shown in **Table 13** in paragraph 4.57.
- 3.14 As detailed above Council Tax income has increased as a proportion of total Council income over the last 10 years as the level of RSG has reduced. This presents a particular financial challenge for the Council given it has a particularly low Council Tax base with 50.3% of dwellings in Band A, and 17.4% in Band B. This is a higher proportion than the national Band A and B percentage and means that a greater proportion of our residents pay a Band A and B than comparable Councils. Every 1% of Council tax raises approximately £0.675m of income per year. This means that a higher rate of Council Tax is needed to derive the same income yield compared with many other councils.
- 3.15 Details of the number and percentage of dwellings by Council Tax Band in September 2023, a comparison to other local authorities average Band D Council Tax, average council tax bill per dwelling for 2023/24, and details of Council Tax increases since 2023/24 were provided in paragraphs 4.58 to 4.63 of the December Executive report.

Retained Business Rates

- 3.16 With the localisation of Business Rates, it is necessary for each authority to estimate the amount of business rates to be collected in 2024/25. The locally retained element of business rates is 50%, of which the Council retains 49% and

1% is received by Cleveland Fire and Rescue Authority. The monitoring and estimating of Business Rates is a local responsibility and the financial risk due to the volatility within Business Rates (including outstanding valuation appeals) has an impact on the Council's overall funding.

- 3.17 Business Rates are now based on a new 2023 valuation list with the total rateable value of businesses in Middlesbrough assessed as **£101.820m** at 3 January 2024 (NNDR1 February 2024). There are currently numerous rating appeals lodged with the Government's Valuation Office in respect of rateable values. Not all of these will be successful either in full or part. The cost of any successful appeals will be met from the monies received, and hence will impact the Council's overall funding. The Council holds an earmarked provision to secure a degree of protection against such appeals which could otherwise cause in-year budget management issues.

Business Rates Top-Up Payment

- 3.18 Under the retained Business Rates system any local authority, whose Business Rates income is less than their initial baseline funding level, as is the case for Middlesbrough, will receive the balance as a 'top-up' grant. The Council will receive **£30.486m** for 2024/25, however it will receive a negative adjustment of (**£0.025m**) due to a 2023/24 tariff and top-up reconciliation to reflect the adjustment for the 2023/24 business rate revaluation. Other authorities, whose Business Rates income is greater than their initial baseline funding level, pay a 'tariff'. It is the combination of 'tariffs' and 'top-ups' that balances the system nationally.

Revenue Support Grant (RSG)

- 3.19 Most authorities currently continue to receive RSG from the Government in addition to their retained business rates. The Council will receive **£15.122m** in 2024/25 representing an increase of 6.62% or £0.939m reflecting a CPI inflationary increase based on September 2023 CPI rate.

Improved Better Care Fund (iBCF)

- 3.20 This grant was initially awarded in 2017/18 with the purpose of driving health and social care integration and contributing towards the increased pressure of Adult Social Care needs aiming to reduce pressures in Health and ensure the Social Care market is provided for. The allocation for 2024/25 remains unchanged at **£8.646m**.

New Homes Bonus (NHB)

- 3.21 The NHB rewards local authorities for increasing the number of new, occupied and affordable homes. The allocation is **£0.499m** for 2024/25 with no legacy payments as was the case also in 2023/24. This is a reduction from the £1.101m received in 2023/24 but broadly in line with estimates assumed in earlier versions of the MTFP.
- 3.22 The LGFS did not provide any clarity on the future of the NHB, and this prevents effective planning beyond next year over the medium term. It is assumed in the MTFP that there will be a similar one-off allocation in 2025/26 before the NHB system is discontinued and replaced by a new policy, as previously proposed but as yet, still not detailed by the Government.

Social Care Grant

- 3.23 This grant, which covers both children's and adult's social care, was initially awarded in 2020/21 to upper tier authorities with social care responsibilities. The allocation methodology uses a combination of the Adults Relative Needs Formula (RNF) and an assessment of each Council's ability to raise funds via the social care precept. Once received, authorities have flexibility to apportion this grant between its children's and adult's social care according to local need.
- 3.24 The announced grant for 2024/25 in the provisional LGFS was £17.623m and reflected a £2.606m increase from that received in 2023/24 in line with previous announcements and therefore anticipated in our financial modelling.
- 3.25 A further announcement was made by the Government on 24 January 2024 that an additional £600m of funding would be provided to local authorities in addition to that outlined in the provisional LGFS, including £500m being added to the Social Care Grant to bolster social care budgets, which was a key concern raised by local authorities during the consultation period. This was confirmed in the final LGFS announced on 5 February 2024 with Middlesbrough receiving an additional £1.579m of Social Care Grant, making a total of **£19.202m** for 2024/25, reflecting an increase of **£4.185m** from that received in 2023/24. This change accounts for the overall favourable movement in the budget gap from £6.3m to £4.7m. It has been currently assumed that this funding will continue in future years, but this will be reviewed in future MTFP updates.
- 3.26 The Government rolled-in the previous Independent Living Fund into the Social Care Grant from 2023/24 – for Middlesbrough this totalled £1.828m for 2023/24. There is therefore an expectation that an element of Social Care Grant is used to support disabled people with high support needs and enable individuals to live independently.
- 3.27 Within the MTFP the Social Care Grant has been allocated between the significantly increased children in care pressures seen in recent years, and to adult social care to help fund fee rate increases paid to providers and other cost pressures.

ASC Market Sustainability & Improvement Fund

- 3.28 This grant was introduced in 2023/24 and replaced the previous 'Market Sustainability & Fair Cost of Care Fund' grant. It is for local authorities to improve adult social care market sustainability and drive wider improvements in their areas. The allocation for Middlesbrough in 2024/25 is **£3.316m**. This is an increase of £1.541m from that received in 2023/24, however the Market Sustainability and Improvement Fund, Workforce Fund totalling £0.647m for Middlesbrough for 2024/25, has been included in the ASC Market Sustainability and Improvement Fund from 2024/25.
- 3.29 The Government expects the funding will enable local authorities to make tangible improvements to adult social care and in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector. It also helps to support the progress local authorities and providers have made to date on fees and cost of care exercises.

Discharge Fund

- 3.30 This grant was introduced in 2023/24 and is to be used to maximise access to social care and drive down discharge delays, including fast access to domiciliary care and home-based reablement.
- 3.31 Funding will be required to be pooled as part of the Better Care Fund and will be distributed using the existing Improved Better Care Fund grant shares, with conditions attached to its use meaning it is ringfenced for a specific purpose. £500m is available nationally in 2024/25, with Middlesbrough being allocated **£2.020m** of grant funding for 2024/25 in line with that announced previously.

Services Grant

- 3.32 This grant was introduced in 2022/23 for all tiers of local government in recognition of the vital services delivered and the cost pressures being faced. It was reduced in 2023/24 reflecting cancellation of the Government's National Insurance (NI) levy and repurposing within the settlement system and has also been further reduced in 2024/25 with Middlesbrough's allocation being **£0.293m**, a reduction of £1.568m from the £1.861m received in 2023/24. The MTFP currently makes a working assumption that this level of funding will continue into 2025/26 and beyond, however this will be reviewed and updated in future MTFPs.

Significant Specific Grants outside the Settlement

- 3.33 A number of other grants are received outside of the key settlement figures. The basis of distribution varies from grant to grant. This budget has again been constructed on the established basis that if specific grant funding reduces then the associated expenditure and activity will reduce accordingly.

Public Health

- 3.34 Whilst not part of the final LGFS, details of the Public Health Grant allocations for 2024/25 were also announced on 5 February 2024. Middlesbrough will receive an increase of 1.6% with **£18.609m** of grant to be received in 2024/25. The national increase in the Public Health Grant for 2024/25 was 2.06%. Public Health Grant must be fully spent on public health activities as per the conditions of the ring-fenced grant.

Local Council Tax Support & Housing Benefit Administration Subsidy Grant

- 3.35 The 'Local Council Tax Support Subsidy Admin Grant' was discontinued from 2023/24 with £0.303m rolled into the Revenue Support Grant from 2023/24.
- 3.36 The MTFP assumes the Council will continue to receive 'Housing Benefit Administration Subsidy Grant' in 2024/25 to fund the Council's statutory duty to administer and process Housing Benefit and directly related enquiries. The 2024/25 allocation has not yet been announced and currently the same level of grant as received in 2023/24 of **£0.594m** has been assumed.

Dedicated Schools Grant (DSG)

- 3.37 Details of the DSG to be received in 2024/25 are provided in **Appendix 8**.
- 3.38 The Dedicated Schools Grant (DSG) statutory override which instructs Councils to

account for the DSG negative balance in a separate reserve and not to fund it by using its General Fund will continue to 31 March 2026. However, no further information in relation to a Government funding solution or the continuation of the statutory override beyond that date has yet been received.

- 3.39 This presents a significant financial risk to many local authorities and for Middlesbrough, the current forecast total cumulative deficit of £13.208m at 31 March 2024 (as reported in the Quarter Three budget monitoring report to Executive on 14 February 2024) is not specifically addressed within this MTFP. The Council is participating in the Delivering Better Value Programme with the Department for Education (DfE) in relation to measures to mitigate future pressures.
- 3.40 Local government is lobbying central government for a long term funding solution to these pressures.

Medium Term Financial Plan (MTFP)

- 4.1 This section provides an update to the MTFP report presented to December 2023 Executive to reflect latest assumptions, Government announcements and the final local government finance settlement (LGFS).
- 4.2 The December Executive MTFP report was produced prior to the announcement of the financial settlement and included an outstanding 2024/25 budget gap of **£6.279m**, with a cumulative projected deficit of **£8.180m** by 2026/27, assuming all budget savings proposed were approved.
- 4.3 Public consultation commenced on the 21 December 2023 and closed on 18 January 2024. The updated MTFP reflects the provisional financial settlement and updates following the Council's public consultation (detailed in **Appendix 3**).

2024/25 Budget Overview and Headlines

- 4.4 The MTFP has been constructed in accordance with all relevant corporate financial protocols, policy-led, risk assessed and reflecting current Council Plan priorities. The key headlines from the 2024/25 budget are:
- 2024/25 net General Fund revenue budget (budget requirement) of **£143.190m** after adjusting for the capitalisation of £4.7m of revenue expenditure relating to Exceptional Financial Support (EFS) (**see Annex 4 for the detailed calculation and summary by Directorate**)
 - Council Tax requirement of **£71.438m**
 - Council Tax increase of **4.99%** for Middlesbrough Council element which includes basic Council Tax increase of **2.99%** and an additional **2.00%** increase for the Adult Social Care precept.
 - Total new 2024/25 budget saving proposals of **£13.910m** rising to **£21.028m in 2026/27**
 - Assumed pay inflation of **4.00%** in 2024/25 and a total increase on **£4.597m** in 2024/25 to include additional funding required for the 2023/24 pay award
 - Assumed contractual inflation of **£1.550m** in 2024/25 – predominately driven by fee rates paid to Adult and Children Social Care providers
 - Assumed additional income of **£1.853m** from a review of Fees and Charges and inflationary uplift of 4.6%
 - Assumed service pressures of **£20.764m** in 2024/25 – predominately driven by homelessness, home to school transport, waste disposal, and adult social care and children in care demographics, and including the effect of National Living Wage of **£3.362m** in 2024/25 on services commissioned from external adult social care providers
 - Assumed budget growth totaling **£1.114m** to revise 2023/24 approved savings in 2024/25 to reflect the Elected Mayors' priorities and these are now recommended by Executive for approval by Council – details are provided in **Annex 3**
 - Assumed budget growth of **£1.105m** to address delayed and changes in assumptions to previously approved savings in 2024/25, predominately in Children's Services, and these are now recommended by Executive for approval by Council - details are provided in **Annex 3**
 - Base budget contribution to the Financial Resilience Reserve of **£0.5m** in

2024/25, to build financial resilience to manage future risks

- Additional funding of **£1.579m** representing Middlesbrough Council's share of the £500m additional funding for Social Care Grant confirmed in the final LGFS

Changes to budget gap since December 2023 report

- 4.5 The updated MTFP reflects the final LGFS and updates following the Council's public consultation and a further review of the main cost drivers of demand. **Table 4** summarises the movement in the budget gap since the report to Executive in December 2023.

Table 4: movement in budget gap since December 2023 report

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Original Budget Gap as at December 2023 - after previous years' budget savings removed and new savings proposals added in	6.279	1.596	0.305	8.181
Additional Social Care Grant - announced in final LGFS	(1.579)	-	-	(1.579)
Additional s31 Business Rates Grant	(1.700)	-	-	(1.700)
Other Grant Funding changes	1.095	-	-	1.095
Precepts & Levies changes	0.006	-	-	0.006
Demand Changes - Education (ITU)	(0.924)	-	-	(0.924)
Demand Changes - Environment & Community Services	0.350	-	-	0.350
Demand Changes - Legal & Governance Services	0.089	-	-	0.089
Demand changes - Regeneration (Property R&M / running costs)	0.500	-	-	0.500
Commercial Income assumptions changes	(0.500)	-	-	(0.500)
Capital Financing changes to support Capital Programme	0.834	-	-	0.834
Capital Financing changes to support Exceptional Financial Support application	0.200	1.088	-	1.288
Estimated Collection Fund Surplus 2023/24 used to replenish Reserves	8.325	-	-	8.325
Changes to savings proposals 2024/25	0.128	(0.068)	-	0.060
Changes to inflation assumptions	0.005	0.336	0.212	0.554
Other minor changes	(0.519)	0.300	0.503	0.284
Net Budget movements	6.312	1.656	0.715	8.683
Council Tax - changes to Housing Growth assumptions	(0.036)	(0.074)	(0.114)	(0.224)
Revenue Support Grant changes	0.010	-	-	0.010
Business Rates changes	0.460	(0.403)	(0.416)	(0.359)
Estimated Collection Fund 2023/24 Surplus	(8.325)	-	-	(8.325)
Funding movements	(7.891)	(0.477)	(0.530)	(8.898)
GAP BEFORE EXCEPTIONAL FINANCIAL SUPPORT	4.700	2.775	0.491	7.966
Exceptional Financial Support	(4.700)	4.700	-	-
GAP AFTER EXCEPTIONAL FINANCIAL SUPPORT	-	7.475	0.491	7.966

- 4.6 **Table 4** illustrates that a budget gap of £4.7m remains in 2024/25 after all possible measures have been taken. Despite the best endeavours of officers and Executive members, It has not been possible to identify further robust and assured budget savings proposals to enable a legally balanced budget to be set for 2024/25.
- 4.7 In order to avoid a s114 Notice being issued by the s151 Officer in relation to the 2024/25 budget, the Executive approved that an application for Exceptional Financial Support (EFS) for up to £15m be made to DLUHC on 17 January 2024. This application was to meet the calculated £6.3m budget gap in 2024/25 prior to the LGFS and to provide £8.7m of contingency funding to cover financial risks associated with delivering the Council's ambitious planned savings programme, redundancies, and realisation of capital receipts to fund planned transformation expenditure in the absence of a bank of capital receipts in the first part of 2024/25.
- 4.8 As detailed in paragraphs 3.4 and 3.25 an additional £600m funding was provided to local authorities in the Final LGFS above that received in the Provisional LGFS, with Middlesbrough receiving £1.579m of additional funding in the form of additional Social Care Grant. This has reduced the budget gap to £4.7m and the amount required from EFS reducing accordingly by this amount.

- 4.9 It is expected that a formal response to the EFS application will be received from DLUHC by 1 March 2024. This report is based upon the fundamental assumption that the application will be approved to enable the recommendation of a robust and balanced budget to be recommended for approval by Council on 8 March 2024.
- 4.10 If the EFS application is not approved in full, or the Council do not accept the terms of any approved offer by DLUHC, then the Council's s151 Officer will have no choice but to issue a s114 notice in accordance with s114(3) of the Local Government Finance Act 1988.
- 4.11 The s114 process and implications for the Council are summarised below
- Since 2020 the government has agreed to provide Exceptional Financial Support to a small number of authorities that have requested assistance to manage financial pressures that they considered to be unmanageable. It is conditional upon:
 - External assurance on their financial position
 - Submission and oversight of financial recovery plans
 - Other conditions specific to the local authority which may be onerous including an escalation of intervention in the running of the Council operations. At the extreme, and most likely when it has become necessary to issue a s114 notice, government intervention may result in the appointment of independent commissioners and a suspension of democratic decision making but will depend on DLUHC's assessment of the Council's recovery actions
 - An application for Exceptional Financial Support will be in the form of a 'capitalisation direction'. This is permission for the Council to treat revenue expenditure as capital and to fund from capital receipts or to borrow and repay this amount at a premium rate over Public Works Loans Board (PWLB) borrowing over a period of up to 20 years. It is a one-off solution in order to finance the capitalisation of revenue expenditure in a particular year to provide breathing space for the Council to implement plans to recover its financial position. It is not a grant and is not free money. It is however a solution that helps to avoid the draconian measures that would accompany a s114 Notice.
 - Outcomes of EFS have varied from such applications with :
 - Some authorities have not ultimately needed to draw upon the capitalisation direction and have managed to achieve financial turnaround within their own resources (LB Bexley)
 - Some authorities have drawn on the capitalisation direction and then delivered recovery (Peterborough)
 - Other authorities have needed to issue s114 notice as well as drawing on the capitalisation direction (Slough)
 - Varying degrees of DLUHC intervention ranging from advisory Improvement Boards, statutory Improvement boards through to Commissioners
 - If the Council cannot set a legally balanced budget, then there is a requirement for a s114 notice being issued under the provisions of the Local Government Act 1988 Section 114 (3) which states that:

“The chief finance officer of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure”.

- Councillors have 21 days from the issue of a Section 114 notice to discuss the implications at a Full Council meeting.
- The issue of s114 notice means that:
 - no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, at minimum level
 - existing commitments and contracts will continue to be honoured.
 - Council officers must therefore carry out their duties in line with contractual obligations and to acceptable standards, while being aware of the financial situation.
 - any spending that is not essential or which can be postponed should not take place and essential spend will be monitored.
- The only allowable expenditure permitted under an emergency protocol would include the following categories:
 - existing staff payroll and pension costs
 - expenditure on goods and services which have already been received
 - expenditure required to deliver the council’s provision of statutory responsibilities at a minimum possible level
 - urgent expenditure required to safeguard vulnerable citizens
 - expenditure required through existing legal agreements and contracts
 - expenditure funded through ring-fenced grants
 - expenditure necessary to achieve value for money and / or mitigate additional in year costs

4.12 The following provides further detail of the main changes made since the December 2023 Executive report:

- The effects of the Exceptional Financial Support (EFS) application have been built into the MTFP. **(£4.700m)** has been built in for 2024/25 which represents the amount of EFS required to enable a balanced budget to be set for 2024/25. As this only covers 2024/25, the reversal of that effect **£4.700m** is included in the MTFP in 2025/26 as this amount will still need to be covered on an ongoing basis from 2025/26 onwards.
- Grant funding has been updated following the final Local Government Finance Settlement, including an additional **£1.579m** Social Care Grant allocation from 2024/25 in the final LGFS as previously detailed.
- Demand requirements have been reviewed and updated accordingly for Education (Integrated Transport Unit) **(£0.924m)**, Environment & Community Services **£0.350m**, and Legal and Governance Services **£0.089m**
- Capital financing requirements have been updated for the revenue cost associated with financing both the revised Capital Programme **£0.300m** in 2024/25, and the additional borrowing costs for the anticipated capitalisation directive following the Exceptional Financial Support application **£0.200m** in 2024/25 and a further **£1.088m** from 2025/26

- New savings proposals have been revised and updated to reflect changes following consultation resulting in changes of **£0.128m** in 2024/25 and **(£0.068m)** in 2025/26 (**Annex 3**)
- Funding assumptions (including Housing Growth assumptions) have been updated following the Final Local Government Finance Settlement and updated data from the NNDR1 Business Rates government return
- The estimated Collection Fund Surplus from 2023/24 of **(£8.325m)** has been built into the MTFP – this will be used in full to provide some financial resilience by replenishing Reserves which are projected to be at a critically low level at the end of the 2023/24

4.13 The major components of the revised budget gap are detailed in the following paragraphs and are summarised in **Table 14**.

Pay Inflation

4.14 Middlesbrough Council is part of the national pay bargaining framework and is bound by national agreements. **Table 5** below summarises the pay and pension items included in the MTFP. These form a significant driver to the increased MTFP gaps.

Table 5: Pay and pension inflation

Pay model / pension (incremental increases to existing pay model resources)				
Item	2024/25	2025/26	2026/27	Cumulative
	£m	£m	£m	
2024/25 Pay award	3.556	2.667	1.778	8.001
Additional required for 2023/24 Pay Award (over & above previous amount provided in MTFP which was insufficient)	1.041	-	-	1.041
Pay Model	4.597	2.667	1.778	9.042
Increase in employers pension contributions following actuarial review	0.454	0.908	-	1.362
Pension	0.454	0.908	-	1.362
Pay/Pension	5.051	3.575	1.778	10.404

4.15 As outlined in the December report, following finalisation of the 2023/24 pay award of £1,925 p.a. plus on-costs, the cost of the 2023/24 pay award has been revised and **£1.041m** will now be required in the 2024/25 base for this.

4.16 Informed by latest inflation forecasts and other information provided by organisations such as the Special Interest Group of Municipal Authorities (SIGOMA) the assumption of the 2024/25 pay award remains at 4% which is estimated to cost £3.556m p.a. Assumptions of pay awards for 2025/26 and 2026/27 have also been kept the same with £2.667m p.a. (3%) being assumed for 2025/26 and £1.778m p.a. (2%) being assumed for 2026/27.

4.17 This MTFP therefore assumes pay inflation of:

- 2024/25 **4.0%**
- 2025/26 **3.0%**
- 2026/27 **2.0%**

- 4.18 Pay inflation budgets will be held corporately until final agreements have been made at which point updated budgets will be allocated to departmental budgets, this is done to aid in year budget monitoring. Any variations in the final pay award compared to the MTFP assumptions will need to be managed as part of the in-year budget monitoring process.

Non-Pay Inflation

- 4.19 Contractual inflation has been provided for in the MTFP period, with **£1.550m** being provided for in 2024/25 in relation to specific contracts, mainly around Adult Social Care purchasing budgets and Children's Care external residential and fostering contracts. These will initially be held centrally with budgets being transferred to the relevant service budgets when need has been fully assessed. £1m was previously provided for from 2024/25 in the updated MTFP approved in February 2023 for the potential effects of additional inflation in a wide range of areas, including energy costs, and this will also be held centrally. Also **£0.223m** p.a. of inflation for a number of other areas, including the increased cost of external audit fees, has been provided for from 2024/25.

Risk Management

- 4.20 Inflation totaling **£1.864m** from 2024/25 has been provided for the effects of risk around potential additional inflation across a wide range of areas due to uncertainty around levels of inflation, including the cost of energy. This will initially be held centrally. Also an amount of **£0.500m in 2024/25 and a total of £1.250m in 2025/26 and £2m in 2026/27** has been provided for, to top up the Financial Resilience Reserve to meet unforeseen financial pressures that cannot ultimately be managed within directorate budgets.

Income Policy and Fees and Charges

- 4.21 The Council has undertaken an organisation wide review of Fees and Charges to embed a consistent methodology for reviewing and setting discretionary fees and charges across the organisation. As part of the review a Fees and Charges policy (included at Appendix 5) has been developed that recognises a range of different factors in setting a price including legislative requirements and constraints, the cost of delivering a service, benchmarking with other organisations and achieving policy objectives.
- 4.22 The review focused on discretionary services to residents and businesses and has initially focused on the areas with the highest level of income from Fees and Charges which are incorporated into Directorate budget proposals. A composite Fees and Charges booklet, comprising prices across the Council's services, has been produced as part of the final budget proposals to Council and is included in Annex 1 of Appendix 5.
- 4.23 Under the Income Policy, the Director of Finance has determined the minimum percentage increase in fees that will apply as part of the annual budget process unless separately addressed in a specific budget proposal. The current proposed inflationary increase that will apply for 2024/25 is 4.6% in line with the rate of CPI in October 2023, which it is estimated will produce **£1.853m** of additional income in 2024/25.

Commercial Income

- 4.24 The Council receives income from a number of Commercial developments. The

assumptions made relating to these have been reviewed and it is now assumed that an additional **£0.536m** will be made from these in 2024/25. The assumptions are being constantly reviewed in light of the effect of the current economic climate in particular on town centre retail. These have also been examined as part of the fees and charges review mentioned in paragraph 4.21. It should be noted that the commercial developments have provided substantial additional income to the Council, in excess of the cost, both in previous years and in the future, which has helped to meet other spending pressures within the MTFP.

- 4.25 Income the Council receives from commercial developments has been amended to reflect the revenue costs arising from lost income less running costs from the sale of assets approved by Executive on 21 November 2023 as part of the Asset Review report. This totals **£1.527m** in 2024/25 and a further **£0.188m** in 2025/26.

Living Wage

- 4.26 Increases in the National Living Wage will impact upon organisations – principally adult social care providers – who are contracted to carry out functions on behalf of the Council. Currently increases in the National Living Wage do not have an impact on Council employed staff as the current pay rates paid to Council staff are above the current National Living Wage rates.
- 4.27 In Spending Review 2021 (SR21) the Government announced that it remains committed to raising the National Living Wage in order so that it reaches two-thirds of median earnings. The Chancellor's Autumn Statement 2023 reiterated this commitment and confirmed that the National Living Wage (NLW) will increase to £11.44 from £10.42 per hour (a 9.8% increase) for 2024/25. The amounts that are allocated in the MTFP to cover the increases in cost expected as a result of this have been revised in line with current available information, and an amount of **£3.362m** has been allocated for this within Adult Social Care in 2024/25 and **£8.687m** over the MTFP period.
- 4.28 As with future pay awards there is a high level of uncertainty around this and whether the Government will further change the levels of increase for future years, and therefore this will be reviewed again future updates of the MTFP.
- 4.29 A number of years ago, the Council made a commitment to align to the Living Wage Foundation recommended levels for pay which aim to provide a real living wage based on the cost of living. Given the Council's current financial position this commitment will be reviewed during 2024/25 and updates will be provided to Executive and Council once further detailed work has been undertaken.

Spending pressures

- 4.30 As reported in quarterly monitoring reports during 2023/24, the Council has faced significant spending pressures in a number of areas and these are expected to continue in 2024/25 and future years. **Table 6** summarises the budgetary pressures arising from forecast overspends in 2023/24 and ongoing pressures in these areas and these form a significant driver to the MTFP gaps.

Table 6: Spending Pressures

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Adult Social Care Increased demand	3.559	1.100	1.100	5.759
Adult Social Care Increases in grant expenditure (offset by corresponding increased grant income)	1.702	-	-	1.702
Adult Social Care - Living Wage	3.362	2.594	2.731	8.687
Children's Care - demand	4.672	1.500	1.500	7.672
Education & Partnerships - Integrated Transport Unit (ITU)	2.919	-	-	2.919
Environment & Community Services - mainly Waste Disposal	2.230	1.450	-	3.680
Regeneration - income reductions from Asset Review	1.527	0.188	-	1.715
Regeneration - changes to Commercial income	(0.536)	0.402	-	(0.134)
Regeneration - Property R&M/running costs budgets uplift	0.500	-	-	0.500
Increased homelessness costs/effect on Housing Subsidy	0.600	-	-	0.600
Other	0.229	0.127	-	0.356
Spending Pressures	20.764	7.361	5.331	33.456

4.31 Details of the spending pressures in the following key areas which are of statutory service provision are provided below:

- Children's Care - this area is experiencing increased demand for care and cost increases due to provider rates and complexity of cases and in the updated MTFP an amount of **£4.672m** has been included for this in 2024/25 and a further £1.5m p.a. for 2025/26 and 2026/27.
- Adult Social Care – there is an increased cost due to increased demographic demand pressures and higher care fees to providers to offset their rising costs and capacity constraints due to labour shortages. The service is also experiencing challenges in recruitment and retention of staff of which pay is a driving factor. Table 6 above shows that due to a number of potential pressures an additional **£5.261m** has been included in the updated MTFP for 2024/25 and a further **£1.1m p.a.** for 2025/26 and 2026/27.
- Integrated Transport Unit (Home to School and Adults Transport) - the service is experiencing increased cost of transport from local suppliers and high levels of demand for service, and therefore based on the forecast overspend in 2023/24 and predicted growth in 2024/25 an amount of **£2.919m** has been built into the updated MTFP from 2024/25. This is a decrease from the £3.843m included in the December report, following further work on the complex demand and cost modelling in this area.
- Waste Disposal - is incurring inflationary increases on the unit cost of waste disposal and increased demand beyond budgetary provision and therefore **£1.793m** has been included from 2024/25. Also, there will be further increased costs from 2025/26 due to the extension of the current contract for a further year until the new Energy from Waste Site is complete, which is currently expected in 2026/27. A further £1.500m has been built into the updated MTFP from 2025/26 in order to accommodate expected increases in the price of residual waste disposal under the new contract.
- Homelessness Pressures and effect on Housing Benefit Subsidy - the Council is experiencing an increase homelessness cases and a need for temporary accommodation together with an increase in the cost of provision, especially bed and breakfast. The Local Housing Allowance (LHA) within Housing Benefit

Subsidy is proving to be insufficient to meet these costs resulting cost pressure to the General Fund budget. A total of **£0.600m** has been built into the updated MTFP, comprising of **£0.300m** for the effects of this within Adult Social Care and **£0.300m** within Finance in relation to a shortfall in benefit subsidy. This is an emerging national issue affecting many local authorities across the country. A cross cutting review across all service areas involved in providing homelessness support is underway to understand current activities and future needs and to identify more cost effective solutions to meeting the needs of homeless households. This may lead to the amount provided in the MTFP being reviewed in the future.

- 4.32 Whilst all directorates have been required to put forward budget proposals to balance the budget, fundamental review of service models in these specific service areas are necessary in order to achieve a financially sustainable budget position.

Technical Adjustment - reversal of 2023/24 Flexible Use of Capital Receipts

- 4.33 As mentioned in the August and December MTFP Updates there is a technical adjustment relating to the Flexible Use of Capital Receipts (FUOCR) in 2024/25 which is the reversal of the one year inclusion of a £3m credit to revenue within the base budget for 2023/24 that is to fund transformation expenditure from FUOCR. The reversal of this sum has the effect of increasing the budget pressure in the MTFP.

Capital Financing

- 4.34 The Capital Financing Costs currently assumed have been reviewed in light of the latest interest rate forecasts, changes to the Council's Capital Programme, the recently approved Asset Review, and for the potential additional borrowing costs for EFS. Additional funding totaling **£1.344m** has been provided to the Capital Financing budget for this in 2024/25 with a further **£1.599m** in 2025/26 and a further **£0.207m** in 2026/27. The budgeted revenue cost of borrowing over the period of the MTFP is set out in Table 6A.

Table 6A: Revenue Costs of borrowing for capital programme

	2022/23 actual	2023/24 forecast	2024/25 forecast	2025/26 forecast	2026/27 forecast
Financing costs (£m)	8.058	9.376	11.154	12.814	14.496
Net Revenue Budget (£m)	118.329	126.354	143.190	148.601	148.127
Proportion of net revenue budget (%)	6.8%	7.4%	7.8%	8.6%	9.8%

Reserves

- 4.35 The s151 Officer recommends a minimum level for the General Fund Balance is 7.5% of the Net Revenue Budget (before one of adjustment for EFS) which is equivalent to **£11.1m** for 2024/25. In addition, it is recommended that the Financial Resilience Reserve (FRR) is replenished and maintained at a level of between £8m to £10m by 2026/27. The budgeted contribution to the FRR over the period is £0.5m in 2024/25, £1.250m 2025/26, and £2.00m in 2026/27. An earmarked Legacy Accounts and Audit Reserve of £1m has also been set aside to provide for

unforeseen adverse audit adjustments that may arise from the conclusion of legacy audits in future periods. The Council also holds a Change Fund Reserve for the purpose of meeting the revenue costs of transformation and efficiency programmes, including meeting redundancy costs, which cannot be capitalised under the Flexible Use of Capital Receipts regulations. Further information is included within Appendix 1 - s25 Report and Appendix 4 – Financial Reserves Policy.

Budget savings

- 4.36 Budget proposals totaling £14.038m in 2024/25 rising to £21.088m in 2026/27 were detailed in the report to Executive on 20 December 2023. The savings proposed were categorised in two appendices with the savings in Appendix 2 of the December report , totaling £3.949m in 2024/25 rising to £5.465m in 2026/27, being deemed to potentially affect service delivery levels and therefore being subject to public consultation.
- 4.37 Following the budget consultation and further review, a number of changes have been made to the budget savings previously proposed. The changes are summarised in **Table 7** below and detailed in the Budget Consultation Feedback 2024/25 contained in **Appendix 3**.

Table 7 – Changes to budget savings since December 2023 report

Savings Proposals 2024/25	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL £m
December 2023 Proposals	(14.038)	(5.083)	(1.967)	(21.088)
ECS09 - Car Parking Charge at Stewart Park	0.000	0.060	0.000	0.060
REG03 - Captain Cook Birthplace Museum.	0.100	(0.100)	0.000	0.000
FIN08 - Reduction in the allocation of resource for voluntary and community sector grants from the local authority.	0.028	(0.028)	0.000	0.000
LGS07 - Review of Subscription spend	0.006	0.000	0.000	0.000
LGS08 - Reduction in Member Allowances	(0.006)	0.000	0.000	0.000
Revised Savings Proposals 2024/25	(13.910)	(5.151)	(1.967)	(21.028)

- 4.38 The effect of the above changes has meant that the recommended budget savings total £13.910m in 2024/25 rising to £21.028m in 2026/27 and these are summarised by Directorate in **Table 8a** below and detailed in **Annex 1**.

Table 8a: Summary of proposed budget savings by Directorate

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Adult Social Care	(5.757)	(1.283)	(0.750)	(7.790)
Children's Care	(4.254)	(1.400)	(0.715)	(6.369)
Education & Partnerships	(0.132)	-	-	(0.132)
Environment & Community Services	(1.459)	(0.670)	(0.120)	(2.249)
Regeneration	(0.551)	(0.794)	(0.200)	(1.545)
Finance	(1.379)	(0.959)	(0.182)	(2.520)
Legal & Governance Services	(0.378)	(0.045)	-	(0.423)
	(13.910)	(5.151)	(1.967)	(21.028)

- 4.39 **Table 8b** analyses the recommend budget savings by type of saving. This shows that in deriving the budget proposals the Mayor and Executive have sought to transform how front line services are delivered rather than make cuts to services.

Table 8b: Summary of proposed budget savings by type

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Income	(3.156)	(1.502)	(0.182)	(4.840)
Efficiency	(5.849)	(1.027)	(0.120)	(6.996)
Service Reduction / Stop	(0.532)	(0.157)	-	(0.689)
Transformation	(3.541)	(2.465)	(1.665)	(7.671)
Demand Management	(0.832)	-	-	(0.832)
	(13.910)	(5.151)	(1.967)	(21.028)

Budget Growth

- 4.40 Budget growth totaling **£1.114m** was proposed in the December report to revise 2023/24 approved savings in 2024/25 to reflect the Elected Mayors' priorities and these are now recommended by Executive for approval by Council – details are provided in **Annex 3**. Also, budget growth of **£1.105m** was proposed in the December report to address delayed and changes in assumptions for previously approved savings and these are now recommended by Executive for approval by Council – details are provided in **Annex 3**.

Previously Agreed Savings

- 4.41 **Table 9** below and **Annex 2** provides a summary of the income & savings agreed in previous budget rounds that are due to be delivered during 2024/25 in addition to the new savings that are proposed in the 2024/25 budget. This is after removal of some savings which have been replaced by proposed budget growth as referred to in paragraph 4.40. The delivery of these savings will be tracked alongside new savings as part of corporate budget monitoring arrangements.

Table 9: Savings agreed in 2023/24 Budget report to Council – to be delivered in 2024/25

Directorate	2023/24 Saving Initiative for delivery in 2024/25	2024/25 £m
Children's Care Central Environment & Community Services	CC04 Re-purpose Safe Families Contract	0.019
	CEN02 Senior Management Review	0.244
	ECS14 Reduce opening hours of hubs in line with demand and introduce self-serve at Rainbow and Neptune Libraries, and reduce opening hours of other libraries in line with demand	0.062
Education and Partnerships Legal & Governance	EP06 Develop Children's Centre into Family Hubs	0.153
	LGS03 Democratic Services reduction in member and non-member related administration	0.031
Legal & Governance Regeneration	LGS06 Delete political assistant vacancy	0.019
	RC05 Events team to reduce by 1-2 posts, and external funding to be sought to delivery events	0.028
Regeneration Children's Care	RC08 Reduction of 20% in the Council's Marketing and Communications function	0.028
	CS01 Reduction in the use of high cost external family support provision	0.318
Children's Care	CS04 Introduce supplier incentive Scheme across Childrens purchasing	0.031
Children's Care	CS05 Combine posts to release efficiencies in Quality	0.048
Children's Care	CS07 Reduction in agency costs	0.380
Children's Care	CS08 Redesign of short break provision	0.030
Total		1.391

Funding

- 4.42 The Council's retained 49% share of business rate income, after adjustments for transitional relief and cost of collection, is **£17.844m** in 2024/25, which is **£1.329m** below our Business Rate Baseline as determined by the Government for the purpose of the settlement.
- 4.43 This retained income carries potential volatility risks for the Council in calculating our share of the yield. The major risks and concerns are; the level of successful rating appeals that may be made in the year, the unknown level of bankruptcies and businesses going into administration, the number of empty properties, the number of new properties and the collection rate achievable. The Council is required to make an estimate of the impact of all these, based on limited trend information. The NNDR1 return submitted to DLUHC in February 2024 estimated the net rates payable as **£37.384m** after all reliefs, with **£0.822m** assumed for bad debts (**2.2%**) and **£0.799m for appeals (2.1%)** leaving total collectible rates for 2024/25 as **£35.763m**.
- 4.44 The Council in 2024/25 expects to receive **£13.582m** section 31 grant which compensates councils for the loss of income, suffered as a result of previously announced changes to the business rates multiplier. The impact of these grants has been included within the budget refresh figures and details are shown in **Table 10** below.

Table 10: Section 31 Grants (Business Rates)

Budget Item	2024/25 £m
Multiplier cap	4.314
Small Business Rates Relief	1.396
Supporting Small Business Relief	0.192
Retail Hospitality & Leisure Relief	1.641
	7.544
NNDR1 Return	
Under-indexing of Top-up Grant	6.038
Total	13.582

- 4.45 **Table 11** sets out the overall funding assumed within the budget. Revenue Support Grant, Business Rates Top Up Grant and Retained Business Rates have been assumed to increase by 3% p.a. in both 2025/26 and 2026/27. The increase in 2025/26 is broadly based on the estimated CPI increase as at September 2024 (which the Government will base the actual increase on), with the increase for 2026/27 being less robust and based on an estimated increase.

Table 11: Funding Summary

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Retained Business Rates	17.844	18.380	18.931	55.155
Business Rates Top-up Grant	30.461	31.401	32.343	94.205
Revenue Support Grant	15.122	15.576	16.043	46.741
Council Tax	71.438	75.769	80.319	227.526
Collection Fund Surplus / (Deficit)	8.325	0.000	0.000	8.325
Total	143.190	141.126	147.636	431.952

- 4.46 **Table 12** sets out details of all other specific Government funding provided to the Council. These are based on the most up to date reliable information and the impact for 2025/26 and 2026/27 have been estimated, but these figures are necessarily less robust than the figures for 2024/25 due to very little information being provided by the Government as to future years funding.

Table 12: Other specific grant funding

	2024/25	2025/26 (Indicative)	2026/27 (Indicative)
	£m	£m	£m
Improved Better Care Fund	8.646	8.646	8.646
New Homes Bonus	0.499	0.499	0.499
Social Care Grant	19.202	19.202	19.202
ASC Market Sustainability & Improvement Fund	3.316	3.316	3.316
Discharge Fund	2.020	2.020	2.020
Services Grant	0.293	0.293	0.293
S31 Grant for Business Rates Compensation for Reliefs	13.582	13.582	13.582
Public Health Grant	18.609	18.609	18.609
Housing Benefit Administration Subsidy Grant (<i>assumed - still TBC</i>)	0.594	0.594	0.594
	66.761	66.761	66.761

Not included in the table above are details of the Dedicated Schools Grant (DSG) which the Council receives, which are detailed in Appendix 8.

Collection Fund

- 4.47 Statutory regulations require councils to account for annual council tax / business rates income in a manner different to normal accounting arrangements as would apply if using International Financial Reporting Standards (IFRS). This means any difference between the budgeted net council tax and business rates income and the actual is held on the Council's balance sheet to be distributed in subsequent years.
- 4.48 Councils are required to calculate an estimated position of the Collection Fund in January which is used by the precepting authorities in setting its budget for the forthcoming year.
- 4.49 An annual review is undertaken to assess the estimated level of collection, the likely balance of the funds and to advise the precepting authorities (Fire and Police) of their share of any surplus/deficit. This enables them to take this into account in their own budget calculations.
- 4.50 It is currently estimated that there will be a total surplus on the collection fund of **£10.482m** with the Council's share being **£8.325m**. This comprises of a surplus on the council tax collection fund of **£9.231m** with the Council share of this being **£7.712m**. It is estimated that there will be a surplus on the business rates collection fund of **£1.251m** with the Council share of this being **£0.613m**. The council's surplus will be allocated to the replenishment if its depleted revenue reserves as detailed further in the Reserves Policy at Appendix 4.

Council Tax Requirement for 2024/25

- 4.51 Given the Council's fragile financial position, in the report to Executive in December 2023 the s151 Officer advised the Mayor and Executive to adopt the current assumed maximum permissible Council Tax increase of 4.99% p.a. for 2024/25 in order to reduce the additional budget savings required to be made to balance the

budget. This is also recommended for 2025/26 and 2026/27. This advice also reflects the fact that the Government assumes that local authorities will increase the Council Tax by the maximum permissible in their calculation of the Council's Core Spending Power, which is a measure of how much the Government believes local authorities can raise from Council Tax and that they have available to spend.

- 4.52 It should be noted that each 1% increase in Council Tax produces estimated additional income to the Council of approximately £0.675m per annum.
- 4.53 There is estimated to be an increase in Council Tax income of **£0.768m** in 2024/25 and on an ongoing basis due to a predicted increase in the Council's Tax Base resulting from projected Housing Growth over the period. In addition, it is assumed that there will be an increase of a similar amount each year in 2025/26 and 2026/27. Since 2013/14 the Council's Housing Growth Strategy has delivered an increase in the Council Tax Base of **5,967** Band D Equivalent properties, an increase in Middlesbrough Council's Tax Base of **approximately 20%**. The cumulative effect is approximately **£11.794m per annum** and reduces the need to make further annual savings within Council services by this amount.
- 4.54 The Council is required to set a balanced budget for 2024/25. The budget will determine the level of resources to be made available to services and forms part of the determination of the Council Tax to be levied in 2024/25.
- 4.55 If the final budget proposed in this report is approved by Council the Budget Requirement for 2024/25 will be **£143.190m** (after a one off adjustment for the £4.7m EFS) with a Council Tax Requirement of **£71.438m**, equating to a Council Tax (Band D) for non-parish areas (Middlesbrough Council only element) of **£1,975.76** and Band A of **£1,317.17**. This represents a total increase in Council Tax of **4.99%** for 2024/25 comprising of a general increase of 2.99% and an Adult Social Care precept of 2.00%.
- 4.56 The draft statutory Band D Council Tax calculation that will form the basis of the March Council budget report is detailed at **Appendix 7**.
- 4.57 The tax to be levied for each band for each tax band for Middlesbrough Council element (excluding Fire, Police and Parish precepts) is detailed in **Table 5** of **Appendix 7** and is shown below in **Table 13**:

Table 13: Proposed Council Tax per Band for Middlesbrough Council element (excluding Fire, Police and Parish precepts) 2024/25

Effect of assumed 4.99% p.a. total increase in Middlesbrough element of Council Tax for the period of 2024/25 to 2026/27				
Band	% of dwellings per band*	2024/25 4.99% increase		
		Council Tax £	Annual Increase £	Weekly Increase £
A	50.3%	1,317.17	62.60	1.20
B	17.4%	1,536.70	73.03	1.40
C	17.3%	1,756.23	83.47	1.61
D	8.4%	1,975.76	93.90	1.81
E	4.2%	2,414.82	114.77	2.21
F	1.5%	2,853.88	135.64	2.61
G	0.9%	3,292.93	156.50	3.01
H	0.1%	3,951.52	187.80	3.61

* Based on number of dwellings on the Valuations List as at 11/09/23

- 4.58 Nunthorpe Parish Council has set a precept of £25,000 for 2024/25. The tax to be levied for each for each tax band are set out in **Table 5 of Appendix 7**.
- 4.59 Stainton & Thornton Parish Council has set a precept of £13,153 for 2024/25 . The tax to be levied for each for each tax band ae set out in **Table 5 of Appendix 7**.
- 4.60 Cleveland Fire Authority has set a precept for Middlesbrough of **£3,232,896**. The Council Tax levels for 2024/25 are set out in **Table 6 of Appendix 7**.
- 4.61 Cleveland Police and Crime Commissioner has set a precept of **£10,976,164** and Council Tax levels for 2024/25 are set out in **Table 7 of Appendix 7**.
- 4.62 The total tax to be levied for each band (including Middlesbrough Council, Cleveland Fire Authority, Cleveland Police and Crime Commissioner, and Parishes) is set out in **Table 8 of Appendix 7**.
- 4.63 The Executive recognises the financial challenge faced by many households due to the cost of living crisis and provides financial support in the form of reductions to Council Tax for the most financially vulnerable households in addition to grants under the Household Support Fund and its Welfare Strategy.
- 4.64 Whilst the Council takes a very firm and fair approach to collection there are a number of support solutions which are available to assist financially vulnerable households. Through the Council's proposed Council Tax Reduction Scheme, to be approved by Council at its budget setting meeting, a maximum of 90% support. This equates to an overall level of expenditure to support financially vulnerable households of approximately £20.1m per year is provided to 18,285 households across the town. The Council has considered increasing the scheme to 100%, which would mean around 11,000 working age households would have nothing to pay, however this would likely cost the Council around £4m extra to implement and is not considered affordable at present.
- 4.65 In addition to the Council Tax Reduction Scheme a number of other support solutions exist. The Council has a welfare strategy which is designed to support households who may be struggling financially. The range of support is extensive and can include such things like maximising benefits, support with any shortfall in rent, as well as help with white goods, furniture, food, and energy referrals. The Council takes a firm but fair and persistent approach to collection of debt including full benefit and welfare checks to ensure that households have access the right level of support to help them meet their council tax obligations.

Budget summary & Medium Term Financial Plan assumptions

5.1 In examining proposals for the 2024/25 budget, the Council considers both the immediate situation and the longer term outlook and assesses the impact of decisions accordingly. Current budgets for 2024/25 through to 2026/27 assumes:

- Council tax increases of **4.99%** in 2024/25 (**2.99%** general increase and **2.00%** Adult Social Care precept) and **4.99% p.a.** increase in 2025/26 and 2026/27 comprising the same mix of funding as 2024/25.
- 2024/25 council tax base of **36,137.9** as per December 2023 Executive report with assumed future net growth of **£0.768m pa** equating to approximately **389** Band D equivalents p.a. after student exemptions and various discounts.
- Confirmed final settlement funding for 2024/25 only with a future working assumption of projected inflationary increases for future years.
- Future increases in Retained Business Rates and associated section 31 grants reflect only CPI inflation projections with working assumption of nil underlying growth.
- Assumed pay inflation of **4.00%** per annum for 2024/25, **3.00%** for 2025/26 and **2.00%** for 2026/27.
- NHB grant assumed to continue at same level in future years as in 2024/25
- Where national increases are known for specific grants, an estimated future projection has been included based best available information.
- Assume that all other specific grants will continue at their current level for all future years.

All these budget assumptions will be subject to on-going review in light of changing circumstances.

5.2 **Table 14** shows the updated MTFP for the period 2024/25 to 2026/27 based on the information contained elsewhere in this report.

Table 14: Refreshed MTFP Summary 2024/25 to 2026/27 (incremental)

Budget Item	2024/25 £m	2025/26 £m	2026/27 £m
Net Budget brought forward	126.354	134.865	141.126
Pay Inflation	5.051	3.575	1.778
Contractual inflation	1.550	1.550	1.550
Other inflation	0.209	-	-
Fees & Charges inflation	(1.853)	(0.648)	(0.648)
Inflation subtotal	4.957	4.477	2.680
Service Demand pressures	20.764	7.361	5.331
Service Demand pressures subtotal	20.764	7.361	5.331
Technical adjustments	4.878	1.599	0.207
Risk Management	1.952	0.750	0.750
Grant Funding adjustments	(4.661)	-	-
Savings - approved in previous years	(0.769)	-	-
New savings proposals	(13.910)	(5.151)	(1.967)
Budgeted contribution to Reserves	8.325	-	-
Other adjustments subtotal	(4.185)	(2.802)	(1.010)
Projected Net Budget	147.890	143.901	148.127
Exceptional Financial Support	(4.700)	4.700	-
REVISED PROJECTED NET BUDGET	143.190	148.601	148.127
Council Tax	(71.438)	(75.770)	(80.319)
Business Rates	(48.305)	(49.781)	(51.274)
Estimated Collection Fund Surplus	(8.325)	-	-
Revenue Support Grant	(15.122)	(15.576)	(16.043)
Assumed Funding	(143.190)	(141.127)	(147.636)
Incremental Budget Gap + / Surplus ()	(0.000)	7.474	0.491
Cumulative Budget Gap + / Surplus ()	(0.000)	7.474	7.965

5.3 It can be seen from **Table 14** that budget gaps still remain in 2025/26 and 2026/27 and further savings proposals arising from the Transformation projects currently being undertaken will be required as a minimum to meet these budget gaps. In practice, the level of further savings to be developed will need to anticipate the risk of further pressures arising from 2025/26 onwards as is the usual experience of the annual budget setting cycle. A report setting out the proposed Transformation Programme will be presented to Executive and Council meetings in March 2024 alongside the Flexible Use of Capital Receipts Strategy.

Annex

1	Proposed Budget Savings by Directorate
2	2023/24 Saving Initiative for delivery in 2024/25 By Directorate
3	Budget Growth
4	Detail of net revenue budget by Directorate

Appendix 2 Savings and Growth

Annex 1: Proposed Budget Savings by Directorate

Adult Social Care & Health							
Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ASC01	E	Yes	Accommodation and Support review A review will be undertaken to consider an alternative source of funding which can be used to fund the support costs to a number of sheltered housing provisions. This work will identify eligible sources of funding, which will mitigate the impact to residents and the services being provided. Phase 2 of this work will include completing a review with the registered social provider for the larger schemes, concerning the historical funding arrangements of support into a number of sheltered housing schemes. This work will consider alternative funding opportunities, with a decision to be taken in 24/25 concerning the future funding arrangements for these schemes should alternative funding sources not be identified.	(0.072)	(0.480)		(0.552)
ASC02	E	No	Temporary Accommodation and support review Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short term accommodation for people. This will involve better modelling of need, flexible agreements with housing suppliers and using the Council's own properties first.	(0.165)			(0.165)
ASC03	D	No	Introduction of Residential Care Panel This initiative will provide increased scrutiny of placement applications with particular focus on housing and accommodation.	(0.200)			(0.200)
ASC04	E	No	Review of domiciliary care A review of care packages for service users will be undertaken to ensure the allocation of resource is appropriate, including replacement of 2nd domiciliary care worker with assistive technology	(0.091)			(0.091)
ASC05	I	No	Review of Care Packages Funding This initiative will ensure there is a robust process in place to assess client eligibility for funding, reviewing care packages across the service.	(0.402)			(0.402)
ASC06	D	No	Expansion of reablement provision This initiative is to focus on short-term intensive support enabling service users coming out of hospital to return home with a reduced, or no, on-going care package. It will also be used to delay escalation of need in the community.	(0.632)			(0.632)
ASC07	I	Yes	Fairer Charging/Fair Cost of Care This will be achieved by ensuring client fees reflect cost inflation on an annual basis.	(0.100)			(0.100)
ASC08	E	No	Review of high cost care packages A review team will be established to focus on high cost packages to ensure consistent, appropriate care and to ensure cost-effective use of resources.	(0.238)			(0.238)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

Adult Social Care & Health

Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ASC09	E	Yes	Review of Independent Supported Living schemes A review of our Independent Supported Living schemes in partnership with our providers to maximise the use of digital technology to promote the independence of the tenants within these services, and to complete a full review of the costs associated with the schemes, including consideration of further opportunities for shared care.	(0.176)			(0.176)
ASC10	E / I	No	Expand Autism Day Care through relocation to Cumberland Resource Centre This will be achieved by Autism Day Care relocating to Cumberland Resource Centre. Current activity from Cumberland will relocate to North Ormesby Resource Centre resulting in staff savings, £0.080m and a potential to generate additional income £0.050m	(0.130)			(0.130)
ASC11	T	Yes	Re-provision use of Levick Court This initiative is to provide alternative residential care for the current service users and seek opportunities to maximise the utilisation of the property working with partner organisations	(0.311)			(0.311)
ASC12	T	No	Transformation of Adult Social Care Services This initiative will involve a service wide review to introduce new ways of working and delivering services to clients. For example, further prevention initiatives, assistive technology and wider rollout of Connect services.	(1.900)	(0.750)	(0.750)	(3.400)
ASC13	E	Yes	Review of Direct Payments A robust review of policy and application to ensure the facility to support service users via direct payments is fully utilised to enable independent living	(0.660)			(0.660)
ASC14	I	Yes	Court of Protection Service Charges Commence charging service users for the cost of assessment for Court of Protection applications and administration of Court of Protection cases	(0.100)	(0.053)		(0.153)
ASC15	I	No	Review of Adult Social Care Client Income contribution for residential care A comprehensive review of client contributions to care package costs to ensure individuals are charged appropriately	(0.500)			(0.500)
FIN09	E	No	Invoice Reconciliation To develop a system for automatic checks on delivered hours against commissioned hours within Adult Social care	(0.080)			(0.080)
Total Adult Social Care & Health				(5.757)	(1.283)	(0.750)	(7.790)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
(2.9)	4.0
-	-
-	-
-	-
-	-
1.0	-
-	-
(1.9)	4.0

Children's Services							
Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
CC01	T	No	Review of all Services across Children's Care. A robust review and evaluation of staffing will be undertaken across Children's Services. Research and alternative operating models of practice will also be considered within this review. The staffing levels and structure will be reviewed to ensure Children's Services are effectively responding to the needs of children and families.	(0.700)	(0.500)		(1.200)
CC02	E	No	Review of Placements (including Processes and Procedures). This will be achieved by undertaking a deep dive of placements for children to bring young people back to Middlesbrough and/or to remain local. This review is likely to reduce financial pressures as this is a high-cost area. Increased governance and management oversight will be implemented to have a stronger grip on decision making and spending.	(1.100)			(1.100)
CC03	T	No	Improvement of Internal Residential capacity through the purchase of suitable properties and refurbishment of existing MBC properties into Residential homes This will include consideration of properties within Middlesbrough to increase inhouse placements for children.	0.000	(0.450)	(0.615)	(1.065)
CC04	E	No	Workforce Development - Review of recruitment and retention and marketing of job roles, in particular Social Worker related posts. This will include a robust review and evaluation of staffing across Children's Services. Due to the challenges with recruitment which are contributing to the ongoing budget pressures, we need to redesign and improve our recruitment offer and marketing strategy to attract workers to Middlesbrough.	(0.800)			(0.800)
CC05	E	No	Other savings - Maximising grants This will involve having a stronger oversight of the S17 (Financial Assistance) spend and using more of the grant funding the Council receives for our unaccompanied asylum seeking children. We will also be using the adoption support fund through the DfE which will support our therapeutic offer to children who are subject to an Special Guardianship Order or Child Arrangement Order.	(0.454)	(0.150)	(0.100)	(0.704)
CC06	T	No	SHIFT Project, a multidisciplinary approach in prevention. Introduction of the SHiFT programme, alongside the robust placement review, will achieve better outcomes for our young people who are involved in criminal activity, reduce the number of children entering care and mitigate the need for some high-cost placements.	(0.400)			(0.400)
CC07	I	Yes	Special Guardianship Order Payment review. Undertake a review of policy and practice, aligning to regulatory requirements and DWP benefit entitlements	(0.800)	(0.300)		(1.100)
Total Children's Services				(4.254)	(1.400)	(0.715)	(6.369)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
(27.0)	114.0
-	-
-	-
-	-
-	-
-	-
1.0	-
(26.0)	114.0

Education & Partnerships

Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
EDC01	E	Yes	Review of Integrated Transport Unit arrangements This will be achieved through efficiencies in services such as optimisation of routes and cost of in-house and external suppliers.	(0.132)	-		(0.132)
Total Education				(0.132)	0.000	0.000	(0.132)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
0.0	0.0

Environment & Community Services

Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS01	E	Yes	Fortnightly Collection Residual Waste. As in line with most Councils, and to support efforts to also improve recycling rates, Middlesbrough will introduce the fortnightly collection of residual waste. This will assist in the Council's efforts to increase recycling. The impact will be a reduction in the number of full time Residual Waste Operatives from 41 to 29 and savings on fuel and equipment. The proposed implementation plan includes adjustments for those who require a larger waste bin, for families of 3 or more will be able to request a 240 Ltr wheel bin, families of 2 will be able to purchase an additional 140 Ltr wheel bin, the cost will be a one off fee of £40, and moving where possible for those areas on black bags to wheeled bins. Areas that have communal bins collections will remain on weekly collection. Those who have medical needs or larger families will have their needs assessed and larger or additional bins will be offered. In order to improve the level of recycling, increased waste education and communication will take place to ensure people understand which waste should be put in which bin and encourage residents to do so. When comparing to neighbouring authorities this proposal brings the Council in line with Residual waste collection proposals.	(0.374)			(0.374)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
(12.0)	6.0

Environment & Community Services

Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS02	I	Yes	Green Waste Collection Charge As with most councils, introduction of charging for Green Waste collection service will run fortnightly from the beginning of April until the end of November. This will include the continuation of two weekly collection through out this period rather than monthly in October and November. The annual charge will be £40 for the first bin then £20 per addition bin. This is a discretionary service which many councils already charge for and only benefits households in those parts of the town who have gardens. It will be optional, with an opt in process. Free disposal will continue to be available to those who wish to use the Household Waste and Recycling Centre.	(0.406)			(0.406)
ECS03	I	Yes	Junk' Job collection will be chargeable. Introduction of a £24.50 charge for a bulky household waste collection. In general this will be for up to five items. This will provide a more streamlined service than the two tier system in place now.	(0.092)			(0.092)
ECS04	I	Yes	Replacement Wheeled bins charge The introduction of charges for replacement of all wheeled bins including delivery charge. This will include wheeled bins used for recycling. 140 Ltr Bin £20.45, 240 Ltr Bin £23.50, 240 Ltr Green Bin £37.50 This will be introduced in 2025/26, enabling the Council to put other measures in place first in response to concerns about potential bin theft and to allow the roll out of the new bins associated for some households with green waste and/or fortnightly refuse collection. The Council will continue to replace bins at no cost where they have been damaged by Council operatives.		(0.033)		(0.033)
ECS05	E	No	Integrate Environment Services and Supporting Community functions and create a Neighbourhood management approach. This will be based on 4 working locality focused teams to deliver front line services with savings achieved following a management restructure and a reduction in management posts.	(0.287)	(0.113)		(0.400)
ECS06	E	No	Increase in Education and Enforcement around Recycling. By encouraging people to put less waste in their residual waste bin and recycle instead, the Council will improve the amount of recycling and in turn reduce the cost of waste disposal.	(0.030)	(0.169)	(0.020)	(0.219)
ECS07	S	Yes	Cease Council financial support for Environment City	(0.105)			(0.105)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
-	-
-	-
(12.0)	8.0
-	-
(2.0)	-

Environment & Community Services							
Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS08	I	Yes	Resident Parking Permits Charge Introducing a charge for residents parking permits in those areas that have a residents parking scheme. The charge will be £25 per first permit and £40 for additional permits. An element of the proposal is that the current £10 for care professionals visiting the area, payable by their employer, is not amended. These schemes relate to a small part of the town that requires additional Council action to support resident parking and enforce compliance with it in order to ensure residents are able to park near their home and other car users are diverted to more appropriate locations. That activity and enforcement comes at a cost. The proposed charge contributes towards the cost of administration and enforcement, many other councils already have such a charge, and many have a higher charge. By also attaching a charge we aim to limit the amount of passes that are misused by non residents to utilise parking closest to the town centre.	(0.125)	(0.125)		(0.250)
ECS10	T	Yes	Review of Community Facilities A review of community facilities will include potential income generation from use of facilities, or alternatives to reduce operating costs.		(0.200)	(0.100)	(0.300)
ECS11	I	No	Review contribution to Community Hubs running costs This will be achieved by increase income from chargeable activities, room hire and the renting of space at Community Hubs.	(0.040)			(0.040)
ECS12	I	No	Charge for Waste Bins on New Developments The introduction of charging for waste bins on new developments to Developers.		(0.030)		(0.030)
Total Environment & Community Services				(1.459)	(0.670)	(0.120)	(2.249)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
-	-
-	-
-	-
(26.0)	14.0

Regeneration							
Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
REG01	S	No	Reducing the number of staff we need to deliver regeneration activities by implementing new ways of working. This will be achieved by reducing staffing in the Regeneration Directorate by around 10 posts.	(0.263)	(0.129)		(0.392)
REG02	S	No	Changing the way the Middlesbrough News e-newsletter is produced and delivered. This will involve more localised updates being sent to subscribers	(0.008)			(0.008)
REG03	T	Yes	Review and implementation of alternative operating models for Captain Cook Birthplace Museum. The future of the Captain Cook Birthplace Museum will be deferred until 30 September 2024 to provide time for other alternative options which avoid closure to be explored more fully. This will be achieved following a review of options including an alternative 3rd party provider, changes in operations to reduce operating costs (utilising volunteers, or improved building management ie insulation) and increase income by changing the offer to attract more visitors or withdrawal from the site and investing in offer at the Dorman Museum. A decision will be taken by the Executive and will be subject to further consultation as required.	(0.100)	(0.245)		(0.345)
REG04	T	No	Improve the commercial potential of the Town Hall and Theatre to maximise the potential of the buildings and provide a greater range of performances. This will involve joining up management and programming arrangements and exploring partnerships with private sector promoters.	(0.050)	(0.100)		(0.150)
REG05	I	No	Use grant funding to cover some of the existing economic growth activities the Council carries out. This will involve using more of the grant funding the Council receives to cover staff costs.	0.000	(0.050)		(0.050)
REG06	E	No	Reducing the number of staff we need to deliver the Council's marketing and communication activities by implementing new ways of working. This will be achieved by utilising different ways of marketing and communicating that will ultimately require fewer staff.	(0.050)	(0.050)		(0.100)
REG07	T	No	Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short term accommodation for people. This will involve better modelling of need, flexible agreements with housing suppliers and using the Council's own properties first.	(0.080)	(0.220)	(0.200)	(0.500)
Total Regeneration				(0.551)	(0.794)	(0.200)	(1.545)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
(10.0)	45.9
-	-
-	-
-	-
-	-
(2.0)	1.0
-	-
(12.0)	46.9

Finance

Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
FIN01	I	No	Collection of Housing Benefit Overpayments. Invest additional staff resources to increase the recovery of old debt from overpaid Housing Benefit.	(0.105)	(0.035)		(0.140)
FIN02	I	No	Review of Single Person Discounts and Student Exemption for Council Tax. Undertake a review of all current awards, if not entitled, remove and rebill to ensure all households are paying the correct amount of Council Tax	(0.198)	(0.066)		(0.264)
FIN03	I	No	Collection of Council Tax. Invest additional staff resources to increase the recovery of old debt whilst also ensuring that Households are in receipt of the relevant DWP benefits / financial support.		(0.110)	(0.037)	(0.147)
FIN04	I	No	Collection of Council Tax. Invest additional staff resource to increase the recovery of debt through the use of charging orders. If Council Tax is owed this can be secured against the home owner's property, upon sale or forced sale the debt will then be discharged.		(0.504)	(0.103)	(0.607)
FIN05	I	No	Collection of Business Rates Invest additional staff resource to increase the recovery of old debt.		(0.126)	(0.042)	(0.168)
FIN06	I	No	Collection of Council Debt Invest additional staff resource to increase the recovery of general debt relating to provision of Council 'paid for' services.	(0.188)	(0.070)		(0.258)
FIN07	E	No	Reduction in Contractual Spend Undertake a review to increase on-contract spend and improve contract management standards based on 2% reduction in current spend linked to supplies and services.	(0.700)			(0.700)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
1.0	-
3.0	-
2.0	-
1.0	-
1.0	-
2.0	-
2.0	-

Finance							
Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
FIN08	S	Yes	<p>Reduction in the allocation of resource for voluntary and community sector grants from the local authority.</p> <p>The savings will be achieved by reducing the allocation of funding available for the voluntary and community sector grants programme. The reductions are to cease the small grants programme saving £0.127m in 24/25 which is for one-off grants for residents and small community groups. In addition, there will be a 20% reduction in 24/25 on the community chest and development grant budgets resulting in a saving of £0.011m. The core grants are under a contractual service level agreement therefore a further reduction will be applied to the core grants in 25/26 to allow for revised negotiations and service level agreements to be developed following the final year of a 3 year agreement. Support will be offered to enable organisations to access external grant funding opportunities, and a business case to access some Better Care fund monies to support grants for vulnerable people in the communities will be developed.</p> <p>The proposal for 2024/25 will now be to merge the Community Chest and Development Grants into one £42,400 pot, review criteria, and to then in line with the proposal from Overview and Scrutiny Board incorporate within that a sum for small grants for residents and small community groups.</p>	(0.138)	(0.028)		(0.166)
FIN10	I	No	<p>Centralisation of grants administration and maximisation of opportunities for grant income across the authority</p> <p>To develop a process and centralised resource for the horizon scanning of grant opportunities across the authority and to ensure central co-ordination of all grant income, this will include ensuring the costs of any support and overheads are fully met by any grants received.</p>	(0.050)			(0.050)
FIN11	E	Yes	<p>Closure of Cashiers at Middlesbrough House.</p> <p>Alternative ways to pay such as direct debit, online, telephone or if in person at a Post Office or one of the many local pay point outlets will be offered. Where the Council provides an 'estate' function for vulnerable residents, local town centre arrangements will be introduced to provide cash payments.</p>		(0.020)		(0.020)
Total Finance				(1.379)	(0.959)	(0.182)	(2.520)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
1.0	-
-	-
13.0	0.0

Legal & Governance							
Ref:	Categorisation	Subject to Consultation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
LGS01	E	No	Reduce car mileage rate paid to staff from current 60p per mile for petrol/diesel/hybrid cars to HMRC rate of 45p per mile. This will involve issuing notice of the introduction of the new rate and making adjustments in the Council's HR system. Staff communication will be required. Saving will be across all directorates.	(0.116)			(0.116)
LGS02	S	No	DBS Renewals - staff to self declare at renewal stage. This will involve the introduction of a self declaration model which can be built in to appraisal/supervision meetings and recorded. The HR System will need to be adjusted to allow recording of information and services will need to keep information securely.	(0.012)			(0.012)
LGS03	E	No	A Cross-Council review of administrative roles and functions. This saving will be achieved through a Council-wide review of all customer-facing and administrative roles, with a view to reducing net budget by 2.5%	(0.136)			(0.136)
LGS04	E	No	Review corporate mobile telephone contract. A review of the corporate mobile phone contract and the move to a new provider, to realise savings	(0.050)			(0.050)
LGS05	E	No	Centralisation of Data Analytics (Cross Council) A review of resources, systems and processes in relation to the data analytics function to enable standardisation, providing data analytic services to the Council at a reduced cost base.	(0.058)			(0.058)
LGS06	E	No	Legal Services Service Review Exploration of a shared Legal Service and potential for commercialisation, improving efficiency, service delivery and enhancing resilience		(0.045)		(0.045)
LGS08	S	No	Reduction in Member Allowances This saving is achieved by the number of allowances required is reduced based on the current allocation of member responsibilities	(0.006)			(0.006)
Total Legal & Governance				(0.378)	(0.045)	0.000	(0.423)

Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
-	-
(6.0)	0.0
-	-
(1.5)	1.5
-	-
-	-
(7.5)	1.5

GRAND TOTAL	(13.910)	(5.151)	(1.967)	(21.028)
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(60.4)	180.4
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Appendix 2 Savings and Growth

Annex 2: 2023/24 Saving Initiative for delivery in 2024/25 By Directorate

Children's Services					
Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
CC04 - 23-24	Re-purpose Safe Families Contract	0.019			0.019
CS01 - 23-24	Reduction in the use of high cost external family support provision	0.318			0.318
CS04 - 23-24	Introduce supplier incentive Scheme across Childrens purchasing	0.031			0.031
CS05 - 23-24	Combine posts to release efficiencies in Quality	0.048			0.048
CS07 - 23-24	Reduction in agency costs	0.380			0.38
CS08 - 23-24	Redesign of short break provision	0.030			0.03
Total Children's Services		0.826	0.000	0.000	0.826

Education & Partnerships					
Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
EP06 - 23-24	Develop Children's Centre into Family Hubs	0.153			0.153
Total Education & Partnerships		0.153	0.000	0.000	0.153

Environment & Community Services					
Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS14 - 23-24	Reduce opening hours of hubs in line with demand and introduce self-serve at Rainbow and Neptune Libraries, and reduce opening hours of other libraries in line with demand	0.063			0.063
Total Education & Partnerships		0.063	0.000	0.000	0.063

Regeneration					
Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
RC05 - 23-24	RC05 Events team to reduce by 1-2 posts, and external funding to be sought to delivery events	0.028			0.028
RC08 - 23-24	RC08 Reduction of 20% in the Council's Marketing and Communications function	0.028			0.028
Total Regeneration		0.056	0.000	0.000	0.056

Legal & Governance					
Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
LGS03 - 23-24	LGS03 Democratic Services reduction in member and non-member related administration	0.031			0.031
LGS06 - 23-24	LGS06 Delete political assistant vacancy	0.019			0.019
Total Legal & Governance		0.050	0.000	0.000	0.050

Chief Executive Office (Council wide)					
Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
CEN02 - 23-24	Senior Management Review	0.244	0	0	0.244
Chief Executive Office (Council wide)		0.244	0.000	0.000	0.244

TOTAL 2023/24 SAVING INITIATIVE FOR DELIVERY IN 2024/25		1.392	0.000	0.000	1.392
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Appendix 2 Savings and Growth

Annex 3: Budget Growth

Proposals to revise 2023/24 approved savings in 2024/25 to reflect the Elected Mayor's priorities

Previous Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS12 - 23/24	Community safety services The cost of providing Community safety is currently being met from grant funding as a result of a planned 2023/24 saving. This funding is not available in future years. Therefore, in order to continue to provide the current level of Community Safety service (based on 10 Street Wardens plus Uniforms, equipment and fuel) as well as Neighbourhood Safety Officers, growth in the expenditure budget is required.	0.650			0.650
ECS16 - 23/24	Area Care. Part of the Area Care budget is funded by grant in 2023/24 as a result of a planned 2023/24 saving and this funding is not available in future years. Therefore, in order to avoid further reduction in the current level of service including grass cutting, street cleaning and general maintenance, growth in the expenditure budget is required.	0.142			0.142
ECS06 - 23/24	Street Lighting This is a reversal of a planned saving of £0.149m per annum which also required £0.081m of capital investment in order to install the technology to enable selective reduction of street lighting overnight. The reduction of crime and anti-social behaviour is a key Mayoral priority and the maintenance of lighting levels at night supports the strategy to increase the perception of safety of residents of Middlesbrough and the reduction in crime and anti-social behaviour.	0.148			0.148
FIN06 - 23/24	Welfare Rights Service - previously activity was supported through central government grant, this funding is not available so in order to continue services Council resource is required.	0.174			0.174
TOTAL		1.114	0.000	0.000	1.114

Proposals to address delayed and change in assumption on savings approved in 2023/24 for 2024/25

Previous Ref	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
LGS06 - 23/24	Meet appropriate requirements for supporting Politicians Following Elections in May 2023, the requirements for supporting politicians have changed	0.044			0.044
Childrens Improvement Plan No.6 23/24	Children's Inhouse residential provision New plans to increase capacity in Children's inhouse residential offer are now part of a wider transformation programme resulting in the requirement to remove previously set budget savings (this has been replaced by a new savings proposal CC03)	1.061			1.061
TOTAL		1.105	0.000	0.000	1.105

Proposals to support the Corporate Governance Improvement Programme

Directorate	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
Legal & Governance	Organisational Development requirements to support the Corporate Governance improvement plan A requirement for 2 x FTE to support the Corporate Governance Improvement Plan in delivering specialist Organisational Development	0.000	0.127	0.000	0.127
TOTAL		0.000	0.127	0.000	0.127
TOTAL GROWTH		2.219	0.127	0.000	2.346

Appendix 2 Medium Term Financial Plan
Annex 4 Detail of Net Revenue Budget by Directorate

	2023/24		2024/25	
	£'Million	£'Million	£'Million	£'Million
Net Service Expenditure				
Regeneration & Culture	(1.987)		2.023	
Environment & Community Services	20.228		20.176	
Public Health	(3.280)		0.006	
Education & Partnerships	5.494		7.992	
Children's Care	54.649		54.038	
Adult Social Care	49.808		52.075	
Chief Executive*	0.000		0.242	
Legal & Governance Services	10.245		10.387	
Finance	4.429	139.586	3.121	150.060
Levies				
Environment Agency	0.124	0.124	0.129	0.129
Central Provisions & Budgets				
Covid-19 Grant Income Held Centrally	(0.864)		0.000	
Provisions for Pay & Prices and Contingencies	5.862		8.141	
Social Care Grant Income Held Centrally***	(13.189)		(19.202)	
Services Grant	(1.861)		(0.321)	
Flexible Use of Capital Receipts	(3.000)		0.000	
Exceptional Financial Support	0.000		(4.700)	
Change Fund	0.730		0.730	
Net Capital Financing Costs	9.276		11.154	
External Audit**	0.000		0.382	
Added Years Pensions	1.216		1.216	
Apprentice Levy	0.274		0.274	
Section 31 NNDR Grant	(11.882)		(13.582)	
Designated Authority Costs	0.040		0.040	
Custodian Properties	0.008	(13.390)	0.008	(15.861)
Net Spending		126.320		134.328
Contribution (from) / to Reserves		0.000		8.825
Net Revenue Budget		126.320		143.153
Parish Precepts				
Nunthorpe		0.022		0.025
Stainton & Thornton		0.012		0.012
Net Revenue Budget (inc. Precepts)		126.354		143.190
Funded by:				
Revenue Support Grant		14.182		15.122
Top up Payment		29.347		30.461
Retained Business Rates		16.356		17.844
Council Tax		67.309		71.438
Estimated Collection Fund Surplus /(Deficit)		(0.840)		8.325
		126.354		143.190

Notes:

Some services have moved between Directorates during 2023/24 - 2024/25 budgets shown above reflect the current structure

* Chief Executive included within Finance Directorate in 23/24, now shown as separate Directorate for reporting purposes

** External Audit included within Finance Directorate in 23/24, now shown within Central Budgets

*** In 23/24 figures above, Social Care Grant Income Held Centrally excludes Independent Living Grant of £1.828m rolled into Social Care Grant from 23/24. However, in 24/25, this is included within the Social Care Grant Income Held Centrally line due to a change in accounting treatment

Middlesbrough Council

Budget 2024 / 25

Appendix 3 Budget Consultation Feedback

1. Introduction

1.1. This appendix is to present final findings and recommendations of the 2024/25 budget and the Medium Term Financial Plan consultation.

1.2. Consultation launched on the 21 December 2023 and concluded on 18 January 2024. This paper reports the results of that consultation, including a summary of the findings from the survey, in-person events and submissions. The purpose of this report is to ensure the findings of the consultation are presented to elected members and considered in relation to the budget setting process.

2. Budget consultation approach

2.1. A number of channels were used to promote the consultation programme and a number of different avenues were used to enable the public, staff and businesses in the town to contribute, including:

- An online consultation that sought views on each proposal that could impact on the public, as well as on the proposed Council Tax increase
- The Let's Talk email address that people could use to send views or ask questions through
- Four in person consultation events were held in the North, East, West and South of the town, led by the Mayor and Executive Member for Finance and Governance, and attended by senior officers
- Promotion of the consultation on the Council's social media channels
- Inclusion of information on the consultation in a Council newsletter that was sent to over 44,000 people
- Councillors were provided with details of the budget consultation to enable them to share with residents in their ward
- Formal press releases and media appearances by the Mayor and Executive Member for Finance and Governance
- Member briefings on the budget proposals
- Attendance of Mayor and Executive Member for Finance & Governance at Overview and Scrutiny Board, and individual scrutiny panels considering budget proposals with relevant Executive Members invited to attend.
- Formal consultation with the North East Chamber of Commerce.

3. Participation and survey responses

3.1. As a result of the above:

- 1171 people responded to the questionnaire. The highest response rate the Council has had to a consultation in the last 5 years.
- 50 people sent emails or completed a webform in order to comment on the consultation.
 - Additional, targeted consultation of residents who would be subject to the proposed charges and they were asked to either complete the survey or contact the Council through the Let's Talk email address. As a result, of the emails received to that address, 30 referenced the proposed charges for Resident Permit Charges. Most were objections in relation to the proposed charges. The issues summarised in the survey column were raised as well as some support, subject to appropriate enforcement being put in place, concerns about the impact on streets with Houses of Multiple Occupation (HMOs), suggestions that they should be addressed as well and concerns from a business operating in the area that would need to visit multiple addresses
 - Other comments received related to an objection to changes to waste and green waste collection services, closure of the Captain Cook Birthplace Museum, introduction of charging at Stewart Park Car Park and a question around recent planning issues and decisions.
 - two suggestions for alternative savings were made by the public as part of this – incentivisation of fly tipping reporting and a suggestion that the Council assures itself that it is recovering ICT equipment from employees and elected members as they leave the organisation.
 - In addition to the above, 8 staff contacted the Council with concerns in relation to LGS07 (Review of Subscription Spend) budget proposal. This will be subject to separate staff consultation, prior to any decision to implement by officers which will consider those concerns. Concerns related to terms and conditions, implied contract terms and the ability to attract staff to the service. This proposal was replaced by an alternative savings proposal.
- Four consultation in person events were attended by approximately 90 people. Topics raised during those events included objections to:
 - The closure of Captain Cook Birthplace Museum
 - Introduction of car parking charges at Stewart Park
 - Objections to the range of proposed charges and changes for waste services.
 - Charges for residents' parking permits.
- 10 social media posts were made during the consultation period to highlight the consultation. Estimated total reach was 36,525 people
- Councillors were provided with details of the budget consultation to enable them to share with residents in their ward.
- An email newsletter was sent promoting the consultation. It was sent to 44,390 people and 12,792 were opened.
- Some proposals were supported by additional targeted consultation with those affected to ensure they were fully engaged in the process.
- A letter from the Chamber of Commerce was received which highlighted concerns about the unprecedented budget pressures on the Council, support for the proposal to close the Captain Cook Birthplace Museum, and concern that the budget position could

preclude the Council from taking advantage of development fund opportunities available in relation to devolution.

- Overview and Scrutiny Board submitted one proposal relating to Community Grants, which has been incorporated into the revised proposals.

3.2. Those who completed the online budget consultation were asked if they would complete demographic information to support analysis of responses.

3.3. The tables below summarise the resulting demographic information:

Overall Numbers		Count	Row %
Ethnic group	White British	975	83.26%
	BAME	66	5.64%
	Prefer Not to say	88	7.51%
	Blank	42	3.59%
Gender	Male	531	45.35%
	Female	531	45.35%
	Prefer Not to say	72	6.15%
	Blank	37	3.16%
Disability	Declared Disability	901	11.60%
	Declared they do not have a disability	93	76.9%
	Prefer not to say	136	7.9%
	Blank	41	3.5%
TOTAL	All Respondents	1171	

Type of responder¹	Count
Have a business in Middlesbrough	56
Live in Middlesbrough	1021
Work for Middlesbrough Council	148
Work in Middlesbrough	445
Other	64
Blank	24

4. Consultation findings

4.1. Consultation is the process of dialogue with citizens and stakeholders based upon a genuine exchange of views, with the objective of informing decisions, policies or programmes of action. It gives the local community a voice in the democratic process and helps elected members and officers understand and consider public views and concerns when making decisions about local public services. As a result of the consultation, a number of the proposals have been amended and one withdrawn, as set out of the end of this document. While councillors are not obliged to change their budget proposals in light of the outcome of the consultation, they are required to have due regard to it in making

¹ Some individuals selected more than one category; therefore this number does not add up to 1171.

their decisions around the Council's Council Tax levels and the Medium-Term Financial Plan. The findings from the consultation process are summarised below:

Proposals	Online budget consultation			Free text comments summary - comments made most frequently related to
	No. in agreement	No. against	No. neutral	
ASC01: Accommodation and Support review	511 47%	143 13%	425 40%	<ul style="list-style-type: none"> ▪ Further information requested ▪ Concerns about impact on the vulnerable ▪ Finance concerns ▪ A view that this should not be funded by local taxpayers ▪ Support and objection for the proposal
ASC07: Fairer Charging/Fair Cost for Care	554 51%	205 19%	327 30%	<ul style="list-style-type: none"> ▪ Cost concerns and impact on those who don't claim benefits ▪ Impact on the vulnerable, the disabled and families ▪ Request for further detail ▪ Support for the proposal ▪ A view that this should not be funded by taxpayers.
ASC09: Review of Independent Living Schemes	533 50%	143 13%	398 37%	<ul style="list-style-type: none"> ▪ Ability to use digital solutions ▪ Lack of detail ▪ Preference for in-person care ▪ Impact on the vulnerable ▪ Support for the proposal
ASC10: Expand Autism Day Care through relocation to Cumberland Resource Centre	604 57%	105 10%	358 33%	<ul style="list-style-type: none"> ▪ Concern about distress and disruption ▪ Concern about impact on staff and service levels ▪ Concern about possible increased travel time
ASC11: Re-provision use of Levick Court	515 49%	128 12%	417 39%	<ul style="list-style-type: none"> ▪ Concern about moving and rehoming vulnerable residents ▪ More information needed ▪ Impact on the most vulnerable ▪ Support for the proposal ▪ Concern that residents must be consulted
ASC13: Review of Direct Payments	651 61%	63 6%	360 33%	<ul style="list-style-type: none"> ▪ More detail requested ▪ Still need to support people who can manage their own finances who are not able to use direct payments ▪ Impact on the vulnerable
ASC14: Court of Protections Service Charges	487 46%	164 15%	422 39%	<ul style="list-style-type: none"> ▪ Concern about impact on the most vulnerable ▪ Concern about targeting the most vulnerable for changes ▪ Views that it should be free or means tested
CC07: Special Guardianship Order payment review	653 61%	100 9%	319 30%	<ul style="list-style-type: none"> ▪ Concerns the proposal was not clear ▪ Support for the proposal ▪ Concern this could result in people refusing to care for children and more ending up in care of the Council.

Proposals	Online budget consultation			Free text comments summary - comments made most frequently related to
	No. in agreement	No. against	No. neutral	
EDC01: Review of Integrated Transport Unit arrangements	627 58%	117 11%	328 31%	<ul style="list-style-type: none"> ▪ Parents should pay and arrange travel for their children and current service abused by some ▪ Questioning whether internal council provision was cheaper than outsourcing ▪ Support and objections to the proposal ▪ Views that the service was essential
ECS01: Fortnightly Collection residual waste	436 39%	557 50%	119 11%	<ul style="list-style-type: none"> ▪ Concerns that this could result in increases in fly-tipping, smell, public health and vermin ▪ Concerns around the size of the bins and access to larger bins ▪ Concerns about cost to implement ▪ Suggestions to achieve the saving by encouraging increased recycling
ECS02: Green Waste collection charge	340 31%	623 56%	150 13%	<ul style="list-style-type: none"> ▪ Concerns that this could result in increases in fly-tipping ▪ Concerns about ability to pay ▪ Negative Impact on the environment
ECS03: Junk job collection will be chargeable	598 54%	310 28%	199 18%	<ul style="list-style-type: none"> ▪ Concerns that this could result in increases in fly-tipping ▪ Concerns about ability to pay ▪ Support for the proposal ▪ Impact on those less able to dispose of items without the service – disabled and the poor
ECS04: Replacement wheeled bins charge	385 35%	463 42%	247 23%	<ul style="list-style-type: none"> ▪ Concerns about fairness of charges if bins were stolen, vandalised or damaged by refuse works ▪ Concern about theft ▪ Concerns about increases in fly-tipping ▪ Financial concerns
ECS07: Cease council financial support for Environment City	531 49%	192 17%	366 34%	<ul style="list-style-type: none"> ▪ Support for the proposal ▪ Concern about impact on Council green ambitions and climate change
ECS08: Resident Parking permit charge	379 34%	460 42%	268 24%	<ul style="list-style-type: none"> ▪ Objection that residents have to pay to park near their homes ▪ Financial concerns ▪ Concern at impact on carers / health workers ▪ Concerns about enforcement
ECS09: Car parking charge at Stewart Park	286 26%	691 61%	151 13%	<ul style="list-style-type: none"> ▪ Reduced use of the park ▪ View that it should be free ▪ Health and wellbeing concerns ▪ Knock on impact to residents nearby ▪ Impact on families ▪ View that the park was gifted to the town

Proposals	Online budget consultation			Free text comments summary - comments made most frequently related to
	No. in agreement	No. against	No. neutral	
ECS10: Review of Community Facilities	463 43%	176 16%	436 41%	<ul style="list-style-type: none"> ▪ Insufficient information ▪ Charging will reduce use ▪ Concern the proposal could mean facilities will close ▪ Support for the proposal
REG03: Concentrate the town's museum offer in the Dorman Museum and withdraw from Captain Cook Birthplace Museum (CCBPM)	390 35%	533 47%	206 18%	<ul style="list-style-type: none"> ▪ Loss of history and heritage ▪ Should be promoted to boost visitors ▪ Impact on education provision ▪ Accessibility of Dorman Museum ▪ Suggestions for alternatives to closing CCBPM including increasing charging, alternative funding and increasing use by groups
FIN08: Reduction in the allocation of recourse for voluntary and community sector grants from the LA	377 35%	232 21%	480 44%	<ul style="list-style-type: none"> ▪ Negative impact on community spirit and on groups that rely on them ▪ Impact on vulnerable ▪ View that groups are filling gaps in public services ▪ Suggestion that grants should only be given to groups that benefit the council
FIN11: Closure of Cashiers at Middlesbrough House	555 51%	178 16%	360 33%	<ul style="list-style-type: none"> ▪ Concern about impact on the elderly and the vulnerable ▪ Low level of savings suggest its not financially worth doing ▪ not everyone wants to pay online ▪ support and objections ▪ Concern it is discriminatory to those who want to pay with cash
Do you agree with our proposal to increase Council Tax by a total of 4.99%?	404 34%	733 63%	34 3%	<ul style="list-style-type: none"> ▪ The Council should concentrate on debt collection from non-payers ▪ The Council should reduce staffing instead and reduce senior management salaries ▪ The Council should lobby government for more funding ▪ The Council should sell more assets ▪ The Council should review purchasing card spending ▪ The Council should stop unnecessary road and infrastructure changes
If the Government were to allow a higher increase in the Council Tax than the current proposed 4.99% increase in 2024/25 in order to help balance the Council's budget, would you agree to this?	167 14%	969 83%	35 3%	<ul style="list-style-type: none"> ▪ Top heavy management structure and cost of senior managers ▪ Poor budgeting concerns ▪ Financial impact concerns ▪ Concerns around impact on residents who are already dealing with cost of living concerns ▪ Suggested review of Councillors costs, numbers and expenses claims.

4.2. Following consultation, **the following proposals were amended:**

Proposal	Rationale
ASC07: Fairer Charging/Fair Cost for Care	This proposal will be subject to further consultation before it is brought forward for in-year consideration through an appropriate governance route.

<p>ASC11: Re-provision use of Levick Court</p>	<p>This proposal will be subject to further consultation before it is brought forward for in-year consideration through an appropriate governance route.</p>
<p>REG03: Concentrate the town's museum offer in the Dorman Museum and withdraw from CCBPM</p>	<p>In recognition of the wealth of feeling in the community and the suggestions forthcoming from the consultation, together with the helpful attitudes of both ward councillors and the Captain Cook Birthplace Trust the Mayor has been assured that there are more, and better options than closure. Therefore, the decision on the future of the Captain Cook Birthplace Museum will be deferred until 30 September 2024 to provide time for other alternative options to be explored. A decision will be taken by the Executive and will be subject to further consultation as required. As a result, the savings proposal is amended: <u>Review and implementation of alternative operating models for Capitan Cook Birthplace Museum.</u> This will be achieved following a review of options including an alternative 3rd party provider, changes in operations to reduce operating costs (utilising volunteers, or improved building management i.e. insulation) and increase income by changing the offer to attract more visitors or withdrawal from the site and investing in offer at the Dorman Museum</p>
<p>FIN08: Reduction in Voluntary and Community Sector grants</p>	<p><u>Reduction in the allocation of resource for voluntary and community sector grants from the local authority.</u> Following consultation feedback from the Overview and Scrutiny Board (OSB) the savings proposal 'FIN08 Reduction in Voluntary and Community Sector grants' has been amended. The proposed savings will still include ceasing the small grants programme saving £0.127m in 24/25, but following the OSB proposal, a provision for one-off grants for residents and small community groups will be incorporated in a merged Community Chest and Development Grants budget for which criteria will be reviewed and revised. These two merged budgets will, as previously proposed, see a 20% reduction in 24/25 a saving of £0.011m, leaving £0.042m. Support will be offered to enable organisations to access external grant funding opportunities, and a business case to access some Better Care Fund monies to support grants for vulnerable people in the communities will be developed. As the core grants are under a contractual service level agreement the 20%, or £0.028m saving, on this part of the budget will be deferred to 25/26 to allow for revised negotiations and service level agreements to be developed following the final year of a 3-year agreement.</p>

4.3. Following consultation, **the following proposal was withdrawn:**

- Introduction of a car parking charge at Stewart Park following consideration of feedback from across the whole town.

ECS09 Car Parking Charge at Stewart Park	Introduction of a £2 daily car parking charge at Stewart Park. This will require the introduction of a resident parking scheme in nearby streets.
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4.4. Below is a summary of the considerations and rationale for those proposals where there was a higher negative response than positive response from the public, excluding those amended or withdrawn and the proposals on Council Tax increase are listed below:

Proposal	Rationale
ECS08: Resident Parking Scheme	These schemes relate to a small part of the town that requires additional Council action to support resident parking and enforce compliance with it in order to ensure residents are able to park near their home and other car users are diverted to more appropriate locations. That activity and enforcement comes at a cost. The proposed charge contributes towards the cost of administration and enforcement, many other councils already have such a charge, and many have a higher charge. By also attaching a charge we aim to limit the amount of passes that are misused by non residents to utilise parking closest to the town centre. An element of the proposal is that the current £10 for care professionals visiting the area, payable by their employer, is not amended.
ECS01: Fortnightly residual waste collections	<p>The proposal will bring practice into line with most other councils and will support efforts to also improve recycling rates. The Waste Service has experienced significant budget pressures in 2023/24, (£1.0m Quarter 3 forecast Outturn), this is primarily due to a combination of household behaviour with regards to recycling and the cost of disposal. The cost of disposing of recycled waste (average disposal rate is £53.01 per tonne) is much lower than the cost of residual waste (disposal rate is £72.56 per tonne). Further, it is important to note that there is a significant cost to disposing of waste incorrectly. Residual waste that is put in the recycling bin causes contamination to the recycled waste stream and is rejected by waste operators and diverted to the residual waste stream for which the Council has to pay to process twice (average residual waste disposal rate of £173.78 per tonne). Based upon 2021/22 available comparative data, Middlesbrough has one of the lowest recycling rates of all single tier authorities at 29.8% compared to a mean of 42.3% for English Unitaries. Whilst the amount of residual waste is higher than most single tier authorities at 701kg per household compared to 554kg</p> <p>The implementation of this proposal will go alongside significant communication and education plan to ensure residents are supported in their move to the new system. Based on the experiences of other authorities, it is not expected that this proposal will result in a significant increase on fly-tipping.</p>

The proposed implementation plan includes adjustments for those who require a larger waste bin, families of 3 or more will be able to request a 240 Ltr wheel bin. Following a proposal from back-bench councillors, families of 2 will be able to purchase an additional 140 Ltr wheel bin, the cost will be a one off fee of £40.

The Council will continue to provide assisted bin collections for those who meet the thresholds for that support, and areas with communal bins or residents who are only served by black sack collection as they are not accessible for wheelie bins, will continue on weekly collections. When comparing to neighbouring authorities this proposal brings us in line with residual waste collection proposals.

RESIDUAL	Middlesbrough	Darlington	Durham	Hartlepool
Bin Size (litres)	140 & 240 (3 or more in family)	240 & 360 (5 or more in family)	140 , 180, 240	240
Collection Frequency	Fortnightly	Fortnightly	Fortnightly	Fortnightly
Maximum Number of Bins	1 x 240 or 1 x 140 or 2 x 140	1	Information Not available	1
RESIDUAL	NYCC (Stokesley)	Redcar & Cleveland	Stockton	
Bin Size (litres)	Multiple depending on area	240 & 360 (5 or more in family)	240 & 360	
Collection Frequency	Fortnightly	Fortnightly	Weekly	
Maximum Number of Bins	1	1	1	

ECS02: Green Waste charges

This is a discretionary service which many councils already charge for and only benefits households in those parts of the town who have gardens. It will be optional, with an opt in process, and the new green bins will only be supplied and charged for as when requested. Free disposal will continue to be available to those who wish to use the Household Waste and Recycling Centre. This proposal is an enhanced service than current, and collections will run from first week of April until end of November on a fortnightly basis. The proposal is in line with green waste services compared to neighbouring authorities.

Green Waste Comparative	Middlesbrough	Darlington	Durham	Hartlepool	NYCC (Stokesley)	Redcar & Cleveland
Price	£40.00	£39.00	£38.00	£32.00	£43.50	£40.00
Bin Size (litres)	240	240	240	240	240	240
Collection Frequency	Fortnightly	Fortnightly	Fortnightly	Monthly	Fortnightly	Fortnightly

ECS04: Charges for bins	Charges will be introduced in 2025/26 with the indicative fees below, enabling the Council to put other measures in place first in response to concerns about potential bin theft and to allow the roll out of the new bins associated for some households with green waste and/or fortnightly refuse collections. The Council will continue to replace bins at no cost where they have been damaged by Council operatives.				
	RESIDUAL	Middlesbrough	Darlington	Durham	Hartlepool
	Bin Charges	Replacement £ 16.75 Proposal from 2025/25 Replacement Bin Charges: 140 Ltr £20.45, 240 Ltr £23.50, 240 Ltr Green £37.50 Extra Bin 140 Ltr £40	Replacement - £ 23.90 240 £ 60.60 360	£ 25 replacement or new property £ 55	Replacement £ 45 240 and £ 64.00 360
	RESIDUAL	NYCC (Stokesley)	Redcar & Cleveland	Stockton	
	Bin Charges	Information not available	£ 30 240 £ 45 360	£ 25 240 & £ 35 360	

4.5. To summarise, following the budget consultation and further review, the changes made to the budget savings previously proposed in December 2023 report are outlined in the table below:

Savings Proposals 2024/25	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL £m
December 2023 Proposals	(14.038)	(5.083)	(1.967)	(21.088)
ECS09 - Car Parking Charge at Stewart Park	0.000	0.060	0.000	0.060
REG03 - Capitan Cook Birthplace Museum.	0.100	(0.100)	0.000	0.000
FIN08 - Reduction in the allocation of resource for voluntary and community sector grants from the local authority.	0.028	(0.028)	0.000	0.000
LGS07 - Review of Subscription spend	0.006	0.000	0.000	0.000
LGS08 - Reduction in Member Allowances	(0.006)	0.000	0.000	0.000
Revised Savings Proposals 2024-25	(13.910)	(5.151)	(1.967)	(21.028)

Overall Budget Impact Assessment 2024/25

Subject of assessment:	Middlesbrough Council Budget 2024/5			
Coverage:	Crosscutting			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" type="checkbox"/> Review
	<input checked="" type="checkbox"/> Organisational change	<input checked="" type="checkbox"/> Other (please state) Budget		
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</p> <p>By law the Council has to agree a balanced budget annually. The purpose of this Impact Assessment is to assess the cumulative impact of the 2024/25 budget proposals. The Public Sector Equality Duty (PSED) places a statutory duty on the Council to ensure that it identifies where decisions would impact disproportionately adversely on groups that share a protected characteristic under UK law and then consider those proposals in line with the PSED. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To ensure compliance with the PSED the Council has identified what the impact of proposals will be. Where there is a risk that they will have a disproportionate adverse impact, consideration has been given to steps needed to avoid or mitigate that impact. Mitigation will include steps to take account of the different needs of groups and may result in adjustments to meet their needs. Where decisions cannot be fully mitigated or avoided, they must be justified if they are still brought forward, in order to comply with the PSED. This overall IA considers the overall budget process, in particular:</p> <ul style="list-style-type: none"> Those savings identified in the report for consultation with the public because they were considered to potentially affect front line service delivery levels. These initiatives will form part of the 2024/2025 revenue budget and were subject to the impact assessment process and consultation prior to consideration by Full Council as part of the 2024/2025 revenue budget setting process. 			

The following proposal was removed from following public consultation

- Introduction of charging for car parking at Stewart Park.

The following proposals were amended following the consultation process:

- Concentration of the town's museum offer in the Dorman Museum and withdrawal from the Captain Cook Birthplace Museum
- Reduction In Voluntary and Community Sector grants.

The following proposals were moved to an in year decision, following further development and/or consultation:

- Re-provision use of Levick Court
- Fairer charging / fair cost of care

A general consultation email address was launched along with a consultation section on the Council's website, social media promotion and in-person events led by the Mayor. This resulted in 1171 responses to the survey, 50 emails to the email address, around 90 people attended consultation events, 36,525 saw the social media posts. Some proposals were supported by additional, targeted consultation where appropriate.

Statutory drivers (set out exact reference)

A number of statutory duties, guidance, legislation and regulations are relevant to this proposal which will be considered, these include but are not limited to:

- Budget setting - Local Government Act 1972
- Individual proposals – various as set out in individual Impact Assessments
- Impact Assessment process – Equality Act 2010.

	<p>Differences from any previous approach</p> <p>The budget sets out a range of changes to services and functions as a result of financial pressures on the Council. These are outlined in the main body of the report.</p> <p>Key stakeholders and intended beneficiaries (internal and external)</p> <p>All residents of Middlesbrough and customers of MBC. Some proposals are more relevant to certain groups than others and this is set out within the individual assessments, which are also appended and the excel table. Some proposals also impact on staff.</p> <p>Intended outcomes</p> <p>To present a budget to Council that has given full consideration to the impact of proposals and gives proper consideration to the Council's equality duties.</p>
Live date:	April 2024 onwards
Lifespan:	April 2024 – March 2025
Date of next review:	March 2025

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"/>	None of the proposals impact on human rights. None of the assessments have identified that there could be an adverse impact on human rights as a result of a proposal.
Equality						
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Feedback on the impact assessments completed for the Budget Consultation identified 16 as being potentially relevant to age and disability protected characteristics.</p> <p>The Impact Assessments (stage one and two) attached to the report identified that there could be a disproportionate adverse impact on individuals or groups because of age and disability following completion of stage 2 impact assessments:</p> <ul style="list-style-type: none"> • FIN08 Reduction in grants to the Voluntary and Community Sector • ENV03 Junk Jobs <p>Detail set out below:</p> <p>Reduction in grants - Within the stage 1 impact assessment, it was identified that the proposals would have a potential disproportionate adverse impact on all the relevant protected characteristics because of the nature of the proposal which is to reduce financial support to community and more formally constituted groups who generally are seeking funding in order to have a positive impact on their area, geographic community or a community of interest.</p>

Assessment issue	Impacts identified					Rationale and supporting evidence
	None	Positive	Negative		Uncertain	
			Justified	Mitigated		
						<p>Examples of funding given in the past to support these groups and organisations can be mapped to nearly all the protected characteristics and given the nature of the funding the removal of it could potentially impact negatively on all the groups. In line with the PSED, a stage 2 assessment was completed to assess whether it can be justified, following completion of the Stage 1 impact assessment which concluded that it could not be avoided or fully mitigated due to the serious nature of the financial difficulties the Council is facing which has resulted in the Council having to apply for Exceptional Financial Support from government. Given this it was concluded that the impact would be justified.</p> <p>Junk jobs - Within the stage 1 impact assessment, it was identified that the proposals would have a disproportionate adverse impact on disability and age protected characteristics. Although there are some mitigations possible by signposting to charities who could assist, it is not possible to wholly avoid this impact within the current proposal. Consideration was given to whether this impact could be fully mitigated, however it cannot be fully mitigated without retaining free services for some which would result in non-achievement of the savings target / increased revenue target that would be set for the service. In line with the PSED, consideration was then given as to whether this impact can be justified. It was felt that given the size of the savings required in order to maintain a financially sustainable council and the partial mitigation that has been put in place, that the impact was justified.</p>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Impact Assessments (stage one and two) attached to the report identified that one proposal was potentially relevant to all the protected characteristic and that there could be a disproportionate adverse impact on individuals or groups because of one or more of any of the protected characteristics following completion of stage 2 impact assessment because of the nature of the support accessed through these grants:</p> <ul style="list-style-type: none"> FIN08 Reduction in grants to the Voluntary and Community Sector
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pregnancy / maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Assessment issue	Impacts identified					Rationale and supporting evidence
	None	Positive	Negative		Uncertain	
			Justified	Mitigated		
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Examples of funding given in the past to support these groups and organisations can be mapped to nearly all the protected characteristics and given the nature of the funding the removal of it could potentially impact negatively on all the groups. In line with the PSED, a stage 2 assessment was completed to assess whether it can be justified, following completion of the Stage 1 impact assessment which concluded that it could not be avoided or fully mitigated due to the serious nature of the financial difficulties the Council is facing which has resulted in the Council having to apply for Exceptional Financial Support from government. Given this it was concluded that the impact would be justified.
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dependants / caring responsibilities**	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Criminal record / offending past**	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Marriage / civil partnership**	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Community cohesion						
Individual communities / neighbourhoods	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	One out of the 17 impact assessments that were completed as part of the budget consultation process identified concerns in relation to the potential impacts the proposal to reduce grant support to the Voluntary and Community Service could have on community cohesion.

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

Assessment issue	Impacts identified					Rationale and supporting evidence
	None	Positive	Negative		Uncertain	
			Justified	Mitigated		
Relations between communities / neighbourhoods	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The stage 1 impact assessment identified concerns on potential impacts on communities as a result of reduced capacity to support geographic communities and communities of interest. As with the above assessment, this stage 2 assessment has been completed to assess whether it can be justified, following completion of the Stage 1 impact assessment which concluded that it could not be avoided or fully mitigated due to the serious nature of the financial difficulties the Council is facing which has resulted in the Council having to apply for Exceptional Financial Support from government. Given this it is concluded that the impact was justified.

Further actions		Lead	Deadline
Mitigating actions	Set out in individual impact assessments	Individual IA leads	Various
Promotion	Promotion of changes where there is an impact on service delivery will be undertaken	Individual IA leads	Various
Monitoring and evaluation	Overall monitoring of the impact will be embedded within performance management arrangements for 2024/25	Chief Executive	May 2024

Assessment completed by:	Ann-Marie Johnstone	Head of Service:	n/a
Date:	9 February 2024	Date:	n/a

Annex

1	Budget Consultation Impact Assessment Level 1
2	Budget Consultation Impact Assessment Level 2

Appendix 3 – Annex 1 Level 1 Impact Assessment

Subject of assessment:	ASC01 Accommodation and support review			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities To review provision to consider an alternative source of funding which can be used to fund the support costs to a number of sheltered housing provisions. This work will identify eligible sources of funding, which will mitigate the impact to residents and the services being provided, there will be no financial impact on residents in 2024/25. Phase 2 of this work will include completing a review with the registered social provider for the larger schemes, concerning the historical funding arrangements of support into a number of sheltered housing schemes. This work will consider alternative funding opportunities, with a decision to be taken in 24/25 concerning the future funding arrangements for these schemes should alternative funding sources not be identified.</p> <p>Statutory drivers Middlesbrough Council has no statutory duty to provide housing related support with sheltered accommodation services. However the following statutory duties are relevant in relation to care: <ul style="list-style-type: none"> - Care Act 2014 - Housing Benefit Regulations 2006 - Chronically Sick and Disabled Persons Act 1970 Section 2 – provision of support and arrangements to meet identified needs - Section 49 Care Standards Act 2000 - Sections 22 and 29 of the National Assistance Act 1948 </p> <p>Differences from any previous approach Previously the provision was funded via the Supporting People Grant, when this grant ended in 2009, it was agreed to continue funding housing related support in older persons sheltered services from the Social Care budget. Many other Local Authorities ceased funding the support element of sheltered housing in its entirety when the Supporting People Grant ended in 2009. The proposal is that people will continue to be supported to access appropriate accommodation, however it will be through alternative funding streams, rather than the Council's core budget.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) Service Users, Families, Carers and Sheltered Accommodation providers.</p> <p>Intended outcomes That those who require services and meet needs thresholds continue to receive them but that alternative sources of funding are used to deliver the provision.</p>			
Live date:	1 st April 2024 onwards			
Lifespan:	Not Applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This proposal does not impact negatively on individual Human Rights and subsequent protocols. Evidence used to inform this assessment includes engagement to date, feedback from the budget consultation and analysis of the likely impact from the proposal.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Council has a duty to consider the impact of the proposal on relevant protected characteristics to ensure it has due regard to the public sector equality duty. The duty means the Council must have due regard when taking decisions to the need to: <ul style="list-style-type: none"> a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The proposal is potentially relevant to the age and disability protected characteristics. The nature of the actions set out in the proposal are to reconfigure the funding source of these sheltered housing services, providing continuity to the existing tenants. Existing service users should see no change to their service as the saving will be made by reconfiguring the funding stream. Evidence used to inform this assessment is that by remodelling the current offer we are able to retain some non statutory, low level prevention support services for the older population of Middlesbrough, however the proposed change is in relation to reconfiguring the funding source. Evidence used to complete this assessment also included analysis of the budget consultation proposal which found that 511 were in favour of the proposal and 143 against. Analysis of the free text comments did not identify any unforeseen potential impacts on one or more of the protected characteristics. There were some concerns about risks to vulnerable people expressed, however there will be no changes to the service delivery model, just the funding sources. Those in receipt of services will continue to be appropriately safeguarded.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposal could impact adversely on community cohesion. The schemes will continue to provide support to the tenants via an Intensive Housing Management service, funded via Housing Benefit claims. Evidence used to inform this assessment included analysis of the budget consultation proposal and the detail of the proposal which has been designed to minimise impacts
Next steps: ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	

Assessment completed by:	Heather Weir	Head of Service:	Louise Grabham
Date:	22/1/2024	Date:	23/1/2024

Subject of assessment:	ASC11 Re-provision use of Levick Court			
Coverage:	This initiative is to provide alternative residential care for the current service users and seek opportunities to maximise the utilisation of the property working with partner organisations.			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>

Description:	<p><u>Aim:</u> To establish a new respite model for Middlesbrough Council Adult Social Care at Levick Court.</p> <p><u>Objective:</u></p> <ul style="list-style-type: none"> • To remodel respite provision for adult services. • To maximise use of Levick Court. • To explore relocating our permanent residents of Levick Court into alternative accommodation. • Engage with potential partners around the use of Respite within Levick Court. <p><u>Statutory Drivers</u> Carers are entitled to have their needs assessed including the need for respite care however there is no statutory duty for a local authority to provide this service. However there a number of statutory requirements placed upon the Council to meet identified needs. The provision of Respite contributes towards compliance with those duties. Decisions around the future of the service would also be relevant to the Disability Discrimination Act and the Equality Act 2010.</p> <p><u>Differences from any previous approach</u></p> <p><u>Previous approach:</u> 22 Levick Court is a residential and respite unit for adults with learning disabilities between the ages of 18 and 65 years and comprises of 8 residential and 8 respite beds. Demand for the respite service has diminished in recent years and the unit functions on around 50% occupancy, although Continuing Health Care (CHC) funding for some service users did supplement some of the vacant beds due to the nature of that funding. Future demand for respite care remains unclear.</p> <p><u>The proposal is that:</u> The council will seek an alternative agency to locate services on the site and convert their residential into a respite unit. A working group had been set up to explore this proposal in more detail.</p>
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	<p><u>Key stakeholders and intended beneficiaries (internal and external as appropriate)</u></p> <ul style="list-style-type: none"> ▪ Service Users and their families and/or carers – There are currently 8 service users who permanently reside at Levick Court. ▪ A review of staff will need to be undertaken which will be determined once the requirements of the service has been remodelled. <p><u>Intended outcomes</u></p> <ul style="list-style-type: none"> • To establish better use of Levick Court and respite provision. • To find suitable alternative accommodation for residents who currently reside at Levick Court council building.
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Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	<p>The budget savings proposal will not impact on the duties performed by the service and will not impact on individual Human Rights as defined in the UK legislation therefore none of the absolute or qualified rights will be infringed by these proposals.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process to date which found that no concerns in relation to human rights.</p>
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	☐	☒	☐	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>Service users – There are currently 7 individuals with learning difficulties who permanently reside at Levick Court. The review could impact on the 'disability' characteristic should the final proposal be to relocate these residents to alternative accommodations (care homes). At this stage the impact on the group is uncertain as it is subject to consultation with service users and their advocates as the detail of the final proposal is still to be developed.</p> <p>The aim and decision to re-model the service will be to enable development of an underused resource facility to support our respite provision.</p> <p>Staff – A review of the staffing will be undertaken once the service requirements have been determined. Discussions will be held with all of the staff concerned and a review process will be undertaken which will be supported by a range of HR policies to ensure there is no disproportional adverse impact on staff as a result of their holding a protected characteristic.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				<p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process to date. Further consultation with individuals will be required once finalised proposals and proposals around possible relocation have been developed. 515 people who responded to the public consultation undertaken as part of the budget setting process were in favour and 143 were against.</p> <p>Further consultation will be undertaken with service users and families affected by the proposal once the detail of the proposal is finalised. Following this consultation, a stage 2 impact assessment will be completed and an in-year decision taken around the proposal.</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<p>There is no evidence to indicate that service users and / or the wider community have any concerns about the impact of the proposals on community cohesion.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process to date. Further consultation with individuals will be required once finalised proposals and proposals around possible relocation have been developed. 515 people who responded to the public consultation undertaken as part of the budget setting process were in favour and 143 were against. Further consultation will be undertaken with service users affected by the proposal once the detail of the proposal is finalised. Following this consultation, a stage 2 impact assessment will be completed and an in-year decision taken around the proposal.</p>
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Suzanne Hodge	Head of Service:	Suzanne Hodge
Date:	22/1/2024	Date:	22/1/2024

Subject of assessment:	ASC09 Review of Independent Living Schemes			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities</p> <p>A review of our Independent Supported Living schemes in partnership with our providers to maximise the use of digital technology to promote the independence of the tenants within these services, and to complete a full review of the costs associated with the schemes, including consideration of further opportunities for shared care. The review will re-model the funding and contracting arrangements relating to the provision of support to Independent Living schemes, primarily across the primary client group of learning Disability and mental health.</p> <p>Statutory drivers</p> <p>Middlesbrough Council has a statutory duty to ensure services deliver value for money. The following statutory duties are relevant in relation to care, this list is not exhaustive:</p> <ul style="list-style-type: none"> - Care Act 2014 - Housing Benefit Regulations 2006 - Chronically Sick and Disabled Persons Act 1970 Section 2 – provision of support and arrangements to meet identified needs - Section 49 Care Standards Act 2000 - Sections 22 and 29 of the National Assistance Act 1948 <p>Differences from any previous approach</p> <p>Historically Middlesbrough Council maximised the opportunities from the Independent Living fund and set up a number of schemes in which shared care was considered and tenants shared communal facilities. Goal orientated reviews were not undertaken, and care was delivered year on year with no account taken for independence and promotion of independent living skills. In addition, technology enabled care has not been fully explored within these schemes. This would be addressed in revised service delivery models.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate)</p> <p>Service Users, Families, supported accommodation providers.</p> <p>Intended outcomes.</p> <ol style="list-style-type: none"> a) Review cost base for all providers through the completion of an equivalent fair cost for care exercise for support to independent living schemes b) Review void levels and agree a strategy for the future delivery of schemes – taking into account requests for more self-contained accommodation c) Ensure client reviews are goal orientated to maximise independence to improve outcomes for clients and increase independence d) Consider the opportunities that technology enabled care can deliver. 			
Live date:	1 st April 2024 onwards			
Lifespan:	Not Applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This proposal does not impact negatively on individual Human Rights and subsequent protocols. Adult social care has a statutory duty to meet an individual's needs and this project will not impact upon delivery of services to meet assessed need.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Council has a duty to consider the impact of the proposal on relevant protected characteristics to ensure it has due regard to the public sector equality duty. The duty means the Council must have due regard when taking decisions to the need to:</p> <ul style="list-style-type: none"> d) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; e) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; f) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>The proposal is potentially relevant to the age and disability protected characteristics. The nature of the actions set out in the proposal are to assess the unit costs of the delivery of support services to Independent Supported living schemes, and to consider the use of technology in the delivery of services. Services users will continue to meet required services to meet their assessed need. The proposal would increase the performance focus of the model on increasing the independence of those being supported, as such it should lead to improved outcomes for individuals and potential reduced costs, where increased independence as a result of improved focus means that care packages can be safely amended to reflect a reduced need for support. Where it is not possible to use technology because service users are unable to use it, it will not be used.</p> <p>Evidence used to inform this assessment includes analysis of the budget consultation which found that 543 were in favour of the proposal compared to 143 against and analysis of the free text comments which did not identify any new areas of concern in relation to potential adverse impacts on one or more of the protected characteristics under the Equality Act.</p>
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposal could impact adversely on community cohesion. The schemes will continue to provide support to the tenants to meet their needs.

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Louise Grabham	Head of Service:	Louise Grabham
Date:	24/01/2024	Date:	24/01/2024

Subject of assessment:	ASC10 Expand Autism Day Care through relocation to Cumberland Resource Centre			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description	<p style="text-align: center;"><u>Key aims, objectives and activities</u></p> <p>Aim - To relocate the Middlesbrough Adult Autism Day care service from Sandringham to Unit 2 at Cumberland Resource Centre. Current activity from Cumberland will relocate to North Ormesby Resource Centre resulting in staff savings, £0.080m and a potential to generate additional income £0.050m</p> <p>Objectives;</p> <ol style="list-style-type: none"> 1. To relocate the service to Unit 2 at Cumberland Resource Centre 2. To assess the impact of service change upon the existing Autism Day Care service based at Sandringham moving to Cumberland Resource Centre 3. To develop and expand a Middlesbrough Adult Day care model for autism services. <p><u>Statutory drivers</u></p> <p>There is no statutory duty to provide an Autism Day Service for Adults. There is however a statutory duty to assess people's needs, under the Care Act 2014. This service forms one of the ways in which those identified needs are met. The Autism Act 2009 also says that there has to be a government strategy for improving services for autistic adults, underpinned by legally binding guidance to councils. Decisions around the future of the service would also be relevant to the Disability Discrimination Act 1995 and the Equality Act 2010. The Equality Act requires that the needs of people with a disability are considered and that steps should be taken to take these into account. As this proposal relates to a service whose primary focus is on service users who have autistic needs, then this provision is particularly relevant to this proposal.</p>			
Description continued	<p><u>Differences from any previous approach</u></p> <p>Middlesbrough Council provides a Community Inclusion Service Autism Day Care service that was previously based at Sandringham House but has now moved to Unit 2 Cumberland Resource Centre, Linthorpe. The autism day care service is part of an inclusion service that also provides other satellite outreach services in the Middlesbrough Community for Adults with Learning Disabilities. The service provides support, learning and development services for adults over a Monday to Friday 9.00am-4.30pm period.</p> <p>The service has relocated the Autism service for adults to a different resource.</p> <ol style="list-style-type: none"> i) Within a resource provision that can provide services that are the same, varied and are able to continue to meet people's needs. ii) The service will continue to access the local community for supportive social, learning and development at other community hubs in the South Tees area. iii) The new resource will aim to continue to provide varied professional services to adults, and their carers around a varied and flexible timescale. iv) Continue to maintain liaisons with partner agencies and expand the programme of activities with local partners. <p>In terms of additional considerations such as transport the only change has been a change of route. Most individuals make their own way into services. There is likely to be no or minimal impact around any additional cost for individuals as any change will be accommodated in their assessed allowance.</p> <p>The outcomes relating to relocating the group from Sandringham to Unit 2, Cumberland Resource Centre (CRC) will also allow for expansion of the service within CRC and generate increased income.</p> <p><u>Key stakeholders and intended beneficiaries (internal and external as appropriate)</u></p> <ul style="list-style-type: none"> • Service users – There are currently 20 service users on the register, with 4 in transition for 2024. A maximum of between 14 -18 places per day over 5 days within Unit, which could be increased to between 18-22 • Service user families and carers from a neighbouring local authority (Redcar & Cleveland) have 3 individuals placed at Sandringham. • There are 6 staff members who have transferred with the service, none are affected by the proposal. • 1:1 care support provided through various independent care agencies. <p><u>Intended outcomes.</u></p> <ul style="list-style-type: none"> • To continue to provide a community /day care service provision for Adults with Autism, albeit at a different location. 			

- To eventually expand and broaden the scope of the service provision within the whole of Cumberland Resource Centre including in line with central government directives around creating All Age provision.
- To ensure that the current users accessing the Autism Day care service provision are not disadvantaged by the relocation.

Live date:	March 2024 onwards
Lifespan:	Not applicable.
Date of next review:	Not applicable.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation? *	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None of the absolute or qualified rights will be infringed by these proposals. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups? *	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:- <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act. • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and • foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				<ul style="list-style-type: none"> taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposal is particularly relevant to the disability protected characteristic.</p> <p>Service users – There is a register of 20 people, on average, between 14 people (Monday to Friday) access the Autism Day care service at Unit 2, Cumberland daily. The service users age range is from 18 +. We have 4 people in transition for 2024/25 hence numbers would rise to 24.</p> <p>Individuals live in a variety of locations around Middlesbrough, with 3 individuals accessing from another local authority (Redcar & Cleveland). In terms of current travel arrangements individuals either use Council transport, taxis' their own transport, public transport or walk to the various community satellite venues.</p> <p>There may be some increased costs pending relocation for those individuals who use taxis or their own transport. For those new transport users, ability to pay will in future be considered as part of the Care Act 2014 assessment criteria to ensure appropriate charging was undertaken. The relocation of the service provision will be expected to be delivered to the same standards.</p> <p>Staff – 6 staff work with the Autism Satellite group Discussions have been held with all of the staff around relocating to another venue. There is no risk to individual jobs hence the process of relocation will not need to be supported by a range of HR policies as there is no disproportional adverse impact on staff as a result of their holding a protected characteristic.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. Additional consultation has also been undertaken with service users affected. 604 respondents supported the proposal with only 105 objecting to it. Analysis of the free text results did not identify any previously unconsidered areas of concern.</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town? *</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>No direct impact on community relationships is envisaged.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, feedback from the budget consultation and additional engagement undertaken by the service which found that there were no concerns that the consultation could result in an adverse impact on community cohesion.</p>
Assessment completed by:	Graham Clarke, Business Manager, Community Services		Head of Service:	Suzanne Hodge – Head of Access, Prevention and Provider Services
Date	22/1/2024		Date:	23/1/2024

Subject of assessment:	ASC07 Fairer Charging / Fair Cost of Care			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input type="checkbox"/>	Revision of an existing approach:	Revision
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	Local
Description:	<p>Insert short description, using the following as sub-headings:</p> <ul style="list-style-type: none"> • Key aims, objectives and activities To ensure clients charges reflect the cost of care charged by revising costs in line with costs of delivery. • Statutory drivers (set out exact reference) The Care and Support (Charging and Assessment Of Resources) Regulations 2014. • Differences from any previous approach The revised policy would result in an annual cost review cycle being applied to ensure service delivery charges rise in line with costs. • Key stakeholders and intended beneficiaries (internal and external as appropriate) Adult social care clients are key stakeholders – those who are at their cap for charges will not be impacted. Those who pay for their services will have future service costs assessed annually against inflation costs • Intended outcomes. To ensure chargeable services costs are reviewed annually to reflect increases or decreases in the cost of their delivery. 			
Live date:	April 2024			
Lifespan:	From April 2024 onwards			
Date of next review:	Fairer Charging policy next review date is			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The process within the savings proposal will not impact on the duties performed by the service and will not impact on individual Human Rights as defined in the UK.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposal is identified as being potentially relevant to the age and disability protected characteristics. Those clients who are already assessed as paying the maximum charge will be unaffected by the proposal, as will those who do not meet the threshold for financial contributions. The policy continues to encompass these two groups with no change. Those who are eligible to pay for services would see the cost of their care reviewed annually to ensure that charges reflect the costs of delivery.</p> <p>The proposal will see the policy amended to also ensure any shortfalls between cost and delivery are met by the client, where they are eligible to pay for services. For example the council currently charges £17:72 to the client. The cost to the Council is actually £20.00, the shortfall of £2:28 is currently left for the Council to fulfil. The proposed change in the policy will enforce the shortfall which will fall to the service user.</p> <p>Evidence used to inform this assessment includes feedback from both the budget consultation and the additional consultation undertaken by the service, analysis of that feedback and the free text comments. The feedback from the budget consultation was that 554 were in favour of the proposal, compared to 205 who were against. Analysis of the free text comments did not identify any new issues for consideration in relation to one or more of the protected characteristics which have not already been articulated in this impact assessment. Analysis of respondents to the budget showed that those who declared they had a disability were more likely to disagree with the proposals than those who did not. 12% of respondents to the consultation declared they had a disability.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No this relates to clients receiving adult social care services and is linked to the application of relevant legislation.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Louise Grabham	Head of Service / Director:	Erik Scollay
Date:	24/1/2024	Date:	25/1/2024

Subject of assessment:	ASC13 Review of Direct Payments			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p><u>Key aims, objectives and activities</u> A robust review of policy and application of Direct Payments within Adult Social Care to ensure the facility to support service users via Direct Payments is fully utilised to enable clients to live independently according to their needs and wishes via a strengths-based approach.</p> <p><u>Statutory drivers</u> Direct Payments are monetary payments made to individuals who request to receive monies directly so that they can employ a carer / service provider of their choice to meet some or all of their eligible care or support needs. The legislative context for Direct Payments is set out in the Care Act 2014, Section 117 (2C) of the Mental Health Act 1983 and the Care and Support (Direct Payments) Regulations 2014. Direct Payments have been used in Adult Social Care since the mid-1990s and whilst they are the Government's preferred choice for personalised care and support, they cannot be the default option as the individual or their representative must agree. They provide independence, choice and control by enabling people to commission their own care and support in order to meet their eligible needs.</p> <p><u>Differences from any previous approach</u> There was a review of Direct Payments policy and procedures in 2021 by Adult Social Care. We are looking to continue this approach, whilst ensuring that current policy and procedure remain fit-for-purpose. As a result, no planned changes to the policy are recommended at this stage, however there will be an ongoing review of payments made to ensure the payments are being appropriately used.</p> <p><u>Key Stakeholders & Intended Beneficiaries.</u> Those currently in receipt of payments, potential future recipients, families and carers.</p> <p><u>Intended Outcomes.</u> We are seeking to ensure that current policy and procedures remain fit-for-purpose and to ensure that they are utilised effectively and any unspent monies are re-claimed in a timely manner.</p>			
Live date:	April 2024.			
Lifespan:	Ongoing.			
Date of next review:	To be reviewed bi-annually.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	☒	☐	☐	Direct Payments are a mechanism to give those eligible for care and support greater choice and control over how their eligible needs are met. This is the Government's preferred method for provision of care and support but cannot be a default option and would not impact negatively upon individual Human Rights. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found no concerns in relation to human rights.

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*</p>	☒	☐	☐	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and • foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; • taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and • encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>Direct Payments provide personalised support, co-produced with those who have eligible needs. This mechanism increases choice and control for vulnerable clients and would not impact adversely upon individuals or groups with protected characteristics. The proposal is potentially relevant to the age and disability protected characteristics because of the nature of it. There are no anticipated adverse impacts as there is no identified policy change required. The saving will be achieved by increased compliance checks to ensure spending of direct budgets is in line with policy.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 651 people were in favour of the proposal and 51 were against it. Analysis of the free text responses to the consultation has not identified any previously unconsidered potential concerns around impact on one or more of the protected characteristics.</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<p>A review of current Direct Payment policy and procedures would not impact negatively upon different groups, neighbourhoods or communities within the town. Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 651 people were in favour of the proposal and 51 were against it. Analysis of the free text responses to the consultation has not identified any previously unconsidered potential concerns around impact on community cohesion.</p>

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Lynn Beevers	Head of Service:	S E Disbury
Date:	22.1.24	Date:	22/1/24

Subject of assessment:	ASC14 Court of Protection Service Charges			
Coverage:	Service specific.			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input checked="" type="checkbox"/>	Local or corporate requirements:	<input type="checkbox"/>
Description:	<p><u>Key aims, objectives and activities</u></p> <p>To recoup costs in relation to management of court of protection cases where the council is appointed as a deputy in order to address a waiting list for this support and manage costs of service delivery.</p> <p><u>Statutory drivers</u></p> <p>The CoP3 form (Court of Protection assessment of capacity form) is used to submit an expert opinion about someone's mental capacity as part of an application to the Court of Protection for a Deputyship Order under the Mental Capacity Act 2005.</p> <p><u>Difference From Previous Approach.</u></p> <p>The council would start to charge the annual management fee in relation to this activity.</p> <p><u>Key Stakeholders & Intended Beneficiaries.</u></p> <p>Key stakeholders would be our clients and their families, those waiting for support, the courts.</p> <p><u>Intended Outcomes.</u></p> <p>To improve support for those who require a deputy to manage their affairs and increase income to the Council to meet the cost of this service.</p>			
Live date:	April 2024 onwards			
Lifespan:	Ongoing.			
Date of next review:	To be reviewed bi-annually.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The proposed changes would not negatively impact upon the Human Rights of those for whom the Council seeks to apply for Deputyship. Rather, it would enable the Council to act upon recommendations as set out by the Court of Protection in a timely manner, offering a more robust service to our vulnerable clients.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*</p>	☒	☐	☐	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposals are relevant to the disability and age protected characteristics. The proposals will enable the Council to support more individuals who require the Council to act as a Deputy for their finances and affairs to be able to access that service. Commencing collection of the management fee will enable the Council to fund additional capacity in order to address a backlog of support requests and maintain the financial costs of delivery going forward. Costs will only be applied to those above the defined financial threshold as set by Government. There are no concerns that this proposal could impact negatively on those who need to access support, it will incur a small cost but that will only apply to those with funds.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 487 people agreed with the proposal compared to 164 who objected. Analysis of the comments in the free text elements did not identify any new areas of concern not already considered and addressed by this impact assessment.</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<p>There would be no impact upon community cohesion.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, feedback from the budget consultation. No concerns were identified as a result of this in relation to community cohesion.</p>

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Lynn Beevers	Head of Service:	S E Disbury
Date:	28.12.23	Date:	29/12/23

Subject of assessment:	CC07 Special Guardianship Orders / Child Arrangement Orders			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities Undertake a review of policy and practice, aligning to regulatory requirements and Department of Work and Pensions benefit entitlements to ensure consistency in relation to payments made for Special Guardianship Orders (SGO) and Child Arrangement Orders (CAO) by ensuring that the Local Authority takes into account a residents financial resources, including any tax credits or benefits which would be available to the resident if a child lived with them. • Statutory drivers (set out exact reference) The Special Guardianship Regulations 2005, together with the Special Guardianship (Amendment) Regulations 2016 and the Adoption and Children Act 2002 confirms the income which should be taken into account by a Local Authority when considering making statutory payments of a Special Guardianship Order. • Differences from any previous approach Currently, the Financial assessments for both orders disregard any income received from central government (predominantly Universal Credit) in respect of tax credits which would be available to a resident on application. The revised proposals would take this into account and bring the Council in line with the Government's regulations (SGO Regulations 2005) which requires that the Council, when: (2) 'In determining the amount of financial support, the local authority must take account of any other grant, benefit, allowance or resource which is available to the person in respect of his needs as a result of becoming a special guardian of the child. (3) Subject to paragraphs (4) and (5) the local authority must also take account of the following considerations— (a)the person's financial resources, including any tax credit or benefit, which would be available to him if the child lived with him;' • Key stakeholders and intended beneficiaries (internal and external as appropriate) Residents who receive a Special Guardianship or Child Arrangement payment through the Council and receive the child element of Tax Credits or Universal Credit will be affected by implementing this change. • Intended outcomes. To align the Councils payments with the Governments Special Guardianship Regulations. 			
Live date:	01.04.24 onwards			
Lifespan:	Not applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	<p>By bringing the SGO awards in line with the Government's regulations, this will ensure consistency for all residents applying for a payment. No individuals will have their Human Rights affected as a result of implementing a consistent way of working.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.</p>
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	☒	☐	☐	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and • foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; • taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and • encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposal is relevant to all members of the public, if they claim a Special Guardianship or Child Arrangement Order payment. It is potentially relevant to the age and disability protected characteristic because of the nature of the provision.</p> <p>The proposal will ensure all residents have future claims assessed in line with Government guidance to ensure that receipt of other benefits is taken into account when agreeing SGO or CAO payments. This would also apply to those who currently receive the payment. This will mean that in some instances, those residents who have received benefits and payments, will see a reduction in the financial support they receive through SGO or CAO. While the proposal will result in a reduction in financial support to some, the Council is obligated to implement it in order to ensure compliance with Government Regulations on the matter.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				Evidence used to inform this assessment includes analysis of the proposal, analysis of government regulation obligations and feedback from the consultation process. 653 of those who responded to the budget consultation were in favour of the proposal, compared to 100 who were against it.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Analysis of the proposal has identified no concerns in relation to community cohesion, those in receipt of payments will still continue to be able to access financial support in order to support them to care for the children in their care. Evidence used to inform this assessment includes analysis of the proposal and feedback from the budget consultation.
N/A				

Assessment completed by:	Martin Barker	Head of Service:	Janette Savage
Date:	22.1.24	Date:	23/1/2024

Subject of assessment:	REG03 Concentrate the town's museum offer in the Dorman Museum (80,437 annual visitors) and withdraw from the Captain Cook Birthplace Museum (5,360 annual visitors).			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities To reduce the cost of the Council's Museum Service as part of wider budget savings proposals. • Statutory drivers (set out exact reference) The Council does not have a statutory duty to provide this service. • Differences from any previous approach Currently the Captain Cook Birthplace Museum (CCBM) is open to visitors 6 days a week (Tuesday – Sunday) from April to November each year. Its learning programme for schools operates all year-round during term time. The proposed change is that the CCBM will either be operated by another organisation or closed and integrated into the Dorman Museum offer, with the building used for other purposes. • Key stakeholders and intended beneficiaries (internal and external as appropriate) Visitors - including local residents and visitors from across the UK and overseas, Local school children – who participate in the annual learning programme, Museum staff, Trade Unions, Captain Cook Birthplace Trust, Captain Cook Society, Café tenant – who has an existing lease to operate from the CCBM building, Tees Valley Museums Group – a consortium of 7 Tees Valley Museums and an Arts Council National Portfolio Organisation, of which the CCBM is a member and recipient of funding, Funders – Including Arts Council England and National Lottery Heritage Fund. • Intended outcomes Reducing the cost of the Council's Museum Service through savings made from building costs. 			
Live date:	The Council would not reopen the Museum from 1 April 2024. The proposed staff savings won't be realised until a staff review has been undertaken, other than from any agreed removal of vacant posts in the Museum Service.			
Lifespan:	Ongoing from April 2024 onwards.			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Having considered both the service that the CCBM provides and its audience base, there are no concerns that this proposal could have an adverse impact on human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and • foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; • taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and • encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low.
				<p>The proposals are relevant to the age protected characteristics as they would impact on children & young people, who currently benefit from the learning programme delivered at the CCBM. While this would be transferred to Dorman Museum, overall capacity to deliver school programmes would be reduced.</p> <p>Currently the Museum Service has the capacity ability to deliver up to 236 workshop days for schools across its two sites. Last year, circa 3,000 children participated with opportunity for growth in this area up to a maximum capacity of 7,000 children annually. The proposal is expected to reduce this capacity to a maximum of 78 workshops and 2,340 children.</p> <p>Given the above the proposals would have a disproportionate adverse impact on the age protected characteristic which can only be partially mitigated by the transition of the learning programme to the Dorman site.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence	
	No	Yes	Uncertain		
				<p>In addition there were some concerns identified in the free text responses to the concern about the accessibility of Dorman Museum. The site is currently being subject to renovation to ensure it is fully accessible. Therefore there are no concerns that moving to this site could have a disproportionate adverse impact on those with a disability in terms of the accessibility of the building.</p> <p>In line with the PSED, a stage two Impact assessment will be undertaken to assess whether the residual adverse impacts on the age protected characteristic can be fully mitigated and if it cannot, whether it can be justified.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, analysis of usage and analysis of feedback from the consultation process. Of those who responded to the survey question on the proposed closure, 390 were in favour of the proposal while 533 disagreed with it. Free text comments raised concerns about impacts on the education offer which have been set out in this impact assessment.</p>	
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There is no evidence to indicate that service users and / or the wider community have any concerns about the impact of the proposals on community cohesion.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, analysis of usage and analysis of feedback from the consultation process.</p>	
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 					
Assessment completed by:	Gaye Kirby			Head of Service:	Richard Horniman
Date:	23/1/24			Date:	23/1/24

Subject of assessment:	ECS 01 Fortnightly collection residual waste.			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> Key aims, objectives and activities As in line with most Councils, the proposal is that the Council will introduce the fortnightly collection of residual waste. This will assist in the Council's efforts to increase recycling. The impact will be a reduction in the number of full time Residual Waste Operatives from 41 to 29 and savings on fuel and equipment. This will include the offering of bigger 240ltrs bins to those with families with 3 or more and moving, where possible, those areas on black bags to wheeled bins. Areas that have communal bins collections will remain on weekly collection. Those who have medical needs or larger families will have their needs assessed and larger or additional bins will be offered. In order to improve the level of recycling, increased waste education and communication will take place to ensure people understand which waste should be put in which bin and encourage residents to do so. To change the residential refuse collections from the current weekly cycle to that of fortnightly. This will lead to a reduced service cost base and subsequently contribute a financial saving to the Council of circa £350K. The financial saving is a key component in achieving Middlesbrough Council's future saving targets in 2024/25. Statutory drivers (set out exact reference) Under the terms of the Environmental Protection Act, 1990, Middlesbrough Council (the 'Council') is classed as a Waste Collection and Disposal Authority, and as such, under section 45 (1), has a statutory duty to collect household waste from all domestic properties in the Borough. Under Section 46(4) of the Act, the Council has specific powers to stipulate: <ul style="list-style-type: none"> The size and type of the collection receptacle(s); Where the receptacle(s) must be placed for the purpose of collecting and emptying; The materials or items which may or may not be placed within the receptacle(s). Differences from any previous approach If agreed, current weekly collections to fortnightly, with the provisions set out above. Assisted bin collections will still be provided for those who need them. Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders are residents and staff. Intended outcomes. To reduce the cost of service delivery in order that a financial contribution is made towards the 2024/25 financial year. Additionally, it is expected that residents will adopt improved recycling activities, leading to improved recycling rates. Middlesbrough Council's current recycling rate is 33.49% placing ourselves in 279th position out of 345 Councils. Middlesbrough Council will roll out a series of "Behavioural change" tools, Educational Literature, Social Media awareness campaigns & Recycling Roadshows all aimed towards greater resident participation to improve our current recycling status & effective domestic waste management. In turn this is expected to contribute towards the Government target of 65% recycling rate by 2035, for municipal waste. 			
Live date:	1 st April 2024 onwards			
Lifespan:	N/A			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There are no concerns that the proposals could impact adversely on human rights. Evidence used to inform this assessment includes analysis of staff demographics, engagement to date with staff and analysis of current service provision.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.</p>
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>Service users – the proposal is potentially relevant to the age and or disability protected characteristics. If individuals holding those characteristics were less able to dispose of their waste, we would offer an assisted collection service where appropriate in line with existing policy. There would also be opportunity to dispose of bulk waste in way of logging a One-Off Collection at a cost should that proposal be accepted. There are no concerns that this could have disproportionate or adverse impact on these groups.</p>
				<p>All Refuse Service Staff are within the scope of the review. If implemented the proposal would result in a reduction of 12 posts. Relevant HR policies will also be applied to support staff and mitigate adverse impacts from this review including the early retirement/voluntary redundancy scheme, the redeployment policy, Reviews, Consultation and Redundancy Policy which have been separately impact assessed.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, service provision and feedback from consultation. 436 people and organisational representatives were in favour of the proposal when asked in the Council's budget consultation survey, compared to 557 who were against. Analysis of the free text comments in the proposals revealed no previously unconsidered areas of concern. Existing policy is already in place to support those who require assistance and variations to bin size are available on the basis of assessed need.</p>
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Not applicable. There are no concerns that the proposal could have an impact on community cohesion.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 436 people and organisational representatives were in favour of the proposal when asked in the Council's budget consultation survey, compared to 557 who were against. Analysis of the free text comments in the proposals revealed no previously unconsidered areas of concern in relation to community cohesion. Those areas with communal bins will see them continue to be emptied weekly.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	

Next steps:

- If the answer to all of the above screening questions is No then the process is completed.
- If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.

Assessment completed by:	Craig Coverdale	Head of Service:	Andrew Mace
Date:	23 January 2024	Date:	23 January 2024

Subject of assessment:	ECS02 Green Waste Collection Charge			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities As with most councils, the proposal is to introduce charging for Green Waste collections. The service will run fortnightly from the beginning of April until the end of November. This will include the continuation of fortnightly collections throughout this period rather than the current monthly collections in October and November. The annual subscription charge will be £40 for the first bin then £20 per addition bin, up to a maximum of 5 bins per household. This would change the domestic Green Waste Collection service from free of charge to a chargeable service. The change will reduce Middlesbrough Council's costs base, generate an income and encourage residents to compost their Green Waste. • Statutory drivers (set out exact reference) Under the terms of the Environmental Protection Act, 1990, Middlesbrough Council (the 'Council') is classed as a Waste Collection and Disposal Authority, and as such, under section 45 (1), has a statutory duty to collect household waste from all domestic properties in the Borough. Under Section 46(4) of the Act, the Council has specific powers to stipulate: <ul style="list-style-type: none"> • The size and type of the collection receptacle(s); • Where the receptacle(s) must be placed for the purpose of collecting and emptying; • The materials or items which may or may not be placed within the receptacle(s). • Differences from any previous approach To change the service from free to an annual subscription of £40. Should residents require an additional Green waste bin, these can be procured from MBC at a cost of £20 per bin, up to a maximum of 5 bins per property. The collection frequencies in October and November will increase from once per month to fortnightly. • Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders are Residents, staff. • Intended outcomes. To maintain a green waste service but to introduce charges for it. 			
Live date:	1 st April 2024 onwards			
Lifespan:	From 1 st April 2024 onwards			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could impact adversely on human rights. Evidence used to inform this assessment includes analysis of staff demographics, engagement to date with staff and analysis of current service provision. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:- <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. Service users – the proposal is potentially relevant to the age and or disability protected characteristics. If individuals holding these characteristics were less able to dispose of their waste, the council offers an assisted collection service where appropriate in line with existing policy. Residents who have disabilities &/or mobility issues can phone Middlesbrough Council Contact Centre and request this free service. There are therefore no concerns that this could have disproportionate or adverse impact on these groups. There is no staffing impact within the scope of this review, as staff reductions will be achieved by employing less seasonal staff. Evidence used to inform this assessment includes analysis of the proposal, service provision and feedback from consultation. Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 557 people disagreed with the proposal, compared to 436 who supported it. Analysis of the free text responses also indicated that there were no concerns raised relevant to the PSED that have not already been taken into consideration when designing the proposal.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposal could have an impact on community cohesion. Evidence used to inform this assessment includes analysis of the proposal, feedback from the budget consultation and additional engagement undertaken by the service which found that there were no concerns in relation to community cohesion arising from this proposal.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Assessment completed by:	Craig Coverdale	Head of Service:	Andrew Mace
Date:	23/1/2024	Date:	23/1/2024

Subject of assessment:	ECS 03 Junk Job Chargeable Collections			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities To introduce a £24.50 charge for a bulky household waste collection, in general this will be for up to five items. This will provide a more streamlined service than the two tier system in place currently. • Statutory drivers (set out exact reference) Under the terms of the Environmental Protection Act, 1990, Middlesbrough Council (the 'Council') is classed as a Waste Collection and Disposal Authority, and as such, under section 45 (1), has a statutory duty to collect household waste from all domestic properties in the Borough. Under Section 46(4) of the Act, the Council has specific powers to stipulate: <ul style="list-style-type: none"> • The size and type of the collection receptacle(s); • Where the receptacle(s) must be placed for the purpose of collecting and emptying; • The materials or items which may or may not be placed within the receptacle(s). • Differences from any previous approach This proposal is to remove the current 2 tiered approach (as shown below) & to streamline the service. The council would charge £24.50 per Junk Job and remove the Free of Charge collection service. Currently MBC offer a 2 tiered system in that residents can request the service free of charge and are placed onto a booking system on a first come first served basis, with approx. appointments occurring up to 12 weeks after the request. Alternatively, they can pay £15 for the request to be fast tracked and the appointment usually occurs within 3 weeks of the request. • Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders are Environmental Services, Residents & Members. The service will be reviewed only following a process of member/public consultation. • Intended outcomes To cease the free Junk Job Collection service To increase the charge for the Junk Job Service The chargeable service will generate an annual income of circa £92,000 The generated income saving is a key component in achieving Middlesbrough Council's future saving targets in 24/25 financial year. 			
Live date:	1 st April 2024			
Lifespan:	From 1 st April 2024 onwards			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could impact adversely on human rights. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:- <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. There are no staffing implications within this proposed review. The proposal is relevant to the age and disability protected characteristics. Those who are less able to avoid a financial charge for junk waste disposal by taking their waste to the tip would potentially be disproportionately affected by this proposal. Although there are some mitigations possible by signposting to charities who could assist, it is not possible to wholly avoid this impact within the current proposal. Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 589 people who responded to the Council's budget consultation survey were in favour of this proposal, while 310 disagreed with it.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could negatively impact on the community. Evidence used to inform this assessment includes analysis of the proposal, feedback from the budget consultation.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Craig Coverdale	Head of Service:	Andrew Mace
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* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Date:

23/1/2024

Date:

23/1/2024

Subject of assessment:	ECS04 Replacement wheeled Bin charge			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities The introduction of an increased and full charge (as detailed below), for wheeled bins, will enable Middlesbrough Council to recoup the capital purchase outlay. This includes charging developers for new housing developments. Proposed costs (including delivery costs) - 140 Litre Bin £20.45, 240 Litre Bin £23.50, 240 Litre Green Waste Bin £37.50. This is an increase of £3.70 for 140 Litre bin, currently £16.75, and introduction of charge for recycling bin and new larger sized waste bins. This will include wheeled bins used for recycling. If a bin is damaged by a council operative, it will be replaced free of charge. • Statutory drivers (set out exact reference) None. • Differences from any previous approach The Council currently provide free Recycling & Green Waste Bins. Additionally, they provide Residual waste base at a subsidised charge. The proposed costs (including delivery) - 140 Litre Bin £20.45, 240 Litre Bin £23.50, 240 Litre Green Waste Bin £37.50. This is an increase of £3.70 for 140 Litre bin, currently £16.75, and introduction of charge for recycling bin and new larger sized waste bins. This will include wheeled bins used for recycling. This charging proposal envelops charging for new housing developments. • Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders are Environmental Services, Residents & Members. The service will be reviewed only following a process of member/public consultation. • Intended outcomes. This new approach will look to recover the majority of the annual capital outlay for the purchasing of new wheeled bins. 			
Live date:	1 st April 2024 onwards			
Lifespan:	From 1 st April 2024 onwards			
Date of next review:	Annual review within the Council's annual review of fees and charges			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could impact adversely on human rights. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:- <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. There are no staff affected within the scope of this review. The proposal is relevant to all groups. There are no concerns that the proposal could disproportionately adversely impact any of the protected characteristics as defined by the Equality Act 2010. Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 385 people who responded to the Council's budget consultation survey were in favour of the proposal, compared to 463 who were against it. Demographic analysis of consultation responses showed those with a disability were less likely to support this proposal compared to those who did. There were however no free text comments that raised any concerns that those with a disability could be disproportionately adversely affected by the proposal.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could impact negatively on the community. Evidence used to inform this assessment includes analysis of the proposal and feedback from the budget consultation process
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Craig Coverdale	Head of Service:	Andrew Mace
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* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Date:

23/1/2024

Date:

23/1/2024

Subject of assessment:	ECS07 Cease council financial support for Environment City			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities Currently Middlesbrough Council provides financial support to Middlesbrough Environment City Charitable Trust. Annually £105,000 is provided to Middlesbrough Environment City, which enables the trust to employ 2 Management roles, along with a lease free premises to operate from. All will be removed. • Statutory drivers (set out exact reference) None. • Differences from any previous approach Middlesbrough Council will cease its £105,000 annual funding to the Middlesbrough Environment City Charitable Trust. The removal of this financial support will generate a £105,000 saving to MBC. Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders are Middlesbrough Environment City, its trustees, and the residents it supports. • Intended outcomes. This proposal will generate a financial saving of £105,000 to the Council & therefore contribute towards the 24/25 savings targets. 			
Live date:	1 st April 2024 onwards			
Lifespan:	From 1 st April 2024 onwards			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could impact adversely on human rights. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Councils must have due regard to the need to:- <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. Should the proposal be accepted, the company would need to assess the impact and if alternative funding could not be sought they would need to reduce their staffing costs by £105,000. The charity provides environmental awareness raising functions as well as delivery support for people to manage their homes through affordable warmth sessions. These functions are available from other charities and community groups that operate in the area. There are no concerns therefore that the proposal could have a disproportionate adverse impact on one or more of the protected characteristics. Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 531 people who responded to the Council's budget consultation survey were supportive of the proposal, compared to 192 who were against.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposals could impact negatively on the community. Evidence used to inform this assessment includes analysis of the proposal and feedback from the budget consultation process.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Craig Coverdale	Head of Service:	Andrew Mace
Date:	23 January 2024	Date:	23 January 2024

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Subject of assessment:	ECS08 Resident Parking Permits Charge			
Coverage:	Residents who live witing a current or any future resident parking zones			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input checked="" type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities To encourage residents to consider alternative sustainable transport methods (such as walking, cycling and using public transport) to aid management of the local road network, to reduce congestion and to address resident concerns around parking near their homes where there is a need to do so. The income generated from the charges will contribute to the cost of operating resident parking schemes. • Statutory drivers (set out exact reference) Managing and maintaining the local road network to secure the expeditious movement of traffic and avoid, eliminate or reduce road congestion - Section 16, Traffic Management Act 2004 , Schedule 9 to the Road Traffic Regulation Act 1984. • Differences from any previous approach Currently resident and visitor permits are issued free of charge, the revision is to introduce a charge for these permits. The proposed charges are £25 for the first permit issued to a property and £40 for any additional permits. It is proposed the charges will be introduced from April 2024. • Key stakeholders and intended beneficiaries (internal and external as appropriate) Residents and businesses located within current or future resident parking schemes. • Intended outcomes. Encourage residents to use alternative sustainable transport options; resulting in better management of the local road network. The income generated will contribute towards the cost of operating the resident parking schemes. 			
Live date:	April 2024			
Lifespan:	Between April 2024 and March 2025, then permits will be renewed on an annual basis as part of the fees and charges review			
Date of next review:	A desktop review will be undertaken after 6 months (Aug 24) and 12 months (March 25). If necessary this will be escalated to a formal review of the proposal.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	<p>The budget savings proposal will not impact on the duties performed by the service and will not impact on individual Human Rights as defined in the UK legislation.</p> <p>Alternative transport options are available other than a private vehicle.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.</p>
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	☒	☐	☐	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposal is potentially relevant to the Disability and age protected characteristics.</p> <p>The proposal applies to residents who live within an existing or future resident parking scheme and are motorists or have visitors who will park on the carriageway. Residents who live within a resident parking scheme and are blue badge holders, will be able to apply for a free resident parking permit by providing the required documentation with their application. This ensures that the proposed changes do not negatively impact on blue badge holders. Given this mitigation, there are no concerns that the proposal could disproportionately adversely impact on residents who may be less able to walk distances to their homes to the extent that they would qualify for blue badge support.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process as well as additional consultation undertaken.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				<p>The Council had an email address available for residents to contact it during the consultation with questions, comments or objections to proposals. 47 emails were received to that account during the period, of those 23 were objections to parking permit charges. Many comments related to concerns around lack of enforcement. Some comments expressed concern around the impact on informal caring support provided by wider family groups to residents living in the affected areas. This will be mitigated through the provision of visitor passes for each household to be use which they can apply for at the same cost as a resident pass. Formal carers can receive a pass at a discounted rate as well to mitigate impacts.</p> <p>379 respondents to the main survey were in support of the proposal while 460 disagreed with the proposal. Those with a disability were less likely to support the proposal</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There are no concerns that the proposal could adversely affect community cohesion, though this will be one of the issues that is assessed during implementation to identify if there are any unintended impacts.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, feedback from the budget consultation and additional engagement undertaken by the service which found that there were no concerns that the proposal could impact negatively on community cohesion. There were some comments that stated that increased enforcement would have a positive impact as it would increase access to car parking spaces and reduce residents challenging each other where some were currently not displaying a parking permit.</p>
<p>Next steps:</p> <p>➡ If the answer to all of the above screening questions is No then the process is completed.</p> <p>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</p>				

Assessment completed by:	Craig Cowley	Head of Service:	Craig Cowley
Date:	23/1/2024	Date:	23/1/2024

Subject of assessment:	ECS09 Car Parking Charge at Stewart Park			
Coverage:	Visitors to Stewart Park who travel by private vehicle			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input checked="" type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities Introduce a £2 charge to park a vehicle in the car park at Stewart Park & Resident Parking Schemes in surrounding residential streets. The resident parking schemes will need to be introduced to deter displaced parking by motorists trying to avoid paying parking charges in the car park by parking in nearby streets whilst visiting Stewart Park. The income generated from the parking charge will contribute to the maintenance of the car park. • Statutory drivers (set out exact reference) Managing and maintaining the local road network to secure the expeditious movement of traffic and avoid, eliminate or reduce road congestion - Section 16, Traffic Management Act 2004, Schedule 9 to the Road Traffic Regulation Act 1984. • Differences from any previous approach Introduction of £2 parking charge for using the car park at Stewart Park. Alongside this resident parking restrictions are proposed to be introduced to deter displaced parking. • Key stakeholders and intended beneficiaries (internal and external as appropriate) Middlesbrough Council Parks and Open Spaces Service, Organisers of events held at Stewart Park, Askham Bryan College, Visitors to Stewart Park and Residents living close to Stewart Park • Intended outcomes. Encourage visitors to Stewart Park to consider alternative transport options the income generated from the charges will contribute towards the maintenance of the car park. 			
Live date:	April – June 2025			
Lifespan:	Scheme implementation April – June 2025, once introduced charges will remain in place.			
Date of next review:	Six and 12 months after implementation and if any serious concerns are raised.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights</p> <p>Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The budget savings proposal will not impact on the duties performed by the service and will not impact on individual Human Rights as defined in the UK legislation.</p> <p>Introduction of parking charges in open spaces is new for the Council but other authorities have introduced a charge within such car parks.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.</p>
<p>Equality</p> <p>Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and • foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; • taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and • encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The charge applies to all motorists who travel by vehicle to visit Stewart Park. However, free parking will be in place for blue badge holders in line with Council policy for other Council operated car parks. This ensures that blue badge holders are not adversely impacted by this proposal.</p> <p>Feedback from the public online consultation survey identified that 691 respondents disagreed with the proposal while 286 supported it. Analysis of the free text comments identified a number of concerns in relation to the Public Sector Equality Duty with individuals identifying concerns around impacts on those with a disability, the elderly and impacts on families. The proposed charge has been set at a minimal level, in addition there are provisions within the proposal to ensure those with mobility issues, severe enough to be able to access a blue badge, will be exempt from the charge.</p> <p>Given the above, there are no concerns that the proposals could disproportionately adversely impact on the age or disability protected characteristics.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Although there is a financial impact of introducing a parking charge, there will continue to be provision for community groups such as parkrun to meet and use the space. The level of charging has been kept to a low level to minimise impacts on groups. Evidence used to inform this assessment includes analysis of the proposal and feedback from the budget consultation.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Craig Cowley	Head of Service:	Craig Cowley
Date:	23/1/2024	Date:	23/1/2024

Subject of assessment:	ECS10 Review of community facilities			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities A review of community facilities will include potential income generation from use of facilities, or alternatives to reduce operating costs.</p> <p>Statutory drivers Not applicable</p> <p>Differences from any previous approach The proposal is to increase income and reduce costs of running community facilities by ensuring more space within the buildings is used more often. The proposal will result in increased income which will ensure the saving can be met without impacting on current opening hours of facilities.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) Local communities and interest groups, residents and staff.</p> <p>Intended outcomes. To maintain current service delivery levels around opening hours while also improving income levels.</p>			
Live date:	1 st April 2024 onwards			
Lifespan:	Not Applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This proposal does not impact negatively on individual Human Rights and subsequent protocols.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Council has a duty to consider the impact of the proposal on relevant protected characteristics to ensure it has due regard to the public sector equality duty. The duty means the Council must have due regard when taking decisions to the need to:</p> <ul style="list-style-type: none"> g) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; h) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; i) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; • taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and • encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposal is potentially relevant to the all the protected characteristics because community locations provide inclusive venues which can be accessed by all. The nature of the proposal means there will be no anticipated adverse impacts on those groups as the savings will be achieved by encouraging greater use of community spaces and protecting opening hours.</p> <p>Evidence used to inform this assessment includes analysis of the budget consultation which found that 463 were in favour of the proposal compared to 176 against and analysis of the free text comments which did not identify any new areas of concern in relation to potential adverse impacts on one or more of the protected characteristics under the Equality Act.</p>
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There are no concerns that the proposal could impact adversely on community cohesion as under the proposals the facilities would remain and would current opening hours would be retained, the saving would be generated by increasing use of them. The schemes will continue to provide support to the tenants to meet their needs.

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Next steps:</p> <ul style="list-style-type: none"> ➤ If the answer to all of the above screening questions is No then the process is completed. ➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Geoff Field	Head of Service:	Geoff Field
Date:	22/01/2024	Date:	23/01/2024

Subject of assessment:	EDC01 Review of Integrated Transport Unit Arrangements			
Coverage:	Service specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input checked="" type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities</p> <p>To put in place efficiencies in services such as optimisation of routes and reductions in cost of in-house and external suppliers and review of out of area transportation and Children Looked After (CLA) transport arrangements.</p> <p>Statutory drivers (set out exact reference)</p> <p>- While there are no statutory drivers in relation to the operational elements of the Integrated Transport Unit which is the subject of this assessment. The service does support compliance with statutory duties in relation to home to school transport (Education Act 1996).</p> <p>Differences from any previous approach</p> <p>- No changes to policy will be made as part of this proposal. The saving will be achieved by improved efficiencies in route planning and reducing the costs of route delivery.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate)</p> <p>- The key stakeholders are the internal Education and Transport departments within Middlesbrough Council, Childrens safeguarding services, staff in the service and service users and their families.</p> <p>Intended outcomes.</p> <p>- A transport offer that utilises routes and resources more efficiently.</p>			
Live date:	1 st April 2024 onwards			
Lifespan:	Ongoing			
Date of next review:	N/A			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	The proposal will not impact on the duties performed by the service and will not impact on individual Human Rights as defined in the UK legislation. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	☒	☐	☐	The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:- <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty: <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. The nature of the service means the proposal is potentially relevant to the age and disability protected characteristics. Reviewing the Integrated Transport Unit Arrangements for Efficiencies in Service will not have an adverse impact on any of the protected characteristics as route planning and services will continue to be delivered in line with existing policy and taking into account identified needs of those transported. Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process. 627 people and were in favour of the proposal when asked in the Council's budget consultation survey. 117 people objected. Analysis of comments made through this and other parts of the consultation process identified no areas of concern that had not already been addressed by the proposal.

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<p>There is no evidence to indicate that service users and / or the wider community have any concerns about the impact of the proposal on community cohesion.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process. 627 people and were in favour of the proposal when asked in the Council's budget consultation survey. 117 people objected. Analysis of comments made through this and other parts of the consultation process identified no areas of concern that had not already been addressed by the proposal.</p>
<p>Next steps:</p> <p>➡ If the answer to all of the above screening questions is No then the process is completed.</p> <p>➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</p>				
Assessment completed by:	Craig Cowley		Head of Service:	Craig Cowley
Date:	23/1/2024		Date:	23/1/2024

Subject of assessment:	FIN08 Reduction in grants to the Voluntary and Community Sector.			
Coverage:	All wards			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input checked="" type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities The intent is to reduce the funding available to the sector by reducing the level of grant for the Community Chest (£33k) and Development Grant by 20% and deleting the small grants programme of £127k to the funding gap identified by the Council and the need to make savings. As a result, the local authority will have a single VCS grant fund with some of those resources identified to support small grants with revised guidance concerning eligibility.</p> <p>Statutory drivers (set out exact reference) There are no statutory obligations in relation to the provision of community grants, however decisions to remove support from groups who provide support to one or more of the protected characteristics will be relevant to the Public Sector Equality Duty as set out in the Equality Act 2010.</p> <p>Differences from any previous approach Following consultation, the proposal has been amended slightly to be achieved by</p> <ul style="list-style-type: none"> • ceasing the small grants programme saving £0.127m in 24/25 which is for one-off grants for residents and small community groups. • a 20% reduction in 24/25 on the community chest and development grant budgets resulting in a saving of £0.011m. <p>The core grants are under a service level agreement therefore a further reduction will be applied to the core grants in 25/26 to allow for revised negotiations and service level agreements to be developed following the final year of a 3-year agreement. Support will be offered to enable organisations to access external grant funding opportunities, and a business case to access some Better Care fund monies to support grants for vulnerable people in the communities will be developed.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) Groups and individuals that would have applied for the grant and those previous recipients of the grants who may apply for another grant</p> <p>Intended outcomes. Reduction in level of financial support available for both constituted and resident groups to apply for.</p>			
Live date:	01.04.24 onwards			
Lifespan:	ongoing			
Date of next review:	April 2025			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The Council has a duty to consider the impact of the proposal on relevant protected characteristics to ensure it has due regard to the public sector equality duty. The duty means the Council must have due regard when taking decisions to the need to:</p> <ul style="list-style-type: none"> j) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; k) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; l) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> • removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; • taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and • encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposals are potentially relevant to all the protected characteristics because of the nature of the service which is to provide support for community groups. Analysis of previous recipients of grants shows that a significant number were to groups whose aims were to support individuals or groups with one or more protected characteristics. However, these are singular grants and do not constitute a recurring commitment. With a reduced level of funding there is reduced opportunity for organisations to access funding through 2024/2025 and beyond.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				<p>Small grants Grants are provided to a wide range of community groups, including those that support communities with protected characteristics, however the grant funding is short-term one-off funding and support will be given to groups to consider other funding sources.</p> <p>The impact of ceasing this programme is that some groups will no longer have access to Council resources so will need to either become more formal or self-financing. There may be some one-off activity such as area improvements will not take place in the short term unless those groups can access funding support from elsewhere. Support will be provided to access other funding where appropriate.</p> <p>Community chest Currently Community Chest is aimed at those groups with a constitution and their own bank accounts etc. It is aimed more at activity-based projects such as supporting groups aimed at those with dementia/older people/those on recovery pathways etc. This is therefore relevant to the disability protected characteristic.</p> <p>It also aims to build capacity among groups to prepare them for application to external funders. Its budget of £33k was allocated every year but because this has always been a rolling programme there has never been a time when it stopped accepting applications. In addition to supporting some groups on an annual basis, this fund has proved to other funders that these groups have been supported by us so are trusted deliverers. In 2024/5 there will a reduced pot (-20%).</p>
				<p>The impact of reducing this programme may mean that some groups do not get support; newly established groups who use this fund as a practice to develop their skills at managing grants prior to applying elsewhere will no longer be able to do that. However, the grants are not meant to generate long term funding reliance and therefore support will be given to consider other opportunities.</p>

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				<p>Currently the Development Grant funding can be used where there is an identified need and is not already met; where funding is needed to plug a gap i.e., where there is a grant in place but is not due to start until after current funding is due to come to an end; or where short-term funding is needed to progress a business model. It has a current budget of £20k. In 2024/5 this will be reduced by 20%.</p> <p>The impact of this is that some activities may cease and then take longer to restart as projects may need to go to staff recruitment; service users may disengage, or new projects may struggle to start. The outcome cannot be wholly avoided because of the serious financial situation the Council is in and the need to deliver savings to be financially viable. While attempts have been made to mitigate the impact of this proposal, it is not possible to fully mitigate it because of the nature of the support given by this grant to groups whose work is often linked to addressing poorer outcomes that can be associated with one or more of the protected characteristics. In line with the PSED, a stage 2 assessment will be completed which will consider whether, given the outcome cannot be avoided or fully mitigated, whether it can be justified.</p> <p>Evidence user to assess this includes analysis of recipients of previous of grant support, analysis of the budget consultation survey which identified that 377 were in favour of the proposal with 232 against. Free text comments in the survey contained concerns about impacts on the vulnerable and community spirit that have been assessed within the impact assessment.</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The decision may impact upon the Councils reputation and its relationship with Voluntary and Community sector. A reduction in funding may result in some activities within organisations reducing or ceasing, or not being developed which will impact upon recipients. The grants team will work in partnership with MVDA to support organisations to consider other funding opportunities through the utilisation of find a funder and funders networks.</p>
<p>Next steps:</p> <ul style="list-style-type: none"> ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed. 				

Assessment completed by:	Sharon Barker	Head of Service:	Louise Grabham
Date:	9/2/2024	Date:	9/2/2024

Subject of assessment:	FIN11 Closure of Cashiers Middlesbrough House			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives, and activities To close the cash office due to the reduction in demand for this service. An average of 37 customers per week pay in cash. To increase alternative methods of payment, improve payment automation and increase access to payment facilities for the public. Intended move to Direct Debit (where appropriate) and increase payments via the Council's online payment method. Customers can still pay in cash for their essential bills at Post Office or PayPoint facilities. To reduce the processing and handling of cash to minimise the risk of loss and/or fraud. To provide alternative arrangements for vulnerable clients to continue to receive cash payments direct from the community bank. To make savings in costs associated with handling and processing cash. Support for customers transitioning to other methods of payment will be made available.</p> <p>Statutory drivers (set out exact reference) There is no statutory requirement to provide a cashiering function, however the service does currently provide a route by which members of the public can comply with statutory obligations on them in relation to payment of Council Tax. It also supports Council compliance with obligations in relation to management of money for vulnerable clients, however this is not the only way of delivering this service.</p> <p>Differences from any previous approach The cashier desk will be closed and payments directed through alternative routes, pay point, direct debt, post office, on line etc alternative payment methods are already available that will support the removal of this function. Where payment support has been provided by the function to vulnerable groups (Estates Function where those who are unable to are supported to manage their banking and are able to access their money by collecting it from the desk) 3rd party solutions have been identified, arrangements will provide for a town centre location for payments to be collected.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) Businesses, residents, vulnerable clients, and officers, who use the cash office to pay and receive cash.</p> <ul style="list-style-type: none"> Intended outcomes. To close the cash office, improve payment methods, minimise risk of loss and fraud and to increase payments by Direct Debit and other electronic methods. To make savings in cash handling costs and to free up valuable space in Middlesbrough House while continuing to maintain support for vulnerable residents. Those residents who still want to pay direct will be signposted to pay points instead. 			
Live date:	01.04.24			
Lifespan:	Not applicable			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The closure of the Cash Office will not adversely affect the public, businesses, vulnerable clients, or officers as alternative and non-discriminatory options will exist for all customers currently using the cash office.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the consultation process which found that no concerns in relation to human rights.</p>
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>The proposal is relevant to all members of the public if they use the cash office. There are no concerns that the proposal could result in a disproportionate adverse impact on any groups or individuals with characteristics protected in UK equality law. The proposal is particularly relevant to the age and disability protected characteristics because of the nature of the estates service and common concerns expressed about the elderly being less likely to be able to use digital services.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
				<p>The proposal will ensure all residents are treated about to access to the same methods of payments and current cash payments to vulnerable adults will continue using banking facilities.</p> <p>Communications and support for customers transitioning to other methods of payment will be made available as digital solutions may not be well received by some of the towns more vulnerable groups. Paypoint solutions will be available for those who do not wish to move to a digital payment method.</p> <p>Given the evidence above, it is not anticipated that there will be any disproportionate adverse impact on any groups or individuals with characteristics protected in UK equality law.</p> <p>Evidence used to inform this assessment includes analysis of the proposal, mitigations and feedback from the consultation process. 555 people who responded to the Council's budget consultation survey were in favour of the proposal while 178 were against. Analysis of the free text responses did identify some concerns in relation to impact on vulnerable customers and the elderly however these have been addressed by the content of the proposal.</p>
<p>Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There will be no negative impacts on any different groups as a result of this proposal. This does not discriminate against any groups and the service will be sensitive at all times to the needs of all applicants.</p> <p>Evidence used to inform this assessment includes analysis of the proposal and feedback from the budget consultation.</p>
N/A				

Assessment completed by:	Maggie Burns	Head of Service:	Justin Weston/Janette Savage
Date:	03.01.24	Date:	03.01.24

Appendix 3

Annex 1 Level 2 Impact Assessment

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Subject of assessment:	Reduction in grants to the Voluntary and Community Sector.				
Coverage:	All wards				
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function	
	<input type="checkbox"/> Process/procedure	<input checked="" type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review	
	<input 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>	
Description:	<p>Key aims, objectives and activities The intent is to reduce the funding available to the sector by reducing the level of grant for the Community Chest (£33k) and Development Grant by 20% and deleting the small grants programme of £127k to the funding gap identified by the Council and the need to make savings. As a result, the local authority will have a single VCS grant fund with some of those resources identified to support small grants with revised guidance concerning eligibility.</p> <p>Statutory drivers (set out exact reference) There are no statutory obligations in relation to the provision of community grants, however decisions to remove support from groups who provide support to one or more of the protected characteristics will be relevant to the Public Sector Equality Duty as set out in the Equality Act 2010.</p> <p>Differences from any previous approach Following consultation, the proposal has been amended slightly to be achieved by</p> <ul style="list-style-type: none"> • ceasing the small grants programme saving £0.127m in 24/25 which is for one-off grants for residents and small community groups. • a 20% reduction in 24/25 on the community chest and development grant budgets resulting in a saving of £0.011m. <p>The core grants are under a service level agreement therefore a further reduction will be applied to the core grants in 25/26 to allow for revised negotiations and service level agreements to be developed following the final year of a 3-year agreement. Support will be offered to enable organisations to access external grant funding opportunities, and a business case to access some Better Care fund monies to support grants for vulnerable people in the communities will be developed.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate) Groups and individuals that would have applied for the grant and those previous recipients of the grants who may apply for another grant</p> <p>Intended outcomes. Reduction in level of financial support available for both constituted and resident groups to apply for.</p>				
Live date:	01.04.24 onwards				
Lifespan:	ongoing				
Date of next review:	April 2025				
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"/>	There were no concerns that this proposal could have an adverse impact on human rights within the stage one impact assessment.
Equality						
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Within the stage 1 impact assessment, it was identified that the proposals would have a potential disproportionate adverse impact on all the relevant protected characteristics because of the nature of the proposal which is to reduce financial support to community and more formally constituted groups who generally are seeking funding in order to have a positive impact on their area, geographic community or a community of interest. Examples of funding given in the past to support these groups and organisations can be mapped to nearly all the protected characteristics and given the nature of the funding the removal of it could potentially impact negatively on all the groups.</p> <p>In line with the PSED, this stage 2 assessment has been completed to assess whether it can be justified, following completion of the Stage 1 impact assessment which concluded that it could not be avoided or fully mitigated due to the serious nature of the financial difficulties the Council is facing which has resulted in the Council having to apply for Exceptional Financial Support from government. Given this it is concluded that the impact is justified.</p> <p>Evidence user to assess this includes analysis of recipients of previous of grant support, analysis of the budget consultation survey which identified that 377 were in favour of the proposal with 232 against. Free text comments in the survey contained concerns about impacts on the vulnerable and community spirit that have been assessed within the impact assessment.</p>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pregnancy / maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Religion or belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Marriage / civil partnership**	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dependants / caring responsibilities**	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Criminal record / offending past**	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

Assessment issue	Impacts identified				Rationale and supporting evidence	
	None	Positive	Negative			Uncertain
			Justified	Mitigated		
Community cohesion						
Individual communities / neighbourhoods	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The stage 1 impact assessment identified concerns on potential impacts on communities as a result of reduced capacity to support geographic communities and communities of interest. As with the above assessment, this stage 2 assessment has been completed to assess whether it can be justified, following completion of the Stage 1 impact assessment which concluded that it could not be avoided or fully mitigated due to the serious nature of the financial difficulties the Council is facing which has resulted in the Council having to apply for Exceptional Financial Support from government. Given this it is concluded that the impact is justified.</p> <p>Evidence used to assess this includes analysis of recipients of previous of grant support, analysis of the budget consultation survey which identified that 377 were in favour of the proposal with 232 against. Free text comments in the survey contained concerns about impacts on the vulnerable and community spirit that have been assessed within the impact assessment.</p>
Relations between communities / neighbourhoods	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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Further actions		Lead	Deadline
Mitigating actions	Work with MVDA to identify alternative funding opportunities.	L Graham	ongoing
Promotion	Promote alternative funding opportunities in partnership with MVDA	L Graham	ongoing
Monitoring and evaluation	Monitor uptake of the revised grants programme and escalate concerns should it result in unexpected impacts that require further consideration	L Graham	6 months
Assessment completed by:	S Barker	Head of Service:	Louise Graham
Date:	9/2/2024	Date:	9/2/2024

Subject of assessment:	ECS 03 Junk Job Chargeable Collections			
Coverage:	Service Specific			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input checked="" 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 type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities To Introduce a £24.50 charge for a bulky household waste collection, in general this will be for up to five items. This will provide a more streamlined service than the two tier system in place currently. • Statutory drivers (set out exact reference) Under the terms of the Environmental Protection Act, 1990, Middlesbrough Council (the 'Council') is classed as a Waste Collection and Disposal Authority, and as such, under section 45 (1), has a statutory duty to collect household waste from all domestic properties in the Borough. Under Section 46(4) of the Act, the Council has specific powers to stipulate: <ul style="list-style-type: none"> • The size and type of the collection receptacle(s); • Where the receptacle(s) must be placed for the purpose of collecting and emptying; • The materials or items which may or may not be placed within the receptacle(s). • Differences from any previous approach This proposal is to remove the current 2 tiered approach (as shown below) & to streamline the service. The council would charge £24.50 per Junk Job and remove the Free of Charge collection service. Currently MBC offer a 2 tiered system in that residents can request the service free of charge and are placed onto a booking system on a first come first served basis, with approx. appointments occurring up to 12 weeks after the request. Alternatively, they can pay £15 for the request to be fast tracked and the appointment usually occurs within 3 weeks of the request. • Key stakeholders and intended beneficiaries (internal and external as appropriate) The key stakeholders are Environmental Services, Residents & Members. The service will be reviewed only following a process of member/public consultation. • Intended outcomes. To cease the free Junk Job Collection service, To increase the charge for the Junk Job Service, The chargeable service will generate an annual income of circa £92,000. The generated income saving is a key component in achieving Middlesbrough Councils future saving targets in 24/25 financial year. 			
Live date:	1 st April 2024			
Lifespan:	From 1 st April 2024 onwards			
Date of next review:	N/A			

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"/>	There were no concerns identified at stage one that this proposal could have an adverse impact on human rights.
Equality						
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Within the stage 1 impact assessment, it was identified that the proposals would have a disproportionate adverse impact on disability and age protected characteristics. Although there are some mitigations possible by signposting to charities who could assist, it is not possible to wholly avoid this impact within the current proposal.
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Following completion of the level 1 impact assessment, there were no concerns that the proposals could have a disproportionate, adverse impact on any of these groups.
Pregnancy / maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Religion or belief	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sex	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sexual Orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Marriage / civil partnership**	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Dependants / caring responsibilities**	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Criminal record / offending past**	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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

Assessment issue	Impacts identified					Rationale and supporting evidence
	None	Positive	Negative		Uncertain	
			Justified	Mitigated		
Community cohesion						
Individual communities / neighbourhoods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No concerns were identified in relation to community cohesion within the stage 1 assessment process.
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	Amendment of the council's website to highlight that the service is now a payable service, while also signposting the sources of independent support that are available for those unable to pay as well as signposting to the waste recycling centre for those who are able to self-serve.	K Bargewell	1 April 2024
Promotion	See above	n/a	n/a
Monitoring and evaluation	The service will monitor uptake and fly tipping levels to assess the impact of the proposal and escalate formally if required.	D Metcalfe	Ongoing

Assessment completed by:	Andrew Mace	Head of Service:	Andrew Mace
Date:	24 January 2024	Date:	24 January 2024

APPENDIX 4

Reserves Policy 2024/25

Middlesbrough Council

1. Background

- 1.1. The Council is required to maintain adequate financial reserves. Reserves are an integral part of sound financial management, they help the Council plan for future spending commitments, balance the budget and manage unpredictable financial pressures.
- 1.2. Sections 32 and 43 of the Local Government Finance Act 1992 require councils to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally to Council on the adequacy of proposed reserves when setting the budget and council tax requirement. This is completed at the Council through the Robustness Statement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
- 1.3. CIPFA issued [Local Authority Accounting Panel \(LAAP\) Bulletin No.99](#), Guidance Note on Local Authority Reserves and Balances in July 2014. CIPFA also issued [CIPFA Bulletin 13 Local Authority Reserves and Balances](#) on 28 March 2023. Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government. In response to the above requirements, this policy sets-out the Council's approach for compliance with the statutory regime and relevant non-statutory guidance for the Council's cash backed usable reserves.
- 1.4. All reserves will be categorised as per the Local Authority Accounting Practice guidance, into groupings.
- 1.5. Within the Statement of Accounts for General Fund Earmarked Reserves, all individual reserves are reported and will include a description of the purpose of the reserve.
- 1.6. Earmarked reserves will be reviewed regularly as part of the in-year monitoring and accounts closure process and annually as part of the budget setting process, to determine whether the original purpose for the creation of the reserve still exists and whether or not the reserves should be released in full or in part or require topping up based on known/expected calls upon them.
- 1.7. Particular attention will be paid in the annual review to those reserves whose balances have not moved over a two-year period, other than the General Fund, for further detail see Section 4 Management and governance.

<p>Earmarked Reserves (unusable)</p> <p>Annex B</p>	<p>These arise out of a requirement under legislation and proper accounting practice either to accumulate revaluation gains or as adjustment accounts to comply with statutory accounting requirements. These reserves are not backed by cash resources and therefore cannot be used for any other purpose. Hence, these reserves are not available to fund expenditure. These will generally be excluded from any discussion where the Council talks about its level of reserves.</p>
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1.9 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommend that the following factors should be taken into account when considering the level of reserves and balances:

- Assumptions regarding inflation and interest rates.
- Estimates of the level and timing of capital receipts.
- The capacity to manage in-year demand led pressures.
- Ability to activate contingency plans if planned savings cannot be delivered.
- Risks inherent in any new partnerships.
- Financial standing of the authority (level of borrowing, debt outstanding etc.)
- The authority's record of budget management and ability to manage in year budget pressures.
- Virement and year-end procedures in relation to under and overspends.
- The general financial climate.
- The adequacy of insurance arrangements.

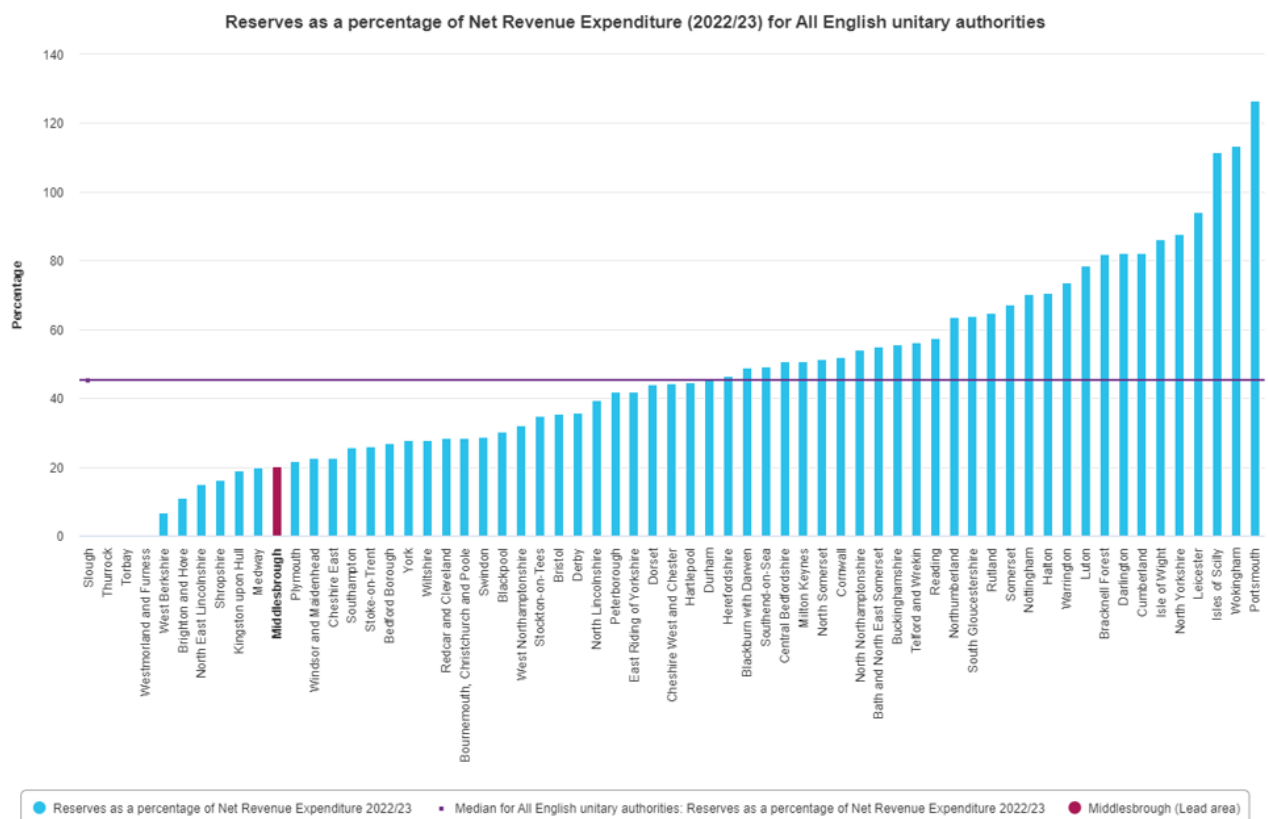
1.10 Each local authority must make its own decisions about the level of reserves it hold, taking into account all of the issues referred to above and the advice of the s151 Officer. The level of the general fund reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves.

1.11 The Council earns interest on the investment of its cash balances through its Treasury Management operations. This revenue income supports its general spending plans. By holding cash balances, the Council effectively internalises some of its borrowing, therefore avoiding interest charges on external debt. Balances held in reserves therefore help to reduce on-going revenue expenditure.

2 Strategic Context

2.1 The Council is facing a shortfall in funding compared to the level of service demand that it is experiencing. It must urgently review its priorities and redesign and transform its services over the period of the MTFP to deliver cost reduction and efficiency to achieve a budget that is financially sustainable over the medium term.

- 2.2 To achieve financial sustainability, the Council will need to invest in a range of innovative and transformational activities in order to reduce future costs of service delivery. The Council’s earmarked revenue reserves are at a critically low level and therefore are not sufficient to fund this innovation and transformation. The primary source of funding for transformation will be to generate a pipeline of capital receipts from asset sales and apply them to fund transformation in accordance with the Flexible Use of Capital Receipts (FUoCR) Strategy in accordance with Government regulations. The Council has no unapplied capital receipts forecast to be in the bank at 1 April 2024.
- 2.3 The Council is in the process of reviewing its asset base and a plan for asset rationalization was approved by the Executive in November 2023. This has resulted in an Asset Disposal Programme that will be managed as part of the Council’s Transformation Programme. The Asset Disposal Programme is fundamental to the Council’s ability to successfully deliver transformation.
- 2.4 Over the term of the MTFP, the Council will need to maintain a minimum General Fund Balance and to replenish and maintain an increased level of earmarked revenue reserves in order to improve its financial resilience. At the end of 2022/23 financial year, the Council has one of the lowest levels of total reserves as a proportion of net revenue budget compared to all unitary councils as illustrated below.



Source: LG Inform

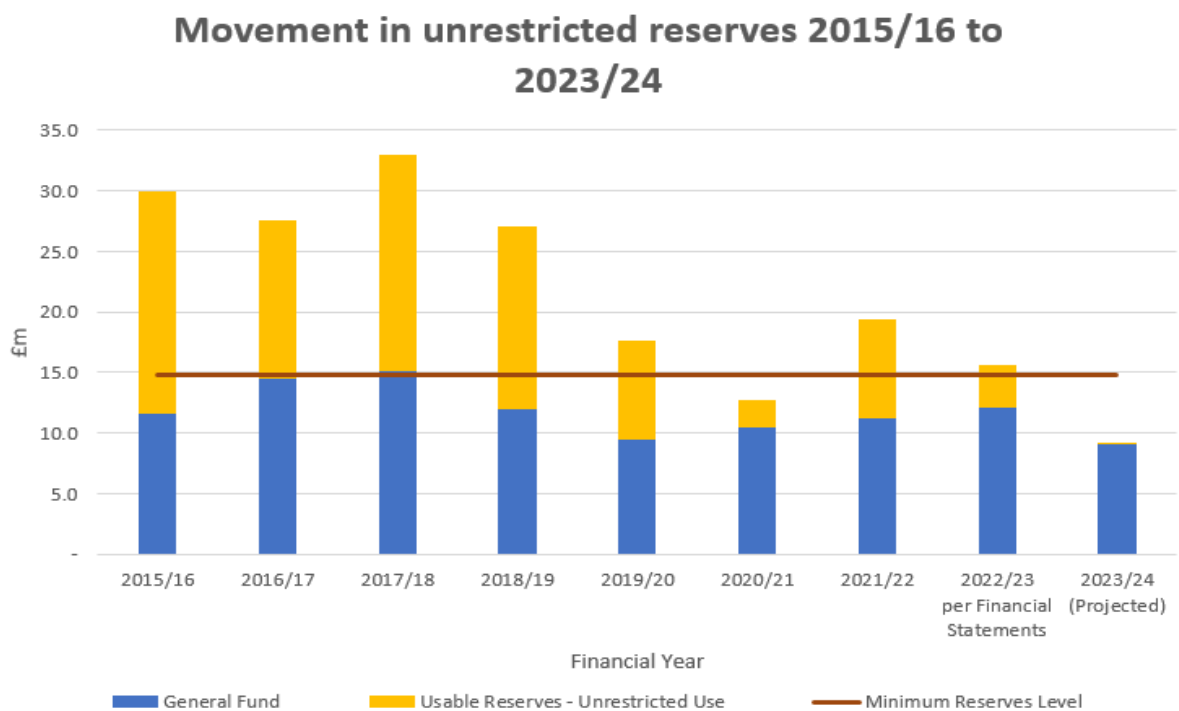
3 Management and governance

- 3.1 New reserves may be created at any time and approved by the Executive upon recommendation by the s151 Officer.
- 3.2 For each earmarked reserve held there will be a clear protocol setting out:
- The reason for/purpose of the reserve
 - How and when the reserve can be used
 - A profile over which the reserve is intended to be utilised showing expected contributions to and from the reserve, with an end date for its existence.
- 3.3 The s151 Officer shall approve the draw down of reserves provided that they are for the purpose for which the reserve has been established. The use of reserves will be reported as part of the quarterly budget monitoring report to the Executive.
- 3.4 The s151 Officer will review the use of reserves in accordance with the planned profile periodically through the financial year and as a minimum at accounts closure and budget setting. Protocols will be updated as appropriate.
- 3.5 All protocols will have an end date and at that point any balance will be transferred to the general reserve. If there is a genuine reason for slippage, then the protocol will be updated and submitted through Financial Planning for agreement by the S151 Officer or referred to the Executive as appropriate.
- 3.6 Ongoing recurring costs should not be funded from reserves unless part of a smoothing reserve and approved as part of the MTFP. The short-term use of reserves may be agreed to provide time to plan for a sustainable funding solution in the following financial year. Decisions on the use of reserves may be delayed until financial year-end and will be dependent on the overall financial position of the Council rather than the position of just one service area or directorate.
- 3.7 Council will consider a report from the s151 Officer on the adequacy of the level of reserves as part of the annual budget-setting process.
- 3.8 The Council will review and update the Reserves Strategy and Policy annually as part of the budget setting process.

4. Level of General Fund Balance Usable Reserves

- 4.1 Over recent years the level of the total value of the Council's Unrestricted usable reserves and General Fund Balance have declined as shown in the Graph below. This has weakened the Council's financial resilience in terms of its ability to be able to respond to unforeseen cost pressures and has left the Council in a financially fragile position during 2023/24 given the unprecedented levels of demand and complexity for statutory services being experienced following the Covid-19 pandemic.

- 4.2 At the start of 2023/24 the General Fund Balance was £12.041m (9.5% of NRB) and the level of the Council’s earmarked unrestricted reserves at £2.788m was described as ‘critical’ by the s151 Officer and the requirement for robust cost control and savings delivery was essential to protecting those reserves at a minimum of £14.829m.
- 4.3 Based upon the forecast outturn at Quarter 3 (ending 31 December 2023) the forecast balance on the unrestricted usable reserves is £0.055m and on the General Fund Balance is £9.036m. This is below the minimum level set at the start of 2023/24, due to expenditure pressures that have proved difficult to mitigate in year in relation to Adults and Children’s social care and SEND transport.



- 4.4 The s151 Officer has undertaken an in-depth review of the balance sheet during the 2023/24 financial year to assure the correct classification of amounts held in the General Fund Balance sheet. In addition, a review of the methodology for calculating the Collection Fund bad debt provision from 2021/22 accounts which remain subject to the conclusion of the external audit. Together with the 2023/24 forecast outturn on the Collection Fund, this has resulted in a cumulative surplus of c£8.3m being available for the General Fund to precept at budget setting 2024/25. The surplus will be applied to rebuild the General Fund Balance and earmarked unrestricted usable reserves to rebuild financial resilience and is not therefore available to balance the 2024/25 budget.

General Fund Balance

- 4.5 The level of the General Fund Balance is a matter for the Council to determine having had regard to the advice of the s151 Officer. A general assumption over many years was to allow for a minimum balance of 5% of Net Revenue Expenditure. However, due to the increasing financial risks and uncertainties facing local

authorities over the period since austerity in 2008/09, the minimum average balance recommended by s151 Officers has tended to increase. It is now more usual for a minimum of around 7.5% being held by many authorities together with substantial earmarked reserves that are necessary to manage risk and uncertainty around future government funding and increasing demand and cost of adults and children's services and SEND transport for which the Council has statutory duties that must be met.

- 4.6 The s151 Officer recommends that the General Fund Balance should be maintained at a minimum of 7.5% of the Net Revenue Budget over the period of the MTFP to 2026/27 as follows:

Year	Forecast Contribution to General Fund £m	Forecast General Fund Balance £m	Forecast NRB £m	Reserve to NRB %
2023/24	0.000	9.000	126.354	7.1
01-Apr-24	2.100	11.100	147.890	7.5
2024/25	0.000	11.100	147.890	7.5
2025/26	0.000	11.100	148.601	7.5
2026/27	0.000	11.100	148.127	7.5

Financial Resilience Reserve (FRR)

- 4.7 The s151 Officer recommends that in addition to 7.5% NRB for the General Fund Balance, a Financial Resilience Reserve be rebuilt and maintained to a target value of between £8m to £10m over the period of the MTFP to March 2027 in order to strengthen the Council's financial resilience. This is based upon sensitivity analysis upon the budgeted pressures included in the 2024/25 MTFP model.

	2024/25 MTFP Changes £m	2024/25 FRR	2025/26 - 2026/27 FRR	
		Requirement £m	Minimum Requirement £m	Maximum Requirement £m
Service Demand Pressures	20.764	2.481	5.994	7.649
Pay Award Increase	3.556	0.889	0.889	0.889
Contractual Inflation	1.550	0.155	0.465	0.620
Income Inflation	(1.853)	0.093	0.556	0.741
Shortfall on Capital Receipts	0.000	0.600	0.000	0.000
	24.017	4.217	7.904	9.899

4.8 The purpose of the Reserve will be to manage the volatility of actual income and expenditure against budget estimates without calling upon the General Fund Balance given the uncertain environment within which the Council is managing its operations. The budgeted contributions to the FRR over the period are summarised below. Any drawdown from the FRR in year will be required to be budgeted to replenish the FRR in the following financial year. Any underspend at final outturn will be transferred into the Council's Financial Resilience Reserve unless otherwise recommended by the S151 Officer.

Year	Forecast Contribution to £m	Forecast Contributions (from) £m	Forecast FRR Balance £m
2023/24		(1.798)	NIL
01-Apr-24	3.320	-	3.320
2024/25	1.441	-	4.761
2025/26	1.250	-	6.011
2026/27	2.000	-	8.011

Change Fund Reserve

4.9 The Council holds a Change Fund Reserve for the purpose of meeting the revenue costs of transformation and efficiency programmes, including meeting redundancy costs. The Council is embarking upon a major Transformation Programme that will run for two to three years from 2024/25. Whilst the main source of funding will be the Flexible Use of Capital Receipts (FUoCR), there are some costs which are not eligible to be capitalised under the FUoCR regulations and therefore they will be funded from this Reserve.

Year	Forecast contribution to £m	Forecast contribution from £m	Forecast Change Fund Balance £m
2023/24	1.487	(1.487)	NIL
01-Apr-24	1.000	-	(1.000)
2024/25	0.730	(1.730)	NIL
2025/26	0.730	(0.730)	NIL
2026/27	0.730	(0.730)	NIL

Savings Delivery Risk

4.10 The scale of the Council's 2024/25 to 2026/27 presents a significant challenge for which appropriate Transformation and Programme Management Governance arrangements are being established in order to secure successful delivery. Prudent financial provision would normally be made in earmarked revenue reserves to offset the risk of slippage / non delivery. However, the Council holds insufficient levels of reserves to make appropriate financial provision for this risk. Therefore, the Council's application for Exceptional Financial Support from DLUHC includes a request to capitalise up to £3.5m of savings slippage in 2024/25 in the event that savings are not realised at the required pace during 2024/25.

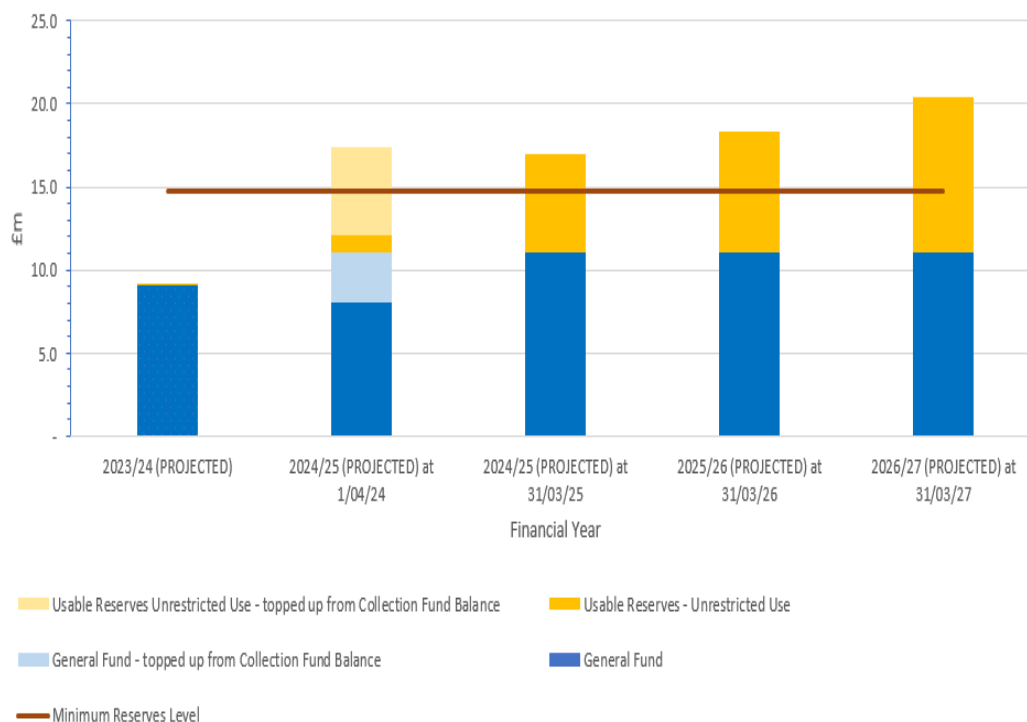
Legacy Accounts and Audit Reserve

4.11 The Council currently has prior years Statements of Account that remain subject to the completion of the external audit, with the delay due largely to the impact of the national reset of the local authority audit market by DLUHC. DLUHC is currently consulting between 8 February and 7 March 2024 in relation to arrangements for re-setting the local authority audit market and the prospect of local authority accounts being subject to qualification or disclaiming (not being audited) by the external auditor as part of the approach to clear the backlog of legacy accounts up to 2022/23 by 30 September 2024. Officers will discuss with the auditor once they set out their proposals for concluding the 2021/22 and 2022/23 audit for Middlesbrough in light of the consultation. An earmarked reserve of £1m has been set aside to provide for unforeseen adverse audit adjustments that may arise from the conclusion of these legacy audits in future periods.

5. Summary of forecast revenue reserves

- 5.1 The critically low level of revenue reserves advised to the Council at budget setting in March 2023 have been further depleted as a result of the continued expenditure pressures which Service Directors have been unable to control whilst operating under their current arrangements. The forecast level of reserves of £9.091m at 31 March are insufficient and would have resulted in the s151 Officer needing to issue a s114 Notice in 2023/24 if it had not been possible to identify a solution.
- 5.2 The detailed review of the balance sheet identified the need to review and apply a one off and exceptional adjustment of £8.3m to the Collection Fund Bad Debt provision resulting from the application of the accounting methodology to comply with accounting standard IAS37. This provides a solution to restore unrestricted usable revenue balances to the level of £17.4m. Revenue reserves will be replenished by the application of the forecast Collection Fund surplus of c£8.3m on 1 April 2024.
- 5.3 As a result of these actions and a review of the Reserves Policy, the minimum level of the General Fund Balance will be set at a minimum of 7.5% of the Net Revenue Budget equivalent to £11.1m for 2024/25.
- 5.4 The Council must aim to rebuild its unrestricted revenue reserves over the period of the MTFP. The balance on earmarked unrestricted reserves at 1 April 2024 is expected to be £6.3m
- 5.5 Within unrestricted revenue reserves, the Financial Resilience Reserve (FRR) will operate as a budget smoothing reserve to meet unanticipated financial pressures subject to recommendation by the s151 Officer to the Executive. The FRR is required to be rebuilt and maintained at between £8m to £10m by 2026/27 to provide sufficient resilience to support the management of risks in the delivery of the revenue budget over the period.

**Projected Unrestricted Reserves Balances from closing balance
2023/24 through to closing balance 2026/27**



The projected balances on reserves as at 31/03/24 is as below:

	£m	£m
General Fund Reserve		9.036
Usable Earmarked Reserves		
Restricted Use	2.121	
Unrestricted Use	0.055	
	<hr/>	2.176
Unusable Earmarked Reserves		
Dedicated Schools Grant Adjustment Account	(13.208)	
Schools Balances	3.641	(9.567)
	<hr/>	<hr/>
		1.645

Annex A – General Fund & Earmarked Reserves

The Council holds a number of usable reserves, and these are listed below.

Reserve	Description
General Fund Balance	<p>This Fund is the statutory fund into which all the receipts of the Council are required to be paid in, and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise.</p> <p>This is a minimum balance which is a contingency to cushion the impact of unexpected events or emergencies. This is the fund of last resort. This reserve ultimately smooths the financial impact of unexpected events, major incidents and unforeseen risks.</p>
Capital Receipts Reserve	This reserve holds amounts received from the disposal of assets and is only available to fund future capital projects.
Capital Grants and Contributions Unapplied Reserves	These reserves hold amounts from Capital Grants and Contributions that have been recognised in the Comprehensive Income and Expenditure Statement in line with the accounting code of practice, but for which the associated capital expenditure has not yet been incurred.

Earmarked Reserves

Reserve	Description
Schools Balances	This reserve holds the accumulated balances and the differences between the school budget and actual expenditure incurred in the year for all the Middlesbrough Council schools. In accordance with Government regulations and the Council's scheme of delegation for schools, these funds are carried forward and specifically earmarked for use by schools in future years.
Public Health	The Public Health Grant received by the Council is ring-fenced for use on public health services only. This reserve is for any amounts of grant not spent in year due to timing differences in service delivery.
Insurance Fund	The internal Insurance Fund was set up to cover all the Council's insurable risks. Only a limited amount of external insurance cover is provided for catastrophe or special risk incidents. The nature of the risks covered by the insurance reserve include fidelity guarantee, personal accident, employers' liability, fire, motor, marine, engineers, public liability and money losses.

Better Care Fund	<p>The Better Care Fund (BCF) has been established by the Government to provide funds to local areas to support the introduction of a fully integrated health and social care system. It is a requirement of the BCF that the Clinical Commissioning Group (CCG) and the Council establish a pooled fund for this purpose.</p> <p>Section 75 of the National Health Service Act 2006 gives powers to local authorities and CCGs to establish and maintain pooled funds to support the outcomes of the BCF.</p> <p>The Council has entered into a pooled budget arrangement with NHS Tees Valley Clinical Commissioning Group for the provision of health and social care services to meet the needs of the population of Middlesbrough. The services being commissioned or provided by the Council or Tees Valley Clinical Commissioning Group (TVCCG) depend upon the needs of the service recipient. The Council and TVCCG have an ongoing section 75 agreement in place for funding these services and this is reviewed annually. The Council is the host for this pooled budget and each partner's contribution is set out in the Better Care Fund section 75 agreement.</p> <p>This reserve is to hold balances from the pooled budget.</p>
Revenue Grants Unapplied	In situations where there are no grant conditions or that conditions have already been met and expenditure has not yet taken place, any unspent grants/contributions are transferred to the Revenue Grants Unapplied at year-end. These have been recognised as income in prior years in the Comprehensive Income & Expenditure Statement.
Marton Library Section 106	This reserve is held for the purpose set out in the Section 106 agreement.
Housing Rental Sinking Fund	This reserve is for the replacement of major capital expenditure, e.g., replacement windows and boilers, for properties owned by the Council and rented out.
Financial Resilience Reserve	The purpose of the Reserve is to meet unforeseen financial pressures that cannot ultimately be managed within directorate budgets.
Change Fund	The reserve has been set up to pay for the one-off costs associated with implementing change within services including the funding of invest to save projects, early retirements / voluntary redundancies and altering the way services are commissioned.
Car Parking Reserve	This reserve was created from other reserves to cover potential pressures relating to car parking income arising in future years due to the on-going impact of Covid.
Elections Costs	This reserve covers the cost of elections which occur every four years, The reserve is built up with a contribution from the elections budget each year, and then drawn down in the fourth year when local elections take place.
Legacy Accounts Reserve	This reserve has been created to cover potential outstanding legacy audit adjustments required to the accounts once outstanding audits for previous financial years have been completed.

Annex B – Unusable Reserves

Unusable Reserves are those reserves held by the Council that cannot be utilised to provide services. This includes reserves that hold unrealised gains and losses and adjustment accounts which deal with situations where income and expenditure are recognised statutorily against the General Fund balance on a different basis from that expected by accounting standards as adopted by the Code. Unusable reserves cannot be used to fund expenditure e.g., cannot fund revenue spend on services or capital spend on projects.

Reserve	Description
Revaluation Reserve	The Revaluation Reserve contains the accumulated net gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The reserve only contains revaluation gains accumulated since 1 April 2007, the date when the Revaluation Reserve was constituted. Accumulated gains and losses accumulated before that date are consolidated into the Capital Adjustment Account. Amounts contained within this reserve will only become available to provide services (or limit resources in the case of losses) once the gains/losses are realised as the assets are disposed of.
Capital Adjustment Account	<p>The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction and enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with amounts set aside by the Council as finance for the costs of acquisition, construction, and enhancement.</p> <p>The Account also contains accumulated gains and losses on Investment Property and gains recognised on donated assets as well as revaluation gains accumulated on Property, Plant and Equipment before 1st April 2007, the date that the Revaluation Reserve was created to hold such gains.</p>
Deferred Capital Receipts	Deferred Capital Receipts are amounts that are to be received in instalments over an agreed period of time. They arise from mortgages on the sale of Council Houses, or repayment terms from other asset sales. These can only be used for financing new capital expenditure when the actual receipt is received. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.
Financial Instrument Adjustment Account	This Account is held in accordance with the Code of Practice to write down over time the premiums paid on early debt repayment in order to spread the burden on Council Tax. This is a technical adjustment and has no impact on the overall financial position of the Council.

Pension Reserve	This reserve is used to reconcile the payments made for the year to various statutory pension schemes and the net change in the Council's recognised liability under IAS19 – Employee Benefits, for the same period.
Collection Fund Adjustment Account	The Collection Fund Adjustment Account holds the differences arising from the recognition of council tax and business rates income, in the Comprehensive Income and Expenditure Statement as it falls due from council tax payers and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.
Accumulating Compensated Absences Adjustment Account	The Accumulated Compensated Absences Adjustment Account reflects the value of compensated absences (employees time off with pay for holidays) earned but not taken in the year.
Dedicated Schools Grant Adjustment Account	From November 2020 The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations) established new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its schools budget relating to its accounts for financial years from 1st April 2020, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recording deficits relating to its school's budget. The CIPFA local authority accounting code has determined this as the 'Dedicated Schools Grant Adjustment Account'. The new accounting practice has the effect of separating schools budget deficits from its General Fund revenue budget.

Appendix 5

Fees and Charges Policy

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Section A – Covering Report for Fees and Charges Policy

1. Introduction

- 1.1 As part of the development of the 2024/25 budget setting process and refreshing of the Medium Term Financial Plan 2024/25 to 2026/27, the Council has undertaken a review of Fees and Charges to develop a co-ordinated approach to charging and price setting across the organisation.
- 1.2 The review took place in the context of a very challenging financial environment whilst addressing a substantial budget gap for 2024/25. There was an identified need to improve the transparency and consistency of governance related to fees and charges and there has been no organisation wide review or established corporate approach related to price setting for a number of years. To support and optimise the outcomes and build skills and capability within the Council specialist external support was commissioned to support this work.
- 1.3 At the outset a number of key objectives were agreed, which included:
- Developing and implementing a Fees and Charges policy to support the optimisation of income and related policy objectives as part of the development of the 2024/25 budget and the Medium Term Financial Plan.
 - Understanding the policy objective(s) and risk context that might influence the setting of a price – particularly where the price does not reflect the full cost of service delivery and the drivers for any change in approach and reviewing the extent to which the current price achieves the policy objective.
 - Adopting and embedding best practice around price setting, transparency and governance as part of the financial improvement journey of the Council.
 - Creating tools and techniques to support the Council in reviewing fees and charges in future years.
- 1.4 The review has taken place between September 2023 and December 2023, where a number of specific service areas were identified for a deep dive alongside a wider review of fees and charges across services.

2. Approach taken to the Review

2.1 To maximise the impact of the review there are three key elements to the review:

- Provision of Tools and Techniques to Support Price Setting - Fees and charges toolkit and training in using the tools and a draft Fees and Charges policy
- A “Hotspots Report” – An initial review of up to 10 service areas, identifying at a high level the scope for and risks associated with increasing prices. These areas consisted of:

No	Service Area
1	Car Parking (including Residents Permits)
2	Theatres
3	Garden Waste
4	Registrars Services
5	Bereavement Services
6	Planning Service (Discretionary)
7	Adult Social Care Charging
8	Shared Service/Provision to Other Councils

- Deep Dive Reviews – A full review of 3 service areas, including detailed analysis of additional income opportunities to support the development of budget proposals:

No	Service Area
1	Car Parking
2	Theatres and Town Hall
3	Registrars Services

2.2 The review has used a range of qualitative and quantitative data and tools to develop evidence based recommendations, including:

- Service data and questionnaires
- Benchmarking and comparator information with relevant groups (e.g. core cities, local councils or alternative service providers)
- Interviews and workshops with key stakeholders

3. Input into the Medium Term Financial Plan (MTFP)

3.1 The Fees and Charges review identified a number of opportunities to generate increased income and therefore make a net contribution to the Councils financial position. The net position from the Fees and Charges review is an increase in income budgets of **£1.853m** in 2024/25, primarily based on an inflationary increase in discretionary charges of 4.6%.

4. Embedding a sustainable approach - Fees and Charges Toolkit

- 4.1 A key success factor of the Fees and Charges review is the development of an approach which gives the Council the tools to develop a sustainable approach. Therefore, one of the outcomes is the development of a Fees and Charges Toolkit that will be owned by the Council officers and maintained and updated by the Head of Financial Planning and Support each year. There are four stages to the toolkit:
- Stage 1 – Understanding the service
 - Stage 2 – Gathering and analysing data
 - Stage 3 – Option Appraisal, Consultation and Implementation
 - Stage 4 – Review
- 4.2 The toolkit includes approximately 20 different tools, which include market analysis, developing and testing assumptions, cost calculation and reviewing performance.
- 4.3 The intention is that as part of the budget setting process for future years all fees and charges will be reviewed and an 'ongoing' challenge approach adopted. It is anticipated that there will be year on year developments and improvements to the publication of fees and charges, incorporating learning from good practice in other authorities and the toolkit will equip the Council to do this effectively.
- 4.4 As the fees and charges policy covers a large number of services and levers there is an interaction with a large number of Council policies in individual services (e.g. Waste policy or Traffic Management policy). The interaction between these individual policies should be considered on a service by service basis. The Council will aim to seek to optimise net income and value for money.

Section B - Fees and Charges Policy

1. Introduction

- 1.1 The Fees and Charges policy forms part of the development of the Medium Term Financial Plan (MTFP) for Middlesbrough, which aims to both deliver a balanced budget and support the delivery of the key priorities in the Strategic Plan, which are:
- A Successful and Ambitious Town: Maximising economic growth, employment, and prosperity, in an inclusive and environmentally sustainable way.
 - A Healthy Place: Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.
 - Safe and Resilient Communities: Creating a safer environment where residents can live more independent lives.
 - Delivering Best Value: Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.
- 1.2 The Council's approach to fees and charges represents a key plank of the Council's MTFP. The Fees and Charges Policy provides a framework to enable the Council to provide the optimal balance to income, policy objectives and risk. It is also a significant source of income that supports the delivery of the services. If the Council were to reduce or stop charges for services it would not have the resources to continue providing the services it currently offers.
- 1.3 This Policy sets out key components of the approach to setting, reviewing, governing and communicating fees and charges for the Council going forward:
- A framework for setting prices, using the key considerations of legislation, policy and competition as the principal drivers (section 2)
 - The legislative environment that local authorities operate within (section 3)
 - Methodology for understanding the costs associated with service delivery (section 4)
 - Approaches and Policy objective to the Application of the Charging Policy (section 5)
 - Governance approach to approval of fees and charges, implementation of the policy and a commitment to publish a schedule of fees and charges annually (section 6)

- 1.4 This policy applies to all services that the Council charges a Fee or Charge for, with a core focus on discretionary services to residents and businesses. The principles of the Fees and Charges policy should be applied to services operating in a commercial environment such as rental income (including renting assets to the community and voluntary sector), however for many of these instances it would be inappropriate to include them in the Schedule of Fees and Charges.
- 1.5 The scope excludes Council Tax rates, discounts and premiums, Business Rates and Housing Benefits.
- 1.6 The Fees and Charges policy has a number of interdependencies with other strategies and plans within the Council, including the Council Plan.

2. Establishing a Framework and Principles for Price Setting

- 2.1 The Council is a complex organisation operating a number of services in a number of different contexts and therefore it is not appropriate to take a 'one-size fits all' approach. Broadly there are four 'quadrants' that Council services operate in which influence an individual services charging strategy, these are defined by the following two axis:
 - The **degree of legislation** impacting on the service area (for example many planning fees are set by central government, whereas the only regulation set around charges for Taxi Licensing relate to limiting charges to full cost recovery)
 - The **degree of competition** in the environment they are operating within (for example the Council is the statutory planning authority and therefore a developer wanting to build new homes in Middlesbrough has no choice but to engage with the Council, whereas there are a other car parking options that are available to Middlesbrough citizens.
- 2.2 The primary objective(s) of fees and charges based upon the factors above is shown in diagram 1 below:

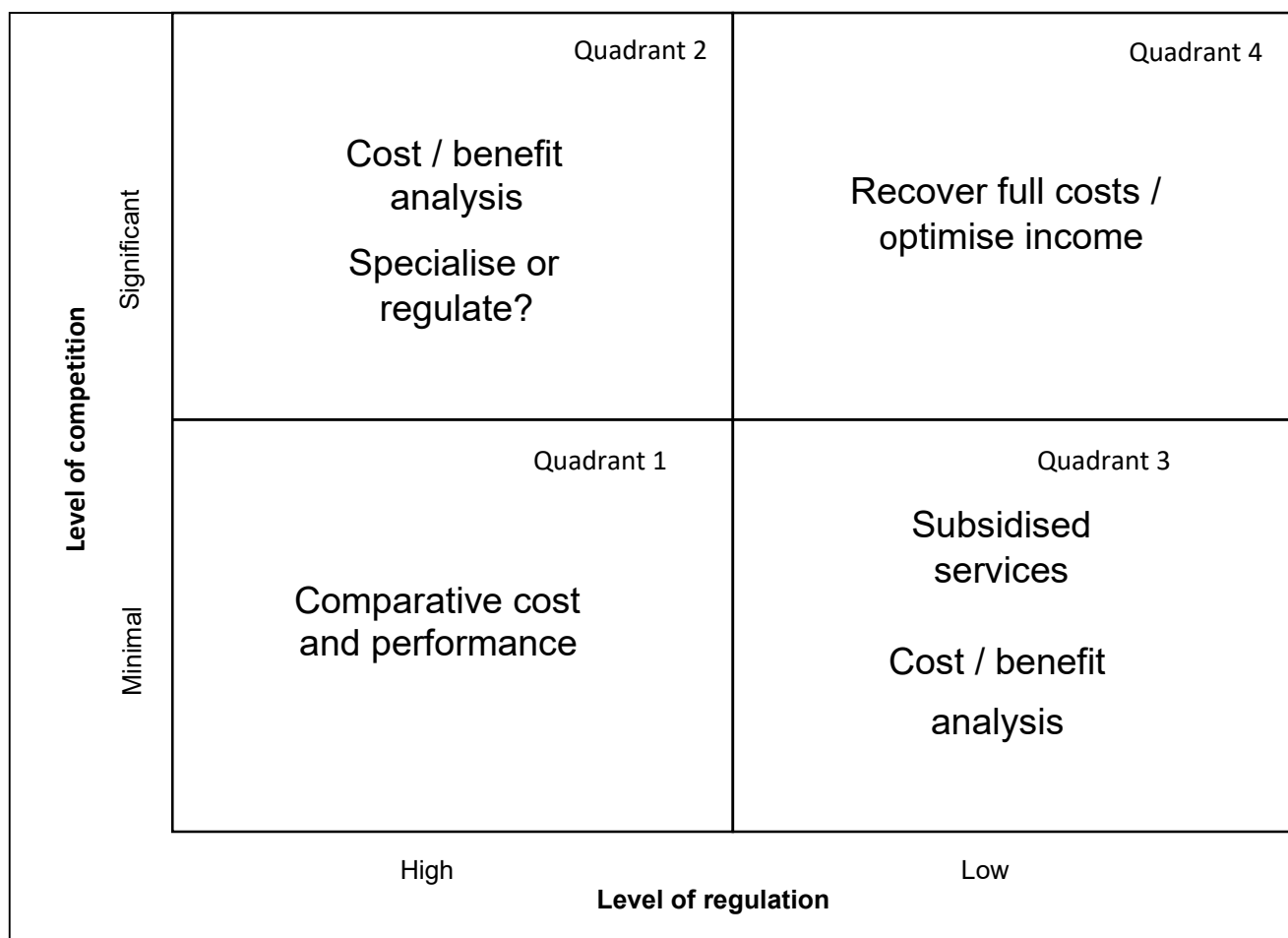


Diagram 1: Primary objectives of fees & charges based upon the key factors of competition and regulation

- 2.3 In terms of setting prices for any service, the first measure must always be statute that impacts on those services, such as Adult Social Care or Parking Enforcement. This may limit what can be charged for or set fees / prices nationally, or limit prices to cost recovery (which may be limited to direct costs of providing a service or a wider set of costs to include oversight and wider support costs of the Council).
- 2.4 **Quadrant 1** - Areas with high legislation and low (or no) competition are often services only the Council can provide (such as planning permission, or registration of births, deaths or marriages). In these circumstances, prices are often either set by legislation or limited to cost recovery. The Council should assess their performance in these circumstances by benchmarking cost, price and performance against other similar public bodies providing those services to ensure the services and any associated costs or fees are providing Value for Money.
- 2.5 **Quadrant 2** - For areas with high competition, but others providing similar services locally (for example Social Care services such as Home Care); the Council may wish to provide services where there are specialised or niche areas not covered by the market or to provide capacity to step in if there was a

market failure (such as a major supplier withdrawing from the market / ceasing to trade). In these circumstances the Council should assess the wider social benefits of its involvement in the market, alongside assessing the risk and impact of any market failures.

- 2.6 **Quadrant 3** - For areas where regulation is low, but there is limited local competition, it is likely that services are being provided at a subsidy by the Council (as it is likely there would be competition if profit could be made). For these services there are likely to be wider social benefits to providing a service. Trying to fully cost recover would reduce the usage and therefore negatively impact on these wider benefits. For example,

In such circumstances, the Council needs to weigh the relative wider public benefits of provision, against its overall budget and policy objectives to determine the appropriate level of subsidy.

It should be noted that there could be circumstances where the Council has unintentionally subsidised a service which has no specific policy objective and offered a price that has led to there being little or no competition. In this instance the Council should seek to understand the total cost of service delivery and set a pricing approach that seeks to recover those costs.

- 2.7 **Quadrant 4** - Broadly speaking, if there is limited regulation of a service, and considerable local competition, then the Council should be seeking to recover its full costs in provision in this area as a minimum. These services generally include business to business type services (such as contract parking), where other organisations would step in if the Council did not provide a service.

3. The Legislative Environment that the Council operates in

- 3.1 As highlighted in section 2 the primary consideration is the legislation relevant to the Council and that specific service. There are a large amount of legal powers that impact on the Councils ability to charge for particular services and a number of pieces of legislation that are relevant to the entire Council, an overview of which are provided below. Therefore, the following pieces of legislation should be considered:

- Localism Act 2011: General power of competence available to local authorities to do “anything that individuals generally do”
- Local Government Act 1972, s. 111 : A local authority shall have power to do anything (whether or not involving the expenditure , borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to , the discharge of any of their functions.
- Local Government Act 2003, s.93 : Power to charge for discretionary services . “ A relevant authority may charge a person for providing a

service to him if (a) the authority is authorised, but not required, by an enactment to provide the service to him , and (b) he has agreed to it's provision.”

- Local Authorities (Goods and Services) Act 1970 re. supply of goods and services by local authorities and ability of parties to enter into an agreement to include terms as to payment.

3.2 There are a large number of statutes which enable or oblige the local authority to offer specific services e.g. Environmental Protection Act 1990 re. the collection of trade waste. Whilst certain of the Council's charges are set by statute, a local authority is able, in many instances, to determine what to charge service users for the service provided.

4. Full Cost Calculation and Recovery

4.1 Many of the Council's fees and charges are legally limited to the recovery of the cost of delivering the service. Depending on the legislation specific to the service area, this is often much wider than the direct cost of service delivery (e.g. running a coaching session may only directly involve in one hour of one person's time, but there will be time spent planning for the session and a small share of the holiday's that the coach receives), but includes other items such as:

- Direct Overheads – such as management time within the service area associated with the delivery of the service
- Corporate Overheads – a fair proportion of the corporate costs that are not directly within the service, including central costs like Finance, IT or HR, senior management costs, building and premises costs (e.g. rent or maintenance) and also costs associated with the running of the Council (e.g. running a democratic system)
- Unproductive time, for example the cost of providing staff development or training or average sick time
- Service investment costs, such as contribution to continued service improvements or capital investments

4.2 The aim of the Fees and Charges Policy is to 'right size' the prices for services – i.e. set a price that achieves the optimal balance of financial return, risk and achieving policy objectives. Where it is found that services are being provided at a price below the optimal level then consideration needs to be given to the likely impact of significant changes in prices. In some cases, moving to the optimal pricing point in 'one jump' would be unpalatable, therefore a move towards this pricing point should be considered in an incremental manner over several years.

- 4.3 There are however some services where legislation limits the costs that can be recovered, however even in this instance it is important to understand the full cost of service delivery and the amount that is not recovered through the charge.
- 4.4 Therefore, regardless of the legislation about what can be charged, it is important to understand this total cost of each service, so that the Council can make an estimate of the real cost of providing this service and the degree to which services are being subsidised.
- 4.5 There may be instances where the Council has entered into long term contracts for services, but the cost of delivering the services increases significantly during the life of the contract, in this case the Council should explore opportunities for contract renegotiation.

5. Collection of Charges

- 5.1 Wherever practical and legal the Council will levy the charge and collect the income before the service is delivered, which will reduce the likelihood of customers incurring debts which are costly for the Council to collect. For example, if a customer wishes to subscribe to the Council's Green Waste collection scheme the charge will be levied in advance, payment made and after that point the Council will begin collecting the Green Waste.
- 5.2 The Council will seek to encourage the most efficient form of charge collection available and, in some cases, may offer differential pricing for different payment methods (e.g. a reduced charge is offered for customers paying by Direct Debit – recognising the reduced cost to the Council of this mechanism of payment).

6. Approaches and Policy objective to the Application of the Charging Policy

- 6.1 The Council may have a range of policy objectives for the delivery of a particular service, which will impact on the pricing decision the Council makes and therefore it is important to establish a framework for why a particular approach should be taken.
- 6.2 The default position is the recovery of full cost of service delivery and any deviation from this position requires approval via the relevant Executive Director and will be highlighted as part of the "Schedule of Fees and Charges". An objective of the policy is to ensure that the Council only subsidises the delivery of non-mandatory services where there is an explicit policy decision to do so. Where charges are set by statute no additional approval is required.
- 6.3 The table below provides an overview of different pricing approaches and the policy rationale for a particular approach:

Type	Objective	Likely Quadrant
Beyond full cost recovery: where legislation explicitly permits	The primary policy objective for the council providing the service with the objective of maximising income and legislation explicitly permits the Council to recover beyond full cost; or The council wishes to disincentivise a certain type of behaviour and is using price as a tool to achieve this	4
Full cost recovery : This is the preferred position and discretionary services are anticipated to fall into this category unless otherwise agreed	The council wishes to make the service generally available, but there is no policy rationale for providing a subsidy from general taxation.	4
Full cost recovery with concessionary discounts	The council wishes to make the service generally available and is prepared to subsidise the service to ensure disadvantaged groups have access to the service.	3 or 4
Subsidised	The council believes there are policy / public benefits from usage and therefore provides a subsidy from general taxation however users of the service are expected to make some contribution to the cost.	2 or 3
Nominal	The council wishes the service to be fully available but sets a charge to discourage frivolous use.	2
Free	The council's policy is to make the service fully available and "free at the point of delivery". The service is funded from general taxation.	
Statutory Charges	Set in line with legal obligations and national government charging policy.	1

7. Governance, Review & Implementation

- 7.1 Executive and Full Council will have full visibility and oversight of price setting for fees and charges. Notwithstanding this, it should be noted that there may be individual service reasons for price changes in year – these will be managed through the appropriate governance process and in line with the appropriate level of delegated authority for decision making. The Council will publish, as part of the annual budget setting report the Fees and Charges Policy alongside a schedule of all proposed fees and charges (with the exceptions highlighted below). To support visibility of policy and risk considerations the Schedule of Fees and Charges from 2025/26 will commence in referencing the specific legislation relevant to a service area and key policy considerations. This approach reflects the councils drive towards delivering against its corporate priorities, delivering value for money and ensuring it is learning from best practice from other Councils.
- 7.2 It should be noted that for various reasons (e.g. service operates in a commercial market with variable pricing, significant review or restructure of service is underway that materially impacts on its pricing approach) there are some fees and charges in some service areas that there may be some fees and charges that it is not appropriate to include in this report.
- 7.3 Licensing Committee – It should be noted that there are a number of charges that are under the jurisdiction of the Licensing Committee, which has a separate governance process. The principles and objectives of this price setting approach will apply to these services, however the governance, price setting and publication of those fees and charges will remain within the remit of the specific Committee.
- 7.4 Changes to prices must reflect legislation and this may include formal consultation and consideration of responses prior to implementation (for example changes to Car Parking fees requires formal communication at relevant assets 21 days in advance of any changes).
- 7.5 Where the proposals attached in “Schedule of Fees and Charges” in **Annex 1** are approved they are deemed to be valid from 1 April, unless otherwise stated. It should be noted there are some areas where there is a statutory time frame before a change in price can be implemented once a decision is made.
- 7.6 To enable services to operate with agility in commercial environments Heads of Service have delegated authority to reduce prices in year or offer ‘bulk discounts’, provided they consult with the relevant Service Director and the section 151 officer and they can evidence that it would be financially disadvantageous to the Council if it were not to do so.

- 7.7 The management of performance of fees and charges will take place as part of the normal financial performance and budget management process Heads of Services will be responsible for recommending any changes to optimise performance. As part of the budget setting process all fees and charges will be reviewed and an 'ongoing' challenge approach adopted, which will be overseen by the Head of Financial Planning & Support (Deputy Section 151 Officer).
- 7.8 The Section 151 Officer will ensure the Policy is reviewed on an annual basis to ensure it remains fit for purpose and may need to be reviewed by exception if there is a significant change in government policy impacting on the Council's ability to charge. As part of the Council's annual review the default position will be to increase charges by the prevailing rate of inflation as indicated through the MTFP planning assumptions used by the Council.
- 7.9 Reasonable notice should be given to service users before any decisions to amend or introduce new fees and charges are implemented.

Annex

1	Fees and Charges Schedule 2024/25
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Middlesbrough Council

Appendix 5 - Annex 1 Fees and Charges Schedule

Detailed Service - current fees and proposed increased fees from 1st April 2024*

*unless an alternative date is indicated

Directorate Adult Social Care	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Prevention, Provider & Support Services			
Day Centre Meal (2 course lunch & drink)	4.70	4.90	4.3
Day Centre Meal (1 course lunch & drink)	3.90	4.10	5.1
Levick Court (chg/wk re Service User funded by external organisations)	1448.00	1515.00	4.6
North Ormesby Day Centre (chg/wk re Service User funded by external organisations)	232.00	243.00	4.7
The Orchard Complex Needs Service (chg/wk re Service User funded by external organisations)	700.00	732.00	4.6
Community Inclusion Service (chg/wk re Service User funded by external organisations)	385.00	403.00	4.7
Community Inclusion Service - Autism (chg/wk re Service User funded by external organisations)	549.00	574.00	4.6
Connect : Private Telecare service	4.87	Obsolete	n/a
Connect : Weekly Call	0.85	Obsolete	n/a
Connect : Keyholding	0.58	Obsolete	n/a
Connect : DORO IP Unit (Monitoring Unit)	6.12	Obsolete	n/a
Connect : Bronze - Monitoring & Response (base unit only)	6.12	6.40	4.6
Connect : Silver - Monitoring & Response (base unit + up to 2 add-ons)	new	7.99	n/a
Connect : Gold - Monitoring & Response (base unit + up to 5 add-ons)	new	10.99	n/a
Connect : Platinum - Monitoring & Response (base unit + up to 8 add-ons)	new	15.99	n/a
Connect : Additional Pendant	1.00	1.00	No Change
Connect : Extra Charges : Damaged/Lost Equipment	new	Cost of item	n/a
Connect : Extra Charges : Reassurance Visit (per visit)	new	25.00	n/a
Connect : Extra Charges : Carer Support (per visit)	new	25.00	n/a
Connect : Extra Charges : Client Support - Property (per visit)	new	25.00	n/a
Connect : Extra Charges : Prescription collection (emergencies only)	new	5.00	n/a
Connect : Extra Charges : Toilet Calls (per visit)	new	15.00	n/a
Connect : Extra Charges : Telephone calls for Client (per call)	new	1.00	n/a
Connect : Sheltered Out of Hours	3.72	3.89	4.6
Connect : Sheltered - One off call for non-Out of Hours Client (per visit)	new	25.00	n/a
Connect : Sheltered Housing : Fire Alarm Monitoring (non-council)	2.28	2.99	31.1
Connect : Sheltered Housing : System Faults Monitoring Evening & Weekend (per call)	new	2.99	n/a
Connect : Sheltered Housing : Bldg Repairs monitoring Evening & Weekend (per call)	new	2.99	n/a
Connect : Sheltered Housing : Bank Holiday & Training day cover monitoring (per resident)	new	0.70	n/a
Connect : Sheltered Housing : Bank Holiday & Training day cover response (per resident)	new	25.00	n/a
Connect : Lone Working (non-social care services) Careium 450 (per unit per worker)	new	100.00	n/a
Connect : Lone Working (non-social care services) : Monitoring & Sim card (per month)	new	7.50	n/a
Connect : Lone Working (non-social care services) : Base Unit for building (monitor only) /wk	new	6.50	n/a
Connect : Non-Council Building alarms (per alarm)	2.28	2.99	31.1
Connect : Schools Building alarms (per alarm)	new	2.99	n/a
Social Worker Basic (per hour) - charges to Other Local Authority's for Out of Area Assessments	45.23	48.65	7.6
Social Worker Complex (per hour) - charges to Other Local Authority's for Out of Area Assessments	53.29	64.54	21.1
Directorate Adult Social Care	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Estates Services			
Estates Team : Banking Fees (Residential) (savings £1000+) - per month	15.00	16.00	6.7
Estates Team : Banking Fees (Community) (savings £1000+) - per month	20.00	21.00	5.0
Estates Team : Funeral Admin fee	300.00	314.00	4.7
Estates Team : Account closure fee	200.00	209.00	4.5
Estates Team : Property Management/sale closure fee	300.00	300.00	No Change
Estates Team : Deputyship - Court Order Initial fee	745.00	745.00	No Change
Estates Team : Deputyship - Annual Report fee	216.00	216.00	No Change
Estates Team : Deputyship - Annual Management fee (Year 1 maximum)	775.00	775.00	No Change
Estates Team : Deputyship - Annual Management fee (Year 2 + maximum)	650.00	650.00	No Change

Directorate Name: Children's Services (Education and Partnerships)	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Middlesbrough Educational Psychology Service (MEPS)			
Daily charge for schools for time purchased	495.00	550.00	11.1
Per person charge for 6 x 2-hour sessions of ELSA (Emotional Literacy Support Assistant)	220.00	244.00	10.9
Education Welfare Officer support			
Berwick Hills primary school, Service Level Agreement (annual charge)	1100.00	1155.00	5.0
Ayresome primary school, Service Level Agreement (annual charge)	3300.00	3465.00	5.0
Hollis Academy, Service Level Agreement (annual charge)	400.00	420.00	5.0
Stainsby Nursery			
Per Hour (price change from 1st September to 31st August):	10.00	10.50	5.0
Session (price change from 1st September to 31st August):	35.00	36.50	4.3
Daily (price change from 1st September to 31st August):	55.00	57.50	4.5
Weekly (price change from 1st September to 31st August):	250.00	261.00	4.4
After school (price change from 1st September to 31st August):	20.00	21.00	5.0
Ethnic Minority Achievement Team (EMAT)			
Annual Service Level Agreement: Secondary School (1st September to 31st August):	7099.29	7426.00	4.6
Annual Service Level Agreement: Primary School (1st September to 31st August):	3640.43	3808.00	4.6
Annual Service Level Agreement: Interpretation only (1st September to 31st August):	2609.36	2730.00	4.6
Directorate: Environment & Community Services			
	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Public Protection			
Public Protection - Cosmetic Treatment License - premises	71.70	75.00	4.6
Public Protection - Cosmetic Treatment License - person	71.70	75.00	4.6
Public Protection - Hairdressing License	38.00	39.75	4.6
Public Protection - Food Hygiene re-visit	179.20	187.44	4.6
Public Protection - IPPC Permit Part B Subsistence Charge	79.00	79.00	No Change
Public Protection - IPPC Permit Part B Subsistence Charge	113.00	113.00	No Change
Public Protection - IPPC Permit Part B Subsistence Charge	228.00	228.00	No Change
Public Protection - IPPC Permit Part B Subsistence Charge	772.00	772.00	No Change
Public Protection - Sale of fireworks (annual license)	500.00	500.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 1 year	111.00	111.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 2 year	144.00	144.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 3 year	177.00	177.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 4 year	211.00	211.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 5 year	243.00	243.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 1 year	55.00	55.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 2 year	88.00	88.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 3 year	123.00	123.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 4 year	155.00	155.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 5 year	189.00	189.00	No Change
Public Protection - HMO Licence (baseline charge for properties up to 5 bedrooms) *			
*New HMO fees policy may amend proposed fees further for 2024/25	722.20	755.42	4.6
Public Protection - Immigration Inspection fee	143.40	150.00	4.6
Public Protection - Animal Activities Licence - 1 year	278.00	290.79	4.6
Public Protection - Animal Activities Licence - 2 year	354.00	370.28	4.6
Public Protection - Animal Activities Licence - 3 year	429.00	448.73	4.6
Street trading - Daytime	6,813.00	7,126.40	4.6
Street trading - Nighttime	1,579.00	1,651.63	4.6
Street trading - Riverside	936.00	979.06	4.6
Premises for Marriage and Civil Partnerships (3 years)	780.00	815.88	4.6
Distribution of free printed materials	104.00	108.78	4.6

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Taxi Licensing (Change in Fees is via a separate process in consultation with Taxi Trade)	£	£	%
Taxi Licensing : Vehicles - New Hackney Carriage - 1 year license	154.00	154.00	No Change
Taxi Licensing : Vehicles - Renewal Hackney Carriage - 1 year license (vehicle 3yr +)	192.00	192.00	No Change
Taxi Licensing : Vehicles - Renewal Hackney Carriage - 1 year license (vehicle < 3yr)	154.00	154.00	No Change
Taxi Licensing : Vehicles - New Private Hire - 1 year license	140.00	140.00	No Change
Taxi Licensing : Vehicles - Renewal Private Hire - 1 year license (vehicle 3yr +)	178.00	178.00	No Change
Taxi Licensing : Vehicles - Renewal Private Hire - 1 year license (vehicle < 3yr)	140.00	140.00	No Change
Taxi Licensing : Vehicles - Full Test (incl meter test)	46.00	46.00	No Change
Taxi Licensing : Vehicles - Partial Test (incl meter test)	31.00	31.00	No Change
Taxi Licensing : Vehicles - Full Test (without meter test)	38.00	38.00	No Change
Taxi Licensing : Vehicles - Partial Test (without meter test)	23.00	23.00	No Change
Taxi Licensing : Drivers - New - 1 year license	221.00	221.00	No Change
Taxi Licensing : Drivers - New - 3 year license	306.00	306.00	No Change
Taxi Licensing : Drivers - Renewal - 1 year license	122.00	122.00	No Change
Taxi Licensing : Drivers - Renewal - 3 year license	209.00	209.00	No Change
Taxi Licensing : Operators - New application - 1 year license	646.00	646.00	No Change
Taxi Licensing : Operators - New application - 5 year license	1246.00	1246.00	No Change
Taxi Licensing : Operators - Renewal - 1 year license	571.00	571.00	No Change
Taxi Licensing : Operators - Renewal - 5 year license	1207.00	1207.00	No Change
Directorate: Environment & Community Services	£	£	%
Highways and Environment Services	£	£	%
Area Care & Waste			
Junk Jobs- up to 5 items- standard service	No Charge	24.50	New
Junk Jobs- up to 5 items- premium service	22.50	24.50	8.9
Junk Jobs -up to 10 items	45.00	47.07	4.6
Junk Jobs - up to 15 items	67.50	70.60	4.6
Allotments - small plot at Low Lane	20.00	20.92	4.6
Allotments-small plot	44.44	46.48	4.6
Allotments-medium plot	85.80	89.74	4.6
Shopping Trolley Retrieval	66.00	69.03	4.6
Green Waste Collection Charge-1st Wheeled Bin	Free	40.00	N/A
Green Waste Collection Charge - Additional Wheeled Bin	Free	20.00	N/A
Replacement Wheeled Bin -140ltr	15.00	20.45	36.3
Replacement Wheeled Bin - 240ltr	Free	23.50	N/A
Replacement Wheeled Bin-240ltr Green Waste	Free	37.50	N/A
Highways Maintenance Planned/Responsive			
Bus Stop/Traffic Suspension Notice/Demolition Notes	65.00	68.00	4.6
Winter Maintenance			
Salt Provision to Redcar & Cleveland Local Authority -based on current salt prices plus admin fee	variable	variable	-
Gritting at James Cook Hospital and Serco-based on demand, includes salt, labour,fuel admin fee	variable	variable	-
Highway Maintenance Projects			
Various Highways works linked to one off projects based on activity and level of works required	variable	variable	-
Highways Services Management			
New Street Naming and Numbering	168.33	180.00	6.9
1-3 addresses (per address)	43.44	46.00	5.9
4 addresses or more (per address)	14.12	15.00	6.2
for every 50 addresses above 4	108.60	115.00	5.9
Management of the Highways			
Insurance Claims for Damage to Infrastructure following Road Traffic Collision	variable		-
Fleet Management			
MOT - Car	35.00	36.61	4.6
MOT - Minibus 13-16 passenger seats	45.00	47.07	4.6
MOT - Minibus over 16 passenger seats	45.00	47.07	4.6
MOT - Vehicles weighing 3000kg to 3500kg	35.00	36.61	4.6
MOT - Duplicate Test Certificates	10.00	10.46	4.6
Streetworks			
Permits & Inspections	variable	variable	-
Environment Enforcement			
Fly Tipping (reduction to £600 if paid in 7 days)	800.00	800.00	No Change
Littering (reduction to £200 if paid in 7 days)	300.00	300.00	No Change
Household Duty of Care Offences	600.00	600.00	No Change

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Highways and Environment Services	£	£	%
Pest Control			
Wasps & Bees per visit	45.94	48.05	4.6
Bed Bugs/Cockroaches per 2 visits	229.58	240.14	4.6
Rodents per visit	44.05	46.07	4.6
Other insects per visit	107.13	112.05	4.6
Hourly Rate per visit	51.02	53.36	4.6
Concessionary Fares			
Replacement Pass (lost, stolen or damaged)	16.50	17.25	4.5
Middlesbrough Bus Station			
Departure Charges-increased as from 1 January 2024, contract to 31 December 2024	0.60	0.65	8.3
Parks Management			
Events - each event price negotiated	variable	variable	8.6
Newham Grange Leisure Farm			
Adult -Day Ticket	5.30	5.60	5.7
Child -Day Ticket	4.50	4.75	5.6
Senior-Day Ticket	4.50	4.75	5.6
Family -Day Ticket	17.90	18.80	5.0
Under 2s	Free	Free	No Change
Carer	Free	Free	No Change
Groups - Ratio 1 in 10 Free	Free	Free	No Change
Adult - School Group	3.90	4.10	5.1
Child -School Group	3.90	4.10	5.1
Guided Tour	16.50	17.50	6.1
Adult - Annual Ticket	65.00	68.50	5.4
Child-Annual Ticket	45.00	47.50	5.6
Senior-Annual Ticket	45.00	47.50	5.6
Family -Annual Ticket	160.00	168.00	5.0
Children's Party- All Children	11.50	12.50	8.7
Adults	3.90	4.10	5.1
Non Refundable Deposit	20.00	25.00	25.0
Bronze Sponsorship	15.00	16.00	6.7
Silver Sponsorship	30.00	32.00	6.7
Gold Sponsorship	50.00	53.00	6.0
Room Hire - Hour	16.50	17.50	6.1
Room Hire -Half Day	49.50	52.00	5.1
Room Hire -Full Day	88.00	92.50	5.1
Directorate: Environment & Community Services	Current fee	Proposed fees from 1st April 2024	% increase
Bereavement Services	£	£	%
Cremation Fees:			
Child between one month and 18 years old	-	-	N/A
Person over 18 years old	902.00	950.00	5.3
Person over 18 years old -9am and 9.15 Monday to Friday time slots	792.00	830.00	4.8
Direct Cremation (no family,mourners,minister,service)	484.00	510.00	5.4
Cremation of Body Parts	60.00	63.00	5.0
Hospital or Social Services contract cremation	640.00	670.00	4.7
Scattering of cremated remains in the Garden of Remembrance	No Charge	No Charge	No Change
Scattering of cremated remains elsewhere	60.00	65.00	8.3
Urns & Caskets for Cremated Remains:			
Additional plastic urn,scatter tube or cardboard box	20.00	21.00	5.0
Wooden Casket	85.00	90.00	5.9
Miscellaneous Fees:			
Use of chapel for 30 minutes	110.00	115.00	4.5
Temporary Storage of cremated remains per month or part of a month (after 1 month)	30.00	32.00	6.7
Burial/Internment Fees			
Child between one month and 18 years old	No Charge	No Charge	No Change
Person over 18 years old	790.00	830.00	5.1
Burial of body parts	185.00	195.00	5.4
Scatter of cremated remains in a grave below the turf (up to 1 foot depth)	90.00	95.00	5.6
Internment of cremated remains in an urn or casket (up to 3 foot depth)	190.00	200.00	5.3
Internment in a pre-purchased mausoleum chamber	800.00	840.00	5.0

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Bereavement Services	£	£	%
Exclusive Rights of Burial (purchasing a grave)			
Full size grave	1,230.00	1,300.00	5.7
Half size grave for a child (designated section)	No Charge	No Charge	No Change
Woodland or Meadowland Grave -single interment	1,230.00	1,290.00	4.9
Woodland or Meadowland Grave -double interment (side by side)	1,640.00	1,720.00	4.9
A concrete vault in the Muslim section of Thorntree Cemetery	1,485.00	1,560.00	5.1
Transfer of exclusive right of burial	55.00	60.00	9.1
Headstones Vases and Monumental Inscriptions			
Right to erect a memorial between 12" and 24" in height	110.00	120.00	9.1
Right to erect a headstone over 24" and up to 60"	225.00	240.00	6.7
Right erect a kerbset on a traditional grave	110.00	120.00	9.1
Right to erect an ashes grave memorial/flower vase	55.00	60.00	9.1
Right to have a second or subsequent inscription	55.00	60.00	9.1
Chapel Service			
Webcast/Livestream	60.00	65.00	8.3
Webcast/Livestream-on demand replay & downloadable version	65.00	70.00	7.7
Keepsakes-DVD or USB-first copy	65.00	70.00	7.7
Keepsakes-DVD or USB-additional copies	45.00	70.00	55.6
Keepsake-Video Book	115.00	125.00	8.7
Keepsake-Memory Box	150.00	160.00	6.7
Single Photo Tribute (first)	No Charge	No Charge	No Change
Additional Single Photos	17.50	20.00	14.3
Basic Slideshow (up to 25 photos)	55.00	60.00	9.1
Music Tribute (formerly pro tribute)	80.00	85.00	6.3
Themed Tribute	110.00	120.00	9.1
Bespoke Tribute	435.00	460.00	5.7
Family Made Tribute	65.00	70.00	7.7
Additional 25 photos (tributes/basic slideshows)	30.00	35.00	16.7
Download Tribute	17.50	20.00	14.3
Extra Work Fee-revisions from standard product-e.g. adding video to Pro Tribute,timing photos,converting files	55.00	60.00	9.1
Under 18's Webcast,Single Photo,Basic Slideshow-up to 25 photos	No Charge	No Charge	No Change
Memorial Seats & Plaques			
Memorial Wall Small Plaques-10 years	410.00	430.00	4.9
Memorial Wall Small Plaques-20 years	605.00	635.00	5.0
Add a standard design	120.00	130.00	8.3
Add a special design	170.00	180.00	5.9
Add a ceramic photograph	174.00	190.00	9.2
Memorial Wall Large Plaques-20 years	605.00	635.00	5.0
Memorial Wall Large Plaques -20 years	930.00	975.00	4.8
Add a standard design	130.00	140.00	7.7
Add a special design	205.00	220.00	7.3
Add a ceramic photograph	210.00	220.00	4.8
Re-gild small or large wall plaque	90.00	95.00	5.6
Baby Memorial Wall Plaque - 10 years-Acklam	215.00	225.00	4.7
Baby Memorial Wall Plaque - 10 years-Linthorpe	198.00	210.00	6.1
Add a special design	70.00	75.00	7.1
Vase,tablet in relief and lease	770.00	810.00	5.2
Gold Leaf Lettering	70.00	75.00	7.1
Tablet only -Gold	445.00	470.00	5.6
Tablet only -Relief	375.00	400.00	6.7
One Photograph	165.00	175.00	6.1
Re-gild	90.00	95.00	5.6
Sanctum vault,tablet and lease	1,560.00	1,640.00	5.1
Add a standard design	130.00	140.00	7.7
Add a special design	200.00	210.00	5.0
Add a ceramic photograph	210.00	220.00	4.8
Extra Letters -per letter	6.00	7.00	16.7
Replacement flower container	12.00	15.00	25.0
Remove and re-fix sanctum plaque	90.00	95.00	5.6
Rose, lease & plaque	390.00	410.00	5.1
Plaque only	179.00	190.00	6.1
Re-glaze plaque	55.00	60.00	9.1
Tree Plaque (replacement only)	302.50	320.00	5.8

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Bereavement Services	£	£	%
Memorial Seats & Plaques			
Memorial seat and plaque	2,125.00	2,250.00	5.9
Additional plaque	310.00	325.00	4.8
Additional foundation	470.00	495.00	5.3
Additional letters on seat plaque	4.00	5.00	25.0
Seat only	1,725.00	1,850.00	7.2
Woodland Seat (15 year lease)	2,200.00	2,300.00	4.5
Barbican Memorial Plaque & 10 year lease	545.00	575.00	5.5
Add a standard design	115.00	125.00	8.7
Add a Special design	195.00	205.00	5.1
Add a ceramic photograph	165.00	175.00	6.1
Book of Remembrance			
2 line entry	70.00	75.00	7.1
5 line entry	105.00	110.00	4.8
8 line entry	165.00	175.00	6.1
5 line entry with flower motif	160.00	170.00	6.3
8 line entry with flower motif	225.00	240.00	6.7
5 lines with badge	190.00	200.00	5.3
8 lines with badge	250.00	265.00	6.0
5 lines with special design	190.00	200.00	5.3
8 lines with special design	250.00	265.00	6.0
Special Urns,caskets,keepsakes for cremated remains			
Wooden Casket	85.00	90.00	5.9
Footprints biodegradable urn	195.00	210.00	7.7
Ruby fibreglass with pink velvet bag	90.00	95.00	5.6
Burgundy Rose urn with velvet bag	90.00	95.00	5.6
White Steel Stars Urn	90.00	95.00	5.6
Blue Out to Sea Urn	90.00	95.00	5.6
Blue with Butterflies	90.00	95.00	5.6
Pink Metal Urn with gold rose edges	110.00	120.00	9.1
Praying Hands	110.00	120.00	9.1
Brass Polished Rose Urn	195.00	210.00	7.7
White Glazed Urn	60.00	65.00	8.3
Solid Oak Ornate Casket for Burials	100.00	110.00	10.0
Solid Oak Plain Casket for sanctums	100.00	110.00	10.0
Solid Oak White Casket	120.00	130.00	8.3
Egyptian Style Wooden Urn	30.00	40.00	33.3
Oak Casket -Double	195.00	210.00	7.7
Mini Heart Keepsakes	45.00	50.00	11.1
Mini Urns	32.50	40.00	23.1
Mini Red Heart	52.50	60.00	14.3
Single Stand for Mini Hearts	15.00	20.00	33.3
Brass Urn-Sanctum 2000	195.00	210.00	7.7
Brass Urn -Sanctum 2000 small keepsake	75.00	80.00	6.7

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Car Parking (effective from 11th March 2024)	£	£	%
Captain Cook Square - up to 3 hours	1.00	1.50	50.0
Captain Cook Square short stay- up to 4 hours	6.00	7.20	20.0
Captain Cook Square short stay up to 5 hours	7.50	9.00	20.0
Captain Cook Square short stay up to 6 hours	9.00	10.80	20.0
Captain Cook Square short stay up to 7 hours	10.50	12.60	20.0
Captain Cook Square short stay up to 10 hours	12.00	14.40	20.0
Captain Cook Square long stay up to 4 hours	2.50	3.00	20.0
Captain Cook Square long stay up to 10 hours	3.50	4.00	14.3
Amber Street , Buxton street & MIMA car parks up to 1 hour	1.50	1.80	20.0
Amber Street , Buxton Street & MIMA car parks up to 2 hours	3.00	3.60	20.0
Amber Street , Buxton Street & MIMA car parks up to 3 hours	4.50	5.40	20.0
Amber Street , Buxton Street & MIMA car parks up to 4 hours	6.00	7.20	20.0
Amber Street , Buxton Street & MIMA car parks up to 5 hours	7.50	9.00	20.0
Amber Street , Buxton Street & MIMA car parks up to 6 hours	9.00	10.80	20.0
Amber Street , Buxton Street & MIMA car parks up to 7 hours	10.50	12.60	20.0
Amber Street, Buxton Street & MIMA car parks up to 10 hours	12.00	14.40	20.0
Jedburgh Street car park up to 2 hours	1.00	1.50	50.0
Jedburgh Street car park up to 4 hours	1.50	3.00	100.0
Jedburgh Street car park up to 10 hours	2.50	4.50	80.0
France Street car park up to 2 hours	1.50	2.00	33.3
France Street car park up to 4 hours	2.50	3.00	20.0
France Street car park up to 10 hours	3.50	4.00	14.3
Cannon Park, Cannon Park Way & Wood Street up to 2 hours	1.00	1.20	20.0
Cannon Park, Cannon Park Way & Wood Street up to 4 hours	1.50	2.00	33.3
Cannon Park, Cannon Park Way & Wood Street up to 10 hours	2.50	3.00	20.0
Directorate: Environment & Community Services	Current fee	Proposed fees from 1st April 2024	% increase
Car Parking (effective from 11th March 2024)	£	£	%
Station Street & Zetland car parks up to 10 hours	2.30	2.50	8.7
Ferry Road car park up to 3 hours	1.00	1.50	50.0
Ferry Road car park up to 4 hours	2.00	2.50	25.0
Ferry Road car park up to 10 hours	2.70	3.00	11.1
Limited stay car parks up to 2 hours	2.20	2.50	13.6
Dock Street car park up to 2 hours	1.50	1.80	20.0
Dock Street car park up to 4 hours	2.20	2.50	13.6
Dock Street car park up to 10 hours	2.70	3.00	11.1
Residents Parking Permit Charge - 1st Permit	New	25.00	N/A
Residents Parking Permit Charge - Additional Permits	New	40.00	N/A
NHS and Official Careers Permits	New	10.00	N/A

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Community Hubs and Libraries	£	£	%
Venue Hire - Acklam Library			
Room 1 - Capacity 15 (Hourly)	12.00	12.50	4.2
Room 1 - Capacity 15 Community Groups (Hourly)	6.00	6.50	8.3
Room 1 - Capacity 15 (Half Day Up to 3 Hours)	30.00	31.50	5.0
Room 1 - Capacity 15 Community Groups (Half Day Up to 3 Hours)	18.00	19.00	5.6
Room 1 - Capacity 15 (Full Day Over 3 Hours)	48.00	50.00	4.2
Room 1 - Capacity 15 Community Groups (Full Day Over 3 Hours)	30.00	31.50	5.0
Room 2 - Capacity 5 (Hourly)			
Room 2 - Capacity 5 (Hourly)	12.00	12.50	4.2
Room 2 - Capacity 5 Community Groups (Hourly)	4.50	4.70	4.4
Room 2 - Capacity 5 (Half Day Up to 3 Hours)	18.00	19.00	5.6
Room 2 - Capacity 5 Community Groups (Half Day Up to 3 Hours)	12.00	12.50	4.2
Room 2 - Capacity 5 (Full Day Over 3 Hours)	30.00	31.50	5.0
Room 2 - Capacity 5 Community Groups (Full Day Over 3 hours)	18.00	19.00	5.6
Refreshments Per Person	0.50	0.60	20.0
Venue Hire - Easterside Community Hub			
Room 8 (Capacity 4), EDRA Room (Capacity 35), Room 18 (Capacity 4), Room 21 (Capacity 15), Room 34 (Capacity 12), L1 Room (Capacity 40)			
Standard (Hourly)	12.00	12.50	4.2
Standard (Hourly Out of Hours)	15.00	16.00	6.7
Standard (Full Day 9am - 5pm Weekdays)	60.00	63.00	5.0
Standard Refreshments per session	5.00	5.20	4.0
Room 8 (Capacity 4), EDRA Room (Capacity 35), Room 18 (Capacity 4), Room 21 (Capacity 15), Room 34 (Capacity 12), L1 Room (Capacity 40)			
Community Group (Hourly)	6.00	6.50	8.3
Community Group (Hourly Out of Hours)	10.00	10.50	5.0
Community Group (Full Day 9am - 5pm Weekdays)	60.00	63.00	5.0
Community Group Refreshments per session	5.00	5.20	4.0
Venue Hire - Grove Hill Community Hub			
Room 1 (Capacity 30), Room 2 (Capacity 15), Room 3 (Capacity 8), Room 4 (Capacity 4), Room 5 (Capacity 35)			
Standard (Hourly)	12.00	12.50	4.2
Standard (Hourly Out of Hours)	15.00	16.00	6.7
Standard (Full Day 9am - 5pm Weekdays)	60.00	63.00	5.0
Standard Refreshments per session	5.00	5.20	4.0
Room 1 (Capacity 30), Room 2 (Capacity 15), Room 3 (Capacity 8), Room 4 (Capacity 4), Room 5 (Capacity 35)			
Community Group (Hourly)	6.00	6.50	8.3
Community Group (Hourly Out of Hours)	10.00	10.50	5.0
Community Group (Full Day 9am - 5pm Weekdays)	60.00	63.00	5.0
Community Group Refreshments per session	5.00	5.20	4.0
Venue Hire - Hemlington Hub and Library			
Room 1 (Capacity 6), Room 2 (Capacity 6), Activity Room (Capacity 12)			
Standard (Hourly)	12.00	12.50	4.2
Standard (Half Day Up to 3 Hours)	30.00	31.50	5.0
Standard (Full Day Over 3 Hours)	48.00	50.00	4.2
Standard Refreshments per person	0.50	0.60	20.0
Room 1 (Capacity 6), Room 2 (Capacity 6),			
Community Group (Hourly)	5.00	5.20	4.0
Community Group (Half Day Up to 3 Hours)	12.00	12.50	4.2
Community Group (Full Day Over 3 Hours)	18.00	19.00	5.6
Community Group Refreshments per person	0.50	0.60	20.0
Activity Room (Capacity 12)			
Community Group (Hourly)	6.00	6.50	8.3
Community Group (Half Day Up to 3 Hours)	18.00	19.00	5.6
Community Group (Full Day Over 3 Hours)	30.00	31.50	5.0
Community Group Refreshments per person	0.50	0.60	20.0

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Community Hubs and Libraries	£	£	%
Venue Hire - Marton Library			
Room 1 - Capacity 15 (Hourly)	12.00	12.50	4.2
Room 1 - Capacity 15 Community Groups (Hourly)	6.00	6.50	8.3
Room 1 - Capacity 15 (Half Day Up to 3 Hours)	30.00	31.50	5.0
Room 1 - Capacity 15 Community Groups (Half Day Up to 3 Hours)	18.00	19.00	5.6
Room 1 - Capacity 15 (Full Day Over 3 Hours)	45.00	47.00	4.4
Room 1 - Capacity 15 Community Groups (Full Day Over 3 Hours)	30.00	31.50	5.0
Room 1 - Capacity 15 Refreshments per person	0.50	0.60	20.0
Room 2 - Capacity 5 (Hourly)	12.00	12.50	4.2
Room 2 - Capacity 5 Community Groups (Hourly)	5.00	5.20	4.0
Room 2 - Capacity 5 (Half Day Up to 3 Hours)	18.00	19.00	5.6
Room 2 - Capacity 5 Community Groups (Half Day Up to 3 Hours)	12.00	12.50	4.2
Room 2 - Capacity 5 (Full Day Over 3 Hours)	30.00	31.50	5.0
Room 2 - Capacity 5 Community Groups (Full Day Over 3 hours)	18.00	19.00	5.6
Room 2 - Capacity 5 Refreshments per person	0.50	0.60	20.0
Venue Hire - MyPlace			
Theatre Full - Capacity 100 (Hourly)	25.00	26.00	4.0
Theatre Full - Capacity 100 (Half Day)	85.00	90.00	5.9
Theatre Full - Capacity 100 (Full day)	165.00	175.00	6.1
1/2 Theatre with Stage - Capacity 50 (Hourly)	20.00	21.00	5.0
1/2 Theatre with Stage - Capacity 50 (Half Day)	55.00	57.50	4.5
1/2 Theatre with Stage - Capacity 50 (Full Day)	110.00	115.00	4.5
1/2 Theatre with Televisions - Capacity 25 (Hourly)	18.00	19.00	5.6
1/2 Theatre with Televisions - Capacity 25 (Half Day)	40.00	41.80	4.5
1/2 Theatre with Televisions - Capacity 25 (Full Day)	85.00	90.00	5.9
Mezzanine - Capacity 40 (Hourly)	20.00	21.00	5.0
Mezzanine - Capacity 40 (Half Day)	30.00	31.50	5.0
Mezzanine - Capacity 40 (Full Day)	60.00	63.00	5.0
Training Room - Capacity 15 (Hourly)	12.00	12.50	4.2
Training Room - Capacity 15 (Half Day)	40.00	41.80	4.5
Training Room - Capacity 15 (Full Day)	80.00	84.00	5.0
Refreshments per head	1.50	1.60	6.7
Minibus £20 Donation and Fuel Costs	£20 + Variable	£21 + Variable	5.0
Directorate: Environment & Community Services	Current fee	Proposed fees from 1st April 2024	% increase
Community Hubs and Libraries	£	£	%
Venue Hire - Newport Community Hub			
Room 1 (Capacity 20), Room 3 (Capacity 15), Room 7 (Capacity 15 - currently Newport Library)			
Standard (Hourly)	12.00	12.50	4.2
Community Groups (Hourly)	10.00	10.50	5.0
Room 4/5 (Capacity 20)			
Standard (Hourly)	20.00	21.00	5.0
Community Groups (Hourly)	10.00	10.50	5.0
Main Hall (Multifunctional)			
Standard (Hourly)	20.00	21.00	5.0
Community Groups (Hourly)	15.00	16.00	6.7
School Hall (Multifunctional)			
Standard (Hourly)	20.00	21.00	5.0
Community Groups (Hourly)	15.00	16.00	6.7
Sports Hall (Sports Only)			
Standard (Hourly)	38.00	40.00	5.3
Community Groups (Hourly)	30.00	31.50	5.0
Kitchen (Cooking)			
Standard (Hourly)	18.00	19.00	5.6
Community Groups (Hourly)	12.00	12.50	4.2
All Rooms: Out of Hours : Per Hour Security Fee (booking accepted only if security available)	20.00	21.00	5.0
ALL Rooms: Refreshments per cup	0.50	0.60	20.0

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Community Hubs and Libraries	£	£	%
Venue Hire - North Ormesby Community Hub			
Hall - Capacity 50			
Standard (Hourly)	18.00	19.00	5.6
Community Groups (Hourly)	14.00	15.00	7.1
Room 1 (Capacity 15), Room 2 (Capacity 15)			
Standard (Hourly)	12.00	12.50	4.2
Community Groups (Hourly)	6.00	6.50	8.3
Pod (Capacity 2), Kitchen - Hourly	6.00	6.50	8.3
Venue Hire - Thorntree Community Hub			
Hall - Capacity 70 Hourly	20.00	21.00	5.0
Hall - Capacity 70 (Full Day 9am - 4:30pm)	110.00	115.00	4.5
Hall - Capacity 70 Subsidised Groups Hourly	6.00	6.50	8.3
Lounge - Capacity 20 Hourly	12.00	12.50	4.2
Lounge - Capacity 20 (Full Day 9am - 4:30pm)	80.00	84.00	5.0
Lounge - Capacity 20 Subsidised Groups Hourly	6.00	6.50	8.3
Conference 1 (Capacity 30), Conference 2 (Capacity 24)			
Hourly	18.00	19.00	5.6
Full Day 9am - 4:30pm	110.00	115.00	4.5
Subsidised Groups	6.00	6.50	8.3
Venue Hire - Central Library - Closed for Refurbishment	N/A	N/A	
Services			
A4 Printing per page Black and White	0.25	0.26	4.0
A4 Colour per page	0.50	0.52	4.0
A3 per page Black and White	0.50	0.52	4.0
A3 per page Colour	1.00	1.05	5.0
PDF Scanning per 5 pages	1.50	1.60	6.7
Laminating per page A4	1.50	1.60	6.7
Laminating per page A3	2.00	2.10	5.0
Directorate: Environment & Community Services	Current fee	Proposed fees from 1st April 2024	% increase
Premises Licenses (Licensing Act fees -set by Secretary of State)	£	£	%
Premises Licenses/Club Certificates			
Application Fee Or Variation Fee			
Band A (rateable value (up to £4300)	100.00	100.00	No Change
Band B (rateable value (£4301-£33000)	190.00	190.00	No Change
Band C (rateable value (£33001-£87000)	315.00	315.00	No Change
Band D (rateable value (£87001-£125000)	450.00	450.00	No Change
Band D* (rateable value (£87001-£125000)	900.00	900.00	No Change
Band E (rateable value (£125001+)	635.00	635.00	No Change
Band E** (rateable value (£125001+)	1905.00	1905.00	No Change
Annual Fee			
Band A (rateable value (up to £4300)	70.00	70.00	No Change
Band B (rateable value (£4301-£33000)	180.00	180.00	No Change
Band C (rateable value (£33001-£87000)	295.00	295.00	No Change
Band D (rateable value (£87001-£125000)	320.00	320.00	No Change
Band D* (rateable value (£87001-£125000)	640.00	640.00	No Change
Band E (rateable value (£125001+)	350.00	350.00	No Change
Band E** (rateable value (£125001+)	1050.00	1050.00	No Change

Directorate: Environment & Community Services	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Premises Licenses (Licensing Act fees -set by Secretary of State)	£	£	%
Personal Licenses, Temporary Events, Other Fees			
Application for a Grant/Renewal of Personal License	37.00	37.00	No Change
Temporary Event Notice	21.00	21.00	No Change
Theft, Loss Etc of Premises License or Summary	10.50	10.50	No Change
Application for a Provision Statement where Premises being built	195.00	195.00	No Change
Notification of Change of Name or Address	10.50	10.50	No Change
Application to Vary License to Specify Individual as Premises Supervisor	23.00	23.00	No Change
Application for Transfer of Premises License	23.00	23.00	No Change
Application for minor variation of Premises License/Club Certificate	89.00	89.00	No Change
Application to Remove the Mandatory condition requiring a DPS	23.00	23.00	No Change
Interim Authority Notice following death etc of License Holder	23.00	23.00	No Change
Theft, Loss Etc of Certificate or Summary	10.50	10.50	No Change
Notification of Change of Name or Alteration of Rules of Club	10.50	10.50	No Change
Change of Relevant Registered Address of Club	10.50	10.50	No Change
Theft, Loss etc of Temporary Event Notice	10.50	10.50	No Change
Theft, Loss etc of Personal License	10.50	10.50	No Change
Duty to Notify change of name or address	10.50	10.50	No Change
Right of Freeholder etc to be Notified of Licensing Matters	21.00	21.00	No Change
Finance	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Resident & Business Support			
Council Tax Court Summons	60.00	60.00	No Change
Council Tax Liability Court Order	20.00	20.00	No Change
NDR Court Summons	100.00	100.00	No Change
NDR Liability Court Order	25.00	25.00	No Change
Deferred Payment Agreement - initial one off payment	407.00	425.00	4.4
Deferred Payment Agreement - Annual Fee	190.00	199.00	4.7
Legal & Governance	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Policy, Governance and Information			
Fire risk assessments - primary schools	495.45	520.23	5.0%
Fire risk assessments secondary schools	715.65	751.43	5.0%
Health and safety audit - primary schools	495.45	520.23	5.0%
Health and safety audit - secondary schools	715.65	751.43	5.0%
Full Health and safety compliance package - primary schools	2092.00	2196.60	5.0%
Full Health and safety compliance package - secondary schools	3303.00	3468.15	5.0%
School Census Contract - annual charge	730.29	766.80	5.0%
School Data Officer Contract (Basic) - annual charge	1156.29	1214.11	5.0%
School Data Officer Contract (Weekly) - annual charge	6024.92	6326.16	5.0%
School Data Officer Contract (Bi Weekly) - annual charge	3590.61	3770.13	5.0%
Registrars			
Civil Marriage/Partnership Ceremonies - Mon -Thurs Victoria Room	250.00	262.00	4.8%
Civil Marriage/Partnership Ceremonies - Mon -Thurs Erimus Room	356.00	373.00	4.8%
Civil Marriage/Partnership Ceremonies - Mon -Thurs Approved Venue	497.00	520.00	4.6%
Civil Marriage/Partnership Ceremonies - Fri Victoria Room	275.00	288.00	4.7%
Civil Marriage/Partnership Ceremonies - Fri Erimus Room	381.00	399.00	4.7%
Civil Marriage/Partnership Ceremonies - Fri Approved Venue	516.00	540.00	4.7%
Civil Marriage/Partnership Ceremonies - Sat Victoria Room	299.00	313.00	4.7%
Civil Marriage/Partnership Ceremonies - Sat Erimus Room	410.00	429.00	4.6%
Civil Marriage/Partnership Ceremonies - Sat Approved Venue	575.00	602.00	4.7%
Civil Marriage/Partnership Ceremonies - Sun/BH Approved Venue	647.00	677.00	4.6%
Private Citizenship Ceremony	177.00	186.00	5.1%

Legal & Governance	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Legal Services			
Grant of lease by MBC - standard lease of whole	1050.00	1100.00	4.8%
Grant of lease by MBC - Standard lease of part	1150.00	1200.00	4.3%
Grant of lease by MBC - Non Standard	Variable - on application	Variable - on application	
Lease renewal - standard	550.00	575.00	4.5%
Lease renewal - new replacement required	1050.00	1100.00	4.8%
Academy Lease and Commercial Transfer Agreement	2000.00	2100.00	5.0%
Licence to assign	825.00	860.00	4.2%
Licence to assign with AGA	875.00	915.00	4.6%
Licence to underlet	825.00	860.00	4.2%
Licence to alterations	825.00	860.00	4.2%
Licence to occupy (Basic)	650.00	680.00	4.6%
Deed of variation of lease (Basic)	825.00	860.00	4.2%
Deed of surrender of lease (Basic)	825.00	860.00	4.2%
Sale of garden ground	450.00	470.00	4.4%
Sale of Freehold - simple land sale under £350,000	1500.00	1570.00	4.7%
Sale of Freehold - simple land sale over £350,000	Variable - on application	Variable - on application	N/A
Sale of land for development (usually Conditional Contract)	Variable - on application	Variable - on application	N/A
Overage Agreement	2000.00	2100.00	5.0%
Option Agreement	2000.00	2100.00	5.0%
Funding Agreement	From 1000	From 1050	5.0%
Section 106 Agreement	From 1500	From 1570	4.7%
Section 106 Variation	From 750	From 785	4.7%
Section 38 or 278 Agreement	From 1500	From 1570	4.7%
Deed of grant of easement	From 1000	From 1050	5.0%
Wayleave	From 500	From 520	4.0%
Request for consent /removal of restriction - Deed of covenant draft by applicant	From 150	From 157	4.7%
Request for consent /removal of restriction - Deed of covenant draft by MBC	From 300	314.00	4.7%
Deed of Covenant	Variable - on application	Variable - on application	N/A
Rights of Way Orders	600.00	630.00	5.0%
Providing copy of document	30.00	31.00	3.3%
Discharge of charges/restriction removal	150.00	157.00	4.7%
Signing of Notice of transfer/assignment/charge (per notice)	From 25	From 26	4.0%
Providing title plans and copy leases	From 25	From 26	4.0%
Standard Hourly Rate - Solicitor	From 150	From 157	4.7%
Standard Hourly Rate - Legal Assistant	From 90	From 94	4.4%
Standard Hourly Rate - Valuer	135.00	145.00	7.4%
Standard Hourly Rate - Valuation Assistant	85.00	90.00	5.9%
Legal & Governance	Current fee	Proposed fees from 1st April 2024	% increase
	£	£	%
Land Charges			
LLC1 Only	18.00	19.00	5.6%
LLC1 Parcel fee - up to 17 parcels	1.00	1.00	0.0%
LLC1 Parcel fee - 17 parcels or more	22.00	22.00	0.0%
CON29R - Residential	111.60	113.00	1.3%
CON29R - Commercial	120.90	120.90	0.0%
CON29R Parcel Fee	12.15	12.50	2.9%
LLC1 + CON29R- Residential (FULL SEARCH)	129.60	135.00	4.2%
LLC1 + CON29R- Commercial (FULL SEARCH)	138.90	142.00	2.2%
CON29O (extra questions)	21.00	22.00	4.8%
Additional Questions	21.00	22.00	4.8%
Enquirer Additional Questions	21.00	22.00	4.8%
Copy Documents Fee	12.00	12.00	0.0%
Personal Search Printouts	Free	Free	

Regeneration	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Planning	£	£	%
PRE APPLICATION CHARGES			
Householder/other written advice	100.00	105.00	5.0
Householder/other site visit (if requested)	100.00	105.00	5.0
Householder additional meeting/written advice	200.00	209.00	4.5
Minor developments written advice	500.00	523.00	4.6
Minor developments site visit	150.00	157.00	4.7
Minor developments meeting	150.00	157.00	4.7
Minor developments additional meeting/written advice	300.00	314.00	4.7
Major developments	1,800.00	1,883.00	4.6
Major development additional meeting/written advice	500.00	523.00	4.6
Strategic developments	2,500.00	2,615.00	4.6
Strategic developments additional meeting/written advice	500.00	523.00	4.6
DEVELOPMENT CONTROL FUNCTION -MISCELLANEOUS CHARGES			
Re-drafting and re-issue of decision notice (completing request within 10 working days)	39.60	41.50	4.8
Re-drafting and re-issue of decision notice (completing request within 1 working day – subject to availability of service)	79.20	83.00	4.8
Letter confirming discharge of condition	55.00	57.50	4.5
Letter confirming discharge of condition (requiring retrieval of planning application)	72.50	76.00	4.8
OTHER MISCELLANEOUS SERVICES			
History Check – Charge based on scale of work (Minimum)	27.50	29.00	5.5
History Check – Charge based on scale of work (Maximum)	55.00	58.00	5.5
Planning Application file retrieval and copying charges			
A4 Size (per copy) paper copy from electronic files	5.50	6.00	9.1
A4 Size (per copy) file retrieval and 1st copy	39.00	41.00	5.1
A4 Size (per copy) additional copies from file request	5.50	6.00	9.1
A3 Size (per copy) paper copy from electronic files	11.00	12.00	9.1
A3 Size (per copy) file retrieval and 1st copy	45.00	47.50	5.6
A3 Size (per copy) additional copies from file request	11.00	12.00	9.1
A2,A1,A0 Size (per copy) paper copy from electronic files	16.00	17.00	6.3
A2,A1,A0 Size (per copy) file retrieval and 1st copy	57.00	60.00	5.3
A2,A1,A0 Size (per copy) additional copies from file request	16.00	17.00	6.3
Historic Environment Record			
Expedited request (completed within 5 working days)	300.00	314.00	4.7
Standard request	175.00	183.00	4.6
Self/Custom Build Register			
Initial Application	55.00	58.00	5.5
Annual fee	25.00	26.50	6.0
S106 Agreement monitoring fees			
Minor development (per obligation/trigger)	350.00	370.00	5.7
Major development (per obligation/trigger)	500.00	525.00	5.0

Regeneration	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Valuation & Estates	£	£	%
Grant of new lease	Min £350 up to £10,000 then 3.9%	£375.00 up to £10,000 then 3.9%	7.1
Licence to assign	350.00	365.00	4.3
Licence to underlet	300.00	315.00	5.0
Licence to alter	300.00	315.00	5.0
Deed of Variation	300.00	315.00	5.0
Deed of Surrender	300.00	315.00	5.0
Deed of Easement	450.00	470.00	4.4
Deed of Covenant	250.00	260.00	4.0
Consent to release Covenant	250.00	260.00	4.0
Wayleave	450.00	470.00	4.4
Licence to occupy	350.00	365.00	4.3
Minor land sale	Min £350 up to £17,000 then 2%	Min £375 up to £17,000 then 2%	7.1
Land sales under £350K	2% subject to Minimum of £2000	2% subject to minimum of £2100	5.0
Land sales over £350K	Negotiation	Negotiation	N/A
Regeneration	Current fee	Proposed fees from 1st April 2024	% increase
Cultural Services	£	£	%
Captain Cook Museum			
Adult Entry ticket	4.50	4.70	4.4
Child Entry ticket	3.50	3.65	4.3
Concession Entry ticket	3.50	3.65	4.3
Group Entry ticket (1 adult, 3 children)	12.00	12.55	4.6
Group Entry ticket (2 adult, 2 children)	13.00	13.60	4.6
Workshop (Per Child)	5.50	5.75	4.5
Room hire	22 to 54	23 to 56	4.6
Face paint	3.50	3.65	4.3
Loan box	25.00	26.15	4.6
Beverage charge (Per Person)	2.50	2.60	4.0
Dorman Museum			
Trail	1.00	1.05	5.0
Temporary Exhibition	Variable	Variable	-
Virtual Reality ride single ticket	4.00	4.20	5.0
Virtual Reality ride group ticket	13.00	13.60	4.6
Craft workshop	2.00	2.10	5.0
Loans box	25.00	26.15	4.6
Room hire	22 to 54	23 to 56	4.6
School Workshop 1/2 day	72.00	75.30	4.6
School workshop	10.00	10.50	5.0
Guided tours	31.00	32.40	4.5
Beverage charge (Per Person)	2.50	2.60	4.0
Face Paint	3.50	3.65	4.3
Events			
Orange Pip Market - Alcohol Trader Pitch Fee	174.00	210.00	20.7
Orange Pip Market - Alcohol Trader Percentage	0.15	0.15	No Change
Orange Pip Market - Hot Food Pitch Fee	163.00	198.00	21.5
Orange Pip Market - Cold Food Pitch Fee	114.00	138.00	21.1
Orange Pip Market - Sweet Treats Pitch Fee	98.00	120.00	22.4
Orange Pip Market - Crafts Pitch Fee	78.00	96.00	23.1
Orange Pip Market - kw Power unit charge	7.60	10.00	31.6
Town Centre Advertising Space	81.00	85.00	4.9
Land Hire Fees	5430.00	5680.00	4.6
Ad-Hoc Equipment Hire	330 to 650	340 - 680	4.6
Xmas Lights Switch-on - Big Screen Advert (1 per hr)	220.00	230.00	4.5
Xmas Lights Switch-on - Big Screen Advert (3 per hr)	543.00	568.00	4.6
Xmas Lights Switch-on - Big Screen Advert (5 per hr)	870.00	910.00	4.6
Xmas Lights Switch-on - Pitch fee for use of own stall	160.00	167.00	4.4
Xmas Lights Switch-on - Pitch fee for MBC-provided stall	100.00	105.00	5.0
Xmas Lights Switch-on - Fairground	1090.00	1140.00	4.6

Regeneration	£	£	%
	Current fee	Proposed fees from 1st April 2024	% increase
Cultural Services	£	£	%
Middlesbrough Theatre			
Performance Fee - Evening	806.00	843.00	4.6
Performance Fee - Matinee	645.00	674.00	4.5
Performance Fee - Sunday Evening	885.00	925.00	4.5
Performance Fee - Sunday Matinee	725.00	758.00	4.6
Rehearsal Fee 9am - 10pm	40.30	42.15	4.6
Rehearsal Fee - 9am - 10pm Sunday	57.30	59.95	4.6
Rehearsal Fee 10pm - 1am	71.10	74.35	4.6
Rehearsal Fee 10pm - 1am Sunday	114.10	119.35	4.6
Rehearsals on Bank Holidays charged at double rate			
Security per hour (External Contractor)	19.00	20.00	5.3
Stewards per hour	20.00	21.00	5.0
Technicians per hour	21.50	22.50	4.7
Box Office Commission	0.10	0.10	4.6
Booking Fee (Tickets)	1.30	1.50	15.4
Middlesbrough Town Hall			
Booking Fees - Tickets	2.70	3.00	11.1
Booking Fees - Tickets (Community Rate)	1.50	1.60	6.7
Box Office Commission - External Promoters	0.10	0.10	4.6
Hire Of Main Hall - Professional Hire	3260.00	3410.00	4.6
Hire Of Crypt - Professional Hire	2170.00	2270.00	4.6
Hire Of Courtyard - Professional Hire	1090.00	1140.00	4.6
Hire Of Courtroom - Professional Hire	540.00	565.00	4.6
Hire Of Main Hall - Commercial Hire	1790.00	1872.00	4.6
Hire Of Crypt - Commercial Hire	1140.00	1192.00	4.6
Hire Of Fire Station - Commercial Hire	380.00	398.00	4.7
Hire Of Courtroom - Commercial Hire	490.00	512.00	4.5
Hire Of Studio - Commercial Hire	220.00	230.00	4.5
Hire Of Courtyard - Commercial Hire	435.00	455.00	4.6
Hire Of Police Cells - Commercial Hire	165.00	172.00	4.2
Hire Of Main Hall - Charity Hire	1200.00	1255.00	4.6
Hire Of Crypt - Charity Hire	870.00	910.00	4.6
Hire Of Fire Station - Charity Hire	280.00	293.00	4.6
Hire Of Courtroom - Charity Hire	460.00	481.00	4.6
Hire Of Building - Production Filming	POA	POA	-
Hire Of Main Hall - Wedding Reception	2990.00	3127.00	4.6
Hire Of Crypt - Wedding Reception	2690.00	2813.00	4.6
Hire Of Fire Station - Wedding Reception	1790.00	1872.00	4.6
Hire Of Courtyard - Wedding Reception	650.00	680.00	4.6
Hire Of Police Cells - Wedding Drinks Reception	220.00	230.00	4.5
Hire Of Courtroom - Wedding Ceremony	380.00	398.00	4.7
Hire Of Building - Dry Hire Event (no bars from MTH)	8150.00	8525.00	4.6
Hire Of Building - Exclusive Use	5430.00	5680.00	4.6
Hire Of Building - Paranormal Tour	1630.00	1705.00	4.6
Banner Board Printing	54.00	60.00	11.1
Email E-Shots	27.00	30.00	11.1
Brochure Advert	54.00	60.00	11.1
Press Release	27.00	30.00	11.1
Duty Manager per hour	19.50	20.50	5.1
Stewarding Staff per hour	20.00	21.00	5.0
Technical Staff per hour	21.50	22.50	4.7
Bar Staff per hour	20.00	21.00	5.0
Technical Equipment	POA	POA	-
Tea/Coffee per package	16.50	17.50	6.1
Drinks Packages	POA	POA	-
Museums - One off events/activities	Price List	Price List	-
Museums - One off events/activities	2.50 to 11.00	2.50-12.00	-

Appendix 6

Capital Programme 2024/25 to 2026/27 and Capital Strategy for 2024/25

1. Executive Summary

- 1.1. The financial position of the Council is critical given the Council has extremely low revenue reserves and is unable to balance the 2024/25 budget without recourse to DLUHC approval of Exceptional Financial Support in the form of capitalisation of revenue expenditure funded from borrowing. The position on reserves has been depleted over several years as these amounts have been utilised, they are unavailable to fund the transformation that is required to redesign services to operate from a lower cost base over the medium term. As a result, the Council has made an application to DLUHC for Exceptional Financial Support to balance its 2024/25 revenue budget and to underpin the reserves position in the context of financial risks within the Council's operating environment.
- 1.2. Capital Expenditure relates to spending on longer-term assets and infrastructure (such as property, equipment, vehicles, roads etc.). The Council's capital programme is therefore an important element of the Council's overall financial planning arrangements as appropriate investment can enable the transformation of service delivery and improve the quality of services to the local community. The schemes included in the programme need to be appropriate in meeting the Council's objectives, be affordable and represent value for money.
- 1.3. The Council must consider how capital expenditure is paid for and what the long-term financial implications are of undertaking this investment. The Council is permitted to borrow funds to finance the capital programme under the Local Government Act 2003. It needs to consider the impact on the revenue budget in relation to repayment of borrowing proposed, how it funds the repayment of this debt and the period over which it is repaid. This is particularly important in the context of the significant pressures on the revenue budget and the potential continuing risk of a Section 114 notice being issued if the budget cannot be maintained in balance during 2024/25 and future years.
- 1.4. A review and prioritisation of capital expenditure has been undertaken in order to reduce the programme to an affordable and deliverable level taking account of the revenue budget constraints upon the level of borrowing and delivery resources across Service Directorates. The proposed programme has been finalised between LMT and Portfolio Holders in formulating the proposed programme.
- 1.5. This report sets the proposed capital programme for 2024/25 of **£88.549m**, with a total of **£174.980m** for the period 2024/25 to 2026/27, together with the financing statement as summarised in **Table 1**.
- 1.6. The Council's Capital Financing Requirement (CFR) is the underlying need to borrow in relation to historical borrowing plus future planned borrowing to fund the Council's capital investment in assets. This is expected to increase to **£355.426m** by 2025/26 before starting to reduce again in 2026/27. Further details can be found in the Prudential Indicator and Treasury Management Strategy 2024/25 elsewhere

on this agenda. A summary of the CFR, borrowing limits and planned borrowing together with the revenue cost of borrowing is summarised in **Table 2**.

- 1.7. More details on the prudential indicators which regulate the Council's capital financing activities are included in the Prudential Indicators and Annual Treasury Management Strategy report elsewhere on this agenda. This is an integral part of setting a balanced revenue budget and MTFP for the Council.
- 1.8. Given the Council's fragile financial position, the capital programme detailed in **Annex 1**, whilst affordable, must be managed strictly within budget in order to manage the revenue costs of servicing the historic external debt from previous financing decisions and future plans that are to be funded by borrowing.
- 1.9. The capital programme has been reprioritised to reduce previously planned expenditure to contain levels within affordable resources as follows:
 - Funding Exceptional Financial Support to enable a lawful and balanced revenue budget to be set in 2024/25
 - Meeting statutory duties for example health and safety requirements
 - In flight schemes that cannot be stopped
 - Funding transformation that will deliver ongoing revenue expenditure savings on the basis of invest to save, for which an appropriate rate of return will be determined within the transformation programme.
 - Partially externally funded schemes that require council to match resources where there is a robust business case that meets Council Plan objectives and is approved in accordance with constitutional delegations.
 - Repayment of borrowing to reduce revenue capital financing costs.
- 1.10. The governance arrangements for managing and monitoring the delivery of the programme to plan and to budget will be strengthened during 2024/25. Future budget planning rounds will be subject to improved programme governance to ensure that new projects align to the priorities of the Council plan and available resources to ensure value for money and affordability.

2. Introduction

- 2.1. The Council Plan for Middlesbrough acknowledges that a sustainable capital programme, and the strategy and controls to shape and manage it, is a critical contributor to the future ambitions, overall service delivery, and financial position of the Council going forwards.
- 2.2. The implementation of the Capital Strategy will assist in the Council meeting its '*Recover, Rest and Deliver*' approach by ensuring:
- Capital investment is strictly prioritised and meets the Council's objectives within a set funding limits from within its revenue budget and MTFP.
 - Investment meets the CIPFA criteria of being prudent, sustainable, affordable and value for money.
 - The Council is appropriately responding to the statutory recommendations raised by its external auditor.
 - The Capital Programme does not include any schemes that are not permitted under the HM Treasury's definition of commercial activity and using external debt to solely generate ongoing revenue income.
 - Capital projects are delivered within budget and in a timely manner and meet the objectives of their business cases.
 - Members and Senior Officers have a common understanding of the financial context the Council is operating in and the capital principles underpinning capital decisions within the Council.

3. Capital Programme 2024/25 to 2026/27

- 3.1. **Table 1** summarises the Capital Programme by Directorate, EFS and an upper financial limit within which Transformation and redundancy costs will need to be delivered. It should be noted that the Transformation Programme is in development and will be presented to the Executive and Council in March together with the Flexible Use of Receipts Strategy to fund the programme and redundancies arising from the 2024/25 budget process. It is necessary to incorporate the financial provision at budget setting to ensure the overall budget and MTFP is complete, robust and affordable. Detailed development of plans will be subsequently approved through governance arrangements to be presented for approval in March.

Table 1: Summary of Capital Programme 2024/25 to 2026/27

	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL	Council Funding £m	External Funding £m
Regeneration	21.582	36.935	2.670	61.187	25.684	35.503
Environment & Community Services	17.396	19.781	2.398	39.575	26.660	12.915
Public Health	0.043	-	-	0.043	-	0.043
Education & Partnerships	12.040	3.597	-	15.637	0.646	14.991
Childrens Care	2.035	2.360	-	4.395	4.395	-
Adult Social Care	1.213	0.660	0.660	2.533	2.064	0.469
Legal & Governance Services	2.350	2.185	2.185	6.720	6.720	-
Finance	4.790	-	-	4.790	4.790	-
Total All Directorates	61.449	65.518	7.913	134.880	70.959	63.921
<i>Transformation</i>						
Programme Costs	5.500	4.800	3.300	13.600	13.600	-
Redundancies	6.500	-	-	6.500	6.500	-
Contingencies	1.700	2.900	2.000	6.600	6.600	-
Total Transformation	13.700	7.700	5.300	26.700	26.700	-
<i>Exceptional Financial Support (EFS)</i>						
Budget Gap	4.700	-	-	4.700	4.700	-
Contingency on Budget Gap	0.600	-	-	0.600	0.600	-
Savings Delivery	3.500	-	-	3.500	3.500	-
Receipts Delivery	4.600	-	-	4.600	4.600	-
Total EFS	13.400	-	-	13.400	13.400	-
TOTAL CAPITAL EXPENDITURE	88.549	73.218	13.213	174.980	111.059	63.921

	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL	Council Funding £m	External Funding £m
FUNDED BY						
Prudential Borrowing	23.037	28.009	1.913	52.959	52.959	-
EFS Borrowing	13.400	-	-	13.400	13.400	-
Capital Receipts	6.000	6.000	6.000	18.000	18.000	-
Flexible Receipts	13.700	7.700	5.300	26.700	26.700	-
Grants	29.897	27.931	-	57.828	-	57.828
Contributions	2.515	3.578	-	6.093	-	6.093
TOTAL FUNDING	88.549	73.218	13.213	174.980	111.059	63.921

	2024/25 £m	2025/26 £m	2026/27 £m
Capital Receipts memo			
Total Capital Receipts expected	24.512	13.240	9.709
Capital Receipts to finance above programme	(6.000)	(6.000)	(6.000)
Flexible Receipts to finance transformation	(13.700)	(7.700)	(5.300)
Capital Receipts to carry forward	4.812	4.352	2.761

3.2. **Annex 1** details the capital programme for approval, incorporating the capital budgets for 2024/25 to 2026/27. The capital budget is aligned to the Capital

Strategy. It presents in financial terms, the Council's plan for meeting the costs of EFS, Transformation and Redundancies together with investment related to the purchasing, building and improvement of capital assets, together with the implications of any major capital projects or investments within the Middlesbrough boundary. It also provides a framework for ensuring the programme is affordable within the current medium term financial plan.

- 3.3. The Capital Programme has been reviewed during January 2024 by the Council's LMT to ensure that any schemes delivered continue to be in line with the priorities identified in the Council Plan and that schemes included are based on robust estimates and profiles. The review has also considered that given the Council's fragile revenue and reserves position and the reliance upon borrowing under EFS, that borrowing to fund capital expenditure must be tightly controlled and maintained within medium to long term affordability levels as set out in the MTFP.
- 3.4. **Table 2** below sets out the Prudential Indicators in terms of Council indebtedness and debt levels over the medium term. Further information is set out in the Prudential Indicator and Treasury Management Strategy Report elsewhere on this agenda.

Table 2: Prudential Indicators

<u>Prudential Indicator</u>	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Capital Financing Requirement (underlying need to borrow)	331.863	355.426	352.332
External Borrowing	310.535	333.294	329.910
Internal Borrowing	21.328	22.132	22.422
Authorised limit for External Debt	372.000	396.000	393.000
Annual Capital Financing Cost	11.154	12.814	14.496
% of Net Revenue Budget on debt costs	7.8%	8.6%	9.8%

Figure 1: Total Debt as a % of core spending power for all English unitary authorities

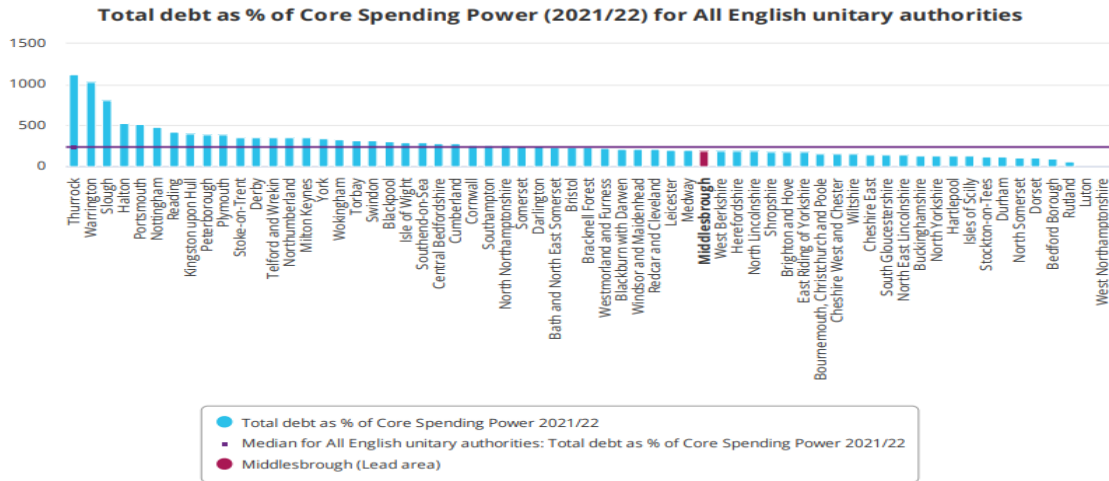
Total debt as percentage of core spending power

'Total debt' is Capital Financing Requirement, a measure of capital indebtedness that the council has built up over many years of capital financing decisions, but based on a methodology. (It is perhaps more accurate to describe this as the amount of capital expenditure that has not yet been funded by capital receipts, capital grants or revenue contributions and which therefore will need to be funded in future years. As such is some kind of measure of capital indebtedness, but arguably not a perfect one.

Core Spending Power is a measure of the funding the government makes available to councils for service delivery but it excludes several important elements that may be contributing to the servicing of debt including schools grants, investment income, service income and housing rents.

In 2021/22, the total debt as a percentage of Core Spending Power for Middlesbrough was 190.1%, which was below the All English unitary authorities median percentage of 229.4%.

Note the metric on total debt as a percentage of core spending power used by Oflog uses different financial years for the denominator and numerator, whereas LG Inform uses the same financial year so the numbers will differ slightly.



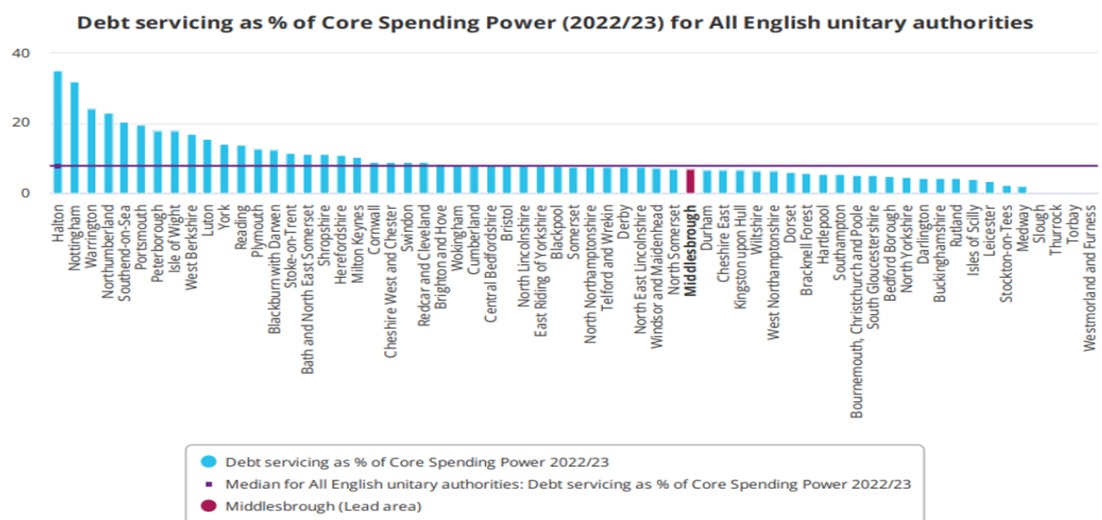
Source: Calculated by LG Inform, N/A, Total debt as % of Core Spending Power, Data updated: 22 Nov 2023

Figure 2: Debt Servicing as a % of core spending power for all English unitary authorities

Debt servicing as percentage of core spending power

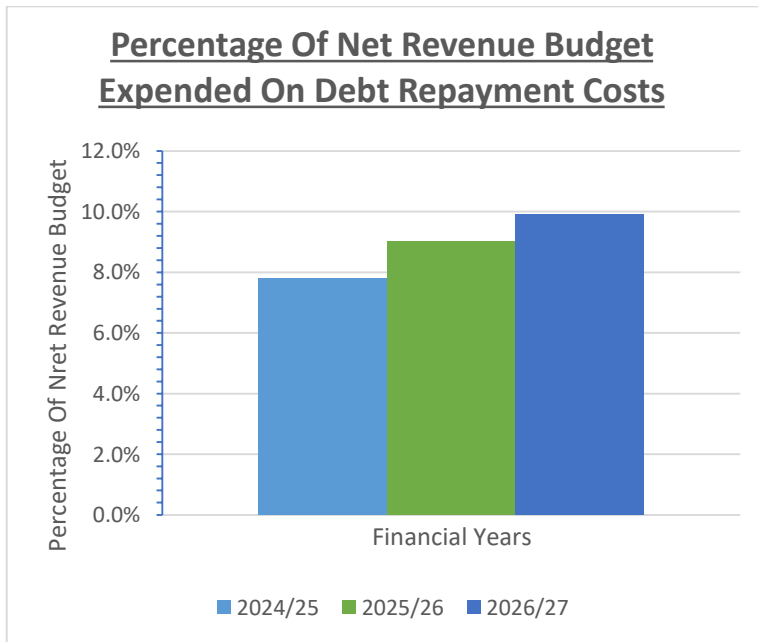
Capital expenditure is expenditure which has an impact over more than one year – for example building a road or a community centre which is going to last many years. Where a council finances capital spending by borrowing or credit, it will incur costs on its budget over the period of the loan or credit arrangement. These figures demonstrate how much the council is currently paying in relation to servicing its debt compared with its Core Spending Power, recognising the fact that current residents are getting the benefit of investments in assets made several years ago.

In 2022/23, the level of debt servicing as a percentage of Core Spending Power for Middlesbrough was 6.8%, which was below the All English unitary authorities median of 7.9%.



Source: Calculated by LG Inform, N/A, Debt servicing as % of Core Spending Power, Data updated: 14 Dec 2023

Table 3: % of Net Revenue Budget expended on debt repayment costs



- 3.5. As illustrated in **Figures 1 and 2 and Table 3** above, although Middlesbrough’s debt related indicators are increasing over the medium term, it is not an outlier in terms of its levels of debt when compared against all the other English unitary authorities.
- 3.6. In total the programme sets out investment of **£174.980m** from 2024/25 to 2026/27, in support of delivering the Council’s objectives and priorities.
- 3.7. The Capital programme was reviewed and revised during Quarter 3 of 2023/24, given the financial position of the Council and to ensure that the Council’s capital ambitions remain affordable and sustainable. This review reduced capital expenditure during 2023/24 and proposed expenditure for 2024/25 to 2026/27 as follows:

Table 4: Review of capital programme undertaken at Quarter 3 2023/24

Council Capital Programme			
	2024/25 £m	2025/26 £m	Total £m
Total Planned Spend at Q2	110.543	23.039	133.582
Council Funded	52.680	14.956	67.636
Grants / Contributions / Other	57.863	8.083	65.946
Total Planned Spend at Q3	61.449	65.518	126.967
Council Funded	29.037	34.009	63.046
Grants / Contributions / Other	32.412	31.509	63.921
Total Difference	(49.094)	42.479	(6.615)
Council Funded	(23.643)	19.053	(4.590)
Grants / Contributions / Other	(25.451)	23.426	(2.025)

- 3.8. This resulted in the following major schemes being removed from the programme:
- Removal of Tees Amp 2 - £8.820m of Council resources
 - Removal of Brownfield Housing Fund grant - £6.076m of grant funding
 - Removal of £1.521m of Council resources & replacing with grant funding / other contributions on the following schemes
 - £1.250m relating to Traffic Signals
 - £0.163m relating to Parking Ticket Machines
 - £0.108m relating to Bridges.
- 3.9. Schemes that were reprofiled were as follows:

Table 5: Review of capital programme undertaken at Quarter 3 2023/24 – schemes reprofiled

Schemes where significant re-profiling has been undertaken						
Directorate	Scheme	Funding Source		2023/24 £m	2024/25 £m	2025/26 £m
		Council £m	Grant £m			
Regeneration	Towns Fund Grant		11.415		(11.415)	11.415
Regeneration	East Middlesbrough Community Hub			0.618	(3.218)	3.218
Regeneration	Acquisition of Town Centre Properties	2.600			(1.207)	1.207
Regeneration	Town Hall Roof	1.207			(2.153)	2.153
Regeneration	De-Risking Sites	2.153			(1.066)	1.066
Regeneration	Cleveland Centre	1.066			(1.034)	1.034
Environment & Community Services	Purchase of New Vehicles	1.034		(0.500)	(1.000)	1.500
Environment & Community Services	Bridges & Structures	1.500		(1.000)	(0.500)	1.500
Environment & Community Services	Highways Infrastructure	1.500		(0.700)	(0.300)	1.000
Education	Basic Needs Grant	1.000			(1.900)	1.900
Children's Care & Prevention	Children's Services Financial Improvement Plan		1.900	(0.232)	(2.128)	2.360
		2.360				
TOTAL		14.420	13.933	(2.432)	(25.921)	28.353

- 3.10. In addition, amounts for the transformation programme of £26.7m for 2024/25 to 2026/27 and exceptional financial support of £13.4m in 2024/25 have been added to the capital programme. The profile of these costs are shown in **Table 1** and are funded by capital receipts and external (EFS) borrowing respectively. Further details on both these funding streams are given later in this appendix.

4. Financing approach for the capital programme

- 4.1. All capital expenditure has to be financed, from either external sources (government grants and other contributions), the Council's own resources (revenue budget, reserves or capital receipts) or debt (borrowing or leasing).
- 4.2. In terms of affordability, receiving capital funding from a partner organisation in the form of a contribution or from central government via an approved grant is always the Council's preferred route of financing. There is no initial cost of the capital investment, with only the ongoing revenue consequences to consider.

- 4.3. When the Council puts its own funding into a capital project, there is an opportunity cost of this investment. If it sells a capital asset to generate a receipt, it releases the asset and possibly revenue income that is generated. If it uses prudential borrowing, there is an ongoing revenue costs of principal and interest of between 7% - 10% per annum over the estimates useful life of the asset being financed. The final option of funding from the revenue budget has not been used in recent years due to the pressures on the revenue budget position and the low level of revenue reserves currently. The Council would therefore prioritise its own financing resource as capital receipts first, prudential borrowing last. Direct revenue financing is not recommended within the period of this MTFP.
- 4.4. In addition, there would be restrictions on the level of capital receipts in any financial year, based on the availability of buyers for specific assets, the need to demonstrate best value on any sale and the legal processes required for any sale. The amount of prudential borrowing will be restricted by the impact on the revenue budget of servicing the debt costs of principal (minimum revenue provision) and interest (on any loans drawn down to finance the asset).
- 4.5. The Council must ensure that any approach to financing the capital programme is affordable, sustainable, and prudent in line with the requirements of the CIPFA Prudential Code on Capital Finance. It does this by setting and monitoring a set of prudential indicators each year. These are key metrics for the Director of Finance and for elected members when setting a budget for each financial year and when considering any changes that may occur during the financial year.
- 4.6. More details on this can be seen with reference to the Council's prudential indicators and annual treasury management strategy as included elsewhere on this agenda. Some key indicator values on the current position of the Council are shown in the table below for reference purpose.

5. Flexible use of capital receipts strategy

- 5.1. Local authorities are ordinarily only able to utilise capital receipts from the sale of fixed assets for specific purposes. This precludes the financing of revenue expenditure under s15(1) of the Local Government Act 2003.
- 5.2. In 2016/17, the Department of Levelling up Housing and Communities implemented a time limited relaxation to the regulations under the Local Government Act 2003 Sections 16(2)(b) and 20. This allows capital receipts to be used to finance revenue expenditure in specific circumstances and subject to certain conditions.
- 5.3. The current statutory direction applies to financial years from 1 April 2022 up to and including 31 March 2025 and it is expected that the scheme will continue into future years as a tool that brings flexibility to local authorities pursuing transformation and modernisation to improve value for money. DLUHC is currently consulting on extending capital flexibilities that, if implemented, are likely to apply from 2025/26 onwards.

- 5.4. Eligible expenditure under the regulations relates to revenue expenditure which:
- is designed to generate ongoing expenditure savings, income generation, and/or more efficient delivery of services, and/or
 - transforms service delivery to reduce costs/ reduce demand; and/or
 - improves the quality-of-service delivery in future years.
- 5.5. The annual Flexible Use of Capital Receipts (FUoCR) Strategy is required to be approved by Full Council as part and is part of the budget and policy framework. For 2024/25, the Strategy is under development alongside the Transformation Programme and will be presented to Council for consideration and approval on 28 March 2024.
- 5.6. The expenditure required to deliver the Transformation Programme will be a combination of revenue and capital expenditure. The FUoCR Strategy will set out any plans for eligible revenue expenditure to be incurred during the financial year to be funded by capital receipts in accordance with statutory regulations. The Council is not permitted to apply flexible capital receipts to fund expenditure more than the sum set out in the approved Strategy. A copy of the FUOCR Strategy, once approved by Council is required to be shared with DLUHC to enable review and oversight (but not approval).
- 5.7. As outlined as part of the budget monitoring process for 2023/24, the Council faces a challenging overall financial position on its revenue budget and has a critically low level of usable reserves. The Council is undertaking a major transformation programme during 2024/25 to move the Council to a lower cost base for the future. It is anticipated that the amount of transformation expenditure will be significantly higher in 2024/25, than in previous years. The planning estimate is currently up to £5.5m with an estimate for redundancy costs of up to £6.5m. A contingency budget of £1.7m is provided. The value of the programme will be presented for consideration in March as referenced above.
- 5.8. As this expenditure can only be financed by capital receipts given the critically low level of revenue reserves held by the Council. The FUoCR strategy therefore provides the funding solution for the revenue costs of transformation work to be funded from capital receipts generated from the current review of assets as approved by the Executive in November 2023. EFS approval of £4.6m is required to underwrite the risk of slippage in the realisation of capital receipts to fund transformation and redundancy expenditure.

6. Financial Support

- 6.1. The Council made an application to the Department for Levelling Up Housing and Communities during January 2024 for exceptional financial support to assist with the setting of the 2024/25 revenue budget. The amount required of up to £13.4m can be analysed as follows:
- Budget Gap - £4.7m
 - Contingency on Budget Gap - £0.6m
 - Savings Delivery Risk - £3.5m
 - Capital Receipts Delivery Risk - £4.6m

6.2. If the EFS application is approved by central government, a capitalisation direction will be issued which will allow the Council to treat the relevant costs as capital expenditure. This could then be financed by external borrowing from the Public Works Loan Board over a period of 20 years. This would be at a 1% premium above normal PWLB borrowing rates for the capital programme.

7. Risk & Governance

7.1. The proposed five-year programme will require the Council to use a higher proportion of available resources but without recourse to any more borrowing than is necessary to meet existing commitments. Investment of this nature will result in the Council being exposed to additional inherent risks as follows:

- economic risks on capital projects such as rising inflation and extended leading times for orders.
- the impact of Brexit / Covid-19 on construction costs.
- major schemes have a long pay-back period, which will require the use of reserves in the early years to fund short term deficits in business plans.
- Any unforeseen events occur which effect the overall cost or delivery times for specific schemes.

7.2. The management of risk on projects within the capital programme is managed by individual service directors as part of their own risk processes but is overseen by the Leadership Management Team as part of its corporate governance responsibilities.

7.3. It is the aim of the Council to create a capital programme board framework consisting of elected members and senior officers to oversee and support the delivery of the capital programme as part of its governance improvement ambitions. This would take the lead role for the organisation on both programme planning, scheme delivery and financing from the current arrangements once established.

Annex

1	Revised Capital Programme 2024/25 to 2026/27
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Appendix 6 - Annex 1 : Updated Investment Strategy 2024/25 to 2026/27

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Regeneration				
Town Centre Related Projects	0.158	-	-	0.158
Middlehaven Related Projects	0.007	0.500	-	0.507
Housing Growth	0.435	2.957	-	3.392
BOHO X	0.600	-	-	0.600
Unallocated Grant Following Completion Of Boho X Project	-	5.600	-	5.600
Towns Fund	1.528	11.630	-	13.158
Towns Fund - East Middlesbrough Community Hub	0.400	3.218	-	3.618
Future High Streets Fund	1.300	-	-	1.300
Acquisition of Town Centre Properties	-	1.207	-	1.207
New Civic Centre Campus	0.210	-	-	0.210
Middlesbrough Development Company	1.702	-	-	1.702
Capitalisation Of Major Schemes Salaries	0.530	0.530	0.530	1.590
Capitalisation of Planning Services Surveys	0.090	0.040	0.040	0.170
Affordable Housing Via Section 106	-	1.495	-	1.495
Highways Infrastructure Development Section 106	1.500	1.442	-	2.942
Levelling Up Fund - South Middlesbrough Accessibility	3.863	0.809	-	4.672
Derisking Sites	1.000	1.566	0.500	3.066
Property Services Building Investment	0.340	0.340	0.340	1.020
Property Asset Investment Programme	1.084	1.866	1.200	4.150
Town Hall Roof	0.807	2.149	-	2.956
Municipal Buildings Refurbishment	1.193	-	-	1.193
Resolution House	-	0.492	-	0.492
Cleveland Centre	0.500	1.034	-	1.534
Members Small Schemes	0.120	0.060	0.060	0.240
Stewart Park Section 106	0.034	-	-	0.034
Cultural Development Fund - Enhancements to Central Library & Partner organisations	4.181	-	-	4.181
Total Regeneration	21.582	36.935	2.670	61.187

Council Funding	External Funding
£m	£m
0.129	0.029
0.500	0.007
2.692	0.700
-	0.600
-	5.600
0.100	13.058
2.600	1.018
-	1.300
1.207	-
0.210	-
1.304	0.398
1.590	-
0.170	-
0.302	1.193
0.142	2.800
-	4.672
3.066	-
1.020	-
4.150	-
2.956	-
1.193	-
0.492	-
1.534	-
0.240	-
-	0.034
0.087	4.094
25.684	35.503

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Environment and Community Services				
Purchase of New Vehicles	2.197	3.760	1.200	7.157
Capitalisation of Wheeled Bin Replacement	0.100	0.100	0.100	0.300
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	0.055	0.055	0.055	0.165
Capitalisation of Highways Maintenance	0.575	0.575	0.575	1.725
Local Transport Plan -Highways Maintenance	2.638	4.678	-	7.316
Local Transport Plan - Incentive Funding	1.377	2.130	-	3.507
Street Lighting-Maintenance	0.468	0.468	0.468	1.404
Bridges & Structures (Non Local Transport Plan)	2.620	3.740	-	6.360
Henry Street	0.039	-	-	0.039
CCTV	0.060	-	-	0.060
Towns Fund Initiatives	0.071	-	-	0.071
Highways Infrastructure	2.700	1.000	-	3.700
Libraries Improvement Fund	0.070	-	-	0.070
Urban Traffic Management Control 2	0.988	-	-	0.988
Traffic Signals Non Tees Valley Combined Authority	1.550	0.980	-	2.530
Newport Bridge	1.000	1.795	-	2.795
Street Lighting Column Replacement	0.464	0.500	-	0.964
Linthorpe Rd Cycleway	0.424	-	-	0.424
Total Environment and Community Services	17.396	19.781	2.398	39.575

Council Funding	External Funding
£m	£m
7.157	-
0.300	-
0.165	-
1.725	-
-	7.316
-	3.507
1.404	-
6.360	-
-	0.039
0.060	-
-	0.071
3.700	-
-	0.070
-	0.988
2.030	0.500
2.795	-
0.964	-
-	0.424
26.660	12.915

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Public Health				
New Project - Live Well East – Internal Alterations & Improvements	0.043	-	-	0.043
Total Public Health	0.043	-	-	0.043

Council Funding	External Funding
£m	£m
-	0.043
-	0.043

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Education and Partnerships				
Block Budget (Grant) Devolved Formula Capital - Various Schools	0.129	-	-	0.129
Block Budget (Grant) Devolved Formula Capital(energy efficiency) - Various Schools	0.077	-	-	0.077
Block Budget (Grant) Section 106 Avant Low Gill	-	0.035	-	0.035
Block Budget (Grant) School Condition Allocation	0.773	-	-	0.773
Block Budget (Grant) Basic Needs	1.766	1.775	-	3.541
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	0.515	-	-	0.515
Block Budget Childcare Expansion Grant	0.231	-	-	0.231
Schemes In Maintained Primary Schools	0.075	-	-	0.075
Schemes In Primary Academies	0.250	0.250	-	0.500
Schemes In Secondary Academies	1.036	0.300	-	1.336
Schemes In Special Schools	6.071	0.366	-	6.437
Capitalisation Of Salary Costs	0.115	-	-	0.115
Contribution To New School At Middlehaven	0.400	0.746	-	1.146
Special Education Needs Projects	0.424	-	-	0.424
Sandringham House (Hospital Teaching Service)	0.125	0.125	-	0.250
Family Hubs	0.053	-	-	0.053
Total Education and Partnerships	12.040	3.597	-	15.637

Council Funding	External Funding
£m	£m
-	0.129
-	0.077
-	0.035
-	0.773
-	3.541
-	0.515
-	0.231
-	0.075
-	0.500
-	1.336
-	6.437
-	0.115
0.646	0.500
-	0.424
-	0.250
-	0.053
0.646	14.991

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Children's Care				
Children's Services Financial Improvement Plan	2.035	2.360	-	4.395
Total Children's Care	2.035	2.360	-	4.395

Council Funding	External Funding
£m	£m
4.395	-
4.395	-

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Adult Social Care				
Chronically Sick & Disabled Persons Act - All schemes	0.702	0.610	0.610	1.922
Disabled Facilities Grant - All schemes	0.376	-	-	0.376
Capitalisation Of Staying Put Salaries	0.050	0.050	0.050	0.150
Home Loans Partnership (Formerly 5 Lamps)	0.070	-	-	0.070
Small Schemes	0.015	-	-	0.015
Total Adult Social Care	1.213	0.660	0.660	2.533

Council Funding	External Funding
£m	£m
1.914	0.008
-	0.376
0.150	-
-	0.070
-	0.015
2.064	0.469

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Legal and Governance Services				
ICT Essential Refresh & Licensing	2.313	2.185	2.185	6.683
HR Pay	0.037	-	-	0.037
Total Legal and Governance Services	2.350	2.185	2.185	6.720

Council Funding	External Funding
£m	£m
6.683	-
0.037	-
6.720	-

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Finance				
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	0.264	-	-	0.264
Business World Upgrade	0.026	-	-	0.026
Capitalisation of Property Finance Lease Arrangements	4.500	-	-	4.500
Total Finance	4.790	-	-	4.790

Council Funding	External Funding
£m	£m
0.264	-
0.026	-
4.500	-
4.790	-

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Transformation Programme				
Transformation	3.000	2.300	2.300	7.600
Subject Matter Expertise	2.500	2.500	1.000	6.000
Redundancy	6.500	-	-	6.500
Contingency	1.700	2.900	2.000	6.600
Total Transformation	13.700	7.700	5.300	26.700

Council Funding	External Funding
£m	£m
7.600	-
6.000	-
6.500	-
6.600	-
26.700	-

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Exceptional Financial Support				
Revenue Budget Deficit	4.700	-	-	4.700
Contingency for savings and receipts deficit	8.700	-	-	8.700
Total Exceptional Financial Support	13.400	-	-	13.400

Council Funding	External Funding
£m	£m
4.700	-
8.700	-
13.400	-

	Total Funding Required			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Total Capital Expenditure	88.549	73.218	13.213	174.980

Council Funding	External Funding
£m	£m
111.059	63.921

	Forecast Funding			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
FUNDED BY:				
Prudential Borrowing	23.037	28.009	1.913	52.959
EFS Borrowing	13.400	-	-	13.400
Capital Receipts	6.000	6.000	6.000	18.000
Flexible Receipts	13.700	7.700	5.300	26.700
Grants	29.897	27.931	-	57.828
Contributions	2.515	3.578	-	6.093
Total FUNDING	88.549	73.218	13.213	174.980

Council Funding	External Funding
£m	£m
52.959	-
13.400	-
18.000	-
26.700	-
-	57.828
-	6.093
111.059	63.921

	2024/25	2025/26	2026/27
	£m	£m	£m
Capital Receipts memo			
Total Capital Receipts expected	24.512	13.240	9.709
Capital Receipts to finance above programme	(6.000)	(6.000)	(6.000)
Flexible Receipts to finance transformation	(13.700)	(7.700)	(5.300)
Capital Receipts to carry forward	4.812	4.352	2.761

Appendix 7

Council Tax Setting 2024/25

1.1 The legislation governing the setting of council tax is contained in Sections 30 to 38 of the Local Government Finance Act 1992. Section 31B(1) requires a billing authority to calculate the basic amount of its council tax, which in Middlesbrough Council's case is that applicable to Band D dwellings in its area.

1.2 The calculation is made in accordance with a formula R/T where

R is the amount calculated by the Middlesbrough Council as its council tax requirement for 2024/25, calculated in accordance with section 31A(4) of the Act. This has been calculated as **£71,438,123**.

T is the amount calculated by Middlesbrough Council as its council tax base for 2024/25. On 20 December 2023 the Executive calculated the amount of **36,137.9** as its council tax base for the year 2024/25 in accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

1.3 Application of the formula R/T thus gives a basic amount of council tax of **£1,976.82** for a Band D property in accordance with Section 31B(1) of the Act as shown in **Table 1** below:

Table 1 – Calculation of Basic Council Tax 2024/25

	£	£
Net Budget Requirement		143,190,245
Less:		
Revenue Support Grant	15,121,685	
Top up Payment	30,485,592	
Top up Payment 23/24 reconciliation	(24,629)	
Local Share of NNDR	17,844,227	
		63,426,875
		79,763,370
Estimated Collection Fund Deficit 2023/24		(8,325,247)
Council Tax Requirement	R	71,438,123
Taxbase	T	36,137.9
Basic Council Tax	(R) / (T)	1,976.82

The basic amount is now relevant only for statistical purposes, but must still be calculated by law. It represents the average tax paid across the Council area, including parish precepts.

1.4 The calculation of the actual Council Tax (Band D) for parish and non-parish areas (Middlesbrough Council only element excluding Cleveland Police and Crime Commissioner and Cleveland Fire Authority precepts) is as follows:

a. Table 2 – Actual Council Tax (Band D) - Areas other than Nunthorpe and Stainton & Thornton Parishes – 4.99% increase:-

	£	£
Basic Amount as above:		1,976.82
Less : Parish Precepts	38,153	
Divided by Tax Base	36,137.9	
Equals		1.06
Band D Tax		1,975.76

b. Table 3 – Actual Council Tax (Band D) – Nunthorpe Parish:-

	£	£
Add: Parish Precept	25,000	
Divided by Tax Base	2,386.6	
Equals		10.48
Band D Tax		1,986.24

c. Table 4 - Actual Council Tax (Band D) Stainton & Thornton Parish:-

	£	£
Add: Parish Precept	13,153	
Divided by Tax Base	1,412.8	
Equals		9.31
Band D Tax		1,985.07

1.5 The calculation of the actual Council Tax for each valuation band for the Middlesbrough Council only element (excluding Cleveland Police and Crime Commissioner and Cleveland Fire Authority precepts) is shown in **Table 5** below :

Table 5 - Middlesbrough Council Tax bands 2024/25 (excluding Police & Fire Precepts)

Middlesbrough Council Tax bands excluding Police & Fire Precepts				
Band	Proportion	Areas without Parishes £	Nunthorpe £	Stainton & Thornton £
A	6/9	1,317.17	1,324.16	1,323.38
B	7/9	1,536.70	1,544.85	1,543.94
C	8/9	1,756.23	1,765.55	1,764.51
D	1	1,975.76	1,986.24	1,985.07
E	11/9	2,414.82	2,427.63	2,426.20
F	13/9	2,853.88	2,869.01	2,867.32
G	15/9	3,292.93	3,310.40	3,308.45
H	18/9	3,951.52	3,972.48	3,970.14

- 1.6 Cleveland Fire Authority has set a precept for Middlesbrough of **£3,232,896** and a 2.99% increase in Band D Council Tax. Council Tax levels for 2024/25 are set out in **Table 6** below.

Table 6 – Cleveland Fire Authority Council Tax 2024/25

Cleveland Fire Authority	
Band	Tax £
A	59.64
B	69.58
C	79.52
D	89.46
E	109.34
F	129.22
G	149.10
H	178.92

- 1.7 Cleveland Police and Crime Commissioner has set a precept of **£10,976,164** and a 4.47% increase in Band D Council Tax. Council Tax levels for 2024/25 are set out in **Table 7** below.

Table 7 – Cleveland Police & Crime Commissioner Council Tax 2024/25

Cleveland Police & Crime Commissioner	
Band	Tax £
A	202.49
B	236.23
C	269.98
D	303.73
E	371.23
F	438.72
G	506.22
H	607.46

- 1.8 The total tax to be levied for each band (including Middlesbrough Council, Cleveland Fire Authority, Cleveland Police and Crime Commissioner, and Parishes) is set out in **Table 8**.

Table 8 - Middlesbrough Council Tax bands 2024/25 including Police & Fire Precepts

Middlesbrough Council Tax bands including Police & Fire Precepts			
Band	Areas without Parishes £	Nunthorpe £	Stainton & Thornton £
A	1,579.30	1,586.29	1,585.51
B	1,842.51	1,850.66	1,849.75
C	2,105.73	2,115.05	2,114.01
D	2,368.95	2,379.43	2,378.26
E	2,895.39	2,908.20	2,906.77
F	3,421.82	3,436.95	3,435.26
G	3,948.25	3,965.72	3,963.77
H	4,737.90	4,758.86	4,756.52

Appendix 8

Schools Budget 2024/25

Introduction

- 1.1 In conjunction with the National Funding Formula (NFF) the Dedicated Schools Grant (DSG) funding is allocated over four blocks and the indicative Dedicated Schools Grant for 2024/25 totals £189.360m after deductions for national non-domestic rates and direct funding of high needs by Education & Skills Funding Agency (ESFA).
- 1.2 This budget has 4 elements - budgets delegated to individual schools (Schools Block), support to high needs pupils (High Needs Block), provision for early years expenditure (Early Years Block), and support for central services (Central Services Block).

Funding Allocations

- 1.3 The following table provides a summary of the amounts to be received in 2024/25 and a comparison to that received in 2023/24. It should be noted though that the above amounts are subject to change during the year as the Schools Block includes amounts which are passported directly to academies (known as recoupment), and also certain elements of the High Needs Block are paid directly to providers. No assumption has currently been made of any increases in DSG for 2025/26 and 2026/27.

Table 1 - Dedicated Schools Grant (DSG) after deductions 2024/25

DSG Block	2023/24 £m	2024/25 £m	Increase £m	Increase %
Schools Block	131.071	139.332	8.261	6.3
Central School Services Block	1.043	1.046	0.003	0.3
High Needs Block	29.978	31.045	1.067	3.6
Early Years Block	12.121	17.937	5.816	48.0
TOTAL DSG AFTER DEDUCTIONS	174.213	189.360	15.147	8.7

1.4 Schools Block

2024/25 DSG Schools Block allocation, after business rate deduction, is an increase of £8.261m (6.3%) compared with 2023/24. DSG Schools block funding is allocated based on the National Funding Formula (NFF), which is based on the October 23 census:

Table 2 – Pupil Numbers

	October 2023 census numbers	October 2022 census numbers	Difference
Primary	13,727	13,692	35
Secondary	8,710	8,566	144
Total	22,437	22,258	179

Funding for Schools budgets comprises:

- a) Dedicated Schools Grant (DSG) - this is the main funding stream allocated to schools by the LA;
- b) Pupil Premium Grant – this is distributed by the Council to maintained schools only. The allocation is set out by the (ESFA) with academies receiving this funding directly.

To note, the Mainstream Schools Additional Grant (MSAG) has been rolled into the above allocations for 2024/25.

The minimum funding guarantee (MFG) is in place at +0.25% ensuring schools have some protection where they are experiencing reducing school roll numbers. The formulation of the budget is also aligned with government guidance and the necessary approvals required from Schools Management Forum (SMF), which are public documents. SMF approved modelled option 2 on 17 January 2024. The Schools Budgets has been submitted for Middlesbrough schools on 22 January 2024 within the required deadline.

The standard approach followed by the Local Authority in setting the Schools Budget is to set budgets by block which mirror the DSG income received. However, for 2024/25 the Local Authority is responding to an improved offer for schools, aligned within the High Needs Block and requested transfer from the Schools Block.

Schools Block transfer to High Needs Block transfer (0.5%) £0.7m, was approved by SMF on 12 December 2023.

DSG allocation is updated throughout the year as pupil numbers are confirmed. During this process any unallocated balance is put to DSG Reserve, reported in the council balance sheet as “DSG unusable Reserves”. This is not currently a council liability. Any surplus in schools block, identified as Growth funding and agreed by SMF, is used to support the following (year(s) place planning and sufficiency across Middlesbrough schools.

1.5 **Central School Services Block (CSSB)**

The CSSB is made up of two categories, historic and ongoing commitments with funding totalling £1.067m for 2024/25 for Middlesbrough. This includes Teachers' Pension Employer Contribution (TPECG) funding for centrally employed teachers.

The grant has reduced the historic element by 20% when compared to 2023/24 by £30,400. The DfE have indicated that this element will reduce by 20% year on year and will be nil once the hard funding formula is implemented. Due to this overall, there is only a £22,200 increase from 2023/24.

The services funded can be found in SMF DSG CSSB report 2024/25 of 17 January 2024.

1.6 **High Needs Block**

For 2024/25 Middlesbrough indicative allocation is £31.045m. The indicative allocations are based on the latest mid-2023 ONS population estimate for Middlesbrough. The High Needs Block allocation for 2024/25 is finalised during 2024/25 taking into account the Spring 2024 pupil numbers and any other

deductions and recoupment. Middlesbrough are signed up to the Delivering Better Value (DBV) programme that invests £1m over an approximate 18-month period ending 31 March 2025.

Currently after deductions and recoupment the Council will receive DSG of £63.472m in 2023/24. The forecast expenditure is £70.116m, a forecast year-end overspend of £6.644m within 2023/24 as shown in **Table 3**.

Table 3 - Dedicated Schools Grant (DSG) after recoupment and deductions 2023/24

	2023/24 Income Forecast	2023/24 Expenditure Forecast	2023/24 Forecast Year-end Overspend	Balance as at 31/03/2023	Forecast Cumulative DSG Deficit as at 31/03/2024
	£m	£m	£m	£m	£m
Early years	12.121	12.121	0.000	(0.254)	(0.254)
Schools Block	20.330	20.330	0.000	(0.182)	(0.182)
High Needs	29.978	36.622	6.644	7.021	13.665
Central school services block	1.043	1.043	0.000	(0.021)	(0.021)
TOTAL	63.472	70.116	6.644	6.564	13.208

As shown in **Table 3** above there was a £6.564m total cumulative deficit on the DSG grant at the end of 2022/23, which included £7.021m attributed to the High Needs Block. The DSG deficit is predicted to increase during 2023/24 and it is currently forecast that there will be a total cumulative DSG deficit of £13.208m at 31 March 2024, including £13.665m relating to the High Needs Block which is partly offset by £0.457m of surplus forecast across the other blocks.

The pressure has been driven up by Education and Health Care Plans (EHCPs) increasing from 2022 to 2023 by over 27% (up from 1370 to 1743) and the service has faced the full year effect of this increase along with continued increasing numbers in the past 12 months, and increasing exclusions.

As part of the Delivering Better Value (DBV) work, it was identified that there would be a pressure in the current year. However, additional risks were highlighted as part of the DBV programme; specifically, that this may not be achieved without significant change regarding inclusion in mainstream schools. Inclusion within mainstream has remained a challenge, which has resulted in continued increased demand for specialist provision. These are over commissioned places which has resulted in financial pressure to provide place funding. Alongside this, there has also been an increase in rates from specialist providers across the board and significant increased pressure from rising permanent exclusions.

A range of management actions are being taken alongside the DBV programme these include initiatives such as :

- Work with health colleagues to identify health contributions where relevant
- On-going reviews of Education, Health and Care (EHC) assessments
- Training for staff and school staff to support children remaining in mainstream settings

- Reintegration of Excluded pupils to mainstream where possible
- Governance of High Needs budget
- Service review and modelling
- Review of Top-ups in line with Improvement Plan
- Reduce Exclusions
- Consider notional SEND budget and how this is used
- Linking school inspection in with SEND and Alternative Provision Improvement plan
- Review school reserves and examination of potential of implementing a policy (subject to SMF) for taking excess reserves back into High Needs where relevant and appropriate

The Dedicated Schools Grant (DSG) is subject to a statutory override by central Government which instructs Councils to account for the DSG deficits and resulting negative balance in a separate reserve and not to fund it by using its General Fund resources. This was planned to end on 31 March 2023, however Government has extended the arrangement to at least 31 March 2026. This is considered to be a potential major risk to the Council's financial resilience in the long term if the Government remove the statutory override before the deficit position is resolved – the current balance is £13.208m which would be required to be met from the General Fund resources. The position that Government takes on this national issue which presents significant financial risks for many local authorities, will be closely followed and updates will be provided as appropriate.

1.7 Early Years Block

The funding split of the indicative £17.937m for Early Years in 2024/25 is shown in **Table 4** below:

Table 4 – Indicative Early Years Block Funding 2024/25

Description	2024/25 (Provisional) £
3 & 4 Year Old Universal Entitlement	7,639,642
3 & 4 Year Old Additional 15 hours	2,483,949
2 Year Old Entitlement	3,595,798
Early Years Pupil Premium (EYPP)	357,894
Disabled Access Fund (DAF)	146,510
2YO Working Parent Entitlement	2,192,355
Under 2s Entitlement	1,520,861
Maintained Nursery Supplementary Funding	0
TOTAL	17,937,010

Note: This is a provisional allocation (based on January 2023 pupil numbers)

The required SMF noting of rates and the approval of Special Education Needs (SEN) and pass through rate for the Council was agreed on 17 January 2024.

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Report of:	Director of Finance (S151 Officer)
Relevant Executive Member:	Executive Member for Finance and Governance
Submitted to:	Executive
Date:	28 February 2024
Title:	Prudential Indicators and Treasury Management Strategy 2024/25
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000
Subject to call in?	No
Why:	Part of the statutory budget setting process

Proposed decision(s)

For Executive to review and endorse the following and refer for consideration and approval by Council at the budget meeting on 8 March 2024:

- The Prudential Indicators (PI) and limits for 2024/25 to 2026/27 relating to capital expenditure and treasury management activity.
- The Treasury Management Strategy (TMS) for 2024/25, which includes the Annual Investment Strategy for 2024/25.
- The Minimum Revenue Provision (MRP) Policy 2024/25.
- An Authorised Limit for External Debt of £372m for the financial year.

Executive summary

The Council is required to approve annually a Treasury Management Strategy and a set of Prudential Indicators, which self-regulate the level of capital financing activities of the Council and the affordability of the capital programme. These need to be set on an annual basis to comply with the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes of Practice on Capital Finance and Treasury Management.

The Treasury Management Strategy is important from both a financial and governance perspective as it sets the framework within which the Council manages its borrowing and investments, how it delivers these services, and how it controls the risks attached to financial decisions made. It also sets out the parameters and criteria that govern the day-to-day cashflow management activity and how these impact on medium to long term financial planning. These include achieving value for money from any borrowing undertaken, managing risk, and protecting any resources that have been invested.

The Prudential Indicators are an integral part of the CIPFA Capital Finance Code and demonstrate whether the capital programme is affordable, sustainable, and prudent. They include the level of capital expenditure over the next three years, how this has been financed, the maximum level of external debt and the cost to the revenue budget.

The MRP policy governs how the Council plans to account for the repayment of loan principal in relation to its borrowing activities and has a fundamental impact upon the annual revenue cost of borrowing and over the long term. The Council adopted its current MRP policy in 2021/22 which is based on a 2% annuity model in line Government permitted prudent methodologies available to and used by all local authorities. The effect of this methodology compared to others available, is to improve annual affordability over the medium term which are offset by higher revenue charges in 25 – 50 years' time.

The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR) which is forecast to be £331.863m at the end of 2024/25 rising to £352.332m by 2026/27. This results in the annual cost of revenue cost of borrowing of £11.154m (7.8% of Net Revenue Budget) in 2024/25 rising to £14.496m (9.8% of Net Revenue Budget) as shown below. This level of borrowing is provided to include the contingency sums repayable if the Council is required to utilise the full amount of Exceptional Financial Support (EFS) of £13.4m as explained further below. The actual level of borrowing will be less provided that revenue savings are delivered to plan and capital receipts from planned asset sales realised to fund transformation as set out in the 2024/25 Budget and MTFP report.

	2022/23 actual	2023/24 forecast	2024/25 forecast	2025/26 forecast	2026/27 forecast
Financing costs (£m)	8.058	9.376	11.154	12.814	14.496
Net Revenue Budget (£m)	118.329	126.354	143.190	148.601	148.127
Proportion of net revenue budget (%)	6.8%	7.4%	7.8%	8.6%	9.8%

Whilst the Council is not an outlier compared to other authorities in terms of its level of total debt (see the graph below), it is approaching the CIPFA advisory limit of 10% for revenue affordability on borrowing to fund its future capital investment. The Council will therefore need to strictly prioritise its capital investment decisions over the medium and longer term and secure its financing through third party funds such as contributions and grants or further capital receipts from the sale of assets in order to maintain borrowing at affordable levels over the longer term.

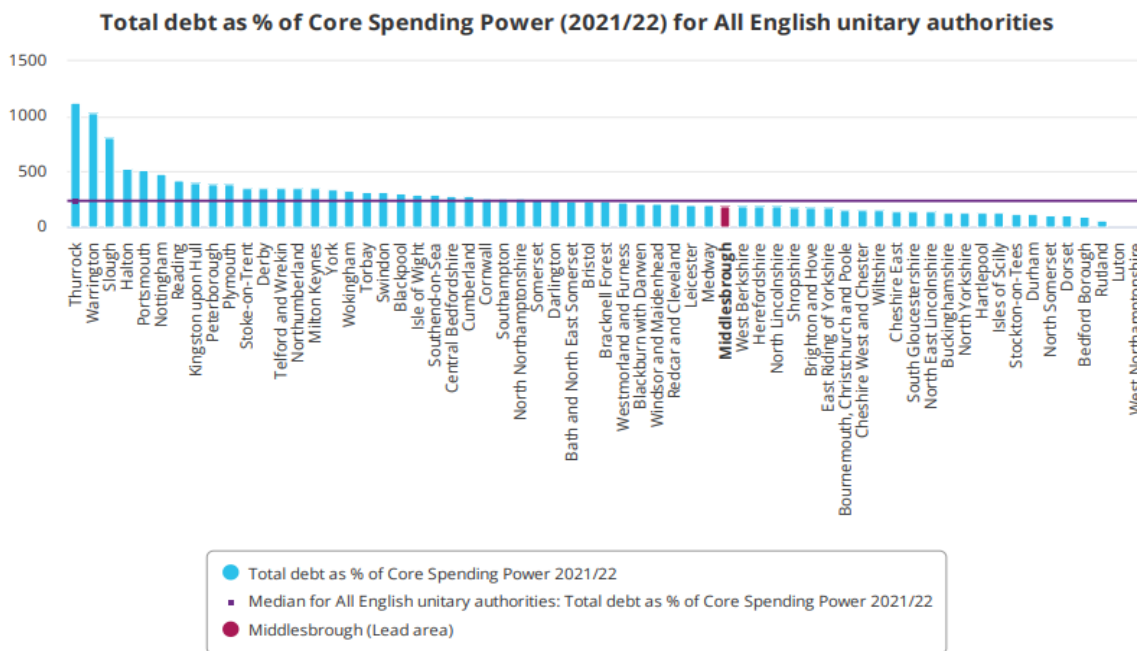
Total debt as percentage of core spending power

'Total debt' is Capital Financing Requirement, a measure of capital indebtedness that the council has built up over many years of capital financing decisions, but based on a methodology. (It is perhaps more accurate to describe this as the amount of capital expenditure that has not yet been funded by capital receipts, capital grants or revenue contributions and which therefore will need to be funded in future years. As such is some kind of measure of capital indebtedness, but arguably not a perfect one.

Core Spending Power is a measure of the funding the government makes available to councils for service delivery but it excludes several important elements that may be contributing to the servicing of debt including schools grants, investment income, service income and housing rents.

In 2021/22, the total debt as a percentage of Core Spending Power for Middlesbrough was 190.1%, which was below the All English unitary authorities median percentage of 229.4%.

Note the metric on total debt as a percentage of core spending power used by Oflog uses different financial years for the denominator and numerator, whereas LG Inform uses the same financial year so the numbers will differ slightly.



Source:

Calculated by LG Inform, N/A, [Total debt as % of Core Spending Power](#), **Data updated:** 22 Nov 2023

The Council is reliant upon the capitalisation of £4.7m of revenue expenditure to balance its 2024/25 revenue budget. In the absence of available capital receipts this will be funded by borrowing via Exceptional Financial Support (EFS) over a period of up to 20 years. The period and rate of borrowing will be determined at an appropriate point during 2024/25, taking account the Council's financial performance, prevailing interest rates and the impact and affordability of revenue repayments over the period. This will be a professional judgement of the s151 Officer, based upon the expert advice of the Head of Finance and Investments and the Council's external Treasury Management advisers. A contingency amount of £0.6m is provided in relation to setting the revenue budget.

EFS of up to a further £3.5m is required to provide capital financing to cover the risk of any shortfall in the delivery of savings and up to £4.6m for any shortfall on the timing of realising planned capital receipts required to fund transformation expenditure under Flexible Capital Receipts regulations. Provided that savings are delivered to plan, and

flexible receipts are realised in accordance with expected profiles, it will not be necessary to draw down this borrowing.

However, this does emphasise that the successful delivery of all savings to plan during 2024/25 is critical to the Council's financial recovery and its medium term financial sustainability. Further, that investment in transformation must deliver substantial revenue savings in excess of the projected budget gap of £7.965m in the 2024/25 Budget and MTFP report presented elsewhere on this agenda, given that further financial challenges are likely to occur within the financial planning period that are not yet known.

The revenue costs of borrowing under EFS of up to £13.4m for a period of up to 20 years (£1.150m maximum per annum) is factored into the TM Strategy and is within the Prudential Indicators and authorised limits. This reflects the borrowing required to support the proposed budget and MTFP as set out elsewhere in this agenda.

1. Purpose

This report outlines the Council's prudential indicators for the financial years 2024/25 – 2026/27 and sets the framework and approves the limits within which the treasury management operations for this period. It fulfils key legislative and guidance requirements:

- (a) The setting of the prudential indicators in relation to the expected capital activities and treasury management prudential indicators (included as treasury indicators) in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.
- (b) The treasury management strategy statement which sets out how the Council's treasury function will support capital decisions taken above, day to day treasury management activities on service delivery and any limitations on these, via the treasury prudential indicators.
- (c) The approval of the Council's Minimum Revenue Provision (MRP) Policy, which sets out how the Council will pay for borrowing to fund capital investment through the revenue budget each year.
- (d) The key indicator is the Authorised Limit, the maximum amount of debt the Council could enter into during the financial year. This amount acts as the legal limit for debt activity.
- (e) The investment strategy which sets out the Council's criteria for choosing the investment counterparties and limiting exposures to the risk of loss.

The information contained in the report regarding the Council's capital expenditure plans, Treasury Management and Prudential Borrowing activities indicate that they are:

- Within the statutory framework and consistent with the relevant codes of practice.
- Prudent, affordable, and sustainable.
- An integral part of the Council's Revenue and Capital Medium Term Financial Plans.

2. **Recommendations**

That the Executive review and endorse and recommend for approval and adoption at the Council meeting on the budget on 8 March 2024:

- To approve the Prudential Indicators and limits for 2024/25 to 2026/27 relating to capital expenditure and treasury management activity set out in tables 1 to 10 of Appendix 1.
- To approve the Treasury Management Strategy for 2024/25, which includes the Annual Investment Strategy for 2024/25 at Appendix 1
- To approve the Minimum Revenue Provision (MRP) Policy for 2024/25 at Appendix 1.
- To approve an Authorised Limit for External Debt of £372m for the 2024/25 financial year.

3. **Rationale for the recommended decision(s)**

The recommendations above will fulfil the following for the local authority:

- a) To comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & Communities (DLUHC) guidance on investments.
- b) To comply with the Treasury Management Code of Practice for Local Authorities.
- c) To comply with the requirements of the Local Government Act 2003 Part 1.
- d) To approve a financial governance framework within which officers will operate when making both borrowing and investment decisions and entering financial transactions.

4. Background and relevant information

4.1. The PI & TMS for 2024/25 covers the following areas:

- How the capital programme is financed including the impact of Exceptional Financial Support required to set a lawfully balanced revenue budget.
- The relevant prudential Indicators to monitor the performance, revenue budget affordability and sustainability of the capital expenditure being proposed in line with the requirements of the prudential code.
- Treasury Management arrangements in place for investing surplus funds and borrowing to fund capital expenditure.
- The types of investments the Council makes as part of managing its cash balances – the Annual Investment Strategy.
- Knowledge and skills of staff involved in the Treasury Management process.
- Minimum Revenue Provision policy – including outlining how much the Council accounts for the revenue costs of re-paying borrowing incurred in relation to historical and future capital investment to support the operational delivery of services.

4.2 Capital Expenditure relates to how the Council plans to invest in long-term assets and infrastructure (such as property, equipment, vehicles, roads etc.). The Council must consider how this expenditure is paid for and what the long-term financial implications are of undertaking this investment. The Council is also permitted to borrow funds to finance the capital programme under the Local Government Act 2003. It needs to consider the impact on the revenue budget of the level of borrowing being proposed, how it funds the repayment of this debt and the period over which this debt is repaid.

4.3 The Council must ensure the capital programme and its plans to borrow to finance it are prudent and affordable. Where elements of this are funded by borrowing (either externally or internally), the Council must set aside budgetary allocations in the general fund revenue budget to meet the cost of this debt. These budgets include the interest payable to lenders on external borrowing and the setting aside of funds to re-pay the principal element of debt (known as the Minimum Revenue Provision).

Prudential Indicators and Capital Investment Plans

4.4 The Council demonstrates the concepts of affordability, sustainability, and prudence on its investment plans by setting a range of Prudential and Treasury Management indicators. These are set out in **Appendix 1** and are key metrics to the Director of Finance and Council when setting the budget plans each year.

4.5 Any variance from these indicators during a year indicates either a higher level of indebtedness or a lower level of prudence on the capital activities of the Council than when the budget was set. The following paragraphs give a brief commentary on these key indicators as we approach the start of the 2024/25 financial year.

4.6 There is total outstanding debt of **£233.491m** on 31 December 2023, with a further **c£25m** of borrowing expected to be required before 31 March 2024.

- 4.7 The forecast overall total long term external debt at the end of 2023/24 of **£259.498m** should be compared with the estimated *Capital Financing Requirement* (the underlying value which the Council needs to borrow to fund capital activities) of **£299.928m**. The Council therefore has an expected under-borrowed position of **£40.430m**, which provides some savings in interest payments as other revenue and capital cash has been used in lieu of external borrowing. This is a key strategic decision each year as to whether the under-borrowing position is increased or reduced and is influenced by the expectation of interest rates available to generate income on investments vs interest rates incurred on borrowing.
- 4.8 **Table 6 in Appendix 1** shows the profile of outstanding external debt over the whole of the medium-term financial planning period, and this will rise to a maximum of **£333.294m** by 31st March 2026 before starting to reduce in the following financial year. This increase in debt is a direct result of the amount required to fund the capital programme in each year, the EFS borrowing required, and any additional cash flow demands in each financial year.
- 4.9 The Council holds revenue budgets for repaying debt and interest (known as Capital Financing Costs). The repayment of debt costs for 2024/25 are **£11.154m** (7.8% of the net revenue budget for 2024/25). For comparison purposes the forecast capital financing costs in 2023/24 are expected to be £9.376m (which represented 7.4% of the planned net revenue budget for 2023/24).

Table 1: Prudential Indicators

<u>Prudential Indicator</u>	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Capital Financing Requirement (underlying need to borrow)	299.928	331.863	355.426	352.332
External Borrowing	259.498	310.535	333.294	329.910
Internal Borrowing	40.430	21.328	22.132	22.422
Authorised limit for External Debt	328.000	372.000	396.000	393.000
Annual Capital Financing Cost	9.376	11.154	12.814	14.496
% of Net Revenue Budget on debt costs	7.4%	7.8%	8.6%	9.8%

- 4.10 The table above illustrates the key figures from paragraphs 4.6 to 4.9 and how these change over the period to 2026/27. It also shows that the proportion of capital financing costs is increasing over the period due to the level of external debt required to fund the capital programme and to provide for EFS of up to £13.4m in order to set a balanced and robust revenue budget.
- 4.11 Although the Council does not have relatively high debt levels than its comparator authorities, the strain on the revenue budget is increasing. When CIPFA introduced the Capital Finance Code of Practice in 2007, an amount of 10% of the net revenue

budget was advised as being a threshold for sustainability and financial prudence. Whilst some councils have exceeded this limit, the S151 Officer advises Members to constrain capital investment funded by borrowing going forward as a key criteria for achieving its financial sustainability plans.

- 4.12 It is a statutory requirement for the Council to set an authorised limit for external debt at the start of each financial year. This is an amount beyond which it would be ultra-vires (or outside of its powers) to exceed in a particular financial year. The authorised limit for 2023/24 is £328m, with this increasing to **£372m** for 2024/25 due to an increase in the level of borrowing required.
- 4.13 It should be noted that the authorised limit for the Council is currently higher than either the expected level of external debt or the capital financing requirement. This is common practice to enable local authorities to build in contingency for unexpected urgent capital expenditure, potential unexpected debt re-financing opportunities and the remote possibility of needing to borrow for any further exceptional revenue purposes. The Council's authorised legal limit is recommended to be set at £40m above its capital financing requirement. It is not recommended to go beyond the specified capital financing requirement other than for temporary and specifically defined borrowing purposes.

Treasury Management

- 4.14 Treasury Management is defined as *'the management of the Council's cash flows, borrowing and investments, and the associated risk'*. The main risks that affect a local authority include credit risk, interest rate risk, liquidity risk and refinancing risk.
- 4.15 The Council is generally cash rich in the short term as many grants and contributions are paid in advance of need. Because of this, any excess cash is invested with an appropriate counterparty until the funds are required. When making an investment, the Council follows the advice set out in the Local Government Act 2003 and within the Treasury Management Code with paramount consideration given to the security of the sum invested, followed by the liquidity position of the Council and finally the interest rate achievable on the investment.
- 4.16 Given that credit criteria are the most important factor when making an investment decision, the Council receives regular updates from its professional expert external treasury management adviser, Arlingclose, on changes in credit ratings for individual financial institutions. They also advise on maximum amounts to be invested with each counterparty and maximum durations for any fixed term deposits made. This framework helps to protect against the loss of any sums invested (credit risk), ensures liquidity is not compromised and earns interest to support the revenue budget (not a major factor at present).
- 4.17 On 31 December 2023, the Council had cash balances of **£21.847m** invested either on fixed term deposit with central government or in liquidity accounts with appropriate banks. The strategic level of cash holdings is a minimum of £15m, below which the Council will look to borrow to maintain liquidity.

- 4.18 In relation to external borrowing, the Council seeks to achieve a low but certain cost of finance, whilst retaining the flexibility to borrow for short-term periods and to respond to demands of the Investment Strategy as needed. The Council therefore looks to create a balance between taking advantage of generally lower rates of interest for short term borrowing (predominantly from other local authorities) versus the need to achieve certainty over rates of borrowing in the longer term from either government or financial institutions (mainly from the PWLB or other banks).
- 4.19 Of the **£233.491m** of external debt on 31 December 2023, 80% is long term from the Public Works Loan Board – the government agency for local authority borrowing and 20% is long term with financial institutions (generally banks). There is £18.3m short-term borrowing in place at present.
- 4.20 Current long term interest rates for borrowing from the PWLB are between 4.5% and 5.25% depending on the length of the loan (local authorities can borrow up to 50 years from central government) with short term rates being between 5.5% and 6.0% for up to one year in duration.
- 4.21 On local authority borrowing, there has been much interest from both regulators and the media in recent years around individual councils taking significant amounts of long-term debt from the PWLB for the sole purposes of commercial activity – generally property investment. Under the Prudential Code, local authorities have lots of freedom to conduct and self-regulate their own borrowing and investment activities.
- 4.22 Both the Government and the Chartered Institute of Public Finance & Accountancy have said that borrowing for the sole purposes of commercial investment is against the spirit of the Code. The PWLB has prevented any local authority applications for this type of activity from 1 April 2021 with Section 151 Officers having to confirm each year that their investment plans do not contain any of these types of activity.
- 4.23 Although the Council has undertaken some capital projects in recent years that have generated a revenue income stream, the primary aim has always been to regenerate the areas involved and to grow the wider economy within the Town. As a result, these activities can continue under the Code and with funding from the PWLB.

Knowledge & Skills

- 4.24 This Strategy provide details of the knowledge and experience in place by Officers and the access to external advice and guidance made available to enhance this. Council officers have a broad range of skills to ensure treasury management decisions are informed and risk-assessed on a consistent basis. The Council uses external consultants (Arlingclose) to provide up to date and specialist advice which is bespoke for local government sector regulations, particularly focusing on risks and opportunities.
- 4.25 The Council also participates in a treasury management benchmarking club run by Arlingclose. This club provides access to data on other local authorities' approaches

to Treasury Management, including strategic information, and the wider performance outputs of the Treasury Management activities.

- 4.26 As part of the Treasury Management Code, it is also a best practice requirement that elected members have the necessary skills & knowledge to scrutinise the Council's plans and processes in this area. This has been achieved in the past by providing training for Members but this training is planned to be delivered during 2024.

Minimum Revenue Provision

- 4.27 The Council is required under the Local Government Act 2003 Part 1 to maintain a policy for the repayment of historic external debt incurred from the annual revenue budget. The policy is split into different elements which are influenced by when the borrowing was originally incurred, the type of assets and the useful economic life of the assets the borrowing is funding. The Council has in previous years amended this policy to reflect the useful economic life of the funded assets more accurately and then in 2021/22 moved to an annuity basis of calculating these revenue costs. **No changes are being proposed to the MRP policy for 2024/25 financial year** and there is no further scope to make annual savings beyond those currently achieved through the current policy on a prudent basis. This policy is set out at the end of **Appendix 1** for information.

5. Other potential alternative(s) and why these have not been recommended

- 5.1 It is a statutory requirement to approve the annual treasury management strategy and set of prudential indicators by the Council. As a result, there are no alternatives available.

6. Impact(s) of the recommended decision(s)

The adoption of this report is an integral part of the annual process for the Council. Ensuring that the capital programme and its financing is within available and affordable revenue resources is a key judgement for the S151 Officer and will inform the Council's view of whether to approve the medium-term financial plans.

6.1 Financial (including procurement and Social Value)

- 6.1.1 All relevant financial implications are outlined within the body of this report and the supporting **Appendix 1**. The capital programme and financing being recommended in the budget report remains affordable within the revenue budget parameters but needs to be strictly managed and prioritised going forward. The treasury indicators and processes remain robust and within prudent limits. The policy on minimum revenue provision also remains in line with the appropriate regulations and government guidance.
- 6.1.2 **Table 1 in Paragraph 4.9** outlines the key debt metrics and the capital financing costs as a % of the net revenue budget over the medium-term financial planning period.

6.2 Legal

6.2.1 There are no direct legal implications of this report. All activity on capital financing, investments and borrowing is under current local authority powers under either the local government act or the capital finance and accounting regulations.

6.2.2 If for any reason the Council exceeded its authorised limit for external debt in a financial year, the S151 Officer would be required to report this to Council at the earliest opportunity. This would need to set out any implications of this action and would recommend a new authorised limit for the financial year for approval.

6.3 Risk

6.3.1 Any risk related issues are set out within the report. Risk management is an integral part of the Council's treasury management strategy, and these are considered as part of business-as-usual activities and are set out in more detail within the Treasury Management Practices document.

6.4 Human Rights, Public Sector Equality Duty and Community Cohesion

6.4.1 There are no applicable issues to consider within this report.

6.5 Climate Change / Environmental

6.5.1 There are no applicable issues to consider within this report.

6.6 Children and Young People Cared for by the Authority and Care Leavers

6.6.1 There are no applicable issues to consider within this report.

6.7 Data Protection / GDPR

6.7.1 There are no applicable issues to consider within this report.

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

Action	Responsible Officer	Deadline
To implement and monitor the 2024/25 prudential indicators and treasury management strategy	Head of Finance & Investments	1 April 2024 (and during the 2024/25 financial year)

Appendices

1	Prudential Indicators & Treasury Management Strategy for 2024/25
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Background papers

There are no background papers to this report.

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PRUDENTIAL INDICATORS &
TREASURY MANAGEMENT STRATEGY - 2024/25

Introduction

The Treasury Management Strategy (TMS) report gives a high-level overview of how capital expenditure, capital financing and treasury management activities contribute to the provision of local public services at the Council. In addition, it also gives an overview of how the associated risks are managed and the implications for future financial sustainability.

The following information is a requirement of the 2021 Code of Practice on Treasury Management, issued by the Chartered Institute of Public Finance & Accountancy, and has been produced in an accessible way to enhance members' understanding of these often-technical areas

Capital Expenditure and Financing

Capital Expenditure is where the Council spends money on assets, such as property, IT and vehicles that will be used for more than one financial year. In local government, this also includes spending on assets owned by other bodies, finance leases and loans & grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are generally not capitalised.

In the 2024/25 financial year, the Council is planning a total capital expenditure of £88.549m as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2023/24	2024/25	2025/26	2026/27
	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Total Capital Expenditure	47.129	88.549	73.218	13.213

All capital expenditure has to be financed, from either external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital

receipts) or debt (borrowing, leasing and private finance initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing

	2023/24	2024/25	2025/26	2026/27
FUNDED BY:	£m	£m	£m	£m
Prudential Borrowing	19.300	23.037	28.009	1.913
EFS Borrowing	-	13.400	0.000	-
Capital Receipts	-	6.000	6.000	6.000
Flexible Receipts	3.000	13.700	7.700	5.300
Grants	23.644	29.897	27.931	-
Contributions	1.185	2.515	3.578	-
Total FUNDING	47.129	88.549	73.218	13.213

Any external debt (prudential or EFS) must be repaid over time by other sources of finance. This comes from the revenue budget in the form of Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace/repay debt finance. The Council generally uses capital receipts to finance new capital expenditure rather than to redeem debt. The total cost of MRP included in the Council's revenue budget is as follows:

Table 3: Minimum Revenue Provision

	2022/23 actual £m	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £
Cost to Revenue Budget	3.383	3.888	4.503	4.946	5.507

- The Council's minimum revenue provision statement for 2024/25 is available towards the end of this report.

The Council's cumulative amount of debt finance still outstanding is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure each year and then reduces with minimum revenue provision and capital receipts used to redeem debt.

The CFR is expected to increase by £31.935m or 10.6% during the 2024/25 financial year. This increase is due to the new capital expenditure funded by external debt of £36.437m less the MRP set aside of £4.503m.

Based on the above plans for expenditure and financing, the Council's estimated CFR for the period of the Medium-Term Financial Plan is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

	31/3/2023 actual £m	31/3/2024 forecast £m	31/3/2025 budget £m	31/3/2026 budget £m	31/3/2027 budget £m
TOTAL CFR	284.748	299.928	331.863	355.426	352.332

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets, or be used to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

The Council plans to receive c£25m of capital receipts in the coming financial year as follows. These amounts have increased significantly for the next few years due to the asset review being undertaken by the Council.

Table 5: Capital receipts

	2022/23 actual £m	2023/24 forecast £m	2024/25 budget £m	2025/26 budget £m	2026/27 budget £m
TOTAL	0.755	3.037	24.475	13.240	9.709

- The level of capital receipts for each financial year is monitored between Regeneration, Finance and Valuation & Estates teams, and any significant changes are reported to Executive as part of the Quarterly budget updates.
- The Council has adopted and used in the past two financial years, the Flexible Use of Capital Receipts Policy where these proceeds may be used for funding service transformation costs that would otherwise be classed as revenue expenditure. This is mainly to fund the current year's revenue budget overspend and would be a device to protect reserves.

Treasury Management

Treasury Management is concerned with keeping sufficient but not excessive cash resources, available to meet the Council's spending needs, while managing the risks involved in these investments. Surplus cash is invested until required, whilst a shortage of cash will be financed by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. Cash balances can be a combination of both revenue and capital cash given that there are timing differences between funds being received from various sources and those being spent on the operational plans of the Council.

The Council is typically cash rich in the short-term as revenue income is received and before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. Revenue cash surpluses are therefore offset against capital cash shortfalls to reduce the overall borrowing amount required, as part of an integrated strategy on Treasury Management. This is in line with best practice.

The Council on 31 December 2023 had £233.5m of borrowing at an average interest rate of 3.3% and £21.8m of treasury investments at an average rate of around 4%.

Both investment and borrowing rates available to the Council are at high levels currently due to the dramatic increase in the level of bank rate over the last 12 months and to curb the high levels of inflation that have been prevalent in the economy in recent months.

Borrowing strategy: The Council's main objectives when borrowing is to achieve a low but certain cost of finance for long-term capital projects whilst retaining flexibility should plans change in future. This is a little easier than in previous years due to long-term borrowing rates being lower than the cost of short-term loans for the first time in a decade. It is anticipated that all borrowing in the 2024/25 financial year will be from the PWLB, unless bank rate reduces rapidly during the financial year.

Projected levels of the Council's total outstanding debt (which comprises borrowing and relevant finance leases) are shown below, compared with its capital financing requirement (need to borrow).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31.3.2023 actual £m	31.3.2024 forecast £m	31.3.2025 budget £m	31.3.2026 Budget £m	31.3.2027 budget £m
External Debt	245.889	259.498	310.535	333.294	329.910
Capital Financing	284.748	299.928	331.863	355.426	352.332

Statutory guidance is that debt should remain below the capital-financing requirement, except in the short-term where the benefits of short-term borrowing may be taken. As can be seen from Table 6, the Council expects to comply with this in the medium term with debt being lower than the capital-financing requirement in all relevant financial years. There may be some opportunity to take more capital funding than is needed whilst interest rates are at low levels. Discussions are ongoing with our treasury advisers on this position and what approach the Council should take.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt levels start to approach the legal limit and is a more realistic rather than worst-case view of what will happen during the financial year. Any need to change these during the 2024/25

financial year from the original budget assumptions will be reported by the Director of Finance to the Executive at the earliest opportunity.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt

	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m	2026/27 limit £m
Authorised Limit (OB + £20m)	328.000	372.000	396.000	393.000
Operational Boundary (CFR + £20m)	308.000	352.000	376.000	373.000

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield, which focuses on minimising risk rather than maximising returns. Cash that is likely to be spent in the short term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss.

Table 8: Treasury management investments in £millions

	31/3/2023 actual £m	31/3/2024 forecast £m	31/3/2025 budget £m	31/3/2026 budget £m	31/3/2027 budget £m
Short-term investments	29.107	15.000	15.000	15.000	15.000
Longer-term investments	0.000	0.000	0.000	0.000	0.000
TOTAL	29.107	15.000	15.000	15.000	15.000

Governance: Decisions on treasury management in relation to investment and borrowing are made daily and are therefore delegated by the Director of Finance to the Head of Finance & Investments and staff within the central finance team, who act in line with the treasury management strategy approved by Council. Quarterly updates on treasury management activity are reported to Executive as part of the regular budget monitoring process.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to the revenue budget, offset by any investment income received. The net annual charge is reported as capital financing costs; this is compared to the net revenue stream i.e., the amount funded from council tax, business

rates and general government grants. This is an important indicator around the affordability of the Council's capital plans going forwards.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2022/23 actual £m	2023/24 forecast £m	2024/25 forecast £m	2025/26 forecast £m	2026/27 forecast £m
Financing costs (£m)	8.058	9.376	11.154	12.814	14.496
Net Revenue Budget (£m)	118.329	126.354	143.190	148.601	148.127
Proportion of net revenue stream	6.8%	7.4%	7.8%	8.6%	9.8%

Sustainability: Due to the very long-term nature of capital expenditure and its financing, the revenue budget implications of this expenditure incurred in the next few years could extend for up to some 50 years into the future.

The figures in table have remained relatively stable at a time when debt levels for the Council are still increasing. Members should be aware that this is because of various capital investments in commercial property made by the Council over the last few years for regeneration purposes. This results in around £3.1m of income per year being credited to the capital financing budget by the end of the 2023/24 financial year. It is imperative and a key budget risk that these rental levels are maintained, and the income assumed in the estimates above are generated.

However, the level of revenue budget strain is increasing over the capital programme being proposed as part of the 2024/25 budget process and this may not be sustainable given the revenue budget position and low level of reserves. The Council will need to reduce its reliance on external borrowing to fund the capital programme going forwards and target capital grants and contributions or capital receipts from the asset review.

Taking the figures above in Tables 1 to 9 and the key message of caution to be exercised in the future on capital financing decisions. The Director of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable because appropriate resources have been allocated from the Council's medium term financial plan, and any borrowing plans have been fully costed and reviewed.

Table 10 – Total Borrowing required for each year of the MTFP

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
	Estimate	Estimate	Estimate	Estimate
Capital Programme	19.300	23.037	31.500	1.913
EFS	-	13.400	-	-
Debt Restructuring	10.000	-	-	-
Revenue purposes	10.000	10.000	5.000	-
Total	39.300	46.437	37.000	1.913

This considers any debt needed by the Council to either finance the capital programme, in respect of leasing arrangements, or to finance any debt restructuring required.

The prudential indicators & limits set out in this report are consistent with the Council's current commitments, existing plans, and the proposals in the budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices.

The Director of Finance confirms that these are based on estimates of the most likely and prudent scenarios, with in addition sufficient headroom over and above this to allow for operational management and some scope for flexibility. For example, unusual cash movements or any unbudgeted capital expenditure required. Risk analysis and management strategies have been considered; as have plans for capital expenditure, estimates of the capital financing requirement, and estimates of cash flow requirements for all purposes.

Prudence – Treasury Management Indicators

It is recommended that the Council sets an upper limit on its fixed interest rate exposures for 2024/25, 2025/26 and 2026/27 of 100% of its estimated total borrowing undertaken.

It is further recommended that the Council sets an upper limit on its variable interest rate exposures for 2024/25, 2025/26 and 2026/27 of 25% of its estimated total borrowing undertaken.

This means that the Director of Finance will manage fixed interest rate exposures on total debt within the range 75% to 100% and variable interest rate exposures on total debt within the range 0% to 25%.

It is also recommended that the Council sets upper and lower limits for the maturity structure (when the debt needs to be repaid) of its total borrowing as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period:

	<u>Upper limit</u>	<u>Lower limit</u>
under 12 months	50%	0%
12 months and within 24 months	30%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	90%	20%

Currently investments are limited to a maximum of 3 years, with any deals being arranged so that the maturity will be no more than 3 years after the date the deal is arranged.

The maximum % of the total of all investments that have an outstanding period of one year or longer, at the time the investment is made, is 10%.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Finance and Investments has more than 25 years' experience in local government treasury management. There is similar experience within the finance teams in relation to budgeting & accounting for capital expenditure and financing. The Council also pays junior staff to study towards relevant professional qualifications including CIPFA, CIMA, ACCA, AAT and other relevant vocational studies.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Treasury Management Practices

Further details of how the treasury management function operates, the procedures used to manage banking, treasury and capital market transactions, how risk is managed by the in-house team and how these fit with the CIPFA Code of Practice is included in the Council's set of Treasury Management Practices.

Minor operational and terminology changes to this are made by the Director of Finance on an ongoing basis to keep the TMP's updated. If any significant changes are required to the document, either because of organisational or regulatory changes, this will be brought to full Council for approval.

ANNUAL INVESTMENT STRATEGY & TREASURY

MANAGEMENT POLICY STATEMENT 2024/25

1. In accordance with revised guidance from the Department for Levelling Up Housing and Communities (DLUHC) {formerly the Ministry of Housing, Communities and Local Government (MHCLG)} a local authority must prepare and publish an Annual Investment Strategy which must be approved by full Council before the start of the financial year to which it relates.
2. The DLUHC guidance offers councils greater freedom in the way in which they invest monies, providing that prior approval is received from Members by approving the Annual Investment Strategy. The guidance also considers the wider implications of investments made for non-financial returns and how these can be evaluated.
3. The Local Government Act 2003, which also introduced the Prudential Code for Capital Finance, requires that a local authority must have regard to such guidance as the Secretary of State issues relating to prudent investment practice.
4. In addition, the Chartered Institute of Public Finance & Accountancy (CIPFA) has published a revised Code of Practice for Treasury Management in the Public Services in December 2021. This replaces the 2017 Code which had been adopted in full by Middlesbrough Council. The revised Code requires the Council to clearly state, in the Annual Investment Strategy document, its policy on effective control, and monitoring of its treasury management function. These controls are set out in Treasury Management Practices (TMP's) which have been approved as part of acceptance of the previous Code.
5. The revised Strategy, showing where the Guidance has determined Council policy, can be set out as:

ANNUAL INVESTMENT STRATEGY 2024/25

6. Middlesbrough Council will create and maintain as the cornerstones for effective treasury management:
 - a treasury management policy statement, stating the policies, objectives, and approach to risk management of its treasury management activities.
 - suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
7. The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

8. Middlesbrough Council will receive reports on its treasury management policies, practices, and activities, including, as a minimum, an annual strategy in advance of the year, a mid-year review which will include an annual report on the previous year, in the form prescribed in its TMP's. Revised Strategies can be presented to the Council for approval at any other time during the year if the Director of Finance considers that significant changes to the risk assessment of significant parts of the authority's investments has occurred.
9. Middlesbrough Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Director of Finance. The execution and administration of treasury management decisions is further delegated to *the Head of Finance & Investments*, who will act in accordance with the organisation's policy statement, TMPs and CIPFA's *Standard of Professional Practice on Treasury Management*.
10. Middlesbrough Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
11. The Council is very circumspect in its use of credit rating agencies with the section on Specified Investments setting out the current policy. Ratings are monitored on a real time basis as and when information is received from either our treasury management consultants or any other recognised source. Decisions regarding inclusion on the Approved List are made based on market intelligence drawn from a number of sources.
12. All staff involved in treasury management will, under the supervision of *the Head of Finance & Investments*, act in accordance with the treasury management practices and procedures, as defined by the Council. Such staff will undertake relevant training, identified during the Council's induction process and, on an on-going basis, the Council's appraisal policy.
13. The general policy objective contained in the guidance is that local authorities should invest prudently the short-term cash surpluses held on behalf of their communities. The guidance emphasises that priority should be given to security and liquidity rather than yield. Within that framework the Council must determine a category of borrowers, who must be of "high credit quality" classified as **Specified Investments**, with whom it can invest surplus cash with minimal procedural formalities and further identify a category of borrowers classified as **Non-Specified Investments**, with whom it can also invest but subject to prescribed limits.
14. Although the guidance definition of Non-Specified Investments is "one not meeting the definition of a Specified Investment", the authority is required to identify which categories of investments are identified as prudent to use and the limits on any such investment either individually or in total. It is because some organisations do not subscribe to credit rating agencies that they have to be included as Non-Specified Investments, rather than any concern over their creditworthiness.

15. The guidance defines investment in such a way as to exclude pension fund and trust fund investments. In practice, Middlesbrough Council, in its role as Administering Authority for the Teesside Pension Fund, follows similar procedures as approved by Members as part of compliance with the CIPFA Code of Practice, albeit with different limits.

LIMITS & DEFINITION OF SPECIFIED INVESTMENTS

16. The following are currently determined as meeting the criteria for Specified Investments:
- The investment is made with the UK Government, or a local authority (as defined in the Local Government Act 2003), or a police authority, or fire, or a UK Nationalised Industry, or UK Bank, or UK Building Society.
 - The investment is made with a Money Market Fund that, at the time the investment is made, has a rating of AAA.
 - The investment is made with one of the bodies listed in section 4 of Schedule 1E of the current version of the Treasury Management Practices document which, at the time the investment is made, has a short-term "investment grade" rating with either Standard & Poors, Moody's Investors Search Ltd or Fitch Ratings Ltd (or in the case of a subsidiary the parent has such a rating). Where ratings awarded differ between the rating agencies any one award below investment grade will prevent the investment being categorised as a Specified Investment. The rating of all listed bodies must be monitored monthly. Where officers become aware of a downward revision of rating, that moves the body out of the "investment grade" category, between such monthly checks, the body should be removed from the list of Specified Investments and, if considered appropriate, the investment should be recalled.
17. All specified investments must be denominated in sterling and must be one where the authority may require it to be repaid or redeemed within 12 months of the date on which the investment is made and must be considered of high credit quality. This is defined as having met the criteria set out above. The investment must not constitute the acquisition of share capital or loan capital in any body corporate.

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| <ul style="list-style-type: none">• The minimum % of the total of all investments which must be Specified Investments, at the time the investment is made, is 90%• The maximum investment with any one counterparty is £15 million, except for the Debt Management Office which is has no limit.• The maximum investment in any one group (i.e., a bank and its wholly owned subsidiaries) is £15m. |
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LIMITS & DEFINITION OF NON-SPECIFIED INVESTMENTS

18. These categories of investment currently meet the criteria for non-specified investments:

- The investment is made with a UK bank, or UK building society, or a UK subsidiary of an overseas bank.
- The investment is made with one of the bodies listed in section 4 of Schedule 1E of the current version of the Treasury Management Practices document, which is not a Specified Investment.
- The investment is for a period of one year or longer.

19. All non-specified investments must be denominated in sterling. The investment must not constitute the acquisition of share capital or loan capital in any body corporate.

- The maximum % of the total of all investments which can be non-specified investments, at the time the investment is made, is 10%.
- The maximum investment with any one counterparty is £3 million.
- The maximum investment in any one group (i.e., a bank and its wholly owned subsidiaries) is £3m.
- The maximum % of the total of all investments that have an outstanding period of one year or longer, at the time the investment is made, is 10%.

20. The maximum period for which an investment can be made is 3 years, with the maturity date no more than 3 years and 1 month from the time the deal is agreed.

21. As referred to earlier in the report, borrowing should be kept at, or below, the expected capital financing requirement over the medium term to reduce the risk of exposure to interest rate fluctuations. The balance of 'net borrowing' (loans less investments) should also be monitored to, where prudent, minimise interest rate differences.

22. The Council is empowered by Section 12 of the Local Government Act 2003 for the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future. While not "borrowing to invest" it is prudent to invest monies raised in advance of expenditure. As required by the Guidance such investment is permitted providing the anticipated expenditure is within this or the next financial year or within a period of eighteen months, whichever is the greater.

TREASURY MANAGEMENT POLICY STATEMENT

23. Middlesbrough Council defines its treasury management activities as:
'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
24. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered to manage those risks.
25. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
26. The high-level policies and monitoring arrangements adopted by the Council for Borrowing and Investments are as follows:

Borrowing

- Any borrowing decisions will aim to strike an appropriate risk balance between securing low interest rates and achieving cost certainty over the periods for which funds are required. Economic forecasts available from our treasury management advisers and any other available sources will be used to form a view on the target borrowing rates and overall borrowing strategy.
- Any decisions should also look to maintain the stability and flexibility of the longer-term debt portfolio, given the current low interest rate environment where short-term borrowing or borrowing from internal resources offer revenue budget savings.
- The main sources of funding for external borrowing for the Council are the Public Works Loan Board, Other Local Authorities, and private sector financial institutions.

Investments

- The CIPFA and DLUHC guidance require the Council to invest its funds prudently and to have regard to security, liquidity and yield when making these decisions.
- Security being the arrangements in place to protect principal sums invested by a local authority.
- Liquidity being to ensure that enough cash resources are available on a day-to-day basis for transactional needs.
- Yield being the interest rate and total financial return applicable to the investment being made.

- With these strategic issues in mind, the management of credit risk (or security) is key to the Council's investment strategy and any subsequent activity. The Council uses the external advisers' credit worthiness matrix to determine limits with individual counterparties.

MINIMUM REVENUE PROVISION POLICY 2024/25

INTRODUCTION

27. Local authorities are required each year to set aside some of their revenue income as provision for debt repayment. There is a simple duty for an authority each year to make an amount of revenue provision, which it considers “prudent”. (Minimum Revenue Provision) MRP Guidance makes recommendations to authorities on the interpretation of that term.
28. Authorities are legally obliged to “have regard” to any such guidance – which is exactly the same duty as applies to other statutory guidance including, for example, the CIPFA Prudential Code, the CIPFA Treasury Management Code and the DLUHC Guidance on Investments.
29. Authorities are asked to prepare an annual statement of their policy on making MRP and to have this approved by the body before the start of each financial year.

MEANING OF “PRUDENT PROVISION”

30. The main part to the guidance is concerned with the interpretation of the term “prudent provision”. The guidance proposes a number of options. It explains that provision for repayment of the borrowing, which financed the acquisition of an asset, should be made over a period bearing some relation to that over which the asset continues to provide a service or has economic benefit. It should also cover the gap between the Capital Financing Requirement and the various sources of capital income available to the Council to finance its capital programme, such as capital receipts, capital grants, contributions and direct revenue financing.

OPTIONS FOR PRUDENT PROVISION

Option 1: Regulatory Method

31. For debt supported by (Revenue Support Grant) RSG in previous years, authorities will be able to continue to use the formulae in regulations, since the RSG was provided on that basis.

Option 2: CFR Method

32. This is a technically simpler alternative to Option 1 and may also be used in relation to supported debt. While still based on the concept of the Capital Financing Requirement (CFR), which can be derived from the balance sheet, it avoids the complexities of the formulae in the regulations.

Option 3: Asset Life Method

33. For new borrowing under the Prudential system (from 2008) for which no government support is given, there are two main options. Option 3 is to make provision for debt repayment in **equal annual instalments** over the estimated life of the asset for which

the borrowing is undertaken. This is a possibly simpler alternative to the use of depreciation accounting (Option 4), though it has some similarities to that approach.

34. The formula allows an authority to make **voluntary extra provision** in any financial year that this is affordable.
35. In the case of the construction of a new building or infrastructure, MRP would not need to be charged until the new asset comes into service. This “**MRP holiday**” would be perhaps 2 or 3 years in the case of major projects and could make them more affordable. There would be a similar effect in the case of Option 4 under normal depreciation rules.

Option 4: Depreciation Method

36. Alternatively, for new borrowing under the prudential framework for which no Government support is being given, Option 4 may be used. This means making MRP in accordance with the standard rules for depreciation accounting.
37. Councils will normally need to follow the standard procedures for calculating depreciation when making this revenue provision.

Option 5: 2% Annuity Method

38. This method recognises the time value of money and the useful life of the assets funded from borrowing and is seen as a fairer way of charging MRP. It is supported by the Council’s treasury management advisers (Arlingclose) and is being adopted by many local authorities nationally as an equitable and affordable basis for calculating the revenue costs of repaying debt. The adoption of this option for 2024/25 is consistent with the methodology approved in 2023/24.

**2024/2025 MINIMUM REVENUE PROVISION -
STATEMENT FOR MIDDLESBROUGH COUNCIL**

39. The Secretary of State recommends that before the start of each financial year a local authority prepares a statement of its policy on making MRP in respect of that financial year and submits it to the full council as part of its budget setting process. The statement should indicate which of the options listed above are to be followed in the financial year.
40. For supported capital expenditure, Middlesbrough Council intends to use **option 5 - a 2% annuity basis** for the coming financial year.
41. For unsupported capital expenditure, Middlesbrough Council intends to use **option 5 - a 2% annuity basis** for the coming financial year.

EXECUTIVE

A meeting of the Executive was held on Wednesday 28 February 2024.

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

PRESENT BY INVITATION: Councillors M Storey

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

OFFICERS: D Alaszewski, C Benjamin, S Bonner, G Field, C Heaphy, R Horniman, A Hoy, A Humble and D Middleton

APOLOGIES FOR ABSENCE: None.

23/74 **DECLARATIONS OF INTEREST**

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

23/75 **MINUTES - EXECUTIVE - 14 FEBRUARY 2024**

The minutes of the Executive meeting held on 14 February 2024 were submitted and approved as a correct record.

The Mayor provided an update on the Council application for Extraordinary Financial Support (EFS) stating that positive, albeit informal, discussions had taken place with the Department for Levelling Up, Housing and Communities. A final decision on EFS would be brought to the Council's budget meeting on 8 March.

SUSPENSION OF COUNCIL PROCEDURE RULE NO. 4.13.2 – ORDER OF BUSINESS

In accordance with Council Procedure Rule No. 4.57, Executive agreed to vary the order of business to deal with the items in the following order: 6,4,5,7 and 8.

23/76 **THE COUNCIL PLAN 2024-27**

The Mayor and Executive Member for Adult Social Care and Public Health submitted a report for Executive's consideration.

The report set out the Council Plan 2024-27 and sought Executive endorsement on its structure and content, setting out how the Council would work with its communities, to take forward its shared priorities over the 2024 to 2027 period.

The intent of the report was to provide enough information and assurance for the Executive to endorse the Council Plan 2024-27, prior to consideration by full Council on 8 March 2024, ensuring that it remained current and reflective of major developments of the past year, and those anticipated in the coming three years.

The Council Plan, formerly known as the Strategic Plan, was the Council's overarching business plan for the medium-term, and was refreshed on an annual basis, setting out the priorities of the Elected Mayor of Middlesbrough, the ambitions of Middlesbrough's communities and the ways in which the Council sought to achieve them.

Part of the Council's Policy Framework, the Council Plan required the approval of full Council, as set out in the Constitution. The Council's Budget and Policy Framework Procedure Rules provided for the Executive to draw up firm proposals on the Strategic Plan (Change Strategy) for submission to Full Council.

Full Council approved the previous Strategic Plan 2021-2024 on 16 February 2021, which expressed the previous Mayors' priorities for the town.

This report proposed a new Council Plan for the 2024-27 period articulating the aims and ambitions of Mayor Cooke elected in May 2023, which are informed by, and responsive to the views of residents and which will need to be delivered within available resources.

ORDERED that Executive endorses the final Council Plan 2024-27 and associated strategic priorities and outcomes prior to full Council approval of the final Council Plan 2024-27 and to enable development of detailed, supporting delivery plans.

OPTIONS

It was imperative that the Council effectively articulated and communicated an overarching plan to direct activity across Directorates and services, towards the achievement of its priorities and ambitions.

The only other realistic potential decision would be to leave the Council's strategic objectives unchanged on the assumption that they were sufficiently robust to address and achieve previously identified outcome measures. This, however, was not correct and would not have represented an appropriate response to the needs of the town. It would also have detrimentally impacted local communities and the business of the Council for some years ahead.

The only other feasible decisions, therefore, relate to the structure of the document, and its horizon (i.e., reverting to an annual plan). It was strongly in the Council's interest to plan over the medium-term, (between 3 – 5 years) in line with the indicative budgets over this period outlined by the Government. The proposed document achieved this whilst also providing an appropriate level of detail for all audiences on the Council's planned activity over this period.

REASONS

To enable the Executive to endorse, prior to consideration by full Council, the Council Plan 2024-27, ensuring that it is reflective of major developments of the past year, and those anticipated in the coming three years.

23/77

2024/25 REVENUE BUDGET, MEDIUM TERM FINANCIAL PLAN, AND COUNCIL TAX SETTING

The Mayor and Executive Member for Adult Social Care and Public Health submitted a report for Executive's consideration.

The Mayor advised Executive of an amendment to Appendix 5 of the report which was tabled at the meeting and circulated to Members.

The report proposed a 2024/25 net revenue budget of £143.190m, and Medium-Term Financial Plan (MTFP) for the period 2024/25 to 2026/27 following the confirmation of the Local Government Finance Settlement and set out the financial planning assumptions applicable to the budget based upon the best information available at the time.

A Council tax increase for 2024/25 of 4.99% was proposed, comprising 2% Adult Social Care Precept and 2.99% Core Council tax which was within the referendum limits set by Government.

The report proposed a Capital Programme of £88.549m for 2024/25 and totalled £174.980m over the period from 2024/25 to 2026/27 together with a financing statement comprising a combination of external funding and council resources. In addition, the proposed capital strategy set out the Council's approach to capital investment and financing, including the forecast levels of borrowing and the Minimum Revenue Provision (MRP) Policy which governed how the Council accounted for debt repayment in accordance with statutory regulations. The Capital programme provided for EFS of £13.4m to be financed from borrowing over a period of up to 20 years whilst the actual amount and terms would be determined by the s151 Officer, based

upon the actual requirements, borrowing rates and an assessment of revenue affordability at the appropriate time during the 2024/25 financial year.

A summary of the Schools' Budget and allocation of the Dedicated Schools Grant (DSG) as determined under the Department for Education's (DfE's) National Funding Formula, together with an overview of the financial pressures on the DSG High Needs Block and forecast deficit which was being addressed under the Delivering Better Value (DBV) Programme.

The s151 Officer's recommended Reserves Policy for 2024/25 set out the plan for replenishing and maintaining usable revenue reserves over the period of the MTFP in order to achieve financial recovery and re-establish the Council's financial resilience.

The s151 Officer's recommended Fees and Charges Policy sets out the proposed framework within which discretionary charged for services would be reviewed and fees and charges set in the future in order to ensure financial viability of discretionary services.

The report was underpinned by the Section 151 Officer's report in accordance with s25 of the Local Government Act 2003 which assessed the robustness of budget estimates and the adequacy of financial reserves in the context of the known financial risks that existed in the Council's operating environment. The report set out the responsibilities of all officers and members to work collaboratively together in order to enable the Council to successfully navigate the complex and challenging path to recover its financial position and achieve financial sustainability over the medium term. Under s31A of the Local Government Finance Act 1992, the Council was required to have regard to this report when making decisions on agreeing the budget and setting the Council Tax.

The Executive Member for Finance and Governance thanked officers for their input to the report's creation. It was commented many councils were struggling to balance their budgets with many drawing on their reserves to do so. While core funds from government had reduced significantly over the previous 10 years the proposals contained in the report would allow the Council to balance its budget. Failure to produce a balanced budget would result in a Section 114 notice which in turn would lead to stopping all non-essential spending.

Some proposals in the budget, such as a move to fortnightly bin collections, were included as they had not been included previously, despite being considered. However, the Council could no longer delay addressing those issues.

Engagement had taken place with different political groups as part of the budget setting process.

The Chief Executive expressed his thanks to all involved for their input to the budget proposals which had been a collaboration approach.

A discussion took place about the EFS application and how this related to the budget proposals. It was confirmed the budget report was predicated on the EFS application was successful.

ORDERED that the amended Appendix 5 of the report be approved.

AGREED that:

In terms of the robustness of the Medium-Term Financial Plan, Executive note the statutory s25 report of the Council's Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves.

In terms of the Revenue Medium Term Financial Plan 2024/25 to 2026/27 Executive:

- 1) Note the updated financial planning assumptions following the Final Local Government Finance Settlement, together with confirmed government income sources, expenditure plans and local income budgets.**
- 2) Recommend to Council budget proposals for savings and income generation of £13.910m in 2024/25 rising to £21.028m in 2026/27, which incorporated the revisions to savings in light of the consultation response as set out in Appendix 3.**

- 3) Recommend to Council an increase in Council Tax of 4.99% resulting in a Council Tax level (Band D) of £1,975.76 excluding parish, Fire, and Police precepts (detailed in Appendix 7).
- 4) Note that after all available measures had been taken in relation to budget proposals, a budget gap of £4.7m existed representing a shortfall of annual income compared to net expenditure plans. Therefore, the Council was dependent upon approval by DLUHC to capitalise this expenditure and finance it from Council borrowing under the provisions of Exceptional Financial Support (EFS) in order to set a balanced budget for 2024/25.
- 5) Recommend to Council the approval of the proposed General Fund revenue budget for 2024/25 with a net budget requirement of £143.190m after adjusting for the capitalisation of £4.7m of revenue expenditure relating to EFS;
- 6) Note whilst the budget gap for 2024/25 has been addressed by the EFS, there would still be a budget gap of £7.474m in 2025/26 and £0.491m in 2026/27 resulting in a cumulative budget gap over the MTFP period of £7.965m. Further savings proposals arising from the Transformation Programme would be required as a minimum to meet these budget gaps.
- 7) Note that in assessing the adequacy of reserves in the context of financial risks within the Council's operating environment, the s151 Officer had determined that financial provision for:
 - the sum of £3.5m in relation to savings delivery risk
 - the sum of £4.6m in relation to the timing of realisation of capital receipts to fund Transformation expenditure
 were required in the form of capitalisation of expenditure to be funded from Council borrowing under the provisions of EFS to provide assurance on the adequacy of reserves, should those risks crystallise.
- 8) Note that the recommended budget was dependent upon DLUHC approval of EFS in the sum of £13.4m in order for it to be considered and approved by Council as a robust and deliverable balanced budget.
- 9) Note that in the event of DLUHC not approving EFS totaling £13.4m, the s151 Officer would have no option but to issue a s114 Notice under s14(3) of the Local Government Finance Act 1988 with the implications as set out in paragraph 4.11 of Appendix 2.

In terms of the Budget Consultation Executive:

- 1) Note the feedback of the budget consultation exercise, and submissions from Overview and Scrutiny Board.
- 2) Approve the recommended response to the consultation as set out in Appendix 3

In terms of the Financial Reserves Policy Executive:

- 1) Recommend to Council the approval of the Financial Reserves Policy for 2024/25 which proposes:
 - A minimum General Fund Balance of 7.5% of the Net Revenue Budget (£147.890m before EFS temporary adjustment), equivalent to £11.1m for 2024/25
 - That the Council build a Financial Resilience Reserve Balance of between £8m and £10m over the term of the MTFP to 2026/27 to strengthen its financial resilience.
- 2) Note that the reserves policy would be subject to an annual review and Council approval at annual budget setting and would be revised to reflect changes in risk and/or external factors that the Council needs to address in order to secure its financial

resilience over the medium to long term.

3) Note the estimated balances on usable revenue reserves as at 1 April 2024 of:

- General Fund balance - £11.1m
- Earmarked reserves – unrestricted £6.3m
- Earmarked reserves – restricted £4.7m

In terms of Fees and Charges Executive:

- 1) Recommend to Council the approval of the proposed Fees & Charges Policy for 2024/25.**
- 2) Recommend to Council the approval of the schedule of fees and charges arising from the application of the approved policy for 2024/25**

In terms of Capital Programme 2024/25 to 206/27 and Capital Strategy 2024/25 Executive:

- 1) Recommend to Council the approval of the proposed 2024/25 – 2026/27 Capital Programme totalling £174.980m and the associated financing statement as shown in Appendix 6.**
- 2) Recommend to Council the approval of the Capital Strategy and endorse the recommendations included in it as shown in para. 4.20 of the report and detailed in Appendix 6.**
- 3) Note the Council’s revenue cost of borrowing for 2024/25 was £11.154m which was equivalent to 7.8% of the Net Revenue Budget and was approaching the maximum affordable level, therefore future capital investment would need to rely more heavily on external funding and capital receipts in order to maintain borrowing at affordable levels.**
- 4) Note that the high-level estimate of Transformation and Redundancy Expenditure totalling up to £13.7m in 2024/25, £7.7m 2025/26 and £5.2m in 2026/27 was required to be approved within this report to set the capital expenditure and financing limits, together with prudential indicators for borrowing within the Treasury Management Report elsewhere on this agenda.**
- 5) Note that the detailed development of the Transformation Programme governance, investment plans and funding through the Flexible Use of Capital Receipts Strategy, would be the subject of further reports to the Executive and Council in March 2024 to incorporate into the Budget and Policy framework for 2024/25.**

In terms of Schools Budget Executive:

- 1) Note details of the Dedicated Schools Grant (DSG) Grant for 2024/25 and the allocation to schools as detailed in Appendix 8.**
- 2) Note the forecast pressures upon the High Needs block of £6.644m in 2024/25 and the resulting cumulative deficit on the DSG account of £13.208m at 31 March 2025.**
- 3) Note that the Council was part of the Delivering Better Value (DBV) scheme operated by the Department for Education (DfE) to support local authorities to manage and control the deficit.**
- 4) Note that a statutory override was in place which prevented the DSG deficit from being met from General Fund resources and the Government’s plan to deliver a funding solution was awaited. This presented a potential significant medium term financial risk to the Council in the event that the statutory override is removed without a suitable funding solution.**

OPTIONS

No other options were put forward as part of the report.

REASONS

All Council members had a legal obligation to agree a balanced budget and set the Council Tax by 11 March 2024. In addition, the Council had a Best Value duty to demonstrate financial sustainability through the delivery of a balanced Medium Term Financial Plan (MTFP) over a period of at least 3 years. The setting of the budget was part of the budget and policy framework and therefore required Full Council approval.

The recommendations enabled the Council to progress towards meeting its statutory responsibility to set a balanced revenue budget in 2024/25 and the requirement to secure financial sustainability of the period of the MTFP.

The Council was required to take a systematic, coherent, and controlled approach to addressing its ongoing financial challenges over the medium-term, while enabling the delivery of the Mayor's vision and priorities for Middlesbrough through delivery of the wider Council Plan.

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INCREASED RESIDENTIAL AND SUPPORTED ACCOMMODATION FOR CHILDREN IN CARE AND CARE LEAVERS

The Executive Member for Children's Services submitted a report for Executive's consideration.

The report presented the revised plans to achieve savings of £0.450m in 2025/26 and £0.615m in 2026/27, totalling £1.065m by the end of the current MTFP period on 31 March 2027 (reference: 24/25 CC03).

Further, it was anticipated that a further saving of £0.850m would be achievable in 2027/28 which was beyond the current MTFP period. This plan aimed to deliver a total saving of £1.915m over a 4-year period, replacing the original saving of £1.848m that was incorporated into the 2023/24 budget to deliver £0.787m in 23/24 and £1.061m in 2024/25 which had been determined to be undeliverable as originally planned. Due to the operational activity being brought online during 2024/25 the savings will be realised from 2025/26.

The Children's Services Financial Improvement plan approved in February 2023 included elements of increasing the in-house estate for Children's care. During the course of the 12 months significant efforts were made to identify suitable properties to bring online. These efforts were hampered for two key reasons:

1. At the commencement of the year significant time was spent exploring a large property which could have met the needs of our 16+ cohort. Months exploring this including the refurbishment feasibility were undertaken, however it transpired there were issues with the refurbishment and build that had already been undertaken which would have left a legal liability on the local authority to resolve. The focus on this area led to a delay in project achievements.
2. The cost of refurbishment, when seeking to convert any existing council asset to a residential home were prohibitive and did not represent value for money. This had therefore led to a strategy for future consideration being the identification of suitable properties with minimal renovation work required.

Under the revised plan, Middlesbrough Council would reduce the use of the external high-cost placements and grow the residential and supported accommodation offer, by increasing Middlesbrough Council's in house offer and building partnerships with commissioned providers.

Middlesbrough Council's residential and supported accommodation occupancy was mainly high (residential homes 95% in January 2024, supported accommodation 100% and higher needs supported lodgings 78%), which meant that Middlesbrough Council could not place any more children in their own lower costing, higher quality residential and supported accommodation placements.

Instead, Middlesbrough Council were using external organisations to provide homes for Middlesbrough children and young people, which on average, comes at a higher cost than Children's Services provides. On average, Middlesbrough Council residential homes cost

£3,300 per week to operate, and on average currently the average cost of an external residential children's home placement was £5,600 per week.

Middlesbrough Council had forecast that the current active 76 external residential placements for children with a total forecast cost of £14.4m for 2023/24 (after contributions from Health and Education as of December 2023).

The Executive Member for Children's Services thanked officers for their involvement in the creation of the report.

ORDERED that Executive approve the revised approach which is built into the proposed 2024/25 budget and MTFP 2024/25 to 2026/27.

AGREED that Executive:

1. **Note the reasons why the original plan could not be delivered and its removal from the MTFP.**
2. **Note further savings that will be incorporated into future MTFP periods.**

OPTIONS

Several alternatives have been put forward by the Head of Service for Placements, and the Head of Commissioning and Procurement. These options were considered by the Director of Children's Care.

The options for this decision were detailed in the table at paragraph 5.1 of the report.

REASONS

As of January 2024, Middlesbrough had 528 children and young people in care. 97 in residential care, 372 in foster placements and 59 placed for adoption, placed with parents, living independently, staying in an NHS/Health trust placement, family centre/mother and baby unit and in a Youth Offending Institute.

Middlesbrough Council were currently paying for privately owned placements for children and young people, that were often situated outside of Middlesbrough. Some children and young people had reasons for living outside of the area, for example safeguarding concerns.

Middlesbrough Councils ambition was to increase inhouse placements homes for children and young people which was a more cost-effective solution and brought better outcomes for children at lower cost. These placements would provide medium term placements for children and young people with emotional and behavioural needs, with a particular focus on those who would otherwise be placed in more costly external settings. To complement the current and existing internal children's residential and supported accommodation offer, partnerships would be formed with commissioned providers to provide additional placements for Middlesbrough children.

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TREASURY MANAGEMENT STRATEGY 2024/25

The Executive Member for Finance and Governance submitted a report for Executive's consideration.

The report outlined the Council's prudential indicators for the financial years 2024/25 – 2026/27 and set the framework and approved the limits within which the treasury management operations for this period. It fulfilled key legislative and guidance requirements:

- a. The setting of the prudential indicators in relation to the expected capital activities and treasury management prudential indicators (included as treasury indicators) in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.
- b. The treasury management strategy statement which set out how the Council's treasury function would support capital decisions taken above, day to day treasury management

activities on service delivery and any limitations on these, via the treasury prudential indicators.

- c. The approval of the Council's Minimum Revenue Provision (MRP) Policy, which set out how the Council would pay for borrowing to fund capital investment through the revenue budget each year.
- d. The key indicator was the Authorised Limit, the maximum amount of debt the Council could enter into during the financial year. This amount acted as the legal limit for debt activity.
- e. The investment strategy which set out the Council's criteria for choosing the investment counterparties and limiting exposures to the risk of loss.

The information contained in the report regarding the Council's capital expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were:

- Within the statutory framework and consistent with the relevant codes of practice.
- Prudent, affordable, and sustainable.
- An integral part of the Council's Revenue and Capital Medium Term Financial Plans.

ORDERD That Executive review, endorse and recommend for approval and adoption at the Council meeting on the budget on 8 March 2024:

- 1) **Approve the Prudential Indicators and limits for 2024/25 to 2026/27 relating to capital expenditure and treasury management activity set out in tables 1 to 10 of Appendix 1.**
- 2) **Approve the Treasury Management Strategy for 2024/25, which included the Annual Investment Strategy for 2024/25 at Appendix 1 of the report.**
- 3) **Approve the Minimum Revenue Provision (MRP) Policy for 2024/25 at Appendix 1 of the report.**
- 4) **Approve an Authorised Limit for External Debt of £372m for the 2024/25 financial year.**

OPTIONS

It was a statutory requirement to approve the annual treasury management strategy and set of prudential indicators by the Council. As a result, there were no alternatives submitted as part of the report.

REASONS

The recommendations requested would fulfil the following for the local authority:

- 1) **Compliance with the Prudential Code for Capital Finance in Local Authorities and the Department for Levelling Up, Housing & Communities (DLUHC) guidance on investments.**
- 2) **Compliance with the Treasury Management Code of Practice for Local Authorities.**
- 3) **Compliance with the requirements of the Local Government Act 2003 Part 1.**
- 4) **To approve a financial governance framework within which officers will operate when making both borrowing and investment decisions and entering financial transactions.**

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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:	Chief Executive and Director of Finance (s151 Officer)
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Relevant Executive Member:	Elected Mayor and Executive Member for Finance & Governance
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Submitted to:	Executive
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Date:	17 January 2024
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Title:	2024-25 Budget and MTFP – Application for Exceptional Financial Support
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Report for:	Decision
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Status:	Public
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Strategic priority:	All
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Key decision:	No
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Why:	Not applicable
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Subject to call in?:	No
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Why:	Urgent
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Proposed decision(s)
<p>That the Executive approve that an application for Exceptional Financial Support (EFS) be made by the Chief Executive and Director of Finance (s151 Officer) to the Department for Levelling Up Housing and Communities (DLUHC) in order to finance forecast budget deficits and enable a balanced budget to be set for 2024/25 as required by statute.</p> <p>That the Executive delegate authority to the Chief Executive and Director of Finance to negotiate the quantum and terms of the application in consultation with the Elected Mayor and Executive Member for Finance and Governance.</p>

That the Executive notes that the Chief Executive and Director of Finance seek approval from a future Full Council to accept or reject (as appropriate) any offer made with associated terms and conditions.

Executive summary

The Council is required to set a legally balanced budget for 2024/25 by the statutory deadline of 11 March 2024. This is the responsibility of all Council Members.

At its meeting on 20 December 2023, Executive considered an update report in relation to progress made in developing the 2024/25 Budget and MTFP for the period 2024/25 to 2026/27. The report identified that despite substantial work undertaken by the Leadership Management Team, the Elected Mayor and the Executive to identify savings and income growth proposals sufficient to balance the 2024/25 budget, a shortfall of £6.279m remained for 2024/25. It also reported further gaps of £1.596m for 2025/26 and £0.305m for 2026/27, equivalent to a cumulative budget gap of £8.180m.

The draft savings and income growth proposals that are subject to consultation, total £14.038m in 2024/25 which is equivalent to 11% of the 2023/24 net budget of £126.354m and is of significant scale and challenge for Middlesbrough Council. These savings rise to by a further £5.083m in 2025/26 and £1.967m in 2026/27, therefore presenting a cumulative savings plan of £21.088m by the end of 2026/27.

It is also proposed to levy a total Council Tax increase of 4.99%, comprising 2% on the Adult Social Care Precept and 2.99% on the general Council Tax. It is possible for the Council to seek authorisation from DLUHC to waive the referendum limit to levy a higher Council Tax as part of its application for Exceptional Financial Support, but this course of action is **not** proposed.

Further work is continuing in relation to the budget development process and financial recovery plan including:

- Assessment of the Provisional Local Government Finance Settlement
- Due diligence to assure the robustness and deliverability of budget proposals
- Assessment of the adequacy of reserves
- Assessment of risks and uncertainty of cost and demand pressures facing the Council
- Scoping and development of the Transformation Programme, its themes and projects and associated business cases.
- Development of asset disposal plans and a profiled pipeline of capital receipts that will be the primary funding stream for investment in the Transformation Programme.

The Provisional Local Government Finance Settlement (LGFS) was announced on 18 December 2023 and runs to the 15 January 2024. The Final LGFS will be announced in early February 2024 and the final funding position will be known at that point.

The Provisional Settlement is broadly in line with the Council's MTFP assumptions and is not expected to change substantially upon receipt of the Final LGFS. As anticipated, the £6.3m budget gap remains to be addressed by the Council in order to set a legally balanced budget for 2024/25.

It is the professional opinion of the s151 Officer, that in order to set a legally balanced and robust budget whilst maintaining adequate revenue reserves for 2024/25, the Council must:

- apply for and receive approval of Exceptional Financial Support from Central Government comprising elements:
 - meet the budget gap for 2024/25
 - manage the financial implications of savings programme delivery risk
 - temporarily support the funding of investment in transformation pending the realisation of capital receipts from the asset disposal programme
 - temporarily support the funding of the statutory element of redundancy costs pending the realisation of capital receipts from the asset disposal programme
- approve and deliver budget proposals to the values set out in the Executive report of 20 December 2023
- increase Council Tax by the maximum 4.99% as proposed in the Executive report of 20 December 2023

In the event that these conditions are not met, then the s151 Officer will be required to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988 as the Council would be unable to set a legally balanced budget.

This action will only be taken as a last resort and is likely to have a significant adverse impact upon the Council's ability to maintain delivery of a range of non-statutory services in the short term whilst a plan to achieve a balanced budget is considered by the Council. This course of action also increases the likelihood of an escalation of government intervention, which will result in increased expenditure for the Council.

Based upon the budget development work undertaken to date, it is considered to be highly unlikely that it will be possible to identify and deliver robust and sustainable saving proposals to close the £6.3m budget gap without implementing a large-scale transformation programme of the type being developed currently to run over the medium term. This will take time and substantial investment in the necessary skills, experience and technology required to deliver lasting service improvement and cost reduction.

It is considered that Exceptional Financial support will be necessary to enable the Council's financial recovery either at this stage that would avoid a s114 Notice, or at a later stage in a s114 scenario.

1. Purpose

1.1 The purpose of the report is to:

- Update Members on the assessment of the Council's ability to set a legally balanced budget for 2024/25.
- Seek approval to apply to the Department of Levelling Up Housing and Communities (DLUHC) for Exceptional Financial Support (EFS).
- Seek approval to delegate authority to the Chief Executive and Director of Finance to negotiate the quantum and terms of the EFS application in consultation with the Elected Mayor and Executive Member for Finance and Governance.

2. Recommendations

That the Executive

- 2.1 Notes the further progress made in developing the 2024/25 budget and MTFP.
- 2.2 Note the s151 Officers advice at paragraph 4.35 and 4.36 that without securing External Financial Support via DLUHC, it will not be possible for it to:
 - Balance the 2024/25 budget
 - Secure financial recovery and sustainability over the medium term
- 2.3 Notes that if approval of the EFS application is not agreed, it will be necessary for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988 at the earliest possible opportunity. This will result in the Council being required to meet within 21 days of the s114 Notice to develop a plan to balance the budget including stopping all non-essential, non-statutory functions and reducing statutory functions to the minimum level in order to close the 2024/25 budget gap.
- 2.4 Approves that an application for Exceptional Financial Support will be made to the Department for Levelling Up Housing and Communities (DLUHC) in order finance forecast budget deficits and to enable a balanced budget to be set for 2024/25 as required by statute.
- 2.5 Approves the delegation of authority to the Chief Executive and Director of Finance to negotiate the quantum and terms of the EFS application in consultation with the Elected Mayor and Executive Member for Finance and Governance.
- 2.6 Notes that the Chief Executive and Director of Finance seek approval from a future Full Council to accept or reject (as appropriate) any offer made with associated terms and conditions.

3 Rationale for the recommended decision(s)

- 3.1 The Council is required by statute to set a legally balanced budget for 2024/25 by the 11 March 2024. The recommendations within this report seek to achieve that objective and to avoid the requirement for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.

4 Background and relevant information

- 4.1 The Council is required to set a legally balanced budget for 2024/25 by the statutory deadline of 11 March 2024 and this is the responsibility of all Council Members.
- 4.2 At its meeting on 20 December, the Executive considered the update report setting out the progress made in developing the 2024/25 Budget and MTFP for the period 2024/25 to 2026/27. The report identified that despite substantial work undertaken by the Leadership Management Team, the Elected Mayor and the Executive to identify savings and income growth proposals sufficient to balance the 2024/25 budget, a

shortfall of £6.279m remained for 2024/25. It also reported further gaps of £1.596m for 2025/26 and £0.305m for 2026/27, equivalent to a cumulative budget gap of £8.180m

- 4.3 The draft savings and income growth proposals that are subject to consultation, total £14.038m in 2024/25 which is equivalent to 11% of the 2023/24 net budget of £126.354m and is of significant scale and challenge for Middlesbrough Council. These savings rise to by a further £5.083m in 2025/26 and £1.967m in 2026/27, therefore presenting a cumulative savings plan of £21.088m by the end of 2026/27.
- 4.4 It is also proposed to levy a total Council Tax increase of 4.99%, comprising 2% on the Adult Social Care Precept and 2.99% on the general Council Tax. It is possible for the Council to seek authorisation from DLUHC to waive the referendum limit to levy a higher Council Tax as part of its application for Exceptional Financial Support, but this course of action is **not** proposed.
- 4.5 Further work is continuing in relation to the budget development process and financial recovery plan including:
- Assessment of the Provisional Local Government Finance Settlement
 - Assessment of the adequacy of reserves
 - Due diligence to assure the robustness and deliverability of budget proposals
 - Assessment of risks and uncertainty of cost and demand pressures facing the Council
 - Scoping and development of the Transformation Programme, its themes and projects and associated business cases.
 - Development of asset disposal plans and a profiled pipeline of capital receipts that will be the primary funding stream for investment in the Transformation Programme.

Further details of the conclusion of this work will be provided in the 14 February 2024 report to the Executive which finalises proposals for the 2024/25 Budget and MTFP and Council Tax setting. The current position is summarised in the remainder of this report.

Provisional Local Government Finance Settlement

- 4.6 The Provisional Local Government Finance Settlement (LGFS) was announced on 18 December 2023 and runs to the 15 January 2024. The Final LGFS is expected to be announced in early February 2024 and therefore the final funding position will be known at that point. The Provisional Settlement is broadly in line with the Council's MTFP assumptions and is not expected to change substantially upon receipt of the Final LGFS. As expected, the £6.3m budget gap remains to be addressed by the Council in order to set a legally balanced budget for 2024/25.

Adequacy of Forecast Reserves

- 4.7 The 2023/24 Period 8 forecast outturn is an overspend of £7.023m (5.6%) against the £126.354m net budget. As a result, the forecast earmarked revenue reserves will be fully exhausted by 31 March 2024 and the General Fund Balance will reduce to £7.806m which is 5.8% of the estimated net budget for 2024/25 of £135.298m. The

level of reserves falls by £7.023m (47%) below the minimum level of £14.829m advised by the former interim Chief Finance Officer at budget setting 2023/24.

- 4.8 This forecast level of usable reserves is considered by the Section 151 Officer to be inadequate given the uncertainties and demand pressures facing the Council. Without a plan to immediately replenish them to at least £14.829m at the end of 2023/24, this would also necessitate the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.

Unrestricted Usable Reserves	Balance At 31/3/23	Q2 Forecast Balance at 31/3/24	P8 Forecast Balance at 31/3/24
	£m	£m	£m
General Fund Reserve	12.041	6.273	7.806
Unrestricted Usable Reserves	2.788	-	-
Total Unrestricted Usable Reserves	14.829	6.273	7.806
% of Net Revenue Budget	11.7%	4.6%	5.8%
Net Revenue Budget (approved 2023/24 /estimated 2024/25)	126.354	135.298	135.298

- 4.9 As detailed in the December 2023 Executive report, an in-depth review of the balance sheet has been undertaken during the year and this has included a revision of the methodology for accounting for the potential revenue cost of bad debt in the Collection Fund. This revision is to ensure compliance with International Accounting Standard IAS37 which is applicable from 2021/22 financial year which is currently subject to external audit. A review of the methodology and calculations by the External Auditor has confirmed the revised methodology is robust and enabled appropriate accounting adjustments to be made to the 2021/22 accounts. In turn, this has enabled finalisation of the 2022/23 draft accounts which were signed by the s151 Officer as presenting a true and fair view of the Council's financial position at 31 March 2023 and will be subject to public inspection from 8 January 2024 to 16 February 2024.
- 4.10 After taking account of these adjustments and the forecast outturn on the Collection Fund for 2023/24, there will be a cumulative surplus on the Collection Fund that will be available for the Council, Police and Fire Authorities to precept upon in setting the 2024/25 Budget from 1 April 2024. The Council's share of the surplus is c£8.3m. This is an improved position than was achieved under the previous bad debt provision methodology. Subject to the final outturn for 2023/24 being determined by the accounts closure and reporting process due to be completed by 31 May 2024, the first call upon this surplus will be to replenish the usable revenue reserves to the minimum prudent level and is therefore not available to balance the 2024/25 budget.
- 4.11 It is essential that Members fully appreciate and understand that the one-off use of reserves and provisions to fund ongoing expenditure without a robust plan to achieve a balanced budget over the medium term and a plan to rebuild reserves from the currently critical low position, is not financially prudent nor financially

sustainable. Therefore, whilst the balance sheet review has enabled the replenishment of reserves to cover 2023/24 overspending on this occasion, this has been made possible by extraordinary circumstances and will certainly not be possible to repeat in the foreseeable future.

- 4.12 The Council's current critical financial position has been reached at least in part because of past failures to establish and deliver sufficient savings plans to secure reduction in the Council's expenditure to enable it to be maintained within available annual income streams. This, combined with over reliance upon the application of revenue reserves to meet operational overspending, has resulted in the Council reaching the critical position in which it now has insufficient revenue reserves to:
- contribute to balancing the 2024/25 budget,
 - make sufficient financial provision to adequately cover risk of planned budget delivery including proposed savings.
 - fund investment in service transformation that is required to achieve financial sustainability in the medium to long term.
 - temporarily support the funding of the statutory element of redundancy costs pending the realisation of capital receipts from the asset disposal programme

A full assessment of the Council's financial standing, the robustness of budget estimates and adequacy of reserves will be set out in the s151 Officer's report under s25 of the Local Government Act 2003, contained in the February 2024/25 Budget, MTFP and Council Tax setting report to the Executive and Council.

Transformation Programme

- 4.13 As summarised in the December Executive report, the development and delivery of a large-scale Transformation Programme to achieve financial sustainability over the medium to long term is essential to the delivery of the Council's financial recovery and rebuilding its financial resilience as directed by the External Auditor's statutory recommendations issued in August 2023.
- 4.14 The budget development work undertaken to date has confirmed that without such transformation, further savings above the circa £14m in 2024/25 rising to £21m in 2026/27 proposed in the December report, will not be possible to achieve without also putting at risk the Council's ability to safely meet its statutory responsibilities and/ or preserve existing service standards for non-statutory services. Consequently, this means that the Council is unable to recovery its financial position without central Government support.
- 4.15 Work is continuing at pace with recently appointed external consultants to design and develop the Transformation Programme, its thematic workstreams and robust business cases for future consideration and approval by members through appropriate governance processes. As previously noted, given the scale and complexity of the programme, this will not be achieved within the timescales required to set a legally balanced budget by 11 March 2024.

- 4.16 Transformation, by its nature requires considerable investment in programme management, consultancy and information technology and this in turn will require the disposal of assets in order to fund such investment.

Implications of a s114 Notice being issued

- 4.17 If the Council is unable to agree and set a legally balanced budget then the s151 Officer is required by law to issue a s114 Notice under the provisions of the Local Government Act 1988. Section 114 (3) which states that:

“The chief finance officer of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure”.

- 4.18 Councillors have 21 days from the issue of a Section 114 notice to discuss the implications at a Full Council meeting. The Council then needs to agree how it will produce a plan to balance the budget.

- 4.19 The issue of s114 notice means that:

- no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, at minimum level
- existing commitments and contracts will continue to be honoured.
- Council officers must therefore carry out their duties in line with contractual obligations and to acceptable standards, while being aware of the financial situation.
- Any spending that is not essential or which can be postponed should not take place and essential spend will be monitored.

- 4.20 The only allowable expenditure permitted under an emergency protocol would include the following categories:

- existing staff payroll and pension costs
- expenditure on goods and services which have already been received
- expenditure required to deliver the council's provision of statutory responsibilities at a minimum possible level
- urgent expenditure required to safeguard vulnerable citizens
- expenditure required through existing legal agreements and contracts
- expenditure funded through ring-fenced grants
- expenditure necessary to achieve value for money and / or mitigate additional in year costs

- 4.21 It is important to recognise that that 83% of the Council’s 2023/24 net budget is committed to adult and children’s social care which is primarily directed to meet the Council’s statutory duties to care for vulnerable people. After taking account of savings already proposed, this leaves little if any scope to achieve a further £6.3m in savings without implementing the transformation and service redesign at scale that is being proposed as part of the MTFP. A summary of the net 2023/24 budget is set out below to illustrate the current distribution of budget across directorates.

Summary of Net Budget 2023/24	Net Budget	Proportion of Net Budget
	£m	%
Adult Social Care	49.808	39.4
Public Health	(3.280)	-2.6
Children’s Care	54.649	43.3
Education and Partnerships	5.494	4.3
Regeneration	(1.987)	-1.6
Environment and Community Services	20.228	16.0
Legal and Governance Services	10.245	8.1
Finance	4.429	3.5
Central	(13.232)	-10.4
Total	126.354	100

- 4.22 In a s114 emergency protocol, the 151 Officer would require expenditure on ‘non-statutory’ or ‘non-essential’ services and functions to stop and statutory functions to be delivered at the minimum level to achieve the £6.3m budget saving required until longer term financially sustainable solutions can be developed and implemented. Inevitably, such plans would require service transformation and redesign of the type currently being designed and developed. In the meantime, this would result in extreme adverse consequences for the delivery of non-statutory functions.
- 4.23 An extensive review of detailed service functions would be required in a s114 emergency protocol to determine a more precise assessment of budget associated with statutory and non-statutory functions to enable the s151 Officer to take decisions on stopping and reducing expenditure. Some service areas comprise a combination of statutory and non-statutory functions, whilst in several statutory functions, service provision may exceed the statutory minimum.
- 4.24 However, a high-level estimate has been made of the net budget value of services delivering primarily non statutory/ non-essential functions to provide an indication of the service areas likely to be stopped and or reduced to achieve the required saving under a s114 emergency protocol. These include Economic Development, School Crossing Patrols, Cultural and Entertainment Activities, Leisure Services, Marketing, Neighbourhood Safety and Street Wardens, Area Care, Parks

Management, Environmental Protection, Adult Social Care Day Care, Education Psychologists. The total net budget for these areas in 2023/24 is approx. £9m. In addition, there will be some elements of support services which are not yet quantified. This illustrates the scale of adverse impact that is likely as a result of a s114 Notice being issued to achieve further reduction in expenditure of £6.3m.

Risk of further Government Intervention

- 4.25 As detailed in the December Executive report, DLUHC is actively encouraging local authorities in financial distress to engage in discussions to secure EFS in order to deliver a balanced budget for 2024/25.
- 4.26 EFS will take the form of a capitalisation direction that enables the Council to treat revenue expenditure as capital and to borrow and repay this amount at a premium rate over Public Works Loans Board (PWL) borrowing over a period of up to 20 years. It is a one-off solution in order to finance the capitalisation of revenue expenditure in a particular year to provide breathing space for the Council to implement plans to recover its financial position. It is not a grant and is not free money.
- 4.27 Approval of EFS will be dependent upon the Council being able to demonstrate a plan to deliver its financial recovery and will be subject to a number of conditions that will be determined by the Secretary of State.
- 4.28 DLUHC have indicated:
- local authorities seeking EFS should take every possible step to minimise the need for that support to be funded by national taxpayers, while also recognising the cost-of-living pressures on families.
 - That Government will consider representations from councils, including on council tax provision.
- DLUHC officials have clarified that there is no specific requirement for an EFS calculation to include a proposal to increase council tax above referendum limits.
- 4.29 It is considered that all available steps have been taken by the LMT, Elected Mayor, and the Executive to date in order to achieve a balanced budget without recourse to EFS. However, it is considered that EFS presents the only feasible solution to deliver a balanced budget for 2024/25 and also deliver service transformation and cost reduction at the scale required to secure financial sustainability in the medium to long term.
- 4.30 It is not proposed that the application for EFS will include an application to increase council tax above current referendum limits, given the levels of deprivation in Middlesbrough and the comparatively high levels of council tax already borne by households. More appropriate solutions to Middlesbrough's financial challenge will be to reduce its ongoing expenditure to become affordable within annual income streams.
- 4.31 If Members take a decision not to apply for EFS, then this would trigger the s151 Officer issuing a s114 Notice. In addition to the adverse financial consequences outlined above, Members should consider the risk of further escalation of

intervention within Middlesbrough Council. Based upon the experiences of other local authorities that are assessed as financially unsustainable, this could result in various levels of escalation, for example:

- Requiring that the voluntary Independent Improvement and Assurance Board moves to a mandatory basis
- Requiring that the advisory nature of the Board moves to a statutory basis enabling the Board to issue statutory recommendations and direct the Council's actions.
- The risk of the appointment of independent commissioners further down the line to intervene in the leadership and management of the Council. This could also involve suspension of democratic processes.

- 4.32 The Council would be required to meet the additional costs of increased improvement board activity aligned to its increased role. If Commissioners were appointed, the Council would be required to meet the cost of each Commissioner from its own resources.
- 4.33 It is important to note that in the case of all local authorities who have issued a s114 and have been subject to Commissioners, the costs of recovery are met by the local authority and have required varying levels of EFS to be negotiated between DLUHC and Commissioners.
- 4.34 Therefore, the s114 Notice would result in additional unnecessary cost to the authority, delays to progress in recovering the Council's financial position which are critically dependent upon implementing a Transformation Programme and likely to result in an escalation of Government Intervention in the Council's strategic management and decision making, with a dilution of control and influence for Council Members.

S151 Officer's advice

- 4.35 In conclusion, Exceptional Financial Support will be necessary to support the Council to achieve a balanced budget for 2024/25 and achieve its financial recovery plan irrespective of whether that is done now, or at some future point after a s114 Notice is issued, should the EFS application not be made now.
- 4.36 It is the professional opinion of the s151 Officer, that in order to set a legally balanced and robust budget whilst maintaining adequate revenue reserves for 2024/25, the Council must:
- apply for and receive approval of Exceptional Financial Support from Central Government comprising the following elements:
 - meet the budget gap for 2024/25
 - manage the financial implications of savings programme delivery risk
 - temporarily support the funding of investment in transformation pending the realisation of capital receipts from the asset disposal programme
 - temporarily support the funding of redundancies pending the realisation of capital receipts from the asset disposal programme
 - approve and deliver robust and deliverable budget proposals to the values set out in the Executive report of 20 December 2023

- increase Council Tax by the maximum 4.99% as proposed in the Executive report of 20 December 2023

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

- 5.1 Members may decide not to approve the application for Exceptional Financial Support (EFS). If an application for EFS is not approved, then the s151 Officer will be required to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988 as soon as practically possible. This is not recommended for the reasons set out in paragraphs 4.17 to 4.36.

6 Impact(s) of the recommended decision(s)

6.1 Financial (including procurement and Social Value)

- 6.1.1 The financial implications of the options to approve an application for EFS or to reject an application for EFS are set out in the body of the report.

- 6.1.2 *The application for EFS will incorporate elements to:*

- meet the budget gap for 2024/25
- manage the financial implications of savings programme delivery risk
- temporarily support the funding of investment in transformation pending the realisation of capital receipts from the asset disposal programme
- temporarily support the funding of redundancies pending the realisation of capital receipts from the asset disposal programme

These amounts are subject to further work and due diligence in relation to the assessment of robustness of savings delivery plans, risk in budget estimates and adequacy of reserves. In addition, the scoping and quantification of transformation investment and profiling of realisable capital receipts from asset sales will determine the temporary funding required to address any timing difference between expenditure incurred and receipts of asset disposal.

6.2 Legal

- 6.2.1 The normal divisions of responsibility for proposing and making the budget for 2024/25 are separate from how the decision to approach the Department for Levelling Up Homes and Communities (DLUHC) should be dealt with in legal and procedural terms. The approval of the budget will follow the normal route of Executive proposing and full Council determining the budget. Pursuant to section 9D of the Local Government Act 2000, all matters are Executive functions unless the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 Regulations ('The Regulations') (or other statutory provision) provides otherwise.
- 6.2.2 Exceptional Financial Support, if granted by the DLUHC and accepted by full Council, would be part of the new medium term financial plan to be adopted as part of the budget setting exercise coming up, and there would be no departure from the actual spending plans covered by the current medium term financial plan. On that

basis and according to The Regulations, the decision whether to approach DLUHC for Exceptional Financial Support is an Executive function.

6.3 Risk

6.3.1 The Council is at risk of being unable to set a legally balanced budget by the statutory deadline of 11 March 2024. The recommendation to apply to DLUHC for Exceptional Financial Support aims to mitigate this risk in order that the Executive can present a balanced draft budget and MTFP to Council on 28 February 2024.

6.4 Human Rights, Public Sector Equality Duty and Community Cohesion

Not applicable

6.5 Climate Change / Environmental

Not applicable

6.6 Children and Young People Cared for by the Authority and Care Leavers

Not applicable

6.7 Data Protection / GDPR

Not applicable

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

Action	Responsible Officer	Deadline
That an application for Exceptional Financial Support be made by the Chief Executive and Director of Finance (s151 Officer) to the Department for Levelling Up Housing and Communities (DLUHC) in order to finance forecast budget deficits and enable a balanced budget to be set for 2024/25 as required by statute.	Chief Executive and Director of Finance (s151 Officer)	31/1/24
That the Chief Executive and Director of Finance negotiate the quantum and terms of the application in consultation with the Elected Mayor and Executive Member for Finance and Governance.	Chief Executive and Director of Finance (s151 Officer)	11/3/24

That the Chief Executive and Director of Finance seek approval from a future Full Council to accept or reject (as appropriate) any offer made with associated terms and conditions.	Chief Executive and Director of Finance (s151 Officer)	11/3/24
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Appendices

None

Background papers

No background papers were used in the preparation of this report.

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Report of:	Director of Legal and Governance Services
Submitted to:	Council
Date:	8 March 2024
Title:	Ward Boundary Review – Council Warding Patterns (Phase Two)
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Urgent:	No
Why:	Not applicable

Executive summary

The Local Government Boundary Commission for England (LGBCE) is an independent body responsible for determining the electoral arrangements of local authorities across England.

Each year, the LGBCE considers electoral data to establish if there is a need for an electoral review. The LGBCE carry out a review if electoral inequality is identified or if it is more than 10 years since the last review. Middlesbrough’s last review was carried out in 2013, therefore the LGBCE advised the Council that it would be carrying out a review because 10 years had passed.

Phase One, which considered councillor size, was considered first, followed by Phase Two which examines warding patterns.

Overview and Scrutiny Board considered and approved the Council’s submission for Phase 1 of the review at its meeting of 18th October ahead of the deadline of 31st October 2023. After consideration of the Council’s submission that Councillor numbers increase from 46 to 47 the LGBCE was minded to maintain Councillor numbers at 46.

Phase 2 of the review has focussed on ward patterns and considers number of wards, boundaries between wards, names of each ward and numbers of councillors elected to each ward.

Following an engagement process which was open to all Councillors during a series of workshops, several proposals have been suggested which are contained in Appendix 2 and which were approved for submission to the LGBCE at OSB on the 28th February 2024.

Council is asked to approve the proposal for submission to the Local Government Boundary Commission ahead of its 11 March deadline.

1. Purpose

- 1.1 To present Members with the final submission regarding Phase Two (Warding Patterns) to the Local Government Boundary Commission in respect of the forthcoming Electoral Review.

2. Recommendations

- 2.1 That the Council

- Approves the submission of the proposals at Appendix 2 to the Local Government Boundary Commission for England (LGBCE) in respect of Phase Two (Warding Patterns) of their electoral review of Middlesbrough 2023/24.

3. Rationale for the recommended decision(s)

- 3.1 Councils play a major part in promoting local democracy and provide pathways by which people can influence decision making. The task of the LGBCE is to establish and maintain the conditions for a fair and representative democracy at a local level. During an electoral review the LGBCE will work closely alongside members and officers in order to determine the best electoral arrangements that will work to support the Council and its ambitions for the people of Middlesbrough.
- 3.2 Phase Two of the review provides Members the opportunity to comment on the community characteristics of their wards and, as community champions, to provide insight into effective warding patterns for the town.
- 3.3 By submitting a proposal in respect of the warding patterns, the views of members and the communities that they represent will be considered by the LGBCE when making their recommendations.

4. Background and relevant information

- 4.2 In March 2023 the LGBCE informed the Council that it was to carry out an Electoral Review of Middlesbrough Council in order to deliver electoral equality for voters in local elections.
- 4.3 The LGBCE calculates electoral equality in an authority by dividing the number of electors in a ward by the number of Councillors elected to represent that ward. This gives an 'electoral ratio'. High levels of electoral equality for a local authority will be a situation where a high proportion of wards across the authority have roughly the

same electoral ratio and where no ward or division has a ratio which is significantly above, or below, the average for the authority, and that ward arrangements help the council work effectively. The review will also look at creating ward patterns that are appropriate, reflecting community ties and identities.

- 4.4 On 26 July 2023 Overview and Scrutiny Board received an overview of the proposed Ward Boundary review. The overview covered how the review would take place and the timescales involved. It was explained the process consisted of two phases the first focussing on overall size of the Council – that is the number of elected Members that the Council requires to properly undertake its duties and responsibilities.
- 4.5 Phase One of the electoral review is to determine the number of Councillors who should represent the local authority, referred to by the LGBCE as determining 'council size'.
- 4.6 The LGBCE required that in determining the number of Councillors, it agreed the Council's projected electorate for 2029. Based on Office for National Statistics data, and the methodology set out by the Commission, Middlesbrough's projected electorate for 2029 was 104,225 based on the 2023 baseline of 97,154 which was agreed with the Commission.
- 4.7 The Phase One submission was considered and approved by OSB and was submitted in advance of the deadline of 31st October 2023. It suggested an increase in Councillors from 46 to 47.
- 4.8 The LGBCE carefully considered the submission made by the Council on the number of members Middlesbrough should have. It considered there was insufficient evidence to justify the proposed increase to 47 and was therefore minded recommending that 46 Councillors should be elected to the council in future.
- 4.9 On 19 December 2023 the LGBCE wrote to the Chief Executive informing him that the next stage of the Electoral Review was commencing, and this stage was to consider the new pattern of ward arrangements for the town, based on a Council size of 46 Councillors. The LGBCE also informed the Council that the closing date for representations would be 11 March 2024.

5. Phase Two: Consideration of the Warding Pattern for the town

- 5.2 In considering the warding pattern for an Authority, the LGBCE has regard to the statutory criteria set down in the Local Democracy, Economic Development and Construction Act 2009. In broad terms these are:

The need to secure equality of representation

- 5.3 Each Councillor under the new warding arrangements must represent between +/- 10% of the average.
- 5.4 Given the Council size of 46 Members, and the projected electorate of 104,225, the optimum Member: elector ratio is 2,266 per Member.

- 5.5 To fall within the +/-10% of average requirement, this gives a target range of between 2,033 and 2,500 electors per Councillor under the new warding arrangements.

The need to reflect the identities and interests of local communities.

- 5.6 The Commission will look for strong boundaries and defined communities.
- 5.7 Factors such as access to public or other facilities, travel and communications should be considered. The location of doctors' surgeries, hospitals, libraries or schools could be relevant factors. Access to shops and other services could also be relevant, as might an area's history, culture, and traditions.
- 5.8 The existence and activities of residents' associations and local voluntary organisations might contribute to the evidence of community identity and interest.
- 5.9 Importantly, the Commission will require well-argued evidence of community identity if it is to be persuaded to move from equality in the number of electors each Councillor represents.

The need to secure effective and convenient local government

- 5.10 The Commission will be looking for factors such as coherent wards with good transport links. There should be reasonable road links across the ward so that it can be easily traversed, and so that all electors in the ward can engage in the affairs and activities of all parts of the ward without having to travel through an adjoining ward.
- 5.11 Wards should not be so large in terms of physical extent or electorate that it prevents a Councillor from effectively representing the people in it
- 5.12 The Commission takes the view that wards or divisions returning more than three Councillors results in a dilution of accountability to the electorate. Consequently, it will not normally recommend a number above that figure.

6. Process

- 6.2 Following the practice adopted during the previous Ward Boundary Review it was decided that the Overview and Scrutiny Board (OSB) would co-ordinate the Council's submissions to the LGBCE.
- 6.3 OSB first considered the second phase of the review at its meeting held on 18 January 2024. It was the view of OSB that managing the development of the Council's submission to the Commission through the Scrutiny process, prior to discussion and approval by full Council, would result in more meaningful opportunities for democratic participation by all Members of the Council than simply to have a debate (or debates) in full Council. OSB therefore resolved to hold 4 workshop sessions to manage the preparation of the Council's submission.

- 6.4 In order to engage as many Members as possible in the process, and in particular to utilise their knowledge of the communities that they represent, OSB agreed to run workshops to which all Members of the Council were invited to participate. The workshops were run during the day and the evening in order to maximise the opportunity of Members to attend. The workshops were structured around the Southern Wards of the town (Coulby Newham, Hemlington, Kader, Ladgate, Marton East, Marton West, Nunthorpe, Park End and Beckfield, Stainton & Thornton, Trimdon) and the Northern Wards of the Town (Acklam, Ayresome, Brambles & Thorntree, Berwick Hills & Pallister, Central, Linthorpe, Longlands & Beechwood, Newport, North Ormesby, Park). Nineteen Councillors participated across the four workshops.
- 6.5 In phase two the LGBCE requires the Council to meet the statutory criteria of Electoral equality for voters (eg, all voters should carry the same weight, based on forecast electorate); Community identities and interests (eg, all communities should be represented); and Effective and Convenient local government (eg, coherent wards that are logical to represent)
- 6.6 In consideration of the statutory criteria, the objectives of the workshops were:
- To utilise members knowledge of the communities that they represent mapping identifiable, strong, ‘natural’ communities with which electors identity strongly and/ or have identifiable interests
 - Considering the possible boundaries between those identified communities that would result in effective and convenient local government.

7. Initial Considerations

7.2 The following Wards were identified as falling outside a 10% variance of the optimum Councillor to elector ratio:

<u>Ward</u>	<u>Variance from Optimum Ratio</u>
Stainton & Thornton	+80%
Central	+15%
Trimdon	+13%
North Ormesby	-15%
Berwick Hills & Pallister	-17%
Park End & Beckfield	-20%

7.3 While Central and Trimdon Wards had a higher than 10% variance, feedback from the workshops was these two wards did not need to be changed because of their physical and community makeups.

7.4 Working on the predicted 2029 elector population already agreed with the

Commission (as part of the Council size consultation) the variance, based on the current ward structure, can be found at Appendix 1.

7.5 Overview & Scrutiny Board has considered a number of matters. These include:

Projected build and demolitions

7.6 The projected elector population figures agreed with the Commission have taken into account the best available estimates relating to new build housing that will come into occupation between now and beyond 2029.

7.7 However, given the current national and regional economic climate, these projections cannot be assured. OSB is mindful of the fact that any major fluctuation in these figures could trigger a further review.

7.8 Again, with a mind to future-proofing its recommendations, OSB noted that there are areas of town where there is little opportunity for new build, and areas of town – particularly the southern fringes of the area where new build is far more likely.

7.9 In view of this, if there is to be a variance of greater than +/-10% from the optimum elector/Councillor ratio, then wherever possible variance between 10% and 15% should be limited to areas of town where fewer opportunities for development exist.

8. Member Workshops

8.2 Council officers convened four workshops for members to engage with the review process. Each workshop lasted three hours and 19 members attended the workshops which is a significant increase on the degree of engagement with the boundary review process in 2013.

8.3 Members were asked to identify what they considered to be identifiable, strong, 'natural' communities with which electors identified strongly and/ or have identifiable interests. They were also asked to consider the possible boundaries between those identified communities that would result in effective and convenient local government. Over the nearly 12 hours of discussion members and officers took great care to address community links and to draw boundaries that would best refer to local identity and community consciousness. The workshops were universally well-received by members with a wide range of cross-party contributions and collaboration by members and varied suggestions around how the boundaries could be redrawn effectively.

8.4 During the workshops Members were mindful of elector numbers with any proposals but their primary consideration was community interest. Due to this it was felt that all other wards did not need to change even if their elector variance was above or below 10%.

8.5 All proposals made during the workshops were considered by the Overview

and Scrutiny Board on 28 February 2024. OSB deliberated the proposals and found they were all valid and well thought out. Only one proposal was not included as part of the Council's submission, and this can be found in Appendix 4. The proposals approved for inclusion in the Council's submission can be found at Appendix 2.

9. Proposals

- 9.2 While the details of each ward proposals can be found in Appendix 2, it is important to stress these proposals are made adhering to the statutory requirements described above while being mindful of the Boundary Commission's recommendation that overall Councillor size remain at 46.
- 9.3 Most of the changes proposed are within the East Middlesbrough area. As Appendix 2 highlights, this area of Middlesbrough has several distinct and common characteristics whose community narratives have been grouped together to try and reflect this.
- 9.4 East Middlesbrough (currently North Ormesby, Berwick Hills and Pallister, Brambles and Thorntree and Park End and Beckfield) was identified early in the process as an area where it would be necessary to delete one Councillor from the overall total with a concomitant extra Councillor required in the South of the town due to projected housing developments.
- 9.5 The wards in East Middlesbrough are a self-contained area with strong community connections. They are bordered to the East and South by Redcar and Cleveland, to the North by the railway line and A66 and to the West by the railway line and the beck valley.
- 9.6 As a result, any changes would need to be within the confines of those clearly identified boundaries. For example- linking the East Middlesbrough Wards with wards to the West beyond the beck valley and the hospital would encroach into the Marton area which has no community or geographical link. The workshops deliberated at length over how to redraw the East Middlesbrough Boundaries and the ward Councillors across all political groups were in agreement that the Council's proposed changes met the well-defined community connections within East Middlesbrough to a much greater degree than the current boundaries.
- 9.7 The proposals for East Middlesbrough have changed optimum Councillor/ electorate variances, however there were no iterations that would not have changed these variances without affecting other wards whose variances fell within tolerance.
- 9.8 It could also be argued that the proposed changes to the variances in East Middlesbrough is a positive given this area's relatively high deprivation levels which increases access to elected Members.
- 9.9 Proposals were also made for name changes only to some wards. This was partly for community purposes but also efficient and effective local government purposes. These suggestions can be found at Appendix 3.

10. Other potential alternative(s) and why these have not been recommended

10.2 Do nothing – the Council is not required to submit its own proposal. However, the Boundary Commission will make proposals irrespective of other representations. As such it is essential to form a submission to ensure the Council's views are taken into consideration.

10.3 There is an opportunity for all individuals, including Councillors, and political groups, to submit proposals in respect of Council size and they have been encouraged to do so outside of this process if they have further information they wish to be considered.

11. Impact(s) of the recommended decision(s)

Financial (including procurement and social Value)

11.2 There are no immediate financial implications as the decision being sought is the approval of a proposal for consideration by the Local Government Boundary Commission within their review. The decision as to the warding pattern is ultimately that of the Local Government Boundary Commission.

11.3 Any changes to the Ward Boundaries made by the Local Government Boundary Commission will come into effect in May 2027.

11.4 Should the proposals as at Appendix 2 be adopted, there are the following financial considerations:

- a) The number of members will remain at 46 therefore the cost of members allowance will not increase in number, but may of course increase in line with changes to allowances as it would in any event.
- b) There will be a requirement for an additional one or two polling stations in each local election. This may come with a small cost, dependent on the location and nature of the station.
- c) As the ward boundary for Nunthorpe ward is suggested to change, some houses will move into the are of Nunthorpe Parish Council and will therefore be required to pay the Nunthorpe Parish precept. The amount that this equates to is not known at this stage.

11.5 There will be an opportunity for Council to consider the proposed changes once they are shared by the Local Government Boundary Commission in June 2024. At this stage we will be able to fully cost the financial implications of the suggested changes.

Legal

11.6 There are no legal implications in relation to this decision as this is simply a proposal for a decision that will be made by the Local Government Boundary Commission.

11.7 Once the recommendations in regards to the ward boundaries are made, the Local Government Boundary commission will take this through the relevant parliament route.

Risk

11.8 This submission contributes to the Council's Quality of Service strategic objective; *We will ensure that we place communities at the heart of what we do, continue to deliver value for money and enhance the reputation of Middlesbrough.*

Human Rights, Public Sector Equality Duty and Community Cohesion

11.9 No protected groups are affected by the decision.

Climate Change/Environmental

11.10 Not applicable

Children and Young People Cared for by the Authority and Care Leavers

11.11 Not applicable

Data Protection / GDPR

11.12 There are no data protection or GDPR to consider as a result of the decision.

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

Action	Responsible Officer	Deadline
Submit Council Size Submission to Local Government Boundary Commission	Ann-Marie Wilson	11 March 2024

Appendices

1	Ward Variance Data
2	Ward Boundary Proposals
3	Ward Name Proposals

Background papers

Body	Report title	Date

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Table 1 – Electorate Variances from optimum ratio 2,226 electors per Councillor using existing warding patterns.

<i>Ward</i>	<i>North/South</i>	<i>Cllrs</i>	<i>Ward Electorate (2029 Projections)</i>	Avg. Elector per Cllr (2029) Projections	<i>Electorate per Cllr (Projections 2029)</i>	<i>"Drift" between Electorate Per Cllr and 2,266 Average</i>	<i>Variance from Average</i>
Stainton & Thornton	South	1	4,082	2,266	4,082	1,816	80%
Central	North	3	7,804	2,266	2,601	335	15%
Trimdon	South	2	5,104	2,266	2,552	286	13%
Marton East	South	2	5,001	2,266	2,500	234	10%
Nunthorpe	South	2	4,802	2,266	2,401	135	6%
Longlands & Beechwood	North	3	7,185	2,266	2,395	129	6%
Park	North	3	6,920	2,266	2,307	41	2%
Newport	North	3	6,762	2,266	2,254	-12	-1%
Linthorpe	North	2	4,476	2,266	2,238	-28	-1%
Kader	South	2	4,458	2,266	2,229	-37	-2%
Ayresome	North	2	4,453	2,266	2,226	-40	-2%
Acklam	North	2	4,419	2,266	2,209	-57	-2%
Marton West	South	2	4,403	2,266	2,201	-65	-3%
Ladgate	South	2	4,388	2,266	2,194	-72	-3%
Hemlington	South	2	4,296	2,266	2,148	-118	-5%
Brambles & Thorntree	North	3	6,331	2,266	2,110	-156	-7%
Coulby Newham	South	3	6,278	2,266	2,093	-173	-8%
North Ormesby	North	1	1,932	2,266	1,932	-334	-15%
Berwick Hills & Pallister	North	3	5,675	2,266	1,892	-374	-17%
Park End and Beckfield	South	3	5,457	2,266	1,819	-447	-20%

Chart 1 - Electorate Variances from optimum ratio 2,226 electors per Councillor using existing warding patterns.

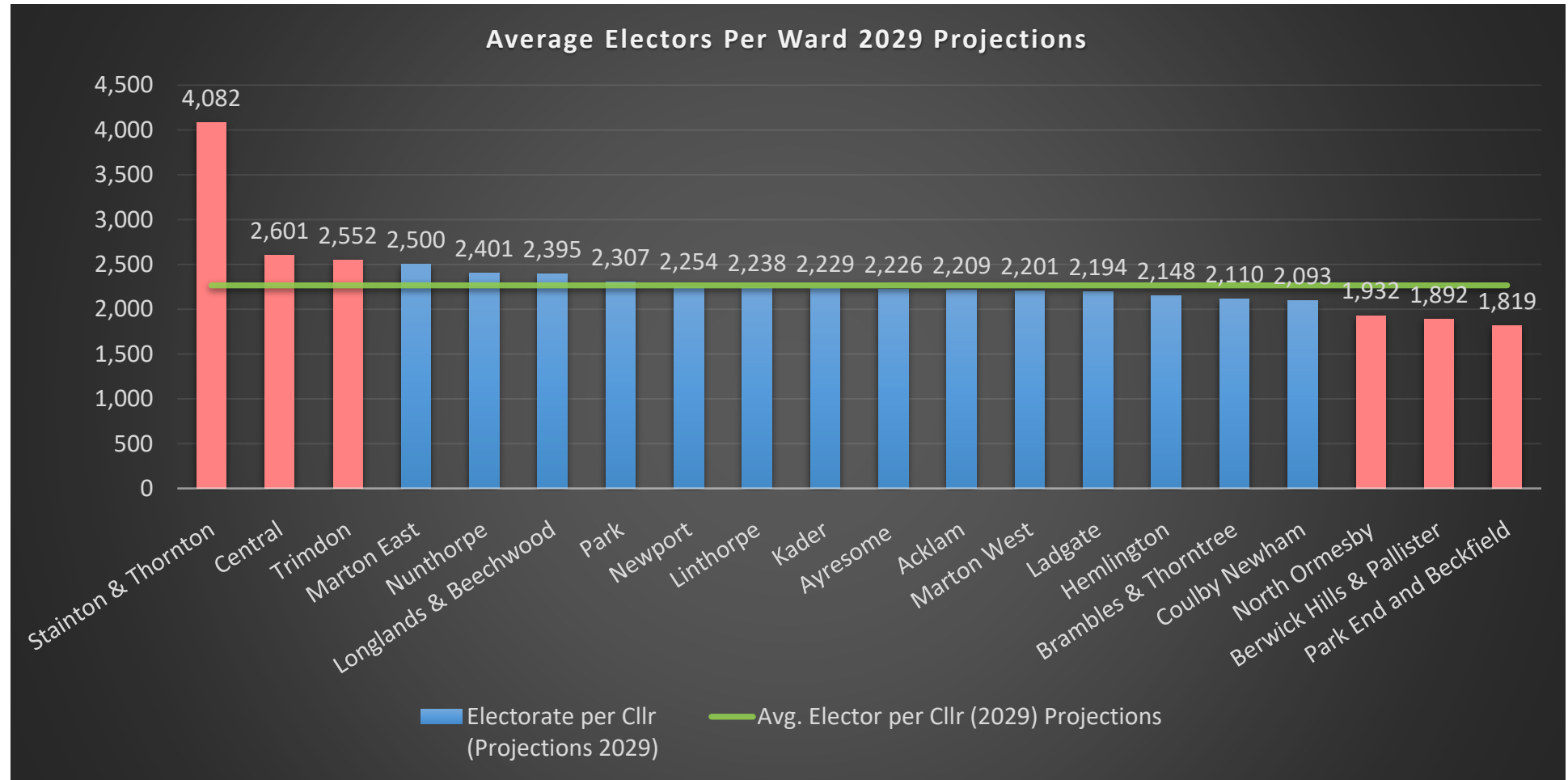
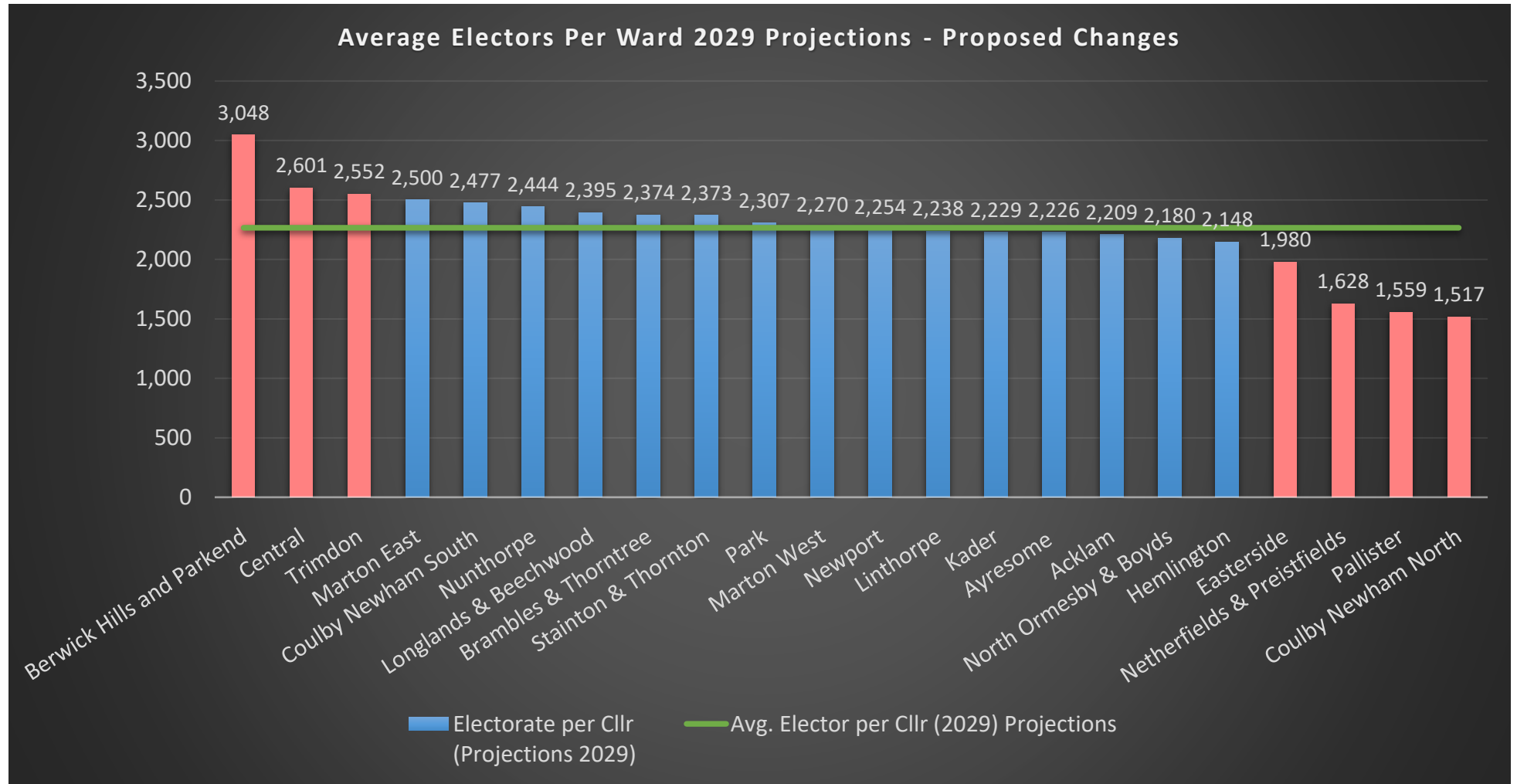


Table 2 - Electorate Variances from optimum ratio 2,226 electors per Councillor using following Member workshops. Wards that have been amended are highlighted in yellow. The proposals create two additional wards while maintaining the overall Councillor number of 46. While the proposals create greater variances for Easterside, Beckfield, Pallister and Coulby Newham North those variances

<i>Ward</i>	<i>North/South</i>	<i>Cllrs</i>	<i>Ward Electorate (2029 Projections)</i>	Avg. Elector per Cllr (2029) Projections	<i>Electorate per Cllr (Projections 2029)</i>	<i>"Drift" between Electorate Per Cllr and 2,266 Average</i>	<i>Variance from Average</i>
Berwick Hills and Parkend	South	2	6,095	2,266	3,048	782	34%
Central	North	3	7,804	2,266	2,601	335	15%
Trimdon	South	2	5,104	2,266	2,552	286	13%
Marton East	South	2	5,001	2,266	2,500	234	10%
Coulby Newham South	South	2	4,953	2,266	2,477	211	9%
Nunthorpe	South	2	4,887	2,266	2,444	178	8%
Longlands & Beechwood	North	3	7,185	2,266	2,395	129	6%
Brambles & Thorntree	North	2	4,747	2,266	2,374	108	5%
Stainton & Thornton	South	1	2,373	2,266	2,373	107	5%
Park	North	3	6,920	2,266	2,307	41	2%
Marton West	South	3	6,811	2,266	2,270	4	0%
Newport	North	3	6,762	2,266	2,254	-12	-1%
Linthorpe	North	2	4,476	2,266	2,238	-28	-1%
Kader	South	2	4,458	2,266	2,229	-37	-2%
Ayresome	North	2	4,453	2,266	2,226	-40	-2%
Acklam	North	2	4,419	2,266	2,209	-57	-2%
North Ormesby & Boyds	North	1	2,180	2,266	2,180	-86	-4%
Hemlington	South	2	4,296	2,266	2,148	-118	-5%
Easterside	North	1	1,980	2,266	1,980	-286	-13%
Netherfields & Prestifields	South	2	3,255	2,266	1,628	-639	-28%
Pallister	North	2	3,117	2,266	1,559	-708	-31%
Coulby Newham North	South	2	3,034	2,266	1,517	-749	-33%

Chart 2- Electorate Variances from optimum ratio 2,226 electors per Councillor using following Member workshops.



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CONSIDERATION OF PROPOSALS FOR REVISED WARDING

Coulby Newham North

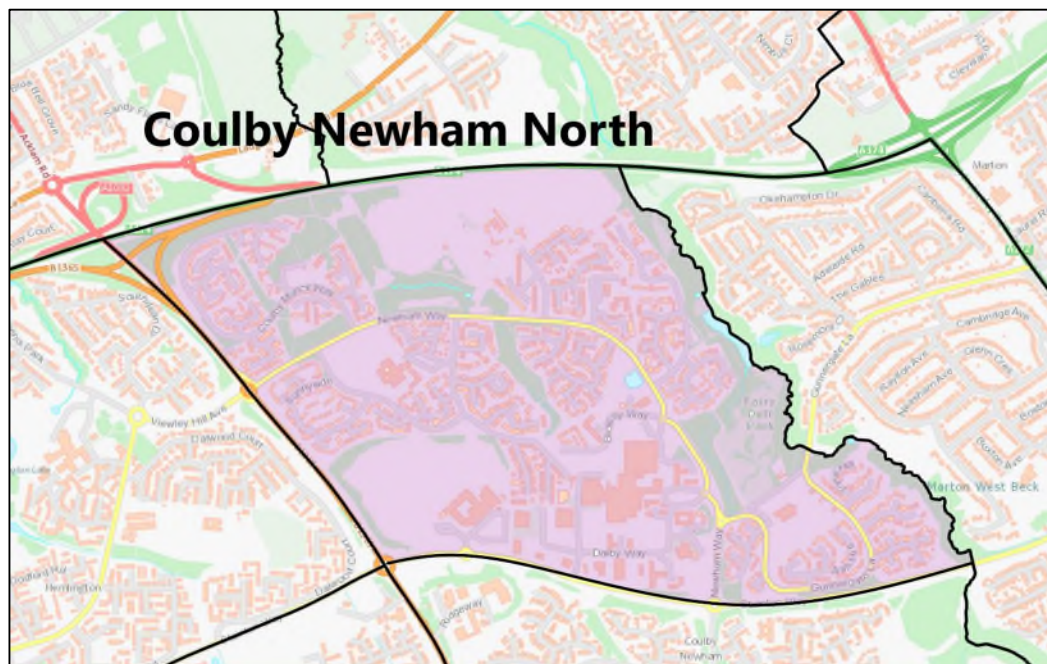
Physical Characteristics

The physical characteristics adhere to the existing northern part of the Coulby Newham ward ie, all of the land north of Stainton Way.

At present, the Coulby Newham ward covers the whole of the Coulby Newham area, north and south of Stainton Way. It is presently a three Member ward.

Community Characteristics

The area to the north of Stainton Way is the original Coulby Newham and was built with large proportion of social housing. It also has major facilities that serve the whole of south Middlesbrough. These include a major shopping mall, a large ‘out of town’ Tesco supermarket, a major sports and leisure facility, the Rainbow Centre, which includes a swimming pool, the cathedral, a police station, and a fire station. There is a major Academy, the Newham Grange Leisure Farm and health facilities that serve an area wider than Coulby Newham itself.



Proposal

The proposed boundary for Coulby Newham North would be Stainton Way acting as the Southern Boundary with the North, East and West boundary remaining in place. It is also proposed becomes a two Member ward as the proposed Coulby South Ward detailed below will also become a 2-member ward.

Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Coulby Newham North	2	1,517	-33%	<p><u>Equality of representation</u></p> <p>The new Coulby Newham North Grange Ward would have a -33% variance less than the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity, as it mainly comprises the original Coulby Newham development. Whilst built as an integrated housing scheme (ie social housing and owner occupier housing side by side), many residents have since exercised their right to buy.</p> <p>As noted above, the ward will have major retail, sports and leisure facilities that serve the whole of south Middlesbrough. There is a primary school and an academy in the ward. There is a doctor's surgery, dentist and pharmacy in the ward.</p> <p><u>Effective and convenient local government</u></p> <p>The ward has good road links, and excellent pedestrian and cycleway access, between most parts of the ward. There are regular bus services into Middlesbrough.</p>

Coulby Newham South Ward

Physical Characteristics

The Coulby Newham ward presently covers the whole of the Coulby Newham area, north and south of Stainton Way, and is presently a three Member ward.

The area to the north of Stainton Way was built with large proportion of social housing and has a large number of major facilities that serve the whole of the south Middlesbrough area, such as a large supermarket, leisure facilities and health facilities.

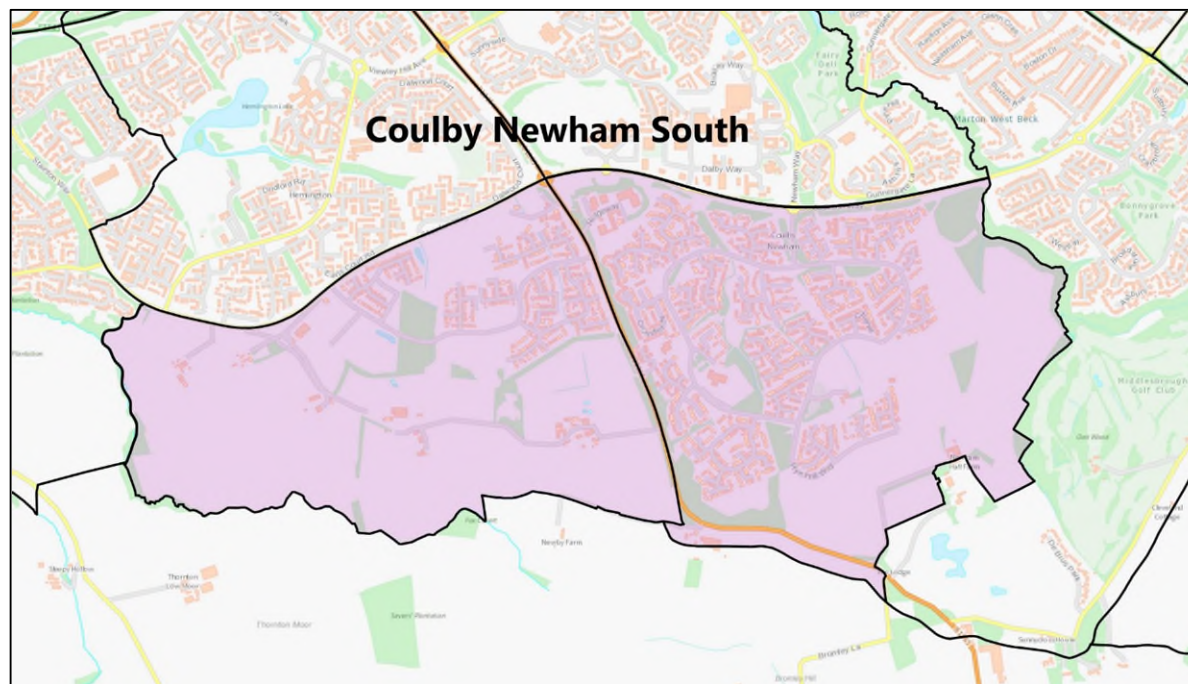
By contrast, the newer part of Coulby Newham, to the south of Stainton Way, is primarily housing, and was mainly built as owner occupier properties with some smaller areas of social housing.

As part of Middlesbrough's Local Plan (2014) large sections of southeastern the current Coulby Newham Ward have been identified for housing development. This will consist of approximately 1,000 three, four and five bedroom houses with a percentage of affordable housing included.

Community Characteristics

There are stronger community ties between residents in the south of the current Coulby Newham Ward and those in the southeastern quarter of Stainton and Thornton Ward (also referred, locally, as Newham Grange).

The proposal is to create a new two Member ward, *Coulby Newham South*. East to West this will comprise the area between the existing Coulby Newham/ Marton West boundaries and Stainton Beck. North/ South the proposed Ward will encompass the area between Stainton Way and boundaries of the existing Coulby Newham and Stainton and Thornton Wards.



The area of Stainton and Thornton Ward between Stainton Beck in the West to Coulby Newham Ward in the east is locally referred to as Newham Grange (which was a proposal during the previous boundary review of 2013). Large parts of this area have been identified for housing development with approximately 1,000 houses of a similar nature to those in Coulby Newham described above.

Transport infrastructure in that area (both current and proposed) lends itself to those living in the Newham Grange area travelling east to amenities in Coulby Newham ward rather than travelling west to Stainton and Thornton ward.

Proposal

It is proposed that land from the current Stainton and Thornton Ward namely the land east of Stainton Beck and up to the western boundary of the current Coulby Newham Ward (south of Stainton Way). It is also proposed that it becomes a two Member ward as the proposed Coulby North Ward detailed above will also become a 2 member ward.

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Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Coulby Newham South	2	2,477	9%	<p><u>Equality of representation</u></p> <p>The new Coulby Newham South Ward would have a 9% variance greater than the optimum elector/ Member ratio. This considers the future development in the area.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity. It has local shops and a post office. There is a primary school in the ward. The major Parkway shopping centre and Rainbow sports / leisure provision that serve the whole of south Middlesbrough are close by in the proposed adjoining ward of Coulby Newham North.</p> <p><u>Effective and convenient local government</u></p> <p>The ward has good road links between most parts of the ward. , There are excellent pedestrian and cycleway links across the whole of the ward. There are regular bus services into Middlesbrough.</p>

Easterside Ward

Physical Characteristics

The current Ladgate ward comprises the older social housing of Easterside estate to the north of Ladgate Lane, and a more modern residential development to the south of Ladgate Lane (Marton Manor). It has strong boundaries with Marton Road to the east, the A174 trunk road to the south, Marton West Beck to the west and playing fields to the north.

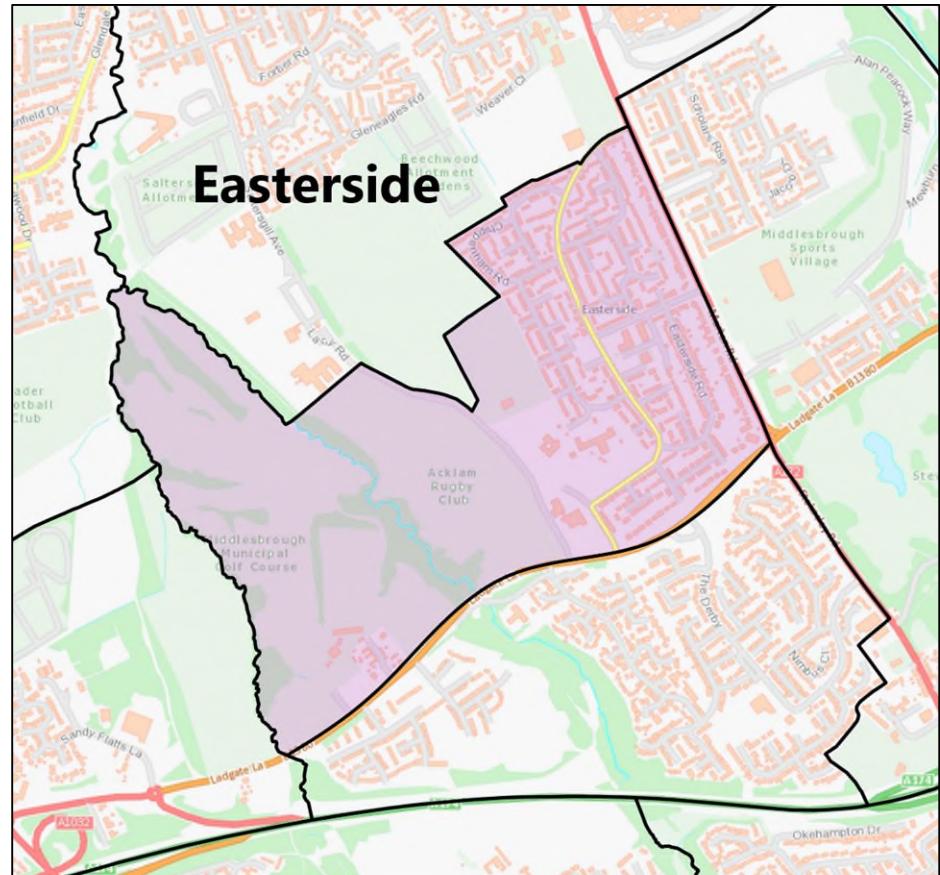
Community Characteristics

It is recognised that there are two distinct communities within the current Ladgate Ward namely those within the Easterside Estate and those in Marton Manor. While Ladgate Lane could be viewed as a barrier there are pedestrian crossing points however residents of both Easterside and Marton Manor see Ladgate Lane as a barrier. Residents in Easterside tend to use the facilities in the North of the Ward i.e., within the confines of the Easterside Estate whereas those of Marton Manor tend to access facilities in the Marton area of the town which can be several miles from their home such as the shopping parade at Marton shops and the Community Centre in Marton. Although the A174 is a main road the facilities in Marton can be accessed from Marton Manor via car or walking through the subway or across the bridge on the A174.

Proposal

The proposal is for the development to the south of Ladgate Lane (Marton Manor) to become part of the Marton West Ward and the area north of Ladgate Lane and the Easterside Estate become Easterside Ward.

If Marton Manor does become part of Marton West Ward the number of Councillors in this ward would decrease to 1, the proposed elector/Councillor ratio would be 1,980.



Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Easterside Ward	1	1,980	-13%	<p><u>Equality of representation</u></p> <p>The new Easterside Ward will have a -13% variance less than the optimum elector/Member ratio.</p> <p><u>Community identity and interests</u></p> <p>There is a currently strong sense of community identity in the area with residents of the Easterside Estate rarely utilising facilities outside of the area. Broughton Avenue has several shops and has one of the Council’s Community Hubs, which provides a number of community facilities and a range of community services.</p> <p>There is a library, two primary schools and a school for children with special needs.</p> <p><u>Effective and convenient local government</u></p> <p>Vehicle and pedestrian access across the ward is good. There are bus services through the ward and into the town centre.</p>

EAST MIDDLESBROUGH - CONTEXT

Physical Characteristics

The East Middlesbrough area is currently made up of the wards of Park End and Beckfield, Brambles and Thorntree, Berwick Hills and Pallister.

The area also contains a number of housing estates, built incrementally in several phases over a 30 - 40 year period between the 1930s and the 1960s. These estates include Brambles Farm, Thorntree, Pallister Park, Park End, Overdale, Netherfields, Beckfields, Town Farm and Thorntree. There is also a very small community to the far south of the area sometimes referred to as Little Ormesby: this is a small area of private housing which has been surrounded by what was then municipal housing.

East Middlesbrough has extremely strong boundaries. To the east and south is the neighbouring authority of Redcar & Cleveland To the west is a railway line and beck, with no road crossings other than at the northernmost and southernmost boundaries. To the north is the A1085 trunk road.

Community Characteristics

Each of these estates has a strong sense of community, a strong sense as to where each of their boundaries lie, and their own social and cultural identity. However, as the development of East Middlesbrough was phased, the distribution of facilities was not even across each of these estates, although most included neighbourhood shops, many of which still survive. This uneven pattern of development has further been distorted by a number of locally and nationally funded regeneration schemes over the years which concentrated new resources on the areas of highest social disadvantage within the area.

Proposal

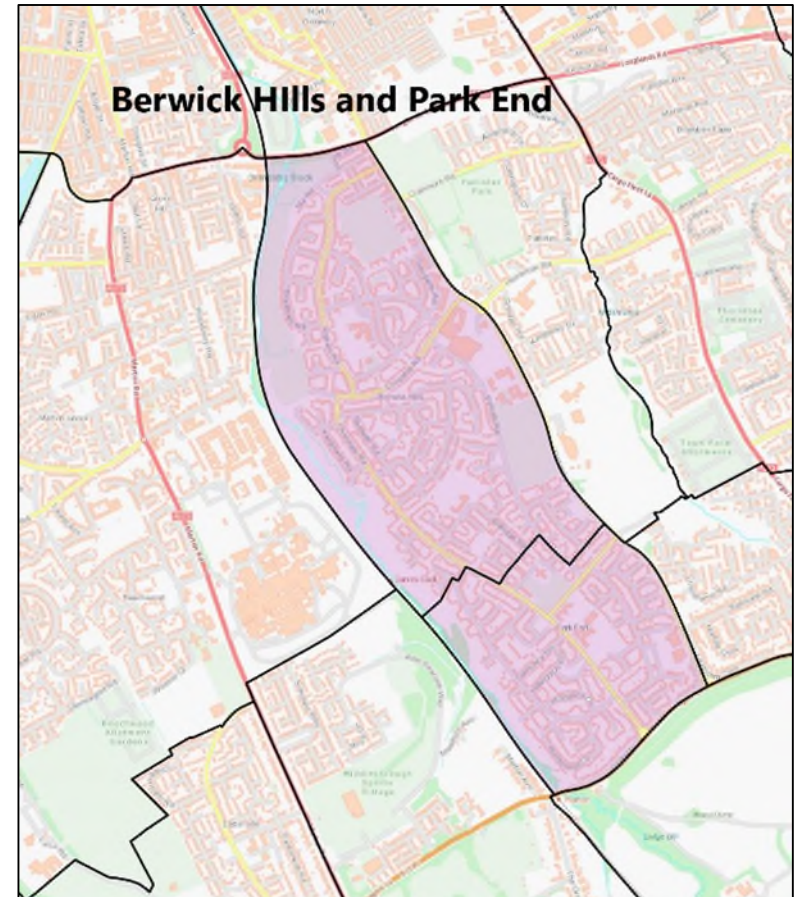
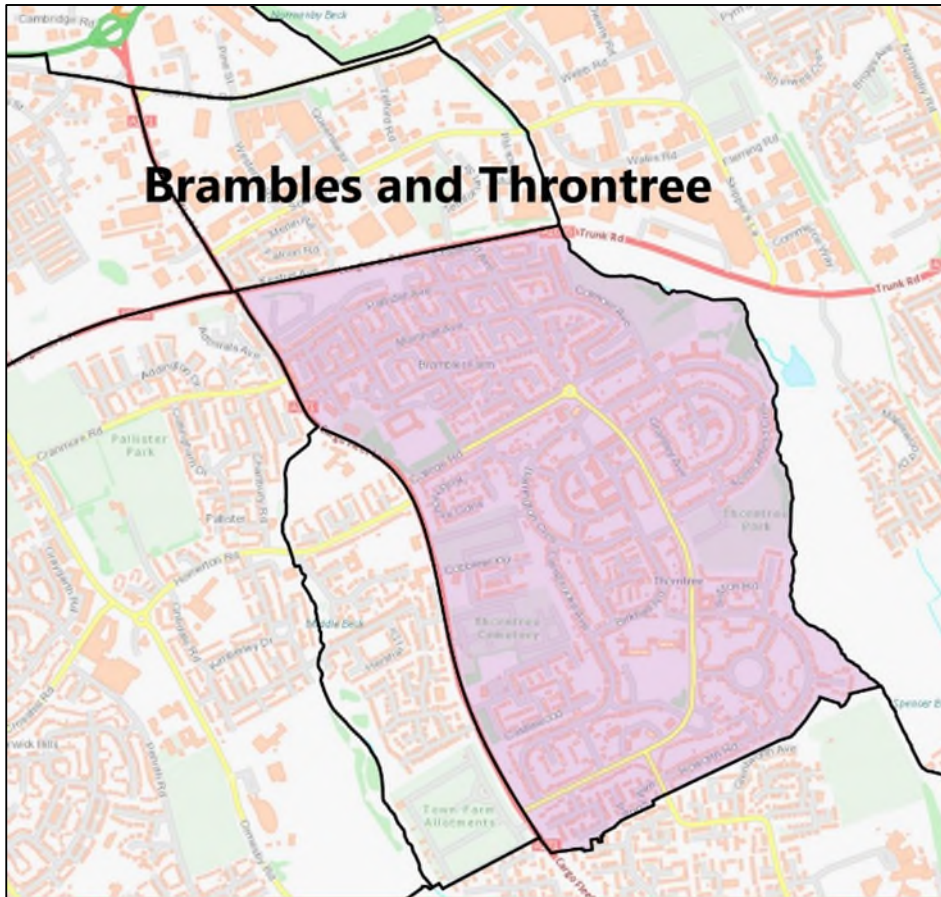
The number of electors forecast to be living in this area by 2029 is 17,214. Taking into consideration the optimum elector / Councillor ratio this equates to 8 elected Members representing the entire East Middlesbrough area.

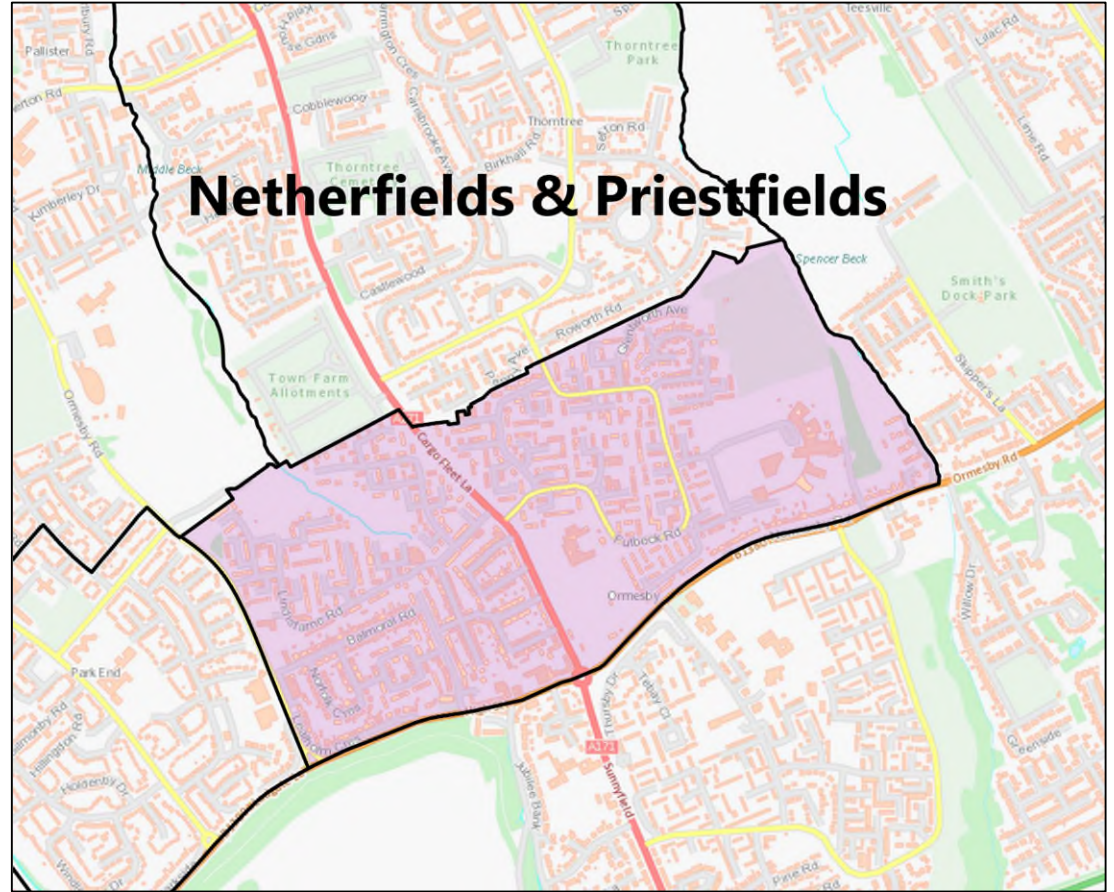
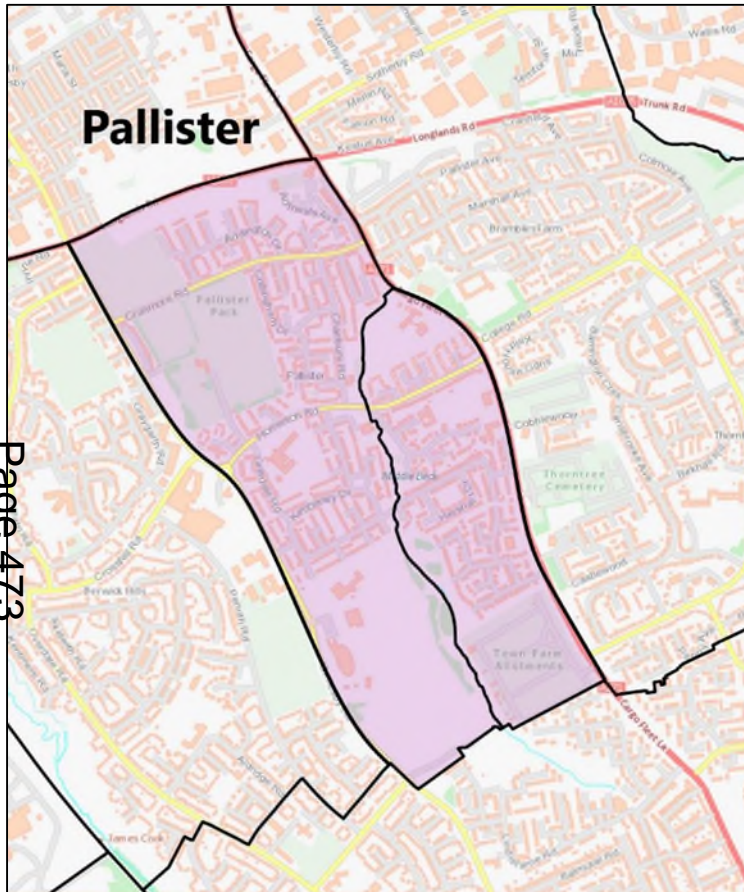
The Council has therefore taken the view that four two-Member wards will meet the requirements with regard to equality of representation and, in the view of the Council, offer the best option in terms of accessibility by the electorate to their elected representatives, and the accountability of Councillors to the electorate. The proposed wards will be:

- Brambles and Thorntree
- Berwick Hills and Park End
- Pallister
- Priestfields and Netherfields.

The approach taken by the Council has therefore been to look at the best possible fit in terms of equality of representation based on four wards each returning two Members, whilst at the same time identifying boundaries that will achieve a reasoned and reasonable clustering of the individual communities in the East Middlesbrough area as a whole.

Not only will the proposals achieve the desired outcomes for East Middlesbrough it will also allow the council to maintain 46 Councillors and fulfil electoral equality to the South of the town namely the proposed creation of the new Coulby Newham South Ward.





Brambles and Thorntree Ward

Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Brambles and Thorntree	2	4,747	5%	<p><u>Equality of representation</u></p> <p>The new Brambles and Thorntree Ward will have a 5% variance greater than the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>The changes to Brambles and Thorntree Ward will enhance the community identities already present in the ward. For example, while Brambles and Thorntree have their own community identities they are neighbouring estates to each other with no physical boundaries between them. To achieve this the Boyds Estate will move to the proposed North Ormesby and Boyds Ward (as describe above) and the area of Town Farm (to the west of the Ward will become part of the proposed Pallister Ward (discussed below). Both areas have strong community identities in their own right, but have a better community fit to other areas of east Middlesbrough. Both areas have access to local shopping facilities, primary schools, and community centres.</p> <p>There is an active Community Council in this ward, but it is not anticipated the proposal will affect its activities.</p> <p><u>Effective and convenient local government</u></p> <p>There is generally good vehicle and pedestrian access across the ward, and there are bus services running through the ward.</p>

Berwick Hills & Park End Ward

Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Berwick Hills & Park End Ward	2	6,095	34%	<p><u>Equality of representation</u></p> <p>The new Berwick Hills & Park End Ward will have a 34% variance greater than the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity, bringing together both estates of Berwick Hills and Park End.</p> <p>Within the ward are two primary schools and a City Academy, several playing fields and places of worship. There are small shops in the ward, and a major supermarket and shopping area in the eastern central area of the ward. There is also a library and a major sports and activities facility including a swimming pool, the Neptune Centre.</p> <p>There are medical and dental facilities in the ward, and one of the Council's Community Hubs, which provides several community facilities and a range of community services, is sited at the Berwick Hills centre.</p> <p><u>Effective and convenient local government</u></p> <p>There is generally vehicle and pedestrian access across the ward, and there are bus services running through the ward and to the town centre.</p>

Netherfields and Priestfields Ward

Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Netherfields & Priestfields Ward	2	3,255	-28%	<p><u>Equality of representation</u></p> <p>The new Netherfields & Priestfields Ward will have a 28% variance below than the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity, bringing together the Netherfields and Priestfields housing estates into one ward. Both of these areas have strong and established communities identities with each have a physical indicator of their own estate (e.g. Welcome To signs...)</p> <p>There are small local shops in both estates including a post office, and a larger parade of shops on Ormesby Road. There is a primary school and a health centre in the ward. There are no major community facilities.</p> <p><u>Effective and convenient local government</u></p> <p>There is generally vehicle and pedestrian access across the ward, and there is a bus services running through the ward and to the town centre.</p>

Pallister Ward

Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Pallister Ward	2	3,117	-31%	<p><u>Equality of representation</u></p> <p>The Pallister Ward will have a -31% variance than the average optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>The Pallister area of the town has a strong community identity that has never identified with Berwick Hills or Brambles Farm (to the West and East respectively). The ward has its own Primary School and has a community centre located in Pallister Park itself. This acts as a hub to the wider are. The area also has the East Middlesbrough Events Centre, which holds well attended community events that act as a community focal point.</p> <p>While it does not have its own shopping facilities it well served by the supermarket close by. There are medical and dental facilities, and one of the Council’s Community Hubs, which provides several community facilities and a wide range of community services, situated on the opposite side of Ormesby Road</p> <p><u>Effective and convenient local government</u></p> <p>There are good transport and pedestrian links throughout the ward, and bus services through the ward and to the town centre.</p>

Marlon West Ward

Physical Characteristics

Marlon West ward lies mainly to the west of Marlon Road, with Brass castle Lane at the southern boundary, Marlon West Beck on the western boundary and the A174 Parkway to the north.

The current ward of Marlon West has a projected 3% variance greater than the optimum Councillor / elector ratio by 2029.

Community Characteristics

Marlon – the area, as opposed to the electoral ward(s) – is an area of Middlesbrough with a strong sense of community and community identity. It is one of the more affluent areas of Middlesbrough and comprises almost exclusively owner-occupied housing.

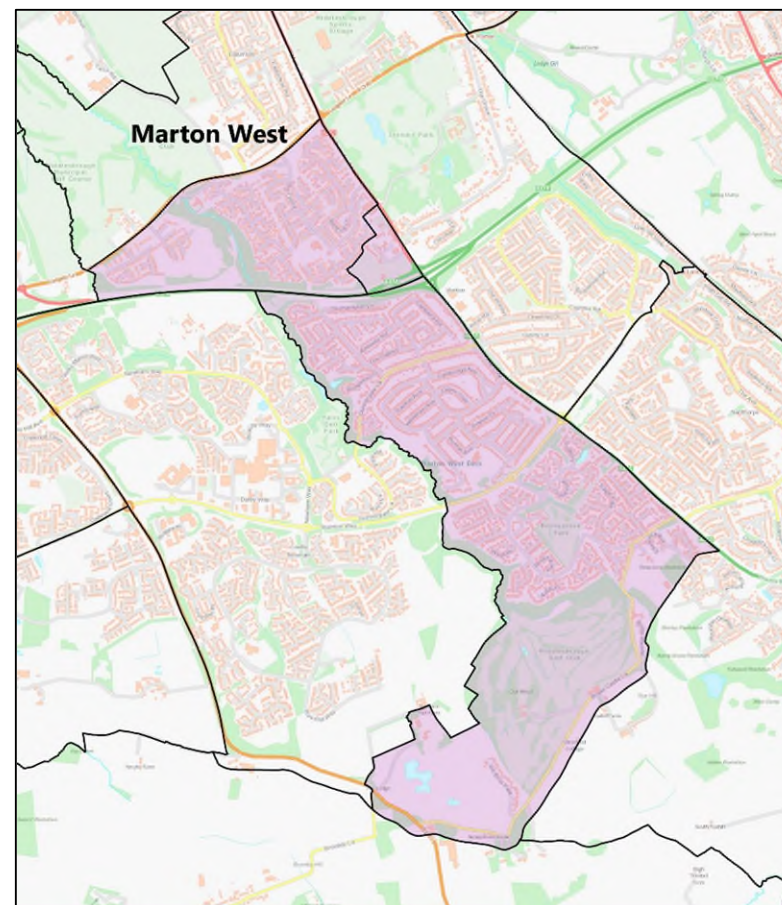
Proposal

The proposal is to combine the southern part of the current Ladgate Ward ie, South of Ladgate Lane.

It would provide a greater strength of community identity, brought together by the Stokesley Road which runs through the middle of the ward, and which has many of the shops and other facilities common to both parts of the new ward. Residents who reside in the southern part of the current Ladgate ward identify as living in Marlon, they also use facilities in the Marlon West Ward such as the shopping parade on Stokesley Road, community centers and public houses.

It is also proposed that the row of cottages on Marlon Road close to St Cuthberts Church and the apartments at The Wickets move to Marlon West Ward from Marlon East as they are situated to the West of Marlon Road.

The proposed Marlon West Ward will be a three Member ward and will have a Councillor / elector ratio 0% variance against the optimum by 2029.



Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Marton West	3	6,811	0%	<p><u>Equality of representation</u></p> <p>The new Marton West Ward will have a 0% variance against the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity.</p> <p>There is a large shopping parade in the centre of the ward, the Marton Road shops, which has a good variety of local shops and other facilities. There is a library and a post office in the same location, and the ward has a pharmacy. In addition, there are also some local shops in Woodrow Avenue. The ward has two schools, places of worship and an active community centre with a strong local management committee. In addition to the Community Council there is a Friends of Stewart park, which is in the ward, and a Friends of Marton Library, which is run with the involvement of local volunteers.</p> <p>There is an active Community Council in this ward, but it is not anticipated the proposal will affect its activities.</p> <p><u>Effective and convenient local government</u></p> <p>There is good vehicle and pedestrian access across the ward, and there are bus services along Marton Road and into the town centre.</p>

Stainton & Thornton Ward

Physical Characteristics

Stainton and Thornton villages are unique in Middlesbrough, being almost rural villages, with several working farms in an otherwise densely populated urban town. There has been some more recent housing development in the ward.

Comprising large areas of rural space to the west the ward also includes parts of the A19.

Community Characteristics

Stainton and Thornton villages are unique in Middlesbrough as being almost rural villages on the edge of the town albeit with some more recent housing development.

There is a very strong sense of community identity and community pride. There is a primary school, an active village hall, and Stainton & Thornton Parish Council is one of two Parish Councils within the Middlesbrough area. It also has an active Community Council.

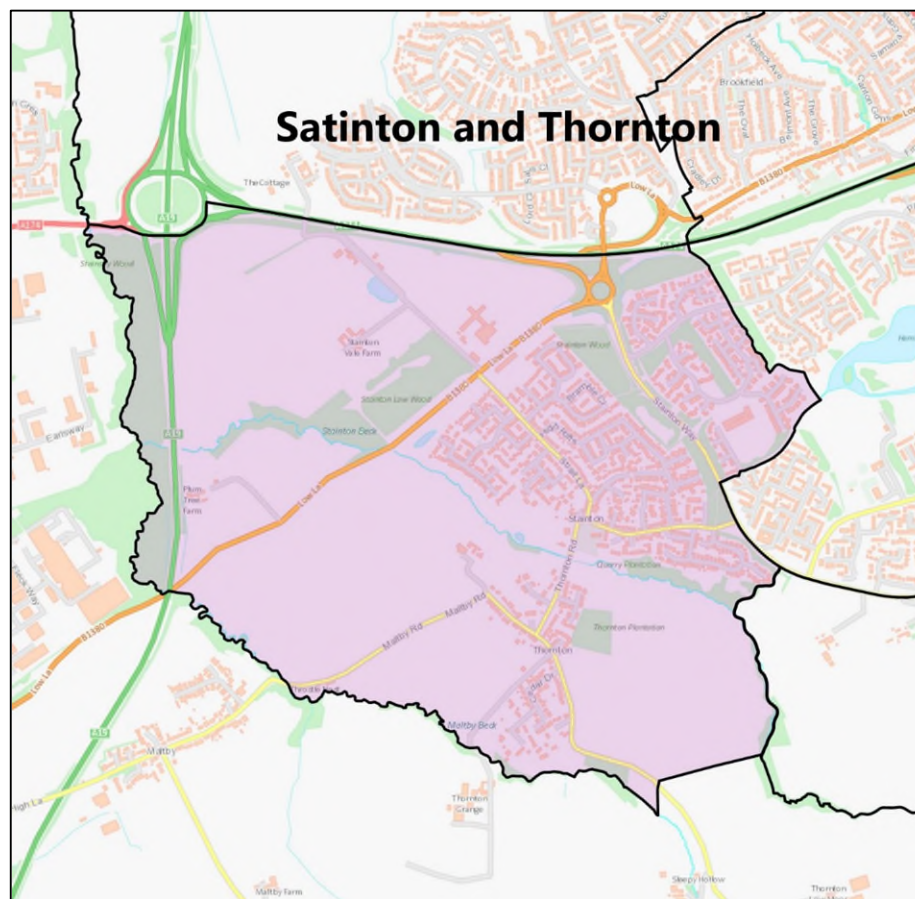
Stainton no longer has a village shop and post office but it has a village pub, a hotel, a health club, a barber, hairdressers and beauty bar and a parish church as well as other small businesses.

The new proposed housing developments within the area known as Hemlington Grange (land to the east of Stainton Beck) does not currently have any shops or a community centre. There is no direct path between Hemlington Grange and Stainton and so there are difficulties in sharing events that take place in Stainton in The Memorial Village Hall.

The villages are well served with a road network including Stainton Way, A174 and the A19. There is a good bus service that serves both Stainton and the Hemlington part of the ward.

Proposal

The only change proposed to this ward will be land to the east of Stainton Beck and up to the Western boundary of the current Coulby Newham ward will be adopted by the proposed Coulby South ward as detailed below. This change will have minimal effect on current electorate ratio's however an extensive programme of housing is programmed for this area up to and beyond 2029.



Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Stainton & Thornton Villages Ward	1	2,373	5%	<p><u>Equality of representation</u></p> <p>Stainton & Thornton Villages Ward would have a 5% variance greater than the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u></p> <p>There is a very strong sense of community identity and community pride. There is a primary school, an active village hall, and Stainton & Thornton Parish Council is one of two Parish Councils within the Middlesbrough area. It has also has an active Community Council.</p> <p>Stainton no longer has a village shop and post office, but it has a village pub, a hotel, a health club, hairdressers and nail bar and a parish church.</p> <p>The new proposed housing developments within the area known as Hemlington Grange (land to the east of Stainton Beck) does not currently have any shops or a community centre. There is no direct path between Hemlington Grange and Stainton and so there are difficulties in sharing events that take place in Stainton in The Memorial Village Hall.</p> <p><u>Effective and convenient local government</u></p> <p>The ward has good road links, and easy pedestrian access, between all the residential parts of the proposed ward. There are bus services into Middlesbrough.</p>

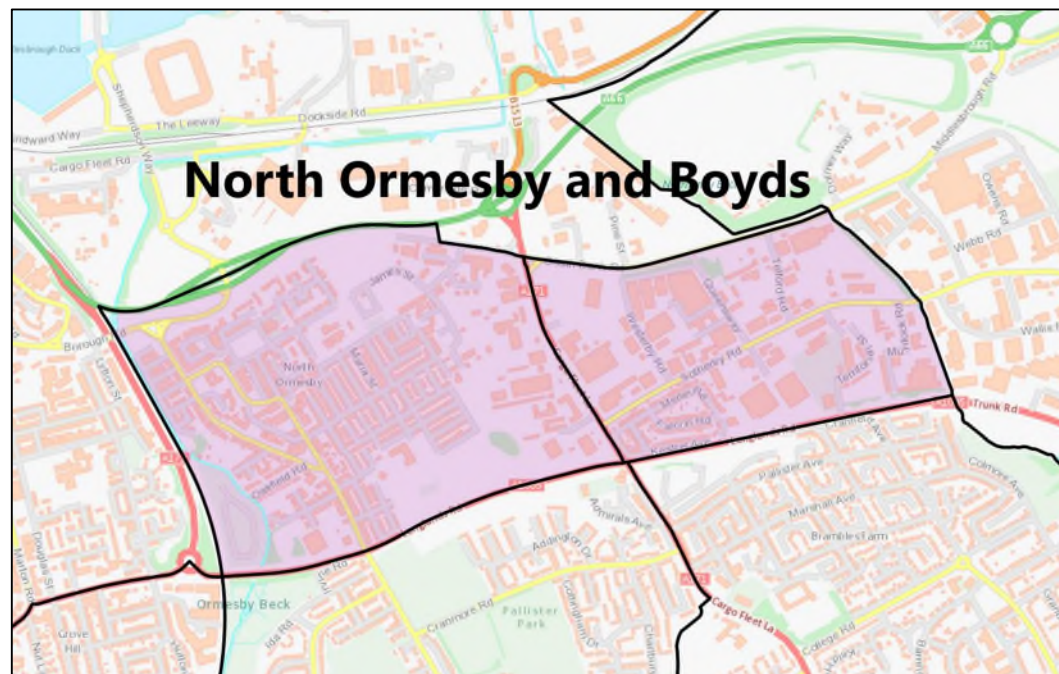
North Ormesby & Boyds Ward

Physical Characteristics

The current ward of North Ormesby has a variance of -15% less than the optimum Councillor / elector ratio.

The current ward has several resources and facilities within its boundaries which are currently four arterial roads: the A66 to the north, Trunk Road to the south, Cargo Fleet Lane (A171) to the east and Stokesley Road (A172) to the west.

The east of Cargo Fleet Lane is largely industrial units. The proposed ward would also contain the Boyds Estate, currently within the boundary of Brambles and Thorntree ward. Despite its small size, the Boyds estate has an equally strong community identity as North Ormesby. However, the Boyds Estate does not identify with Brambles and Thorntree Ward partially due to the Trunk Road separating it from the remaining population of the ward.



Community Characteristics

North Ormesby has a defined community identity and has many characteristics of a small township with a high street, a shopping area, and several commercial and public buildings. It is one of Middlesbrough's older, most readily identifiable communities.

Since the last Ward Boundary Review a new Lidl supermarket has been built on the border of the current North Ormesby Ward and the Boyd Estate which residents from both areas access.

Proposal

The proposal would be to extend the boundaries of the current North Ormesby Ward to the east using Trunk Road (A1085) as the southern boundary and the existing boundaries of Brambles and Thorntree Ward to the north and east. North Ormesby Ward would then encompass the industrial estate adjacent to Cargo Fleet Lane and the Boyds Estate. It is also proposed that the expanded North Ormesby Ward would remain a single member ward as there is only a small increase in electors.

It is accepted the expansion of the current North Ormesby Ward offers the opportunity for other changes in east Middlesbrough which in turn allows for changes in the south of the town. However, given the geography of the area, the self-contained nature of North Ormesby, and the lack of community connection of the Boyds Estate to Brambles and Thorntree Ward it is considered that this solution is the 'best fit' that can be achieved.

Given the access points from all boundaries and the strong community identities of both North Ormesby and the Boyds Estate the new ward would provide effective and convenient local government.

The proposed North Ormesby & Boyds Ward will have a Councillor / elector ratio of 4% less than the optimum Councillor ratio by 2029.

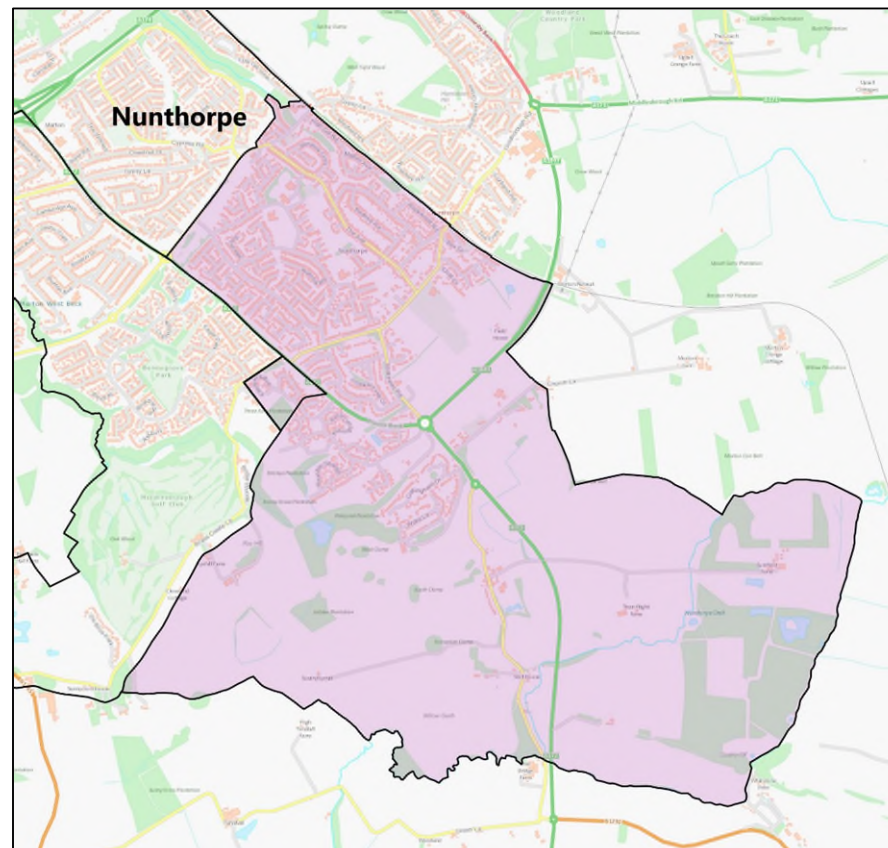
Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
North Ormesby & Boyds Ward		2,180	-4%	<p><u>Equality of representation</u></p> <p>The new North Ormesby & Boyds Ward will have a -4% variance against the optimum elector/ Member ratio. This will allow for other boundary changes in east Middlesbrough that will better reflect those communities and enable further changes to the south of the town.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity.</p> <p>North Ormesby has all the characteristics of a small self-contained township with a high street, a market, several shops, public buildings and services. There are two primary schools and various places of worship of different denominations, including the prominent Hindu temple. There is a major health centre. The Community Hub incorporates the library and the youth and community centre and provides a range of community resources and services. The area has an active residents' association.</p> <p>The Boyd Estate is a much smaller area with some xxx electors. While there are physical boundaries to the east and south of the estate, these are both main roads offering improved access to the facilities of North Ormesby arguably greater than its current ward of Brambles and Thorntree.</p> <p><u>Effective and convenient local government</u></p> <p>Both the North Ormesby part of the ward and the Boyds Estate part of the ward have good vehicle access to other parts of the ward. The Council acknowledges that access between the North Ormesby area of the ward and the Boyd Estate is not ideal..</p>

Nunthorpe Ward

There is an active Parish Council (just one of two in Middlesbrough), which has led on the development of the Nunthorpe Neighbourhood Plan. The Governance Review of 2022 confirmed community support for the Parish Council, with continuing local interest evidenced by the contested Parish elections of May 2023. A new community hub at the centre of Nunthorpe is emerging on Stokesley Road, with a Medical Centre already opened, a Community Centre underway, and a large restaurant nearby.

To the north of this hub, the ward is fairly well developed in terms of housing. To the west, the new development of Grey Towers Village is almost complete. The southern part of the ward is mainly farmland, but also includes the original village of Nunthorpe. To the east is Nunthorpe Grange, zoned in the 2014 Local Plan for the construction of 250 dwellings, some of which are planned to be built by 2029. The draft 2024 Local Plan proposes no further construction of houses in Nunthorpe.

The proposal is for Nunthorpe to remain as at present, with one change. The residents of Borrowby Rise and Plantation View at the northern part of Grey Towers Village feel strongly that they are part of Nunthorpe, because they are an integral part of Grey Towers Village. Their only access is through Grey Towers Village, directly via Dixon's Bank and Ellerbeck (as distinct from the Marton West developments accessible via Brass Castle Lane). Their address is "Nunthorpe", and until this review most of the residents assumed that they are part of Nunthorpe Ward. A recent survey has evidenced the overwhelming desire of the residents to be confirmed as belonging to the Nunthorpe community. The proposed Nunthorpe Ward will have a Councillor / elector ratio 8% more than the optimum by 2029, which is felt to be exceptionally justified by the strength of community support for the proposal.



Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Nunthorpe Ward	2	4,887	8%	<p><u>Equality of representation</u> The new Nunthorpe will have a 8% variance greater than the optimum elector/ Member ratio.</p> <p><u>Community identity and interests</u> The ward has a strong community identity. It has an active Parish Council and there is a residents group active in the Grey Towers area. There is an active Community Council in the area.</p> <p>There are three primary schools in the ward, and shops next to Nunthorpe railway station, although they are, in fact, just over the border in Redcar & Cleveland. There is also a newly opened doctors surgery.</p> <p>There is an active Community Council in this ward, but it is not anticipated the proposal will affect its activities.</p> <p><u>Effective and convenient local government</u> The ward has good road and pedestrian links between all parts of the ward. There is a railway station on the Middlesbrough to Whitby line. There is also a bus services into Middlesbrough.</p>

Ward Name Changes

To alleviate confusion it has been proposed to change some names of wards in the Town to provide clarity to residents on which elected member they should be contacting for advice and support.

The following changes have been proposed. Where proposals effect the same ward Council are asked to decide which proposal they prefer.

- Acklam Ward change to Acklam East & Tollesby Ward
- Ayresome Ward change to Acklam West & Whinney Banks or Whinney Banks & West Lane
- Linthorpe Ward to Linthorpe East
- Park Ward to Linthorpe West
- Ayresome to Acklam North

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Central & North Ormesby Ward Proposal - A proposal made at a Member Workshop. While this was considered to be valid and well thought out based on geographic considerations OSB deemed there was insufficient evidence to support the proposal from a community perspective. Statistically, the proposal also created a significant variance from the optimum elector/ Councillor ratio.

As such OSB did not include this proposal for submission to the Boundary Commission.

Central & North Ormesby Ward

Physical Characteristics

The current ward of North Ormesby has a variance of -15% less than the optimum Councillor / elector ratio.

The current ward has several resources and facilities within its boundaries which are currently four arterial roads: the A66 to the north, Trunk Road to the south, Cargo Fleet Lane (A171) to the east and Stokesley Road (A172) to the west.

One of the main arterial routes into Middlesbrough town centre runs through the current North Ormesby ward, which crosses through into Central Ward. Many of the towns bus routes pass through North Ormesby to gain access to the centre. North Ormesby borders with the Central Ward. North Ormesby is connected to Central Ward via the North Ormesby flyover which cars and pedestrians can both use to access the town centre.

Community Characteristics

North Ormesby has a defined community identity and has many characteristics of a small township with a high street, a shopping area, and several commercial and public buildings. It is one of Middlesbrough's older, most readily identifiable communities.

Proposal

The proposal is to combine the current Central Ward with North Ormesby.

The proposed Central & North Ormesby Ward will have a Councillor / elector ratio of 43% greater than the optimum Councillor ratio by 2029.

Proposed ward name	Proposed number of Councillors	Electorate forecast 2029	Variance	Evidence and rationale
Central & North Ormesby Ward	3	9741	+43%	<p><u>Equality of representation</u></p> <p>The new Central & North Ormesby Ward will have a +43% variance against the optimum elector/ Member ratio. This will allow for other boundary changes in east Middlesbrough that will better reflect those communities and enable further changes to the south of the town.</p> <p><u>Community identity and interests</u></p> <p>The ward will have a strong community identity. North Ormesby has all the characteristics of a small self-contained township with a high street, a market, several shops, public buildings and services. There are two primary schools and various places of worship of different denominations, including the prominent Hindu temple. There is a major health centre. The Community Hub incorporates the library and the youth and community centre and provides a range of community resources and services. The area has an active residents' association and Community Council.</p> <p><u>Effective and convenient local government</u></p> <p>The ward has excellent road links, and easy pedestrian access, between all the residential parts of the ward. There are bus services running through North Ormesby to access Middlesbrough Town Centre.</p>