

Democratic Services

Lewis House, Manvers Street, Bath, BA1 1JG
Telephone: (01225) 477000 *main switchboard*
Direct Lines - Tel: 01225 394358 Fax: 01225 394439
Web-site - <http://www.bathnes.gov.uk>

Date: 2 November 2016
E-mail: Democratic_Services@bathnes.gov.uk

To: All Members of the Council

Chief Executive and other appropriate officers
Press and Public

Dear Member

Council: Thursday, 10th November, 2016

You are invited to attend a meeting of the **Council** to be held on **Thursday, 10th November, 2016** at **6.30 pm** in the **Council Chamber - Guildhall, Bath.**

The agenda is set out overleaf.

Refreshments will be available for Councillors from 5pm in the Aix-en-Provence Room (next to the Banqueting Room) on Floor 1.

Yours sincerely



Jo Morrison
Democratic Services Manager
for Chief Executive

Please note the following arrangements for pre-group meetings:

Conservative	Brunswick Room, Ground Floor
Liberal Democrat	Kaposvar Room, Floor 1
Labour	Labour Group Room, Floor 2
Independent	Independent Group room
Green	Green room, Floor 2

If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.

This Agenda and all accompanying reports are printed on recycled paper

NOTES:

1. **Inspection of Papers:** Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Jo Morrison who is available by telephoning Bath 01225 394358.
2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above. Papers are available for inspection as follows:

Public Access points:- Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

For Councillors and officers, papers may be inspected via Political Group Research Assistants and Group Rooms/Members' Libraries.

3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Spokespersons:** The Political Group Spokespersons for the Council are the Group Leaders, who are Councillors Tim Warren (Conservative Group), Dine Romero (Liberal Democrat Group), Robin Moss (Labour Group) and Sarah Bevan (Independent Group)
5. **Attendance Register:** Members should sign the Register, which will be circulated at the meeting.
6. **Public Speaking at Meetings:** The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme can be obtained by contacting Jo Morrison as above.
7. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.
8. **Emergency Evacuation Procedure**

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

Arrangements are in place for the safe evacuation of disabled people.

9. **Presentation of reports:** Officers of the Council will not normally introduce their reports unless requested by the meeting to do so. Officers may need to advise the meeting of new information arising since the agenda was sent out.

A G E N D A

1. EMERGENCY EVACUATION PROCEDURE

The Chairman will draw attention to the emergency evacuation procedure as set out under Note 8.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to complete the green interest forms circulated to groups in their pre-meetings (which will be announced at the Council Meeting) to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

4. ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

These are matters of information for Members of the Council. No decisions will be required arising from the announcements.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

If there is any urgent business arising since the formal agenda was published, the Chairman will announce this and give reasons why he has agreed to consider it at this meeting. In making his decision, the Chairman will, where practicable, have consulted with the Leaders of the Political Groups. Any documentation on urgent business will be circulated at the meeting, if not made available previously.

6. MINUTES - 15TH SEPTEMBER 2016 (Pages 9 - 18)

To be confirmed as a correct record and signed by the Chair(man)

7. QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

The Democratic Services Manager will announce any submissions received. The Council will be invited to decide what action it wishes to take, if any, on the matters

raised in these submissions. As the questions received and the answers given will be circulated in written form there is no requirement for them to be read out at the meeting. The questions and answers will be published with the draft minutes.

8. 'YOUR CARE, YOUR WAY': FULL BUSINESS CASE (Pages 19 - 152)

This Full Business Case (FBC) builds on the Outline Business Case published in September 2015 and describes the strategy for the development of integrated community health and care services for people living in B&NES. It sets out proposals for the future of community health and care services beyond April 2017 and approach to achieving the required outcomes for the people and communities of B&NES.

9. THE LOCAL COUNCIL TAX REDUCTION SCHEME 2017/18 (Pages 153 - 310)

Council is required to agree the Local Council Tax Reduction Scheme in accordance with S13 A (1a) (2a) and Schedule 1a of the Local Government Finance Act 1992. The report sets out the preferred scheme that has been through a public consultation exercise and view seeking exercise with key stakeholders and it highlights areas where changes are suggested. The Council is now required to formally adopt the scheme in order that it can be taken into account as part of the annual Tax Setting process.

10. PROCUREMENT OPTIONS - EXTERNAL AUDIT (Pages 311 - 314)

The report sets out the background and statutory requirements for the Council to approve the procurement route for the External Auditors to the Council, under the Local Audit & Accountability Act 2014. The Corporate Audit Committee reviewed this item at its September Committee and supported the recommended option of using the sector led body, Public Sector Audit Appointments Limited.

11. UPDATE ON THE DESTINATION MANAGEMENT COMMISSION (Pages 315 - 322)

The Council and Bath Chamber of Commerce, as co-owners of Bath Tourism Plus, have reviewed options. The recommendation for the Council to take sole ownership of the Company is made to ensure the ongoing viability of Bath Tourism Plus and the successful delivery of Destination Management services.

12. BATH AND SOMER VALLEY ENTERPRISE ZONE (Pages 323 - 352)

The Council has been asked to submit a Business Case for the possible expansion of the Enterprise Zone to include additional sites in the Somer Valley and Keynsham. This report seeks approval to finalise the site allocations and proposals for the expanded Enterprise Zone ahead of officially commencing operation in April 2017.

13. AVON PENSION FUND COMMITTEE ANNUAL REPORT (Pages 353 - 378)

The Avon Pension Fund Committee reports annually to Council on the work it has undertaken in the previous twelve months and reference is also made in the report to the future work programme. This report is for the 12 months to 31 March 2016.

14. CHARITABLE TRUST BOARD - AMENDMENTS TO TERMS OF REFERENCE (Pages 379 - 384)

The Charitable Trust Board has now met twice. At its last meeting on 4th October, the Board made recommendations about amending their Terms of Reference, which Council are asked to ratify as outlined in the report.

15. APPOINTMENT OF THE INDEPENDENT PERSONS (Pages 385 - 386)

The report invites the Council to appoint the Independent Persons as required by the Localism Act 2011.

16. TREASURY MANAGEMENT MONITORING REPORT TO 30TH SEPTEMBER 2016 (Pages 387 - 402)

This report gives details of performance against the Council's Treasury Management Strategy and Annual Investment Plan 2016/17 for the first six months of 2016/17.

17. AGENDA MOTION FROM THE LIBERAL DEMOCRAT GROUP - REFUGEES (Pages 403 - 404)

To be moved by Councillor Dine Romero.

18. AGENDA MOTION FROM THE LABOUR GROUP - GRAMMAR SCHOOLS (Pages 405 - 406)

To be moved by a member of the Labour Group.

19. AGENDA MOTION FROM THE LABOUR GROUP - PHARMACIES (Pages 407 - 408)

To be moved by Councillor Eleanor Jackson.

20. QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

The Democratic Services Manager will announce any submissions received. The Council will be invited to decide what action it wishes to take, if any, on the matters raised in these submissions. As the questions received and the answers given will be circulated in written form there is no requirement for them to be read out at the meeting. The questions and answers will be published with the draft minutes.

The Committee Administrator for this meeting is Jo Morrison who can be contacted on 01225 394358.

Protocol for Decision-making

Guidance for Members when making decisions

When making decisions, the Cabinet/Committee must ensure it has regard only to relevant considerations and disregards those that are not material.

The Cabinet/Committee must ensure that it bears in mind the following legal duties when making its decisions:

- Equalities considerations
- Risk Management considerations
- Crime and Disorder considerations
- Sustainability considerations
- Natural Environment considerations
- Planning Act 2008 considerations
- Human Rights Act 1998 considerations
- Children Act 2004 considerations
- Public Health & Inequalities considerations

Whilst it is the responsibility of the report author and the Council's Monitoring Officer and Chief Financial Officer to assess the applicability of the legal requirements, decision makers should ensure they are satisfied that the information presented to them is consistent with and takes due regard of them.

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BATH AND NORTH EAST SOMERSET COUNCIL

MINUTES OF COUNCIL MEETING

Thursday, 15th September, 2016

Present:- **Councillors** Patrick Anketell-Jones, Tim Ball, Colin Barrett, Cherry Beath, Sarah Bevan, Lisa Brett, John Bull, Neil Butters, Anthony Clarke, Matt Cochrane, Paul Crossley, Chris Dando, Fiona Darey, Matthew Davies, Sally Davis, Emma Dixon, Michael Evans, Andrew Furse, Charles Gerrish, Ian Gilchrist, Bob Goodman, Francine Haerberling, Alan Hale, Liz Hardman, Deirdre Horstmann, Eleanor Jackson, Steve Jeffries, Les Kew, Marie Longstaff, Barry Macrae, Shaun Stephenson-McGall, Alison Millar, Paul Myers, Michael Norton, Lisa O'Brien, Lin Patterson, June Player, Christopher Pearce, Vic Pritchard, Joe Rayment, Liz Richardson, Caroline Roberts, Dine Romero, Will Sandry, Mark Shelford, Brian Simmons, Peter Turner, Tim Warren, Karen Warrington and Chris Watt

Apologies for absence: **Councillors** Rob Appleyard, Jasper Becker, Colin Blackburn, Jonathan Carr, Douglas Deacon, Donal Hassett, Steve Hedges, Paul May, Robin Moss, Bryan Organ, Nigel Roberts, David Veale, Martin Veal, Karen Walker and Geoff Ward

33 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure, as set out on the agenda.

34 DECLARATIONS OF INTEREST

Councillor Lisa Brett declared an 'other' interest as the Chair of the National FGM Centres Advisory Board. This declaration was made at the item.

35 ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

The Chairman made the customary announcements regarding mobile phones, webcasting and Councillors accessing meeting papers on their ipads.

36 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There were no items of urgent business.

37 MINUTES - 21ST JULY 2016

On a motion from Councillor Tim Warren, seconded by Councillor Dine Romero, it was

RESOLVED that the minutes of the meeting of 21st July 2016 be approved as a correct record and signed by the Chairman.

38 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

Statements were made by the following people:

Fiona Powell made a statement concerning the proposed East of Bath Park & Ride and urging Councillors not to develop the site on the Bathampton Meadows within a World Heritage site. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. In response to a reference in Fiona's statement about the need for decision makers to be educated, Councillor Eleanor Jackson asked if Fiona was aware that Development Management Committee Members had received training on world heritage site status and implications. Fiona responded that she had not been aware, and was just checking. The Chairman thanked Fiona for her statement which was referred to the Cabinet Member for Transport.

Annie Kilvington made a statement against the proposed East of Bath Park & Ride, outlining the air pollution aspects. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. Councillor Alison Millar asked Annie to expand on her point regarding bias. Annie explained the technical aspects of pollution monitoring and that this year B&NES had changed from using the local bias, which it had done for the last 10 years, to the DEFRA bias, leading to depressed figures. The Chairman thanked Annie for her statement which was referred to the Cabinet Member for Transport.

Susanne Hagen made a statement against the proposed East of Bath Park & Ride, calling for evidence to support the proposals. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. In response to a question from Councillor Tony Clarke about whether Susanne was aware that many Councillors had been invited, and taken up the offer, to visit the Batheaston Park & Ride site before, Susanne replied that she was keen to make sure everyone had seen the site. Councillor Millar asked why Susanne had described a field as a tourist attraction, to which she explained how visitors to her hotel from all over the world seemed to enjoy many aspects of the meadows as much as visiting the city. In response to a question from Councillor John Bull as to whether Susanne was aware that it would be Cabinet, not Council, making the decision, Susanne replied that she was aware. Councillor Sarah Bevan asked whether Susanne was aware of any update to the suggestion to improving signage to the Lansdown Park & Ride, she responded that she had heard on the previous Tuesday that this was one of their suggestions which would be implemented. The Chairman thanked Susanne for her statement which was referred to the Cabinet Member for Transport.

Tim Williams made a statement against the proposed East of Bath Park & Ride, outlining the air pollution aspects. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. In response to a question from Councillor Alison Millar about the school run, Tim replied that evidence suggested that the school run represented 40% of the traffic in Batheaston and Bathampton, although B&NES had done no formal study of this. Councillor Eleanor Jackson asked Tim if he felt that, if signage was improved from Midford to the Odd Down Park & Ride, there would still be a need for one at Batheaston; to which he replied that improved signage to Odd Down, and Lansdown Park & Ride sites, would definitely remove the need for an East of Bath Park & Ride,

for which he didn't see a need in any case. The Chairman thanked Tim for his statement which was referred to the Cabinet Member for Transport.

Sian James made a statement against the proposed East of Bath Park & Ride, outlining the air pollution aspects. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. Councillor Alison Millar asked Sian if she considered that siting a Park & Ride at Bathampton would draw people from other Park & Ride sites, to which Sian replied that she had seen evidence to that effect, resulting in even less take up in other sites. Councillor Jonathan Bull asked Sian if she was aware of the report from the Communities, Transport & Environment Panel in May suggesting that better signage to the Lansdown site could result in a smaller site being proposed for the east of Bath. Sian replied that she was aware, and that improved signage and access would benefit Bath. The Chairman thanked Sian for her statement which was referred to the Cabinet Member for Transport.

Christine Boyd made a statement against the proposed East of Bath Park & Ride, and highlighted new emerging evidence for Councillors' attention. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. Councillor Alison Millar asked Christine to explain why they could be confident that the figures regarding vacancies at other sites were accurate, to which Christine responded that these were figures drawn up by Andrew Lee, which had now been shown to be spot on. The Chairman thanked Christine for her statement which was referred to the Cabinet Member for Transport.

Andrew Mercer made a statement against the proposed East of Bath Park & Ride, pointing out that there was still no reliable demand forecast nor business case, and that a decision on the east of Bath Park & Ride should definitely not be made before the Planning Inspector had reported back. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. Councillor Lin Patterson mentioned the reference to a smaller Park & Ride site and asked whether the campaign was trying to shift focus to the Lambridge site. Andrew responded that that was not the case, there were simply trying to protect Bathampton Meadows. The Chairman thanked Andrew for his statement which was referred to the Cabinet Member for Transport.

Judy Bailey made a statement against the Bathampton Park & Ride and stressing the importance of the world heritage status. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. In response to a question from Councillor Alison Millar about whether Judy had met anyone who supported the proposal for a Park & Ride on the Bathampton Meadows, Judy replied that she had not, and in fact huge concern about it had been expressed. The Chairman thanked Judy for her statement which was referred to the Cabinet Member for Transport.

Sam Worrall - Gypsy, Traveller and Boater Outreach & Engagement Officer - made a statement on behalf of the boat community of the river and the Kennet & Avon Canal. She raised difficulties that had arisen from the new Canal & River Trust guidelines and the need to move every 14 days, and the effect of this on the boating community who were registered with schools, libraries, GP surgeries etc. She offered to meet Councillors to discuss further how this diverse community could be

supported. Councillor Tim Warren expressed an interest in taking up Sam's offer. Councillor Will Sandry asked specifically about the effect on children's education and Sam explained that the need to move up to 20 miles made school attendance particularly difficult. Councillor Eleanor Jackson referred to the task & finish review done by the Housing & Major Projects Scrutiny Panel on Boat Dwellers and River Travellers in July 2013 and asked Sam if she'd like to bring an update back to Scrutiny, which Sam was happy to do. In response to a question from Councillor Sarah Bevan about whether they had made contact with the Council's Strategic River Group, Sam explained they had, B&NES had been very supportive and they were working together on improving services along the riverbank. The Chairman thanked Sam for her statement which was referred to the Cabinet Member for Community Services.

David Dixon made a statement in support of the Vegmead initiative, outlining the considerable volunteer hours that had been put in to this over the last 5 years. Councillor Tim Warren asked whether Dave was aware that the decision to continue with Vegmead had been taken some time ago, to which Dave responded that that hadn't been clear from a conversation with Councillor Martin Veal earlier in the week. Councillor Lisa Brett asked whether Dave knew if the community group considered that the communication between them and the Council had been adequate, to which Dave responded that in his view it had been appalling and the group were still unclear of the latest position. Councillor Eleanor Jackson asked whether the group were working with, or would consider working with Bath in Bloom. Dave responded that on a business level he had been working with Bath in Bloom for many years. Councillor Sarah Bevan asked whether there had been any comment from Transition Bath and Dave responded that there had been little communication with Transition Bath over what's happening with Vegmead. Councillor Lin Patterson asked whether it was now clear that Vegmead could stay in Hedgemoor Park to which Dave replied that the Council's position still wasn't clear. The Chairman thanked David for his statement which was referred to the Cabinet Member for Community Services.

Rosemary Naish, Chairman of the B&NES group within ALCA, prefaced her statement with a declaration of interest as an applicant in a Judicial Review against the Council regarding neighbourhood planning. She made a statement about the need for the Council to be mindful of neighbourhood plans when making planning decisions. Full details can be read in the statement which has been placed on the Council's Minute book and attached to the online minutes. Councillor Liz Richardson thanked Rosemary for her role as national Champion for neighbourhood planning, and asked Rosemary if she thought it would be beneficial to put in place an officer briefing every time there was a new neighbourhood plan; Rosemary responded that she thought it would be very useful. Councillor Liz Hardman asked for an explanation of the 50% dissatisfaction statistic from Rosemary's statement, to which Rosemary responded that that was based on the parishes being 52% of the electorate and, at their AGM meeting the previous evening, they had all commented that the process wasn't working for them. Councillor Sarah Bevan asked whether parish councils found the neighbourhood planning process off-putting; Rosemary responded that they did not, as evidenced by nearly half of them having done it. The Chairman thanked Rosemary for her statement which was referred to the Cabinet Member for Homes and Planning.

Susan Charles, Chair of the Warm Water & Inclusive Swimming Exercise Network, updated Councillors on the provision of warm water swimming. She explained that Greenwich Leisure had indicated they would be incorporating provision for warm water swimming, and that the WWISE Network were very grateful for the overwhelming support they had received from the recent round of Council meetings. Councillor Sarah Bevan asked about the timescale for this to which Susan replied that she hadn't had an answer for this yet. Councillor Lin Patterson asked what had been the biggest obstacles in achieving an outcome, to which Susan replied that communication had broken down in 2015 when the Administration changed and that was why the Network had brought the issue back to the Council's attention. The Chairman thanked Susan for her statement which was referred to the Cabinet Member for Community Services.

Tracey Harding made a statement on behalf of David Redgewell from the South West Transport Network. She made a case for B&NES to maintain the subsidy to the 267 bus service, and mentioned there had been no consultation about withdrawing this. In response to a question from Councillor Tim Warren about whether the consultation should be done by the Bus Company, Tracey responded that she understood B&NES were cutting the subsidy so B&NES should consult on that. Councillor Neil Butters asked if Tracey considered that the B&NES economy profited from those people coming into the area on the 267, to which she responded that the amount of night-time spend per person, compared to the approximate £1.89 per head of subsidy definitely suggested that the city profited from this. Councillor Liz Hardman asked if Tracey was aware there was no bus service from Paulton to Bristol on a Sunday; Tracey responded that it would be David Redgewell who would be better placed to respond on that point. Councillor Lin Patterson asked for Tracey's view on how their campaign work was progressing and whether Councillors were receptive, to which she responded that she hoped so, and they were looking at the possibility of some match funding for evening services. The Chairman thanked Tracey for her statement which was referred to the Cabinet Member for Transport.

John James made a statement about the recent changes to the 6 and 7 bus services, the detrimental effect this had had on the community of Fairfield Park, and calling for this service to be reinstated. He mentioned a petition of over 1000 signatures which had been collected over 3 weeks asking for this. Councillor Dine Romero asked what had been the response from the Cabinet Member, to which John replied nothing as yet, although he understood that he would be coming to talk to their Planning group. Councillor Joe Rayment asked if John was aware that the Labour Group had tried unsuccessfully to call for an emergency debate on bus services at this Council, to which John replied that he wasn't aware. Councillor Lin Patterson asked about any personal knowledge of people suffering as a direct result of this change, to which John responded that he wasn't the best person to ask about that. The Chairman thanked John for his statement which was referred to the Cabinet Member for Transport.

Nora Gee made a statement also concerning the 6 and 7 buses and the difficulty this had caused to her ability to get about. She expressed concern about how people would manage the steep hill during winter. Councillor Anthony Clarke responded to Nora that he had asked for a meeting with First Bus to see what could be done. Councillor Liz Hardman asked about how much consultation had taken place with residents, to which Nora responded that Councillor Lin Patterson had conducted

several meetings about the issue. Councillor Lin Patterson enquired whether the Dial-a-Ride service would be any help and Nora explained that she had looked at that but that with the existing demand for the service (which was only provided between 10am and 12 noon), and the need to book a week in advance, that wouldn't help a great deal. The Chairman thanked Nora for her statement which was referred to the Cabinet Member for Transport.

39 KELSTON PARISH MEETING: CONFERRING OF PARISH COUNCIL POWERS TO BORROW MONEY

The Council considered a report requesting parish council powers to be conferred on the Kelston Parish Meeting at their request. In the light of extra information received after the publication of the agenda, an update report and revised recommendations had been circulated. The update information is set out below;

The Council was informed on 14th September 2016 that the 69 "Target properties" in Kelston and 39 "Target properties" in North Stoke have been identified for the Connecting Devon and Somerset (CDS) programme. These are all of the properties in the two Parishes areas and include some businesses. These must be included in the Phase 2 Programme tender for Connecting Devon and Somerset, which is due to start in January 2017 and be completed by the end of 2017. Kelston is in the North Somerset and B&NES part of the tender.

The programme ensures that the installation of the broadband is free. While the Parish Meeting can still request the conferring of powers to borrow money for their own broadband solution, this is another option available for delivering high speed broadband to Kelston. CDS have made it clear that applicants who receive the £500 grant for the Broadband Voucher Scheme for those below 2Mbps will still be able to benefit from the Phase 2 works as and when it is rolled-out.

In addition, Kelston Parish Meeting have requested that the Council confer full parish council powers to them, not just for borrowing.

On a motion from Councillor Paul Myers, seconded by Councillor Alison Millar, it was

RESOLVED unanimously

1. to make an order under Section 109 (1) of The Local Government Act 1972 Act (1972 Act) to confer on the Kelston Parish Meeting the powers of a parish council which are required to deliver the Kelston broadband project as set out in the report; and
2. to delegate to the Monitoring Officer the finalising of the Order in consultation with the Leader of the Council and the Chair of the Kelston Parish Meeting.

40 WORLD HERITAGE SITE MANAGEMENT PLAN

The Council considered a report seeking endorsement of the draft replacement City of Bath World Heritage Site Management plan and a recommendation to the Cabinet Member for Economic Development that it is approved for submission to UNESCO.

On a motion from Councillor Patrick Anketell-Jones, seconded by Councillor Dine Romero, it was

RESOLVED unanimously

1. To endorse the draft replacement City of Bath World Heritage Site Management Plan and recommend to the Cabinet Member for Economic Development that it is approved for submission to UNESCO.
2. To note that further minor editorial changes may be made to the document, as agreed with the Cabinet Member for Economic Development, prior to submission.

41 CORPORATE AUDIT COMMITTEE ANNUAL REPORT

The Council considered the annual report of the Corporate Audit Committee which details its work over the last year.

On a motion from Councillor Brian Simmons, seconded by Councillor Andy Furse, it was unanimously

RESOLVED to note the Annual Report of the Corporate Audit Committee.

42 AGENDA MOTION FROM THE CONSERVATIVE GROUP - PROTECTING WOMEN AND GIRLS IN BATH AND NORTH EAST SOMERSET FROM FEMALE GENITAL MUTILATION (FGM)

The Council considered a motion from the Conservative group which was moved by Councillor Anthony Clarke, seconded by Councillor Lisa Brett and

RESOLVED that

Council notes:

- That performing FGM in the UK and taking a child abroad to undergo FGM are both illegal: Female Genital Mutilation Act 2003 and The Serious Crime Act 2015 (which has significant provisions to tackle FGM).
- The World Health Organisation has condemned FGM for many years. In 2016 the United Nations defined FGM as child abuse.
- It is estimated that 103,000 women aged 15-49 with FGM, born in countries in which it is practised, were living in England and Wales in 2011. In addition there were an estimated 24,000 women aged 50 and over with FGM born in FGM practising countries and nearly 10,000 girls aged 0-14 born in FGM practising countries who have undergone or are likely to undergo FGM.
- Experts, including professionals and the third sector, believe that FGM will only be eradicated in the longer term by changing practice and custom in

communities where it happens. This requires working with and empowering members of these communities to change their views towards FGM.

- That FGM can cause a range of serious health problems including severe pain and emotional /psychological trauma, in some cases, death.

This Council resolves to:

- Commit to raising general awareness of FGM throughout the B&NES area;
- Encourage all schools in the area to teach sex and relationship education and raise awareness of violence against women and girls, including FGM;
- Encourage health establishments, youth groups and the wider community to raise awareness of FGM;
- Ensure the multi-agency approach to this serious issue, along with the comprehensive integrated violence against women and girls strategy, is supported and prioritised within existing resources;
- Ensure mandatory reporting by professionals, if FGM is suspected or disclosed;
- Acknowledge the thousands of years of cultural and traditional beliefs which lie behind FGM and pledge support for individuals seeking to reform their own community practices;
- Welcome the report of the Home Affairs Select Committee, on 15th September which;
 - Recommends mandatory PHSE
 - Recommends introducing stronger sanctions for failure to meet mandatory reporting responsibility
 - Recommends that the FGM unit is given the remit, powers and budget to become the sole source of government policy for safeguarding at risk girls and eradicating FGM
- Call on our local Members of Parliament to also welcome this report and to pressure Ministers to implement the recommendations.

[Notes;

- 1. The underlined wording in the resolution was proposed by Councillor Joe Rayment and accepted into the substantive motion by the mover and seconder of the motion.*
- 2. The above resolution was passed with one Councillor abstaining, and the remaining Councillors voting in favour.]*

43 AGENDA MOTION FROM THE CONSERVATIVE GROUP - MODERN SLAVERY

The Council considered a motion from the Conservative group which was moved by Councillor Tim Warren, seconded by Councillor Lisa Brett and

RESOLVED unanimously that

This council notes:

- That Prime Minister Theresa May has committed the UK Government to leading international efforts to defeat modern slavery, and last year as Home Secretary introduced the Modern Slavery Act 2015.
- That Slavery and Human Trafficking are crimes in the UK and considered illegal (Modern Slavery Act 2015).
- That worldwide it is predicted by the Global Slavery Index that there are 45.8 million people in some form of slavery (study in 167 countries, 2016).
- That slavery takes many different forms (forced labour, human trafficking, servitude, slavery) and may be present in a range of sectors (sex industry, service and hospitality industry, farming etc)
- That The UK Government estimates there are some 13,000 victims of trafficking in the UK:
 - In 2015 3,266 victims were identified and assisted (a 40% increase from 2014).
 - In 2015 289 offences linked to slavery and trafficking were prosecuted.
 - Over the last 5 years local Anti-Slavery organisation Unseen (based in the South West) has worked with over 200 victims of trafficking and slavery.
 - Slavery and trafficking are likely to be occurring in our locality and we have a duty to work in partnership with other agencies to raise awareness of this issue, identify and protect those vulnerable persons involved as well as tackle those perpetrating and facilitating this crime.
 - Under the Modern Slavery Act (2015) businesses are required to look at their own supply chains and submit an annual statement.

Council resolves to:

- Commit to working towards the eradication of human trafficking and slavery in BANES. We strive for a community where awareness of all forms of human trafficking and modern slavery is commonplace and that across all sectors people work collectively and steadfastly to eradicate its existence in our community, identify and prosecute the perpetrators of this crime and identify and support victims.
- Raise awareness of Modern Slavery amongst all employees and partners how it presents and what they need to do should they come across it.

- Ensure a multi-agency approach to this issue and to engage with and support the work of The Anti-Slavery Partnership locally and regionally.
- Implement the Transparency in Supply Chain provisions of the Modern Slavery Act to prevent Modern Slavery from occurring in its own supply chain, noting that the Council's Contract Standing Orders already recognise the importance of preventing Modern Slavery.
- Call on local Members of Parliament to press the Government to ensure our police force, border staff and Local Authorities receive adequate resources to stamp out modern slavery.

[Note: The underlined wording in the resolution above was proposed by Councillor Liz Hardman and accepted into the substantive motion by the mover and seconder.]

44 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

Councillor Alison Millar made a statement (taken earlier in the meeting with the agreement of the Chairman) concerning the proposed Park & Ride site on Bathampton Meadows. She commented that no solid business case had been made to convince people of the need for this, and that anticipating future need did not constitute special enough circumstances to justify building a Park & Ride on green belt land. She suggested the funding could be used for other projects that would benefit the whole of the city.

The Council noted the question from Councillor Will Sandry and response, which had been circulated to the meeting.

The meeting ended at 9.20 pm

Chairman

Date Confirmed and Signed

Prepared by Democratic Services

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10 th November 2016	
TITLE:	<i>your care, your way</i> : Full Business Case	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption; Appendix A : Full Business Case Appendix 1: Evaluation Panel Appendix 2: Impact Assessment Appendix 3: Data Dashboards Appendix 4: Measuring Outcomes Appendix 5: Mobilisation Plan		

1 THE ISSUE

This Full Business Case (FBC) builds on the Outline Business Case published in September 2015 and describes the strategy for the development of integrated community health and care services for people living in Bath and North East Somerset (B&NES). It sets out proposals for the future of community health and care services beyond April 2017 and approach to achieving the required outcomes for the people and communities of B&NES.

This FBC provides decision makers, stakeholders and the public with a management tool for evidence-based and transparent decision making and a framework on which the delivery of the priorities identified within YCYW will be based. The FBC evidences:

- a. The Strategic Case (Sections 3 and 5), where are we now and rationale for investment
- b. The Economic Case (Section 5), summary of benefits
- c. The Commercial Case (Section 4), procurement approach and legal arrangements

- d. The Financial Case (Section 8), summary of costs and payment mechanisms
- e. The Management Case (Sections 6 and 7), programme management and governance structures

2 RECOMMENDATION

Council is requested to:

- a. Review the Full Business Case and approve award of the contract to become the Prime Provider of community health and social care services to Virgin Care from 1 April 2017;
- b. Delegate authority to the Strategic Director, People and Communities, in consultation with the Cabinet Member for Adult Social Care and Health to agree any required post contract award variations to the Prime Provider contract, provided they do not represent a significant variation.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 Transition Arrangements and Costs

Section 6.3 of the FBC outlines the required work streams for mobilisation and transition. Whilst the majority of change management costs will be met by the Prime Provider, it is anticipated that the Council and CCG will incur internal costs to fund specialist resources to support the mobilisation and transition process. These are Council and CCG funded non-recurrent costs to cover all of the significant work areas required and are critical to supporting transformation at scale

These costs are indicative and representative of external resourcing to support transition and the service transformation required to deliver the new model of care that will meet the Councils and CCG's strategic objectives. Resources include subject matter experts covering areas such as:

- Programme Management and Governance to embed to manage the change programme and embed contractual governance frameworks; and
- IT infrastructure experts to ensure that locally we are able to support delivery of an integrated care record and enhance access to care records for people in B&NES. This will support delivery of good quality care, by for example, ensuring access to an integrated care record that ensures a single view of the person and also enabling increased direct face to face contact.

Where possible both the Council and CCG will make use of internal resource that is funded from existing budgets, however, due to the size and scale of the transformation challenge it is anticipated that external support will be also be required. The approval of additional funding will need to follow the Council's budget management scheme and the CCG's financial planning approval process.

Description	Cost
Programme Management and Governance	£150,000
IM&T Specialist Support	£200,000
Finance Specialist Support	£70,000
Estates Specialist Support	£50,000
Workforce Specialist Support	£50,000
Communications	£20,000
Total	£540,000

3.2 Financial Model

To support the financial management, reporting and oversight of the contract a robust financial operating model is required. This is outlined in Section 8 of the FBC.

To provide assurance of the financial model and contract affordability the Finance Workstream supported by the Council and CCG finance teams have developed an affordability model reconciled to 2016/17 contract funding. This has been used to assess the financial viability of future contract funding proposed by Virgin Care. The financial envelope takes into account current financial planning assumptions and future years Medium Term Financial Plan (MTFP) savings requirements.

3.3 Service Transformation

It is recognised that as part of the CCG and Councils financial planning work is being taken forward that identifies opportunities for service efficiency that will contribute towards the 2017/18 financial plan. These opportunities will need to be incorporated and resourced appropriately when jointly delivering cost improvement projects with the Prime Provider.

3.4 Commissioning & Client Side Proposals

Section 6.1 of the FBC sets out the final scope of the contract, this has been developed following a service by service assurance process that has considered a range of criteria including;

- Benefit to service user
- Current Interdependencies
- View from the Prime Provider of their proposed positioning of the service
- Impact on the local market.
- Service Transition Issues

Section 6.5 outlines the commissioning and contracting arrangements and proposals to align Council and CCG resources to support service transition whilst also putting in place co-commissioning arrangements with the Prime Provider.

3.5 Workforce Transition

Approximately 1100 posts from the core current provider (Sirona) have been identified as being eligible for TUPE. Section 7.2 of the FBC sets out plans for workforce transition.

It is recognised that there are three key pension schemes of which the Prime Provider can offer access to comparable terms, these include;

- Local Government Pension Scheme (LGPS)
- Sirona Pension Scheme
- NHS Pension

The LGPS Avon Pension Fund is carrying out a fund valuation; this will identify the surplus / liabilities on the fund at 31st March 2017 that is attributable to the staff employed by the incumbent provider.

Detailed work will be required to assess the impact on the incumbent provider, prime provider and Council as fund guarantor. Scenarios that will need to be considered with arrangements in place to allow transfer of the following

- Availability of the LGPS to staff who joined the Pension scheme during Council employment.
- Availability of the LGPS to staff who joined the Pension scheme during Sirona Employment.

3.6 Impacts on corporate/ wider budgets and services

Currently the Council provides services to incumbent providers; these services include use of Council estates including maintenance to buildings. Whilst the majority of services will be able to transition to a new provider consideration will need to be given to services that are under review.

Commissioners are aware of the Council Passenger Transport Strategic Review project. As a result of the review the recommended delivery options for this service will need to be considered in future contracting arrangements with the Prime Provider.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 This Full Business Case (FBC) builds on the Case for Change published in November 2014 and describes both the strategic and economic cases for the development of integrated community health and care services for people living in B&NES. It sets out proposals for the future of community health and care services beyond April 2017 and our approach to achieving the required outcomes for the people and communities of B&NES.

4.2 The contents in the report and FBC take into account the policies and legislation set out in:

- Better Care Fund Guidance
- NHS Everyone Counts

- Care Act 2014
- The National Health Service Procurement, Patient Choice and Competition (No. 2) Regulations 2013

4.3 Community health and care services play a vital role in meeting the statutory responsibilities of the Council and CCG. For the Council, these included those in the Care Act (2014); Mental Capacity Act (2005); Mental Health Act/Deprivation of Liberty Safeguards (2007); Children Acts (1989 and 2004) and SEND (Special Educational Needs and Disabilities) reform. Public Health responsibilities include a duty to promote the health & wellbeing of the inhabitants of its area and to reduce inequalities amongst its population.

4.4 ***your care, your way*** also supports the delivery of local strategic priorities, including those set out in the Health & Wellbeing Strategy, Better Care Plan, Council vision and priorities, and CCG 5-Year Strategy.

5 THE REPORT

5.1 The ***your care, your way*** Full Business Case (FBC) sets out the case for Bath and North East Somerset Clinical Commissioning Group (the CCG) and Bath & North East Somerset Council (the Council) to award a contract to Virgin Care to become the prime provider of community health and social care services from 1 April 2017.

5.2 Section 3 summarises the extensive programme of engagement and consultation that has taken place with local people and professionals since the ***your care, your way*** review of community services began in January 2015. Following a series of over 80 different engagement events, a formal public consultation was held in autumn 2015 to seek feedback on a draft vision for community services, four potential service models and a set of fourteen priorities. The results of this consultation were then used in the procurement process to test how the bidders intended to deliver the priorities that matter to local people.

5.3 Section 4 explains how the procurement process was conducted and how Virgin Care was selected as the preferred bidder. It begins by setting out the reasons for choosing a prime provider model for community services, highlighting how the prime provider will hold overall responsibility for the delivery and coordination of services with the ability to sub-contract with other specialist providers to ensure that existing knowledge and experience is not lost. This section goes on to explain the four stages of the procurement process, how community champions were involved in the evaluation of bids and how the legal and statutory duties of the CCG and Council were met.

- 5.4** Section 5 explains how services will change with Virgin Care as the Prime Provider. It begins by summarising the drivers for change including the changing needs of the local population, financial pressures and the opportunities provided by technology and data. The new service model is then described in detail with a table that makes it clear how this model will address the priorities identified in the public consultation. This is followed by a description of the outcome-based accountability approach that will be used to measure Virgin Care's performance, ensuring that they deliver health and wellbeing outcomes for the whole population as well as delivering performance targets for each of the services they are responsible for.
- 5.5** Section 6 starts by setting out the full scope of the contract, dividing services into three groups: those to be delivered directly by Virgin Care, those to be delivered through a mental health collaboration led by Virgin Care and those to be sub-contracted to other providers. This is followed by an explanation of what will happen in the mobilisation, transition and transformation phases with specific details on how this will be monitored and funded. This section concludes with an explanation of the commissioning arrangements for the contract from 1st April 2017.
- 5.6** Section 7 goes into greater detail about how the transformation of services will be managed. This includes the continuity of care for service users as well as the transfer of health and care professionals from Sirona care & health to Virgin Care. There is a comprehensive assessment of plans for the management of estates and equipment as well as a detailed description of how Virgin Care's information management and technology (IM&T) systems will be implemented locally. This section highlights the importance of partnership working between Virgin Care, GP practices, the RUH (Royal United Hospital), AWP (Avon & Wiltshire Mental Health Partnership NHS Trust) and local voluntary sector organisations. It concludes with a summary of how key risks will be managed throughout the process.
- 5.7** Section 8 explains the financial arrangements for the contract. It sets out the Commissioner Joint Funding Model that will be used including the processes for managing risk sharing, savings and investments. There is more detail on the funding envelope, how money will be allocated in the contract and the payment mechanisms that will be put in place. The section concludes with an explanation of how taxation will be dealt with.
- 5.8** The document concludes with a recommendation to the governing bodies of the CCG and the Council to approve award of the contract to become the Prime Provider of community health and social care services to Virgin Care from 1 April 2017.

6 RATIONALE

- 6.1** The recommendation to approve award of the contract to become the Prime Provider of community services to Virgin Care is made on the basis of the rationale contained in detail in the Full Business Case and summarised in this report. Also, on the alternative options considered in section 7, which are summarised below.

7 OTHER OPTIONS CONSIDERED

In developing this FBC, the following options were considered:

Option 1: Do Nothing

Commissioners recognise that the creation of a prime provider for community services is a bold and transformational step. However, services cannot continue to be delivered in the same way because in the long term this is unaffordable, unsustainable and, most importantly, will not deliver the preventative, collaborative and personalised service that local people and professionals have asked for. Also a significant proportion of contracts expire on 31st March 2017.

Option 2: Work with existing providers to deliver our priorities

There are many strengths in existing community services locally with strong examples of innovation and partnership working. These include services that have won awards and plaudits from patients, families, carers and communities.

Although there are these achievements of current providers and staff, the way services are currently arranged does not create optimal conditions for the delivery of integrated, personal and sustainable community services.

The system complexity impacts on a range of areas particularly for people with most complex needs where a seamless integrated community system is crucial to their care. Examples include: differing clinical and social policies and organisational governance systems; differing record keeping systems and Information Technology; and many challenges for patients navigating their way through the complex system.

It is also important to recognise that as commissioners, the CCG and the Council are governed by EU procurement law and governed by the Public Contract Regulations 2015. The CCG is further bound by the Procurement, Patient Choice and Competition Regulations 2013. The regulations permit a number of ways in which services can be commissioned, but in each case they require the publication of a call for competition and the conduct of a fair and transparent process prior to the award of the contract.

Option 3: Confirm intent to Award to Virgin Care Limited (Recommended)

Under this option, a specified new model of care would be commissioned to start in April 2017 in line with the outcome of the procurement process.

The service model proposed by Virgin Care is based upon the priorities identified through engagement and consultation with local people and professionals. In addition, the demographic and financial challenges faced by health and care services both locally and nationally have made the current service model unsustainable.

Virgin Care has been selected as preferred bidder because they have an ambitious but realistic plan for transforming local services so that people experience care that is more personalised, more coordinated and focussed on prevention and self-care.

8 CONSULTATION

- 8.1** Between January and December 2015, Bath and North East Somerset Clinical Commissioning Group and Bath and North East Somerset Council carried out a bold and ambitious review of community health and care services for children, young people and adults. The review, known as your **care, your way**, looked at the wide range of services providing care and support in people's homes and communities, and the experiences of people using these services.
- 8.2** The review was based upon hundreds of face to face conversations with local people and professionals and over 80 engagement events were held to hear about their experiences and ideas. Particular efforts were made to hear the views of seldom heard groups and provide meaningful opportunities that enabled them to participate. This included tailored presentations to patient groups, round table discussions, role play exercises, outreach events, sign language invitations and subtitled presentations for people with sensory impairments.
- 8.3** A design workshop in May 2015 brought together over a hundred service users, carers, health and care professionals, GP's and third sector organisations to think creatively about delivering services in a more joined up way. A workforce survey in July 2015 provided further evidence of the strengths and weaknesses of the current system and how these could be addressed.
- 8.4** Formal public consultation was carried out in the autumn of 2015 which set out a vision for community services, four potential service models and fourteen priorities for improvement based on feedback from the engagement events. The consultation received 545 responses from a wide range of service users, carers and professionals.
- 8.5** The procurement evaluation panel consisted of subject matter experts from the CCG, the Council, GP's, and Community Champions (experts through experience, service users and carers). The wide range and experience of evaluators helped to ensure a robust and thorough evaluation process.

9 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Sue Blackman (YourCare@BATHNES.GOV.UK) Jane Shayler 01225 396120</i>
Background papers	<i>Not Applicable</i>
Please contact the report author if you need to access this report in an alternative format	

Full Business Case

Phase Three

November 2016

2. Executive summary

3. Listening to the community

4. Finding the right partner

- 4.1 The prime provider model
- 4.2 Selecting the prime provider
- 4.3 Sub-contracting arrangements
- 4.4 Meeting our legal and statutory duties

5 Feeling the difference

- 5.1 Drivers for change
- 5.2 New service model
- 5.3 Addressing the community's priorities
- 5.4 Measuring success
- 5.5 Contract Governance and Performance Management

6 Making it happen

- 6.1 Scope of the contract
- 6.2 Mobilisation, transition and transformation
- 6.3 Monitoring progress
- 6.4 Funding transformation
- 6.5 Commissioning structures and ways of working

7 Managing change

- 7.1 Service users
- 7.2 Workforce
- 7.3 Estates and equipment
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- 7.5 Working with delivery partners
- 7.6 Managing risk

8 Delivering value for money

- 8.1 Financial operating model
- 8.2 The funding envelope
- 8.3 Payment mechanisms
- 8.4 Taxation

9 Recommendation

Appendices

Appendix 1: Evaluation Panel

Appendix 2: Impact Assessment

Appendix 3: Data Dashboards

Appendix 4: Measuring Outcomes

Appendix 5: Mobilisation Plan

1. Foreword

In January 2015, the CCG and the Council in Bath and North East Somerset (B&NES) began a joint review of community health and social care services with a commitment to be bold, be brave and be ambitious.

This Full Business Case, which sets out the case for Virgin Care to become the prime provider of community services in B&NES, is the culmination of two years of discussion and debate with a wide range of local people and professionals to understand their priorities for community services and to find the right partner to help us deliver them.

People told us they want more care closer to home. Virgin Care will organise services around GP practices to provide people with access to a wider range of health and care professionals in their local community.

People told us they want to be seen as people, not conditions. Virgin Care will place equal importance on mental and physical health, taking into account people's lives, interests and preferences to provide more holistic and personalised support.

People told us that the separation between different services can make it harder to get the right support. Virgin Care will set up a care coordination centre so people only need to make one call to access all the services that can help them.

People told us they only want to tell their story once. Virgin Care has tried and tested technology that will join up health and social care records so that everyone involved in a person's care has access to the information they need.

People told us that waiting for something to go wrong before they get the right support doesn't make sense. Virgin Care will support people to take control of their health and wellbeing to prevent ill health and reduce the amount of time people spend in hospital.

Health and care services across the country are facing a period of unprecedented challenge. The demand for health and care services is rising relentlessly as people are living longer with multiple complex conditions and we simply do not have the financial resources to continue providing services in the way we do now.

The selection of Virgin Care as our prime provider for community services marks the beginning of an essential and exciting transformation of the way we think about health and wellbeing in B&NES.

We must be bold. We must be brave. We must be ambitious.

Cllr Vic Pritchard

Cabinet Member for Adult Social Care and Health
Bath & North East Somerset Council

Dr Ian Orpen

Clinical Chair
Bath and North East Somerset Clinical Commissioning Group

2. Executive summary

This document sets out the case for Bath and North East Somerset Clinical Commissioning Group (the CCG) and Bath & North East Somerset Council (the Council) to award a contract to Virgin Care to become the prime provider of community health and social care services from 1 April 2017.

Section 3 summarises the extensive programme of engagement and consultation that has taken place with local people and professionals since the ***your care, your way*** review of community services began in January 2015. Following a series of over 80 different engagement events, a formal public consultation was held in autumn 2015 to seek feedback on a draft vision for community services, four potential service models and a set of fourteen priorities. The results of this consultation were then used in the procurement process to test how the bidders intended to deliver the priorities that matter to local people.

Section 4 explains how the procurement process was conducted and how Virgin Care was selected as the preferred bidder. It begins by setting out the reasons for choosing a prime provider model for community services, highlighting how the prime provider will hold overall responsibility for the delivery and coordination of services with the ability to sub-contract with other specialist providers to ensure that existing knowledge and experience is not lost. The section goes on to explain the four stages of the procurement process, how community champions were involved in the evaluation of bids and how the legal and statutory duties of the CCG and Council were met.

Section 5 explains how services will change with Virgin Care as the prime provider. It begins by summarising the drivers for change including the changing needs of the local population, financial pressures and the opportunities provided by technology and data. The new service model is then described in detail with a table that makes it clear how this model will address the priorities identified in the public consultation. This is followed by a description of the outcome-based accountability approach that will be used to measure Virgin Care's performance, ensuring that they deliver health and wellbeing outcomes for the whole population as well as delivering performance targets for each of the services they are responsible for.

Section 6 starts by setting out the full scope of the contract, dividing services into three groups: those to be delivered directly by Virgin Care, those to be delivered through a mental health collaboration led by Virgin Care and those to be sub-contracted to other providers. This is followed by an explanation of what will happen in the mobilisation, transition and transformation phases with specific details on how this will be monitored and funded. The section concludes with an explanation of the commissioning structures that will be put in place to support the ongoing management of the contract.

Section 7 goes into greater detail about how the transformation of services will be managed. This includes the continuity of care for service users as well as the transfer of health and care professionals from Sirona Care & Health to Virgin Care. There is a comprehensive assessment of plans for the management of estates and equipment as well as a detailed description of how Virgin Care's information management and technology (IM&T) systems will be implemented locally. The section concludes by highlighting the importance of partnership working between Virgin Care, GP practices,

the Royal United Hospital (RUH), Avon & Wiltshire Mental Health Partnership NHS Trust (AWP) and local voluntary sector organisations and a summary of how key risks will be managed throughout the process.

Section 8 explains the financial arrangements for the contract. It sets out the financial operating model that will be used including the processes for managing risk sharing, savings and investments. There is more detail on the funding envelope, how money will be allocated in the contract and the payment mechanisms that will be put in place. The section concludes with an explanation of how taxation will be dealt with.

The document concludes with a recommendation to the governing bodies of the CCG and the Council to confirm their intent to award the contract to Virgin Care.

3. Listening to the community

Between January and December 2015, the CCG and the Council carried out a bold and ambitious review of community health and care services for children, young people and adults. The review, known as ***your care, your way***, looked at the wide range of services providing care and support in people's homes and communities and the experiences of the people using them.

The review was based upon hundreds of face to face conversations with local people and professionals and over 80 engagement events were held to hear about their experiences and ideas. Bespoke events were arranged for seldom heard groups including young people, homeless people, BME (Black and Minority Ethnic) communities, people with sensory impairments, people with learning disabilities as well as gypsies, travellers and boaters. This included round table discussions, role play exercises, outreach events, sign language invitations and subtitled presentations.

A design workshop in May 2015 brought together over a hundred service users, carers, health and care professionals, GPs and third sector organisations to think creatively about delivering services in a more joined up way. A workforce survey in July 2015 provided further evidence of the strengths and weaknesses of the current system and how these could be addressed.

Formal public consultation was carried out in the autumn of 2015 which set out a vision for community services, four potential service models and fourteen priorities for improvement based on feedback from the engagement events. The consultation received 545 responses from a wide range of service users, carers and professionals who identified *prevention, access, timely, support, seamless* and *empower* as the most important words in the vision.

The first two models were based on a pathway approach with services organised around specific conditions or the nine functions of community services set out in our first publication, "Getting Started". The other two models were based on a community or asset-based approach with services coordinated within local communities by a GP-led Wellbeing Hub or a Community-led Neighbourhood Team. The consultation responses did not show a strong preference for one particular model but the GP-led Wellbeing Hub was the most popular model of the four with GP practices seen as a trusted and familiar presence within communities.

There was a clear indication from stakeholders that viewing people's needs in a holistic way and joining up their care were key priorities for this review. This will require two key changes:

- a) Investment in the culture, skills and resources of the workforce to ensure that services provide holistic, person-centred care rather than focussing on specific conditions.
- b) A technical solution that enables people and their network of support (be they professionals, friends or family) to create, share and work from a single care plan.

In addition, there was strong support for placing greater emphasis on prevention, ensuring that the right support is available to people before they reach crisis point, require hospital admission or develop a long-term condition.

Many of our current providers also indicated they are keen to work more collaboratively with each other and that there is a greater opportunity to harness the strengths of local communities, building on the resources of the voluntary sector.

The top five priorities identified from the public engagement and consultation responses were:

- A person not a condition
- A single plan
- Invest in the workforce
- Join up the information
- Focus on prevention

These priorities subsequently became the guiding principles for the construction of the tender documentation and evaluation of questions at each stage of the procurement, described in more detail below.

Further information about the engagement and consultation process can be found in *Options and Choices: Phase Two Engagement and Consultation Report* available at www.yourcareyourway.org

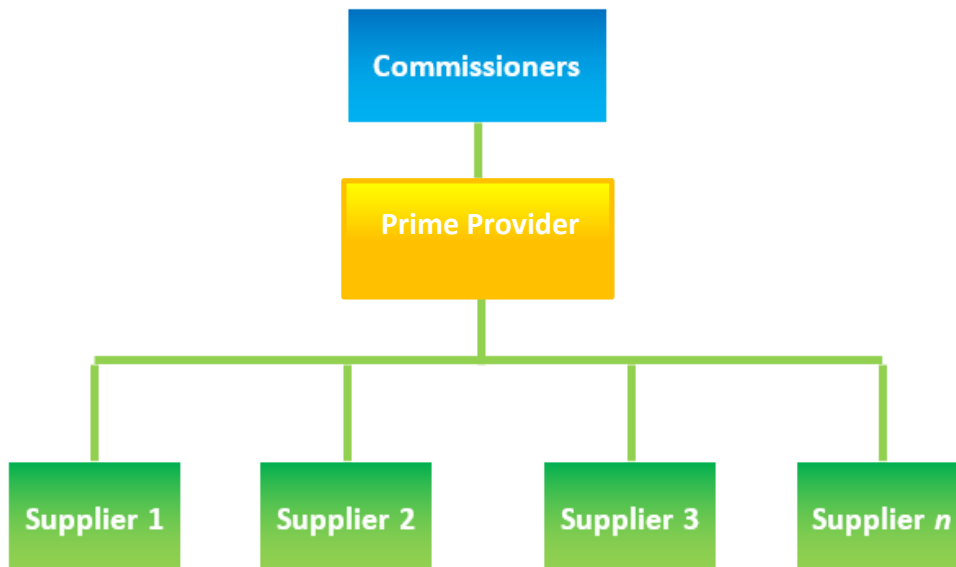
4. Finding the right partner

4.1 The prime provider model

There are over 200 different community services within the scope of the **your care, your way** review which are provided by over 60 different organisations. Under current arrangements, the CCG and the Council are responsible for managing individual contracts with all these different organisations.

Having identified the priorities of our local community, it was clear that a new approach to contracting community services would be required. The new approach would need to encourage collaboration between providers and reduce bureaucracy to deliver a more coordinated service for local people.

Following detailed assessment and legal guidance, the prime provider model was chosen as the best contracting method for delivering the community's priorities.



Under this model, the CCG and the Council enter into a contract with a single prime provider. This organisation has overall responsibility for the delivery and coordination of services but it can also sub-contract with specialist, third sector providers and small and medium-sized enterprises (SMEs) to ensure that existing knowledge and experience is not lost.

The sub-contracting of services will be managed through a Dynamic Purchasing System (DPS), which organisations can enter and leave throughout the lifetime of the prime provider contract. This contracting mechanism is already being used successfully for a range of Council contracts and makes it easier for small or third sector organisations to bid for contracts without going through lengthy and complicated procurement processes.

Benefits of a prime provider model

- Services can be coordinated around the needs and wishes of individuals working from a single plan.
- People will no longer need to distinguish between 'health' and 'social care' as their care and support needs will be met by a range of people and resources.
- Enables the CCG and the Council to transfer the responsibility and risk for the delivery of services to a single provider.
- Gives a single point of contact for the commissioner and vice-versa.
- Simplified governance and contract management arrangements.
- Allows appropriate emphasis on contracting for outcomes.
- Provides a single leadership structure and clear accountability for integrated working.
- Makes sure providers can directly work together, supported by the contracts between them, to ensure the pathway is as efficient and effective as possible.
- Allows sufficient flexibility to accommodate a range of payment mechanisms and incentives.
- Enables the prime provider to employ a multi-disciplinary management team and provide the IT solution for all key participants to be able to deliver the objective.

Benefits of a dynamic purchasing system

- Aligns with choice agenda.
- Does not disadvantage small or third sector organisations.
- Provides flexibility in a way that other contracting mechanisms do not, with the ability for providers to enter and leave throughout the life of the DPS.
- Allows specialisation to flourish by not requiring organisations to provide aggregated or homogenised services.
- DPS as a contracting mechanism is increasingly being used in B&NES so providers may have existing knowledge of the process.

Further information about the process for selecting the prime provider model and dynamic purchasing system can be found in the *Outline Business Case* available at www.yourcareyourway.org

4.2 Selecting the prime provider

A procurement process was undertaken to identify the best possible organisation to deliver the prime provider contract. The process was conducted in four stages (Pre-Qualification, Invitation to Negotiate 1, Invitation to Negotiate 2 and Preferred Bidder) following the timeline set out below:

Process	Dates
Pre-Qualification Questionnaire (PQQ) issued	29 February 2016
Advert placed	29 February 2016
Closing date for PQQ submissions	29 March 2016
Completion of PQQ evaluation and short list	14 April 2016
Issue of first round tender documents (ITN1)	26 April 2016
Closing date for ITN1 submissions	23 May 2016
ITN1 evaluation and dialogue process	24/05/16 – 10/07/16
Issue of final tender documents (ITN2)	13 July 2016
Closing date for ITN2 submissions	5 August 2016
ITN2 evaluation process	06/08/16 – 12/08/16
Preferred bidder period	18/08/16 – 31/10/16
Formal award	November 2016
Contract start date	1 April 2017

In addition to the priorities identified through the public consultation as outlined in Section 3, the following areas also formed part of the assessment:

- Social value
- Value for money and affordability
- Delivering transformational change

Evaluation Panel

The evaluation panel (shown in Appendix 1) was chaired by a senior member of the NHS South, Central & West Commissioning Support Procurement Team and consisted of subject matter experts from the CCG, the Council, GPs and community champions.

The community champions are B&NES residents who have direct experience of community services as service users or carers so they really understand what needs to change and what would make a real difference to their lives. They have received training and support to participate in all stages of the procurement process. This includes developing the questions given to bidders, evaluating the responses and holding a Community Question Time event to ask face to face questions to both bidders. They will continue to be involved in the transition of services to ensure the priorities of local people are delivered.

In total, approximately 50 evaluators were involved in the evaluation of bids and undertook formal training in order to do so. The wide range and experience of evaluators helped to ensure a robust and thorough evaluation process. Each member

of the evaluation panel was also required to sign a conflict of interest and confidentiality form prior to the evaluation of bids. The procurement team gave the need for confidentiality a high profile throughout the evaluation process.

As part of the evaluator training and evaluator guidance given, equity of treatment between bidders was noted as a key principle to be abided by. The ITN stages of the procurement focused on the bidders' intentions for future service provision rather than current service provision. Exactly what evaluators could, and could not, take account of in terms of their assessments was made clear at all stages.

Pre-Qualification

The service was advertised on Contracts Finder and the Official Journal of the European Union in March 2016. Pre-Qualification Questionnaires (PQQs) were evaluated fully and robustly and the following bidders were shortlisted:

- Bionical
- Newcross Healthcare Solutions
- Virgin Care
- Sirona Care & Health, on behalf of itself and;
 - Avon and Wiltshire Mental Health Partnership NHS Trust
 - Bath and North East Somerset Enhanced Medical Services (BEMS+)
 - Dorothy House Hospice Care
 - Royal United Hospitals Bath NHS Foundation Trust

Virgin Care and Sirona Care & Health both successfully progressed to the ITN1 stage. Two of the PQQ stage bidders (Bionical and Newcross Healthcare Solutions) decided to formally withdraw from the process at the conclusion of the PQQ Stage.

Invitation to Negotiate (ITN) Stage 1

The first ITN stage was conducted between April and June 2016 with the two remaining bidders as detailed above. The bidders were provided with a significant amount of supporting information in order to facilitate the submission of high-quality bids. Both bidders were shortlisted to the ITN2 stage based on a thorough evaluation process that was pre-published to bidders and available on the ***your care, your way*** website.

It was originally envisaged that the ITN1 stage would be completed in May 2016, however subsequent to the initial round of evaluations the CCG and the Council recognised the need for a significant amount of necessary clarifications prior to moving to the ITN2 stage. This included seeking references from commissioners of the bidders in other areas of the country as well as partners, service users and sub-contractors. This further clarification and moderation was conducted throughout May 2016 allowing the CCG and the Council to confidently move to the ITN2 stage with a full understanding of the two bids presented.

At the conclusion of the ITN1 stage, Virgin Care was ranked in first place.

Invitation to Negotiate (ITN) Stage 2

The ITN2 stage in July and August 2016 involved a more detailed analysis of the bidders' intentions. ITN2 responses were submitted by Virgin Care and the Sirona Partnership (submitted under the partnership name LiNK).

During the ITN1 and ITN2 stages, negotiations and other clarification sessions took place with bidders. These meetings enabled constructive, substantive and intensive discussion with the bidders to ensure their bids were as effective as possible and to ensure that any appropriate amendments to the service descriptions, evaluation criteria and financial model could be made for the next stage of the procurement.

As at the ITN1 stage, the evaluation panel was chaired by a senior member of the NHS South, Central & West Commissioning Support Procurement Team. The panel consisted of subject matter experts from the CCG, the Council, GPs and Community Champions (service users and carers with expertise through experience).

Evaluation was focused on the bidders' intentions for future service provision rather than current service provision. Therefore, the scores derived from this process are not reflective of the quality of existing B&NES service provision but are purely an assessment of the bidder's ability to deliver the future model of care, based on the information the bidder provided.

For the scored elements of the ITN2 submissions each member of the evaluation panel carried out an independent evaluation of their pre-agreed areas according to the following scoring criteria:

Label	Assessment	Score
Deficient	Question not answered, or response to the question significantly deficient. Answer does not provide satisfactory evidence as to the organisation's capability	0
Limited	A response that is inadequate or only partially addresses the question. Answer provides some evidence as to the organisation's capabilities.	1
Acceptable	An acceptable response submitted in terms of the level of detail, accuracy and relevance. Answer provides sufficient evidence as to the organisation's capability.	2
Good	A good response submitted in terms of the level of detail, accuracy and relevance. Answer provides significant evidence as to the organisation's capability.	3
Excellent	A very good response in terms of the level of detail, accuracy and relevance. Accompanying evidence is comprehensive and provides strong assurance as to the organisation's capability.	4

Evaluators' scores and comments were then collated and reviewed within moderation meetings with panel members. The meetings enabled the panel to challenge and review the scores awarded by each evaluator to ensure that scoring had been

consistent and key points in each evaluation area had been accounted for. Each evaluator was asked to provide a documented rationale or comment for their original score for each area of evaluation. The aim of the meetings was to reach a consensus score for each evaluated question.

Scoring at ITN2 was consistent between evaluators and no evaluators expressed dissatisfaction with the result of any individual moderation meeting or the scoring approach. The final moderation scoring was tested against the pre-moderated scoring to ensure no material anomalies, and none were noted.

The Virgin Care bid scored a final total of 73% of the available marks, averaging a score of '3' (Good) on the above scoring scale. The Virgin Care bid was strong throughout, with no scores below '2' (Satisfactory). It should also be noted that the Virgin Care bid scored at least equally to the LiNK bid in every individual area, with no key areas of comparative weakness identified. The final difference in score between Virgin Care and LiNK was significant, providing for a safe Preferred Bidder nomination.

Preferred Bidder Stage

The final stage of the procurement began in August 2016 when the CCG and the Council confirmed Virgin Care as preferred bidder. During this stage the CCG and the Council explored in detail the practicalities of delivering the services proposed in their bid, resolved any concerns and, most importantly, tested Virgin Care's ability to be part of an effective system, working collaboratively to deliver high quality seamless services to the residents of Bath and North East Somerset (B&NES).

The preferred bidder stage is carried out prior to moving to contract award to enable the CCG and the Council to assure themselves that the preferred bidder appointment would be safe, appropriate and result in the required services on time and in budget.

This stage focused on building and testing system-wide collaborative working and assuring the cohesive deliverability of proposed plans by:

- Concluding system-wide transition and implementation of the governance structure.
- Agreeing the expected outputs in detail including governance and project plans for the following workstreams: estates, workforce, finance, commissioning, contracting, communications and information management and technology.
- Finalisation and agreement of outcomes framework.
- Finalisation and agreement of contract terms and financials.
- Developing and agreeing system-wide communication strategy and plans.

4.3 Sub-contracting arrangements

Virgin Care will lead a process of transformation by building provider capacity and the delivery model to meet the terms of the contract and to design care pathways that will most effectively meet the needs of our population.

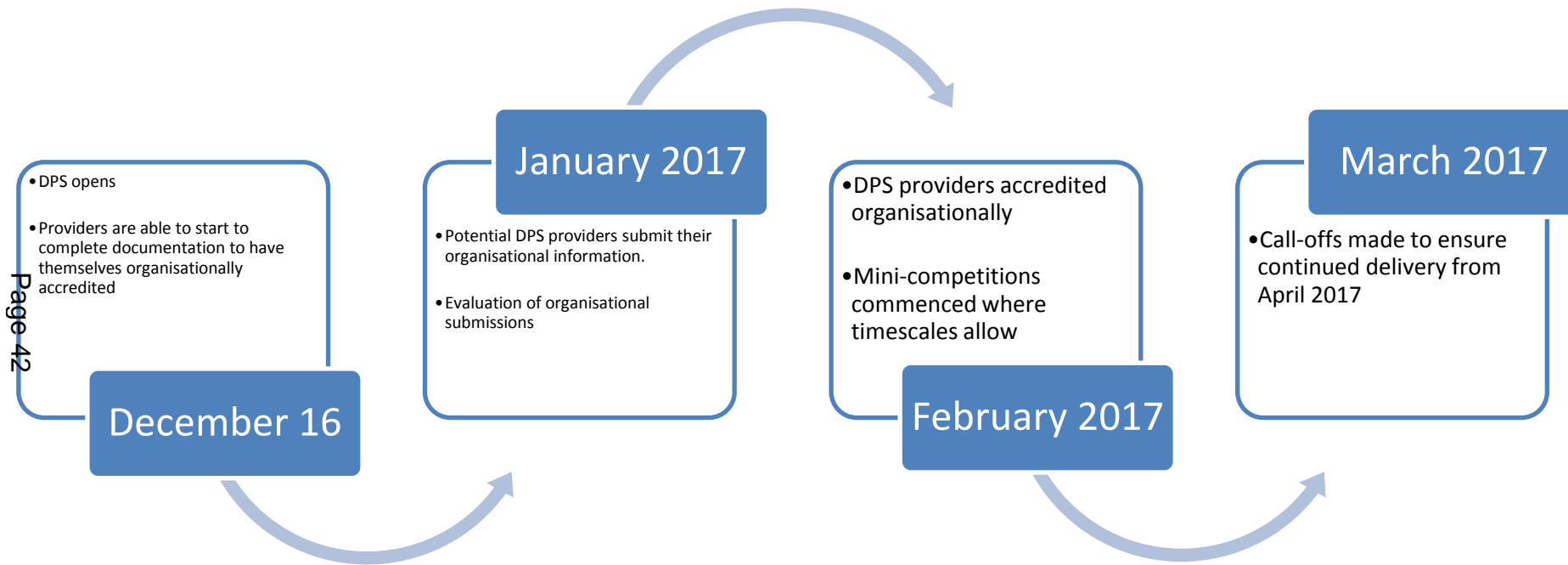
A number of services have been identified as being best delivered through a sub-contracted arrangement with Virgin Care as the prime provider as set out in Section 6

below. Arrangements for contracting with sub contracted providers within a Dynamic Purchasing System (DPS) framework will be confirmed on an individual basis with each provider in line with the particular service specification to be delivered.

A DPS is a framework the CCG and Council can use to pre-qualify any number of potential providers to deliver a service and then 'call-off' a requirement against that framework when a specific need arises. The 'call-off' against the DPS can be for a specified timeframe, for a discrete service or for any combination thereof. DPSs are flexible and simple to use, allowing new entrants to the market and enabling the CCG and the Council to react to emerging needs without going through an entirely new procurement – instead just sourcing the need amongst the pre-qualified, existing providers.

Where contracts exist past April 2017 for the above-named services, the CCG and Council will not seek to foreshorten those contracts (i.e. where a contract is currently in place to April 2018, dynamic purchasing arrangements will only apply after that date). A high-level order of events for the dynamic purchasing arrangements is shown in Figure 1 below;

Fig 1: Order of events for the Dynamic Purchasing arrangements



4.4 Meeting our legal and statutory duties

In addition to compliance with procurement legislation, it was imperative that the Commissioners considered the following areas in respect of other legal obligations placed on public sector organisations:

Duty to Involve – Health and Social Care Act 2012 – Section 14Z2

The CCG has a statutory duty to involve patients, carers and the public in the development of commissioning plans to change and develop local health services. This includes children, young people, adults, parents and carers. The right of patients to be involved in the planning and development of health services is set out in the NHS Constitution.

Alongside a range of traditional methods of engagement the CCG offered a greater range of electronic/digital opportunities to become involved. A bespoke website was created to hold all the information about the project and social media channels were used to reach a larger audience increasing awareness of the process and encouraging more people to get involved.

Equality Act 2010

The CCG and the Council had to ensure compliance with their obligations under the Equality Act. This is an obligation of substance rather than form (i.e. simply completing an Equality Impact Assessment does not comply with the Duty). It was imperative that consultation work pre-tender identified equality and diversity issues, including specific consultation events with niche and minority groups and specific questions incorporated within any tender issued. In discharging the CCG and the Council's formal duties, an Equality Impact Assessment has been completed at the pre-award stage and is attached in Appendix 2.

Public Services (Social Value) Act 2012

The Act states that public bodies should consider (in a proportionate manner and only with regard to the specific services under discussion) how what is proposed might improve the economic, social and environmental well-being of the relevant area.

The CCG and Council must be clear in their compliance with the Act. This will be through a number of different forms such as equality impact assessments, the public consultation, financial modelling and designing the evaluation to ensure that local organisations won't be disadvantaged. Bidders were also assessed as part of the Procurement process against the three components of social value being economic, social and environmental. Specific focus was given to how the Prime Provider would:

- a) Support individuals to meet their needs and wishes by harnessing the assets available within their wider community
- b) Support local aspirations around the living wage, zero hours contracts and the use of temporary workers

- c) Ensure that children and young people are supported to move into adulthood safely and appropriately
- d) Measures that would be applied in order to assess the impact of social value outcomes

Confidentiality and conflicts of interest

At project inception the programme recognised the significant risk of potential and actual conflict of interest and took steps at all stages of the project to manage and mitigate this. The programme took into account NHS PPCC 2013, statutory guidance and the individual policies and procedures of the CCG and the Council.

The National Health Service (Procurement, Patient Choice and Competition) No 2 Regulations 2013 contain a clause on conflict of interest, and it is clear that conflict of interest was a significant risk within a project of this nature.

All procurement activity was carried out in line with the CCG and the Council's policies and procedures on confidentiality and conflicts of interest. To protect the integrity of the process, all stages of the process were treated as commercially sensitive and confidential, unless required to be otherwise.

Relevant processes were established to ensure that there are no breaches of confidentiality or conflict of interest.

Recognising, recording and being able to demonstrate the steps described above formed part of the actions taken by the CCG and the Council to mitigate and minimise conflict of interest during this tender exercise.

Act rationally and without bias

Although this is a very general duty, the procurement lead has advised the programme throughout this procurement exercise to ensure that all decisions and actions had a sound, objective basis. The South, Central & West Commissioning Support Unit (SWCSU) Procurement Team provided sound advice at every stage to ensure the programme acted proportionately, transparently and fairly at all times.

5 Feeling the Difference

5.1 Drivers for change

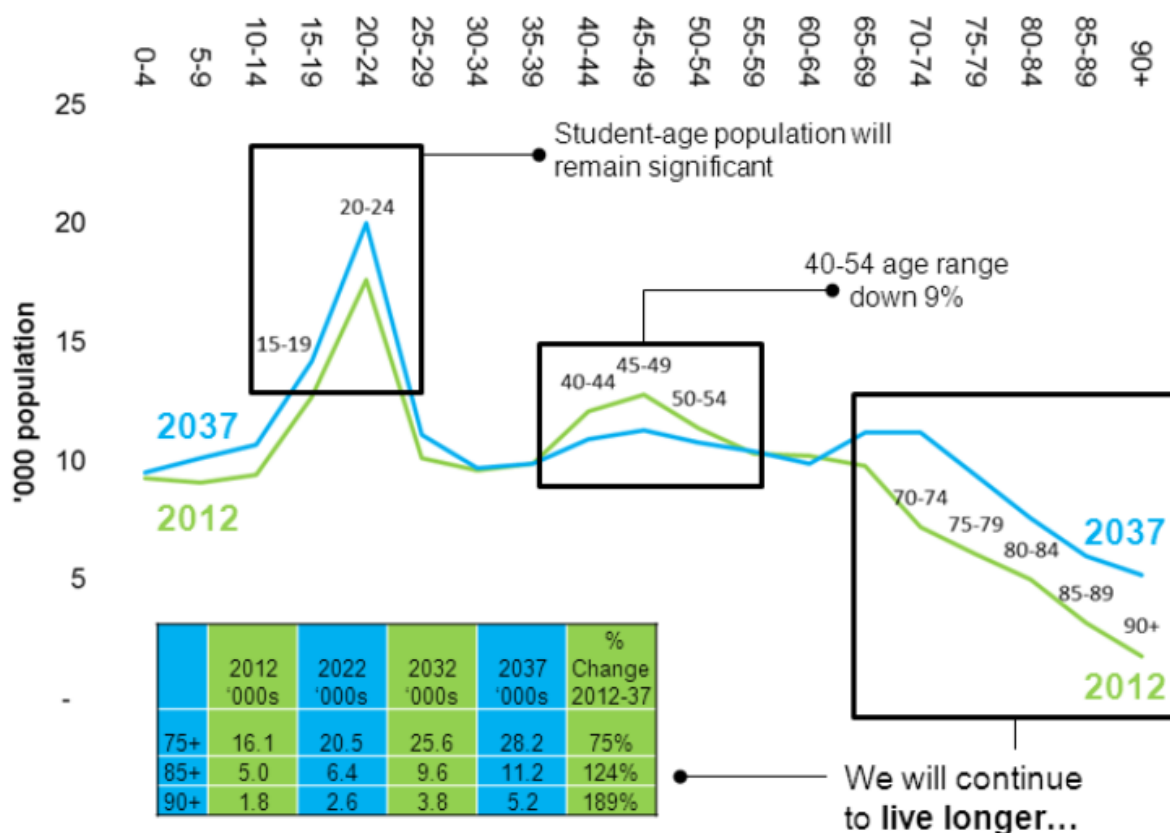
The health and social care system in B&NES is facing a challenging time. The population is ageing, the prevalence of long term conditions is increasing and the demand for health and social care services is growing. At the same time the aspirations and needs of the community are also changing as people expect more personalised services and more choice and control over how their individual needs are met.

The current financial climate also places a greater imperative on the CCG and the Council to develop models of care within available resources that are both robust and sufficiently flexible to be responsive to changing needs, aspirations and technological advances over the next decade and beyond.

The needs of our population

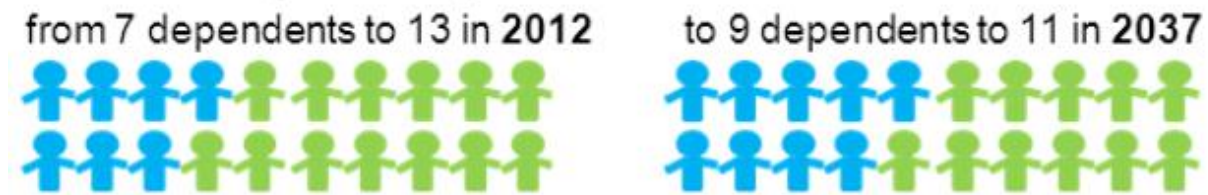
As defined in Figure 1 below the Joint Strategic Needs Assessment (JSNA) indicates that there will be a 12% rise in the population to 199,100 by 2037 with the number of over 75 year olds set to increase by 75%.

Figure 1: B&NES Population Projections



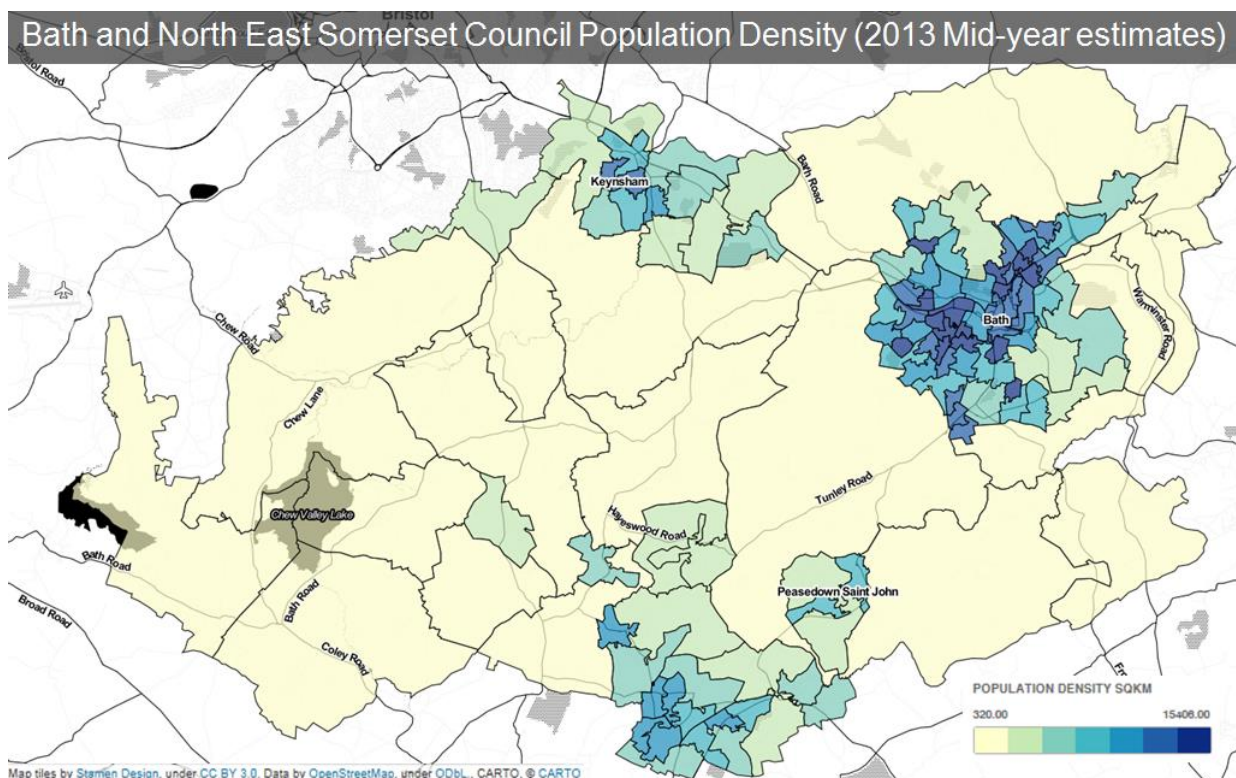
The dependency ratio of those aged 0 to 15 and 65+ when compared against the working age populations is also set to increase, from a current ratio of 1:2 to 1:1 by 2037 as shown in Figure 2 below.

Figure 2: Dependency Ratio



B&NES also has a significantly higher proportion of residents (10%) aged 20-24 than nationally (7%), this can be attributed to the high student population. There are also substantial variations in population density within the B&NES area. Figure 3 demonstrates the distribution across the area.

Figure 3: Population Density



Rural communities have experienced significant social change over the last couple of decades and 14% of the local population live in dispersed rural areas or villages, this compares to 10% for England as a whole and 20% for the South West. Very often villages do not offer adequate services for the local community to access, which forces people to travel out of their community to access services such as doctor's surgeries, schools, shops and post offices. For many, private transport, either a car or taxi, is the only way of accessing these services. The increased costs of accessing services together with the increased costs of housing has led to rural living becoming less and less affordable, and for some completely unaffordable. This is particularly a problem for older people, families with young children and young people. Analysis of some of

the lowest-income households in B&NES suggests that between 8% (Chew Valley South) and 18% (Bathavon West) of residents in wards outside the city of Bath and the market towns are in receipt of income-related support or tax credits.

For children and young people evidence suggests that 12% of children in B&NES live in poverty, with 34% in Twerton, 25% in Southdown and 21% in Radstock.

With regards to people with multiple needs; it is estimated that 50% of the population will suffer from two or more chronic conditions by the age of 60, with 80% of those over 85 years suffering from two chronic conditions (and 45% of people having four or more conditions). These increased levels of co-morbidity represent a greater challenge to providing safe high quality healthcare. People will be also be frailer. Frailty is a measure of three or more symptoms from weight loss, self-reported exhaustion, low energy, slow gait speed and weak grip strength.

Section 5.2 sets out how the new service model will address the current and emerging needs of our population with an increased focus on prevention and self-management.

Financial imperatives

Historically a large element of the resource to fund community services has been allocated through block contracts through independent and joint commissioning arrangements across the CCG and Council.

In the future funding needs to be more flexible and designed around outcomes. There are a range of new approaches – the Better Care Fund is a pooled fund for health and social care designed to promote integration; the Year of Care is a new pricing approach for long term conditions; and personal health and social care budgets are designed to give individuals more choice and control.

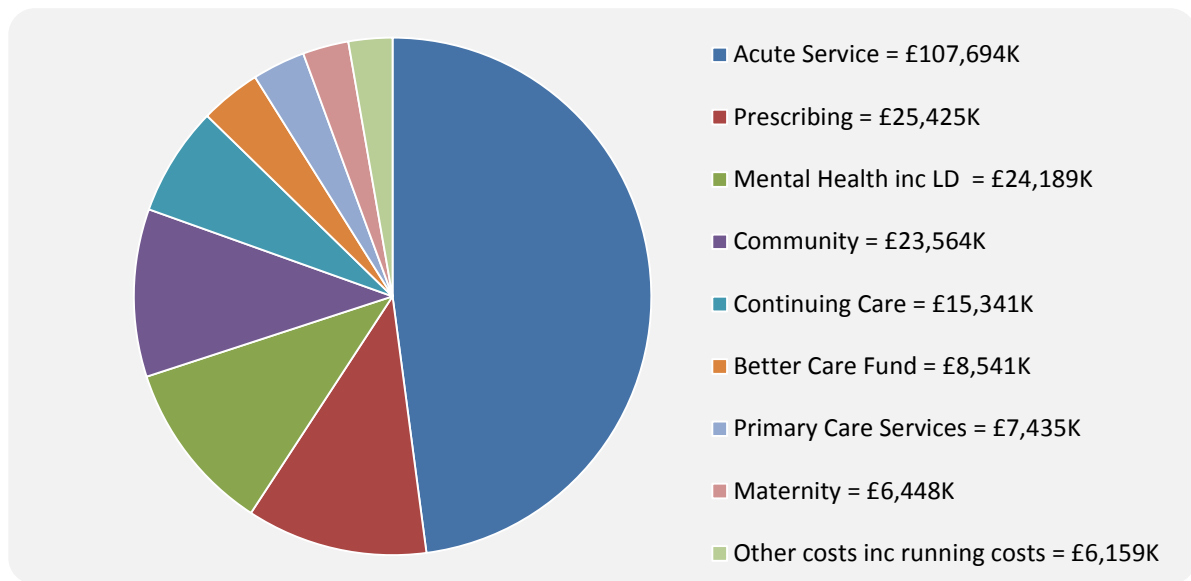
Although there is a strong drive to sustain community services as alternatives to hospital provision it must be recognised that the costs of care are rising; needs are increasingly complex and acute; and demand on services is growing. Added to that, the financial outlook for all commissioners and providers of health and care services in the medium term means they must continue to innovate and identify further efficiencies.

The ***your care, your way*** Outline Business Case set out the financial challenge that shows that both the Council and CCG will need meet the ongoing demographic challenges through more efficient working that will help redirect funding to frontline services.

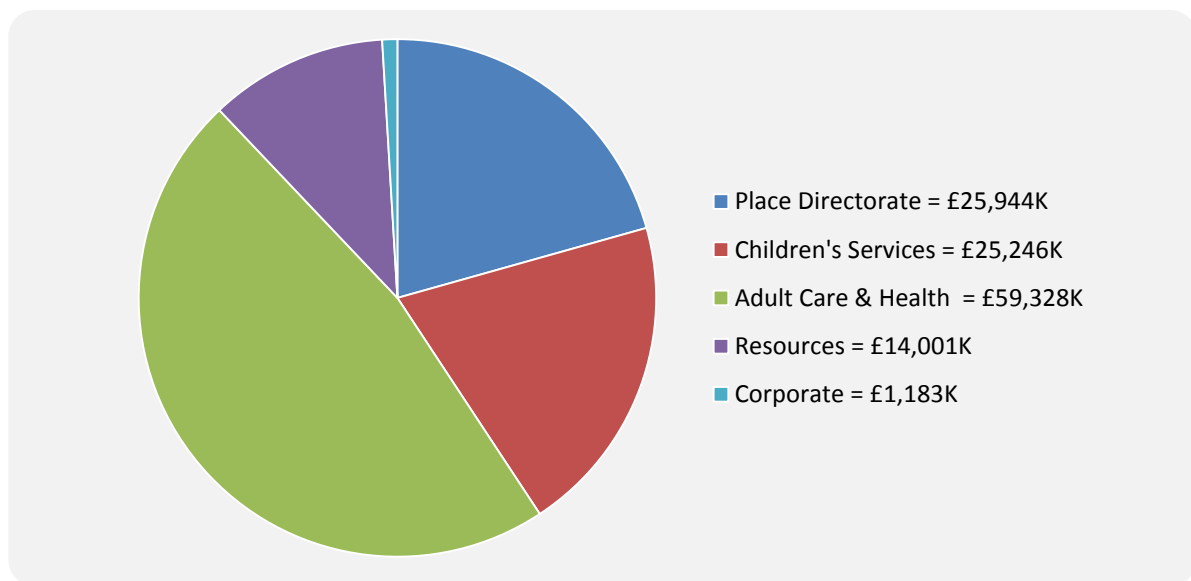
A key component of both the CCG and Council's financial strategy is to maximise the use of resources by ensuring costs incurred are those which deliver the most effective and safe care for people at the best obtainable value. The pie charts shown in Figure 5 below shows the outturn expenditure by organisation and type of care in 2015/16, this provides a starting point for understanding how resources are used and identifying how we can use them differently to meet the challenges ahead. Further detail on current expenditure and activity across key areas of community service provision can be found in the dashboards shown in Appendix 3.

Figure 5: Outturn Expenditure

CCG Outturn Expenditure 15/16



Council Outturn Expenditure 15/16



Planning ahead to achieve a community delivery system that has a real impact on shifting care out of hospital and delivering quality and efficient services in the community is imperative to ensure we find a way to achieve more and better services with less money.

If unaddressed, this will result in:

- More people, especially older people, being treated in hospital which does not necessarily result in the best clinical outcomes for them.

- Proportionately less money for community services as more is necessarily spent in acute care. This increases the pressure on the acute system as less treatment is possible in the community setting.
- A system focused on responding to crisis rather than preventing crisis in the first place.

The Better Care Fund requires a reduction in non-elective admission to hospital of 3.5% and a well-designed community service model can play a pivotal role in creating strong and sustainable out of hospital care.

Technology and data

Technology has a major role to play in the future of community services in B&NES. New technology allows more people to be cared for closer to where they live.

Information relevant to a person's care should be available to health and social care professionals at the time that they are caring for the individual. Information should also be available to empower an individual to take responsibility for their own care and in turn facilitate improvements in accuracy. Although the services we commission recognise that service users will move between different organisations to receive care, information that would support that care is not always able to follow the individual across these boundaries.

Clinical data is currently held in separate locations across the health and social care system in B&NES on a provider basis. The limited inter-provider record sharing that is already in place has had positive feedback in terms of improvements to clinical and social care. Significant proportions of local people receive care across a number of settings for multiple conditions. For example, 46% of people with a mental health condition will also have a long term physical health condition.

The new information requirements under the Care Act 2014 also provide an opportunity to access richer forms of data to inform service delivery and the ability for our community to have better access to their data. Providers and commissioners will need to be fully equipped and prepared for these changes so that we can take advantage of a new and improved framework of care and support.

5.2 New Service Model

The commissioned services will deliver a sustainable, preventative, planned and urgent health and care system in the local community that has a clear focus on health and care improvement, parity of esteem between mental and physical health and reducing inequalities for children, young people and adults.

The core functions for Virgin Care will include connecting services and integrating person-centred care and support that is co-ordinated around an individual's needs, wishes and preferences. Service provision will focus on the whole person, focusing on their strengths, interests, abilities and networks, not just their diagnoses, illnesses and deficits. Support will be built around individual preferences and choices and helping people to help themselves.

Virgin Care will ensure that there is engagement with local communities and partners, including people who use services and their carers, in the co-design, development, commissioning, delivery and review of local support and ensuring that leaders at every level of every organisation work towards a genuine shift in attitudes and culture. Virgin Care will incentivise and facilitate collaboration amongst providers to jointly deliver services.

Virgin Care will deliver personalised care that takes into account all of a person's strengths and needs and that of their wider support network and community. People will no longer need to distinguish between 'health' and 'social care' but understand that their care needs will be met by a range of people and resources, starting with their community.

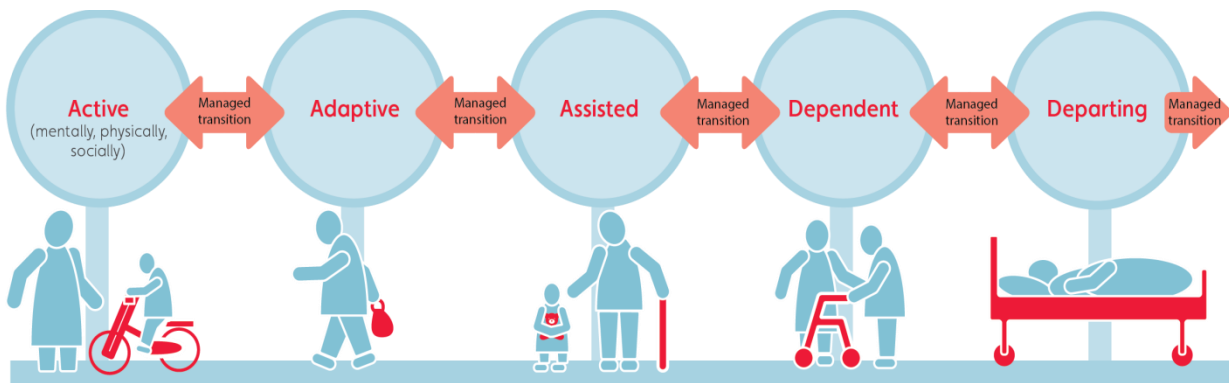
Services will be co-ordinated to fulfil the overarching objectives of community health and care in three areas:

- **Prevention and Self-management - Living Well and Staying Well**
Prevention and self-management services that are open to all, that promote healthy and active lifestyles and help people stay well and independent, thereby reducing health inequalities.
- **Early Intervention and Targeted Support - Regaining Health and Independence**
Early intervention and targeted support services aimed at keeping people well, connected to their communities, families and friends, enabling people to regain their health and independence following a period of illness. This includes preventative, targeted activity to halt the development of a condition or a reduction in independence.
- **Enhanced and Specialist Support**
Enhanced and specialist services will meet a person's needs where a specialism is required or where multiple agencies need to work together to meet a person's long term conditions or complex health and care needs.

Virgin Care's model is to intervene sooner in the care pathway to focus on prevention and self-management by ensuring that people have a plan of preventative and lifestyle interventions, aimed at maintaining a high level of functionality and independence for as long as possible, supported by a skilled and trusted team that is known to the person and the person's GP. People most at risk are identified and interventions put in place to reduce the risk of admission (and/or A&E contact), breakdown in social circumstances and to promote self-care.

Figure 7 below represents how the service model works, keeping people as far as possible to the left using appropriate and timely intervention as investment at this stage produces better outcomes for individuals and allows resources to be deployed most effectively.

Figure 7: Supporting needs at all life stages



Single assessments will help form the basis of a single care and support plan to give people choice and control of the care and support they receive. In particular, people with the most complex needs will benefit from many people coming together around a single support plan that is individually designed and can flex around the needs of the individual rather than the person having to ‘fit in’ with service requirements. There will be greater thought given to the social, psychological and economic impacts of managing complex needs both for the person and their family.

Virgin Care’s tried and tested technology will pull data from existing IT systems to allow people to view their integrated care record and control how information is shared between providers and even with their own choice of friends, relatives or carers.

Community services will be organised around locality hubs, serving populations of 30-50,000 people. The locality hubs will be aligned with clusters of GP practices to ensure seamless communication and working practices with primary care. Multidisciplinary teams will communicate on a daily basis to agree coordinated plans for those with complex or increasing needs.

A new Care Coordination Centre will provide a single point of contact for people their families and health professionals. The Care Co-ordination centre will optimise service delivery by tracking people who require care and support as they move through the health and care system and guiding them to the most appropriate services.

A person’s care may begin with a referral by a health or social care practitioner to the Care Coordination Centre and this will result in their onward journey being mapped out by a multidisciplinary team. Once the person has been assigned to a Locality Hub for an assessment, their ongoing management will be overseen by a care coordinator who will be responsible for arranging all their appointments, social care support and where necessary transport to and from the Locality Hub.

The Care Coordinator Centre will be operational seven days a week from 8am until 10 pm. Not everyone in the population will have their care coordinated. Several processes of risk stratification and GP recommendation will decide who is taken onto the caseload. However the broad criteria for care coordination is that there is a:

- Community health and care need
- Skilled care need

- Home based assessment need
- Change in functional need
- Opportunity for early intervention

Care Navigators from a range of voluntary and community sector organisations will be coordinated through the Care Coordination Centre to help people become aware of the range of activities that are available to them and be an important link to the integrated teams within the Locality Hubs.



Risk stratification will help to identify those who are vulnerable on the fringes of care and health or at risk – for example of admission to hospital, or of their home circumstances breaking down. The Care Coordination Centre will ensure that each person receives the appropriate intervention that best meets their needs and wishes.

This may not be a bio-medical intervention as social prescribing activities can also have a significant impact and enable people to self-care. By adopting a whole family and system approach to assessments the model will also pick up on the wider issues affecting the individual and their family. Virgin Care's Carer's network is also accessible to families for self-care support.

Quarterly educational forums for addressing long term conditions will be held to share best practice, co-design new pathways and review innovations that may support better outcomes of care and support. These forums, which will include the voice of people

with experience, will be delivered in partnership with primary, community, acute and relevant VCSE (Voluntary, Community and Social Enterprise) sector organisations to develop consistent practice and achieve better outcomes for people with long term conditions across the whole of B&NES.

A Citizen's Panel will be created to work in collaboration with providers by informing, asking and involving people who use services. Specialist pathways will be co-designed with the Royal United Hospital, AWP and local GPs, bridging the gap between acute and community care and resulting in reduced admissions, care closer to home and improved outcomes.

People will be supported to keep as active as possible and when people do become more dependent they will receive the appropriate support to regain independence quickly. As well as targeting high resource users and those "at risk", Virgin Care's analytics capabilities will identify active and adaptive people who can be assisted promptly from first diagnosis or signs of need to avoid or delay the transition from active to dependent.

Assistive technology will be used to maximise people's independence and keep them safe in their own homes. Simple, easily-managed technology that allows a person to record, report and act on their own findings at home, supported by an appropriate clinical alerting and support network, promotes confidence and has been shown to reduce the number of face-to-face consultation and emergency contacts in a number of long term conditions.

An integrated health and social care rapid response service will reduce duplication in current services and remove handovers between services. Rapid response services will prevent people being admitted to acute care by speedily providing the services they need at the right time. Technology will allow the Care Coordination Centre to monitor people's health and wellbeing in their home and deploy the Rapid Response service when required.

5.3 Addressing the community's priorities

The table below sets out how the new model of care proposed by Virgin Care will meet the priorities identified by the community in the public consultation.

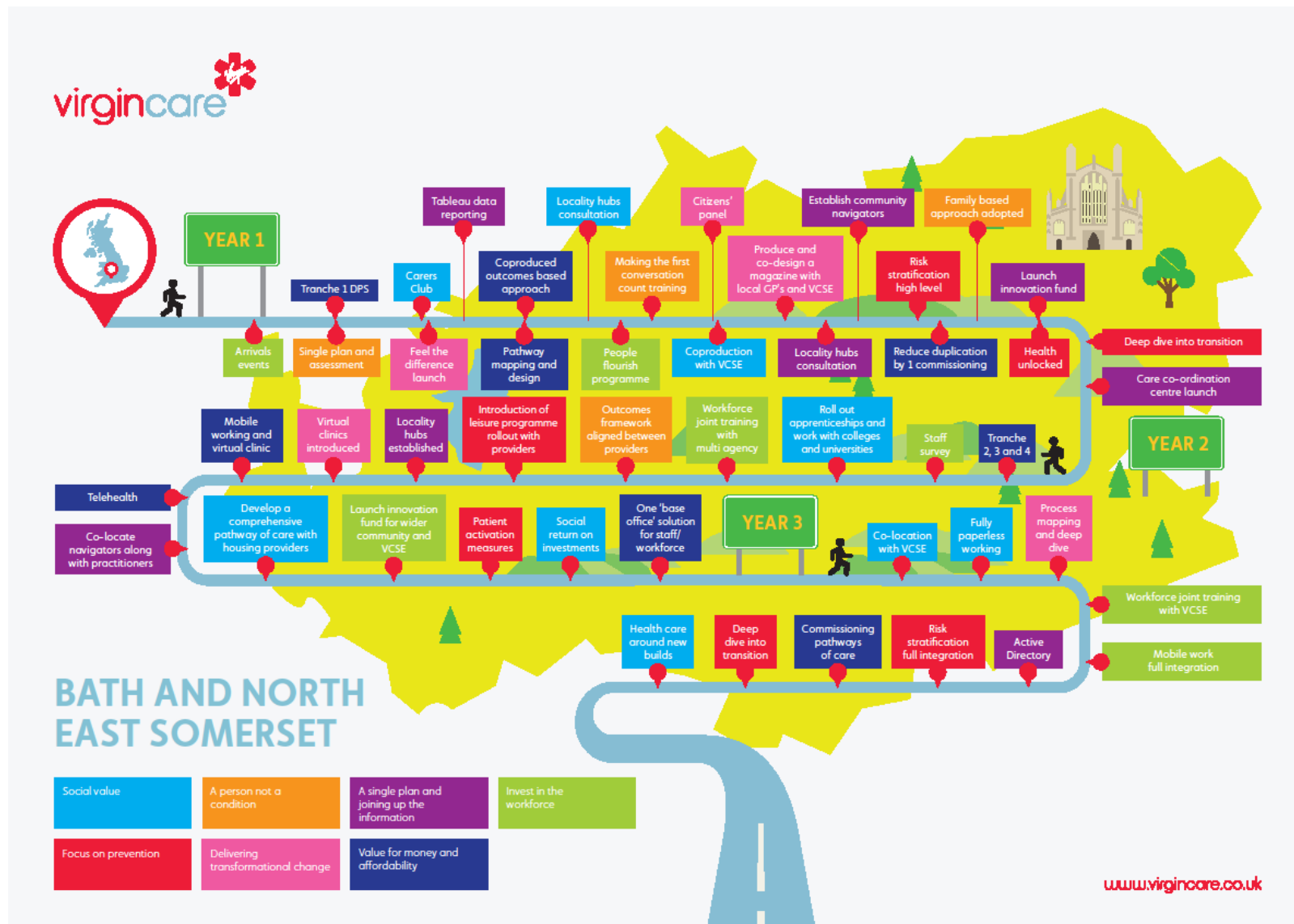
Priority Area	How will the new model address this?
A person, not a condition	<p>Services will take into account all of a person's strengths as well as those of their family, their community and their wider support network.</p> <p>Staff will be trained to identify people's individual goals and aspirations and will draw upon all health, care and community assets to achieve them.</p> <p>Staff will seek to understand any barriers to meeting these goals and work with the person to overcome them.</p>

A single plan	<p>Single assessments will form the basis of a single care and support plan to give people choice and control of the care and support they receive.</p> <p>People will be able to view their integrated care record and control how information is shared across providers and with their own choice of friends, relatives or carers.</p> <p>People will be involved in regular multidisciplinary reviews of their plan to ensure their physical, mental, emotional, cultural and spiritual needs are being met.</p>
Invest in the workforce	<p>The award-winning “People Flourish” programme will help staff improve the way they work in teams and with people who work in different ways to themselves.</p> <p>Investment in mobile working technology will reduce the time spent on paperwork allowing frontline staff to focus on providing high quality care.</p> <p>There will be a cap on management costs so that resources are invested into front line care.</p>
Focus on prevention	<p>Patient Activation Measures will be used to allocate people into four levels depending on their confidence, ability and motivation to self-manage.</p> <p>Risk stratification will help with early identification of those who are vulnerable on the fringes of healthcare or at risk of hospital admission.</p> <p>Rapid response services will prevent people being admitted to acute care through speedily providing the services they need at the right time.</p> <p>Staff will be trained in evidenced-based health coaching so that self-management is the focus for all interactions.</p>
Join up the information	<p>Integrated care records will pull data from existing IT systems to provide a ‘single view’ of the person.</p> <p>A Care Coordination Centre will provide:</p> <ul style="list-style-type: none"> • A single point of contact for people who require care and support, their families and health professionals. • Signposting to other services • Booking, scheduling and case management • Single assessment • Case management • Rapid Response, Prevention, Targeted and Specialist teams • Management of Patient Portal

	<ul style="list-style-type: none"> • Telehealth monitoring <p>A team of Care Navigators from a range of VCSE sector organisations will help people become aware of the extensive array of activities that are available to them.</p>
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Key milestones for the delivery of the priorities detailed are outlined in the roadmap shown in Figure 8 below.

Figure 8: B&NES Transition Roadmap



5.4 Measuring success

The CCG and the Council are planning to use an Outcome-Based Accountability (OBA) approach to plan and measure the performance of community health and social care services. This approach is a disciplined and practical framework for improving outcomes for whole populations, and also for measuring the performance of services which focus on outcomes that the services are intended to achieve.

The system incentivises interventions that add most value for individuals, shifting resources to community services, a focus on keeping people healthy and in their own homes, and co-ordinated care and support across settings and regions. It also encourages a focus on the experience of people using the services, and achieving the outcomes that matter to them through more integrated and person-centred services.

The advantage of this approach is that it uses a clear and common language, which will help us work together as commissioners and providers on improving outcomes. The key definitions for this performance framework are:

- **Population outcome:** A condition of wellbeing we want for our children, families, communities and population.
- **Population indicator:** A measure which helps quantify the achievement of an outcome.
- **Performance measure:** A measure of how well a service or programme is working.

Moving to an OBA approach will necessitate changes to the commissioning arrangements of the Council and CCG to ensure that there are appropriate contract monitoring and performance management structures in place, both for those services to be delivered directly by Virgin Care and those that are to be delivered through sub-contracting arrangements with other providers.

An illustrative example of how outcomes might be measured and recorded for each service specification is included in Appendix 4.

Recent legislation and policy guidance including the Care Act 2014, the Children and Families Act 2014 and the NHS Five Year Forward View all promote the concept of 'wellbeing' and the duty to focus on delaying and preventing care and support needs whilst supporting people to live as independently as possible for as long as possible.

The OBA approach will incentivise interventions that add most value for individuals, shift resources to community services, focus on keeping people healthy and in their own homes and deliver co-ordinated care and support across settings and regions. It will encourage a focus on the experience of people using the services, and achieving the outcomes that matter to them through more integrated and person-centred services.

Community services will facilitate people and communities to come together to achieve positive change using their own knowledge, skills and experience of the issues they

encounter in their own lives. We recognise that positive health and social outcomes will not be achieved by maintaining a 'doing to' culture and believe that meaningful change will only occur when people and communities have the opportunities and infrastructure to control and manage their own futures. We will value the capacity, skills, knowledge, connections and potential in a local community and see people and communities as active co-producers of health and wellbeing rather than passive recipients of care.

The outcomes framework for community health and care services is underpinned by the Local Population and System Service Standards below:

Local Population Standards

- People will experience no discrimination on the grounds of race, disability, gender, age, sexual orientation, religion, belief or socio-economic status.
- People are able to live free from social isolation and loneliness and feel welcomed and included in their local community and are able to make valuable contributions.
- People have a network of considerate and competent people who support them, including carers, family, friends, neighbours, volunteers as well as health and care staff.
- People have clear motivation, confidence and knowledge to help themselves to stay physically and mentally healthy and remain as independent as possible.
- People with care and support needs and/or those supporting them are aware and understand how technology can help them in their day to day lives. People are able to act on this knowledge and understanding to use technology to benefit their day to day lives.
- People feel in control of the decisions they are asked to make, either for themselves or on behalf of their family or support network. This includes all age end of life care.
- People are enabled to set achievable goals e.g. returning to work, being part of their community, regaining strength or skills that enhance their physical or mental health.
- All people, especially children, young people and vulnerable people are safe and secure.
- People are supported to become more resilient to manage risks to their health and wellbeing and know how to stay healthy and remain as independent as possible.
- People have opportunities to train, study, work or engage in other community activities that match their interests, skills and abilities, and which support their

needs, and they feel valued for the contribution that they make to the community.

- People can access support that promotes and sustains recovery and rehabilitation.
- Parents and children form strong positive attachments and parents are confident and able to meet the needs of their children.

System Standards

- People are supported to co-develop a single and personalised care and support plan that maximises their potential and enables them to self-manage their condition where possible.
- People only have to tell their story once and they know who to contact to get things changed.
- People are supported by excellent case management and professionals that work effectively together across organisation and professional boundaries.
- People receive the right response at the right time from someone they trust, and experience co-ordinated support that is based on a person centred approach that looks at all aspects of a person's physical and mental health and wellbeing.
- People continue to receive an appropriate and consistent level of support as they regain health and independence following a period of illness or change of circumstance, relevant to their level of need at the time, with no sudden or unplanned withdrawal of services.
- People are more aware of the services available to them and how to use them, including services to support wider determinants of health such as housing, transport, education and training.
- People have support systems in place to get help at times of crisis that they understand and have agreed to. People are able to recognise and plan for any future crises. When required people have a crisis plan in place and have access to crisis management, which responds flexibly to the individuals, needs as required.

Quality Framework

Quality is the guiding principle for all of our work and is at the heart of any change within community services. Quality comes in many guises but for this programme it essentially means ensuring that the pace of change and the development of pathways are seamless and are demonstrated by the delivery of local, safe, effective and responsive services which provide real benefits to people in terms of their care.

We see community services as a 'golden thread' that binds seamless and high quality pathways of care and support together. Involving communities in defining what high

quality means to them means providers can effectively reflect the experiences and outcomes that are important.

We will need to continue to take into account the need to balance quality with access to care and support. As standards rise and requirements such as staff to service user ratios increase, it can become increasingly difficult to maintain staff availability and/or competence, resulting in short-term changes to services. We want to make strategic decisions that ensure long-term stability of service.

During the initial phase of our engagement, we collected many examples of how organisational boundaries and an individual's transfer between organisations can cause disruption to the pathways. These include different booking systems, inconsistent methods for recording and sharing information, and communication delays between organisations that result in slower service user transfer.

In our constant striving for quality it will be important to seek to eliminate or minimise the impact of these barriers and these are further explored in the Stage One Impact Assessment shown in Appendix 2.

Benchmarking

As a national provider of over 260 contracts Virgin Care has the ability to benchmark significant datasets. These data comparisons will trigger discussion and debate around drivers for varying performance, encouraging teams to share different ways of working and developing best practice models. Outcomes will be measured at all levels (population, system and individual) using established Reported Outcome Measures tools which can be included in Integrated Care Records.

In addition to the above, Commissioners will continue to use available local and national benchmarking data to help shape and inform future plans.

Monitoring

Alongside the new model achieving the required outcomes for the people and communities, the needs assessment shows it is necessary to manage increased demand driven by an increasing population and recognise the need to deliver services sustainably into the future within the budget available. At the beginning of each year the indicative levels of activity required for each service will be agreed between the CCG, the Council and Virgin Care and monitored across the year. Virgin Care's bid includes improved information gathering and sharing so that we will be able to monitor the number of people accessing the services and the quality of support they receive both for individual services, multiple services and to support understanding of the demand / capacity and ongoing sustainability of the model.

5.5 Contract Governance and Performance Management

The Prime Provider will be responsible for high-level system leadership of the overall delivery model, ensuring effective coordination and collaboration between providers and across localities, promoting the sharing of best practice. Other key responsibilities include;

- Monitoring outcomes for the local community and for co-ordinating input and activity to deliver the contract whilst ensuring appropriate governance, quality assurance and engagement with patients or service users.
- Bringing together senior representation from providers, primary care, secondary care, public services, VCSE organisations and the local community (supported by subject matter experts and community champions).
- Embedding appropriate measurement systems in place in order to measure their own performance and that of any subcontracted partners against performance measures agreed with the Commissioner.
- Reporting on performance measures to the Commissioner against an agreed schedule.
- Implementing mechanisms for managing risk, including disaster recovery, contingency and business continuity plans. The Prime Provider will keep the Commissioner informed about detail of the risk management structures and processes that exist, and how they are implemented.
- Establishing a system to analyse the type, frequency and severity of adverse incidents, in a systematic and detailed manner to ascertain any lessons learnt about the quality of care and to indicate changes that might lead to future improvements.
- Promoting a culture that encourages and supports staff to report adverse incidents.

The Prime Provider will meet regularly with the Commissioner to review performance. Measures may be revised over time to understand and meet changes in demand, and to reflect the development of local minimum data set requirements. The Prime Provider will be required to produce regular summary reports providing full details of all complaints and how they were resolved.

6 Making it happen

6.1 Scope of the contract

The health and care system in B&NES is complex with a wide range of services commissioned by the CCG and the Council to provide care and support for local people. To achieve our objective of integrating health and care services for all ages we considered the broadest set of services that could fall within the scope of the prime provider contract and conducted service by service assurance based on the following factors:

- Current interdependencies including co-commissioning arrangements and interdependencies with other services and pathways
- Virgin Care's proposed positioning of services
- Impact on the local market
- Service transition issues

We have also considered the optimal positioning of services within the prime provider model with regards to:

- Benefit to the service user
- Promoting the integration and joint delivery of health and care services
- Alignment of services to the core functions and duties of the prime provider
- Ability for the prime provider to deliver service transformation at population level
- Interdependencies with other health and care services and pathways

The full scope of the contractual arrangements is set out below, separating out the services to be delivered directly by Virgin Care and those to be delivered by material sub-contractors, in partnership or through DPS arrangements.

Services to be delivered directly by Virgin Care (or in partnership with nominated providers)

Many of these services will be delivered as an integrated health and care service with clinicians and specialist practitioners working alongside each other in integrated locality teams. It is therefore appropriate to locate them within the same prime provider.

In addition, a significant number of people, particularly those living with long term conditions or complex needs, will be accessing a range of services at any given time and the need to deliver joined up care and support, working to a single plan, is paramount.

Transferring the services to Virgin Care will allow them to establish a system leader role within these services which will include: establishing visibility and credibility with other providers; leading on service redesign; driving transformation; ensuring benefits are realised by the wider community; promoting the delivery of integrated health and care services, particularly for people with complex and specialist needs; establishing a high standard of clinical effectiveness across all health and social care services.

Although Virgin Care will be delivering the following services directly they will be subcontracting some elements of these services to other providers. The number of services directly provided by Virgin Care may also change over the life of the contract.

Statutory Services	
PD1	Adult Social Care Statutory Services
PD2	Continuing Healthcare
PD3	Children's Statutory Services
Non-Statutory Services	
SD1	Public Health Nursing
SD5	B&NES Community Children's Health Service
SD7	Children's Bladder and Bowel Service
SD8	Children's Community Nursing and Psychology Service
SD9	Children's Continuing Care
SD10	Children's Learning Disability Service
SD12	Children's Speech and Language Therapy
SD13	Community Based Adult Audiology and Hearing Therapy Service
SD15	Community Bladder and Bowel Service (Adults)
SD17	Community Hospital Inpatients
SD19	Community Nursing (Adults)
SD26	Falls and Movement Disorders
SD31	Integrated Reablement Service
SD32	Integrated Sexual Health
SD35	Lymphedema Nursing
SD36	Medicines Optimisation
SD38	Physiotherapy Services
SD40	Orthopaedic Interface Service
SD42	Paediatric Audiology Service
SD43	Adults with a learning disability
SD46	Specialist Cardiac and Respiratory Service
SD47	Specialist Diabetes Service (Adults)
SD48	Specialist Neurology and Stroke Service (Adults)
SD49	Speech and Language Therapy (Adults)
SD51	Urgent Care facility at Paulton Community Hospital
SD53	Youth Offending Service Nurse
SD54	Podiatry Services

***Services to be provided by a mental health collaboration led by Virgin Care
(subject to pathway review led by the CCG and the Council)***

The due diligence process has highlighted the need to give further consideration to the positioning of mental health services, particularly those currently provided by Avon and Wiltshire Mental Health Partnership NHS Trust (AWP) and their relationship with Virgin Care as the prime provider.

The CCG and the Council recognise the benefits of the B&NES Mental Health Collaboration but there are some further areas of due diligence that will need to be considered before confirming the final position of the service. These include the ability to build on the adult acute care pathway work recently commenced across six AWP localities and effective management of step-up and step-down care into and out of inpatient facilities.

The CCG intends to be party to the co-commissioned two-year contract for AWP services, led by Bristol CCG, which will begin in April 2017. This contract includes the following services, which will be delivered by AWP in partnership with Virgin Care:

SD20	Community Mental Health Services for Older Adults and those with Dementia
SD33	Intensive Service
SD37	Mental Health and Wellbeing Recovery Service
SD44	Primary Care Liaison Service
SD45	Primary Care Talking Therapies Service
SD56	Early Intervention

However, it is likely that changes to the way the service is contracted will need to be implemented during the life of the contract in line with the final agreed arrangements for community health and care services.

In 2017/18, the CCG and the Council will begin an end-to-end pathway review to determine the best arrangements for delivering the full range of community and acute inpatient mental health services across health and social care including provision for both children and adults.

Services will be developed within the proposed B&NES Mental Health Collaboration which will be led by Virgin Care with the full participation of all other members including a combination of voluntary, community and social enterprise (VCSE) organisations.

Services to be sub-contracted from Virgin Care to other providers

A number of services and service providers have been identified as being best delivered through a subcontracted arrangement with Virgin Care. The factors that have been taken into account include:

- The proven track record of the provider in service delivery for the particular service
- The local or national expertise of the proposed subcontracted partner in the particular field
- The current arrangements for delivery of services and quality of provision
- The ability of the provider to work alongside Virgin Care to maximise the strengths of the voluntary sector, local communities and small and medium enterprises.

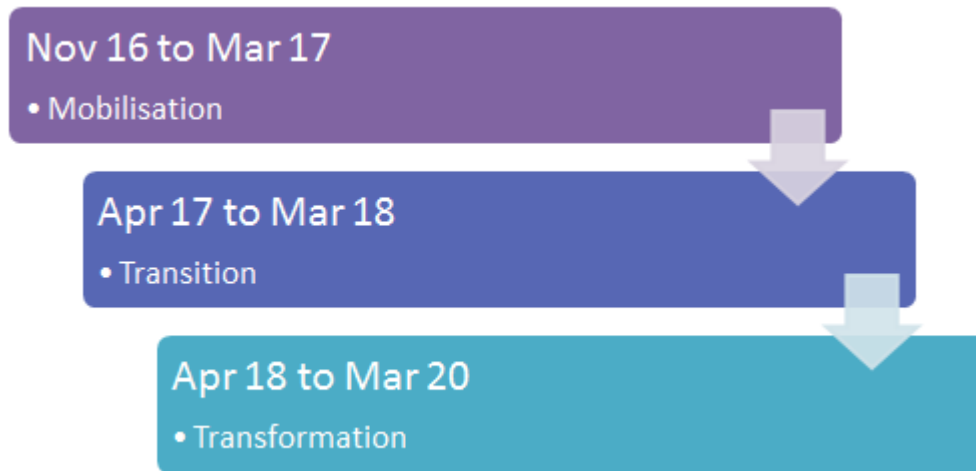
Arrangements for contracting with sub contracted providers within the Dynamic Purchasing System (DPS) framework will be confirmed on an individual basis with each provider in line with the particular service specification to be delivered.

SD2	Adult Carer's Centre
SD6	Care at Home Service
SD11	Children's Occupational Therapy and Physiotherapy Service
SD14	Community Based Mental Health Pathway
SD16	Community Equipment
SD18	Community Opportunities for Older People Who are Living with Dementia
SD22	Dementia Support Service
SD23	Direct Payments and Personal Budgets
SD24	End of Life
SD25	Extra Care Housing Services
SD27	Home from Hospital/Home Response Service
SD28	Housing Related Support Homelessness Prevention Services
SD29	Housing Related Support - Positive accommodation and support pathway
SD30	Independent Living Service
SD39	NHS Health Checks Programme
SD50	Substance Misuse
SD52	Wellness Service - Lifestyle and Wellbeing Support

Note: SD4 Advocacy has been taken out of scope of the prime provider contract to ensure that commissioned services are separate from any of the service delivery functions so that service users have independent access to support and guidance.

6.2 Mobilisation, transition and transformation

Implementation of the new model for community services will be broken down into the following three phases:



Mobilisation

Virgin Care has extensive experience and a 'tried and tested' approach when mobilising adults and children's community services, transferring over 250 services over the last ten years.

Successful mobilisation can be measured by the following criteria:

- Clear referral guidelines and pathways
- Ongoing engagement with referrers including training/feedback/advice
- Introducing a single-point-of access for referrers through a Care Coordination Centre to create a speedy and seamless pathway of care
- Reduced waiting times and convenient community locations
- Close links with primary care and secondary care
- Strong relationships between providers and commissioners and demonstrable value for money
- Integration which blurs the boundaries between health and social care, offering users a seamless pathway of care and support

A detailed mobilisation plan can be found in Appendix 5 which sets out the key milestones to ensure the service is operational by 1 April 2017.

A dedicated mobilisation-team will be assigned to work with the services and the CCG and the Council, who focus on due diligence and the transition into and out of safe transfer. The team will oversee the mobilisation plan with clear milestones linked to a risk register to ensure the service is successfully operational within the agreed timeline. Commissioners will use an adapted Department of Health approved

“Statement of Readiness” check, an organisational tool that is utilised for all services before they are launched.

Subject to approval of this Final Business Case, Virgin Care will;

- Refresh the mobilisation plan, updating any timelines, resources or milestones and finalise it in conjunction with the commissioner
- Create a Project Office and arrange a kick off project briefing
- Initiate contract completion activities
- Continue necessary due diligence activities
- Initiate TUPE plans
- Roll out customer service training for the single point of access that has already been developed by Virgin Care’s internal Training and Learning Enterprise (TLE)
- Continue with the business as usual to ensure system flow, capacity is not affected as the services are mobilised
- Ensure that the CQC compliance is maintained through the registered managers within the service

From contract award to first day of operation (Day 1) Virgin Care will:

- Agree contract signature with the CCG and the Council
- Carry out detailed due diligence
- Mobilise the Operations Team and Work stream leads who will ensure safe delivery of the service during Mobilisation and Transition. This will be headed by the Virgin Care Regional Operations Director, who will oversee all teams and liaise directly with each work stream lead
- Have all pathways prepared for Day 1
- Procure any assets agreed with the CCG, the Council and other partners
- Identify unfilled posts that are critical to service continuity and development
- Commence a recruitment campaign both locally and nationally to fill outstanding vacancies. This will include Virgin Care’s national recruitment strategy with NHS jobs as well as local recruitment such as advertising on B&NES Council website and the Bath Chronicle
- Prepare launch and media activity for Day 1. Media related activity will be coordinated with the Council and CCG
- Create a dedicated website for local service information
- Confirm continued access to terms and conditions and pensions for current staff
- Positively engage with trade unions and other representative groups including RCN, UNISON, UNITE and BMA
- Confirm which contracts will continue, cease and which need to be created
- Follow staff welcome pack process and send out key information to staff on the ground
- Newsletters and staff briefings early on, following award of the contract, this will complement the monthly newsletter staff already receive.

Transition

Virgin Care consider safe transfer to last up to the end of the first 100 days of service (July 2017), and during this period the priority for will be to ensure that all services have transferred safely and any challenges identified during transfer are resolved. Further priorities during transition include;

- Transfer to Virgin Care policies and procedures; this work will include establishing a new service-wide reporting framework, governance protocols and implementing new policies.
- Supporting the workforce; ensuring that colleagues transferring understand the vision of ***your care, your way***, and have a say in how the roadmap is developed. Immediate priorities are to identify training needs, a leadership and change programme.
- Working with partners; Virgin Care will be working over transition to support other health and care organisations, to support developments within the STP and to start to integrate data of other providers with their own.
- ‘Deep dives’ of high priority areas; identified during due diligence services that require further assessment of pathways will be prioritised for redesign and any urgent remedial actions undertaken
- Communication; establishing the ‘citizens panel’ that will be the forum for ongoing engagement will take place during transition and terms of reference agreed locally.

Transformation

Virgin Care have proposed that transformation will take up to three years of this contract, due to the size and breadth of re-design that is required. The priorities for transformation have been outlined on the roadmap shown in Section 5.3, to illustrate how each of the principles in ***your care, your way*** will be delivered. In addition, services for immediate transformation have been identified in conjunction with Commissioners. These are services that require urgent performance improvements or those that have a significant impact on other health and care services, such as Continuing Health Care. Transformation plans will be agreed in conjunction with Commissioners and supported by a dedicated Virgin Care transformation team, working alongside operational leads to ensure that transformation is delivered. Other key priorities for year one include;

- Establishing relationships with key partners including; Primary Care, RUH, AWP and Voluntary, Community and Social Enterprise Sector organisations
- Embedding of Multi-Disciplinary Team process
- Interoperability and integration of health and care record
- Establishment of Citizens’ Panel
- Consultation in relation to locality hubs

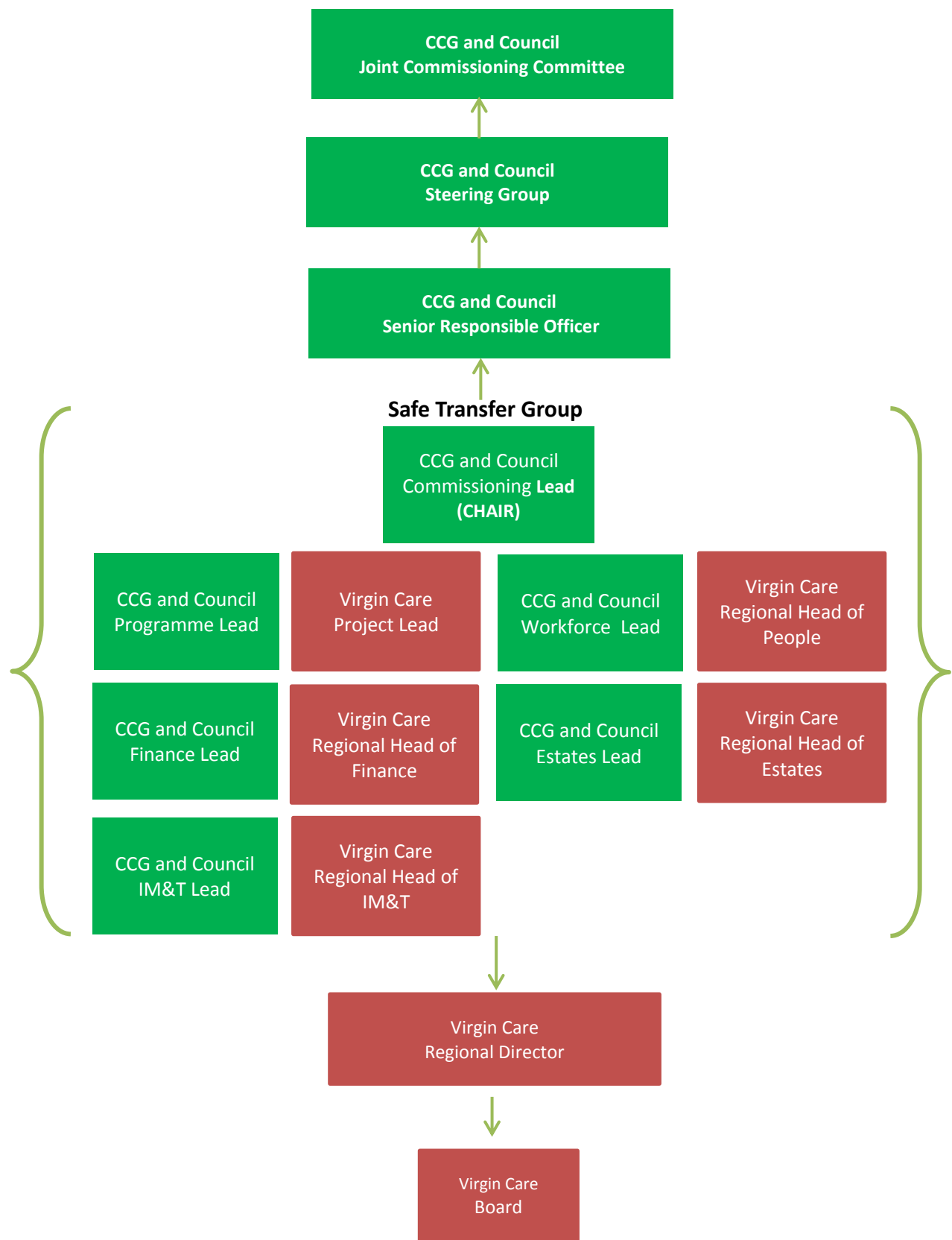
6.3 Monitoring progress

The Safe Transfer Group will oversee all mobilisation objectives and provide regular progress updates to all stakeholders including service users, providers and the wider public. The group will meet weekly to review key risks and assess progress against key objectives.

The Safe Transfer Group will provide a formal update of progress and a 'Top 10 Risks' report to the Steering Group which will consist of senior managers from the CCG and Council. The Steering Group will provide assurance to the Joint Commissioning Committee that mobilisation is on track and deal with any issues that cannot be resolved directly by the Safe Transfer Group.

This governance structure (shown in figure 9 below) will ensure that any mobilisation difficulties can be resolved swiftly and by mutual agreement.

Figure 9: Safe Transfer Group



Sitting below the safe transfer group are the Mobilisation Workstreams (see Table 1 below) made up of operational and mobilisation experts across Virgin Care, the CCG and the Council. In addition, Virgin Care will also attend Procurement Programme Board and Clinical Reference Group meetings as required.

Table 1: Mobilisation Workstreams

Workstream	Responsibilities
Transformation	To lead mobilisation, direct mobilisation team and operate as the point of contact for commissioner
Commissioning	Operational accountability and service continuation, continued focus on business as usual within mobilisation/transformation. Information cascade and operational meetings with staff groups both for business as usual and mobilisation / transformation. Initiation of service design and transformation activity.
Finance and Commercial	Continuation and delivery of all financial related tasks. Establishment of working arrangements with partners, support Transformation Lead through contract negotiations
Legal	Contract signature, establishment of new contracts. Liaison with Virgin Care legal team.
Workforce	Recruitment, staff events and launch activities. Point of contact for all staff concerns/queries.
Communications	Development and implementation of communications and engagement strategy, implementation of GP engagement plan.
Clinical Governance	Responsible for safe delivery of services during Transformation. Support and review introduction of new pathways of care.
Estates and Information Technology & Management (IM&T)	Set up of new occupancy agreements and initiation of estate review. Set up of new infrastructure and continuation of current systems. Information governance and data transfer

6.4 Funding transformation

Whilst the majority of change management costs will be met by the Prime Provider, it is anticipated that the Council and CCG will incur internal costs to fund specialist resources to support the mobilisation and transition process. These are Council and CCG funded non-recurrent costs to cover all of the significant work areas required and are critical to supporting transformation at scale.

These costs are indicative and representative of external resourcing to support transition and the service transformation required to deliver the new model of care that will meet the Councils and CCG's strategic objectives. Resources include subject matter experts covering areas such as;

- Programme Management and Governance to embed to manage the change programme and embed contractual governance frameworks and;
- IT infrastructure experts to ensure that locally we are able to support delivery of an integrated care record and enhance access to care records for people in B&NES. This will support delivery of good quality care, by for example, ensuring access to an integrated care record that ensures a single view of the person and also enabling increased direct face to face contact.

Where possible both the Council and CCG will make use of internal resource that is funded from existing budgets, however, due to the size and scale of the transformation challenge it is anticipated that external support will be also be required. The approval of additional funding will need to follow the Council's budget management scheme and the CCG's financial planning approval process.

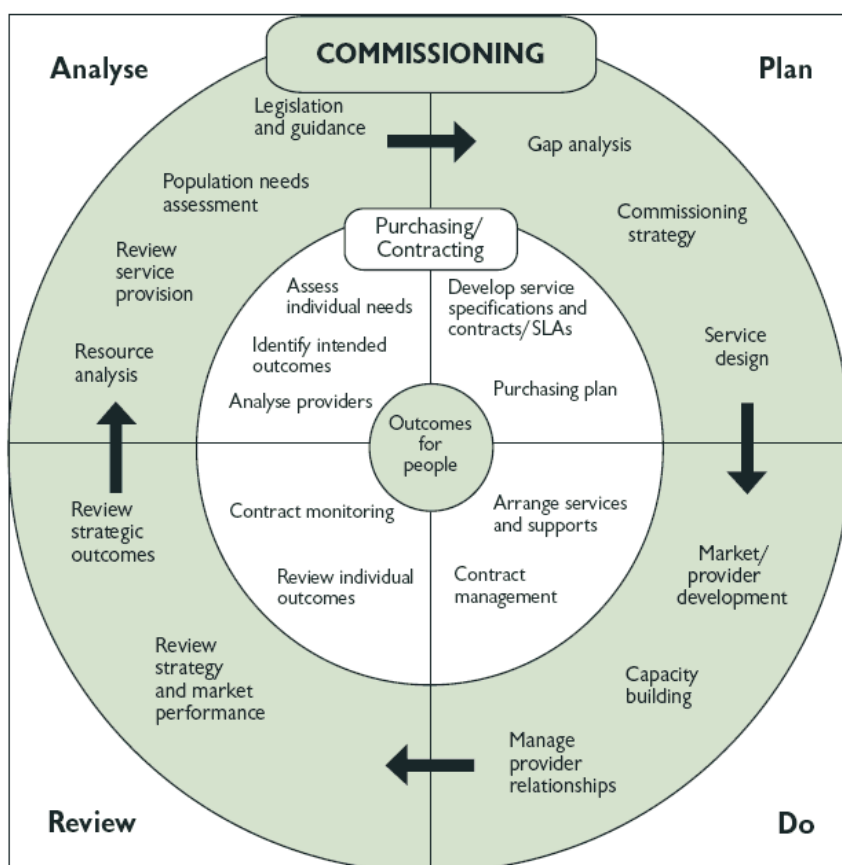
Table 2: Resource Transformation Costs

Description	Cost
Programme Management and Governance	£150,000
Information Management & Technology Specialist Support	£200,000
Finance Specialist Support	£70,000
Estates Specialist Support	£50,000
Workforce Specialist Support	£50,000
Communications	£20,000
Total	£540,000

6.5 Commissioning structures and ways of working

The commissioning landscape is changing. In addition to the creation of a prime provider for community services in B&NES, there is the need for collaboration on a number of fronts. For example, within B&NES, as well as established partners like the Council and CCG, new partnership arrangements are emerging, such as the relationship between the commissioner and the Prime Provider. Geographical boundaries and footprints for joint working are also changing including within the B&NES/Swindon/ Wiltshire Sustainability and Transformation Plan (STP) and scope of West of England Devolution as it develops.

At its simplest level commissioning is described as the process of planning, agreeing, purchasing and monitoring services. There are a range of commissioning functions carried out by the Council and CCG, illustrated by the commissioning cycle, below:



Staff engaged in commissioning activities are not confined to those with “commissioning” or “commissioner” in their job title. The workforce encompasses a wide range of professionals, experts and teams who support commissioning functions and activities.

Some commissioning activity is undertaken on a co-commissioned basis, working collaboratively and/ or in partnership with other Commissioners (or providers) but where responsibility is shared. There are some examples where this is currently taking place:

- Primary Care – Co-commissioned in by the CCG in conjunction with NHS England
- Co-commissioning by the Council with schools/academies or other Councils

The development of our co-commissioning arrangements with the Prime Provider is, necessarily, in its early stages. Our priority is to ensure the safe transfer of services to Virgin Care on 1 April 2017.

In this context, it is the intention that no significant changes will be made to current commissioning arrangements from April 2017. Current commissioning resources will be aligned to the new Prime Provider contract and the Dynamic Purchasing System arrangements.

A detailed description of commissioner roles and responsibilities is set out in Schedule 5C of the Prime Provider contract. As Prime Provider, Virgin Care will be responsible

for ensuring that the requirements of the contract flow down into the subcontracts and the specified requirements set in the Dynamic Purchasing System. Working in partnership with commissioners at the CCG and Council; Virgin Care will undertake contract negotiations with subcontractors comprising of legal, financial, operational and professional expertise.

The speed at which co-commissioning arrangements are developed and the commissioner delegates some functions and responsibilities to the Prime Provider must be balanced against our assurance that the arrangements are appropriate and robust. Also, against our assurance and confidence in the Prime Provider's state of readiness to take over some of these functions as ultimately the Council and CCG remain accountable for meeting the relevant statutory responsibilities and achievement of the high level outcomes and priorities for our population.

Over the next two to three years as part of the transformational change programme the CCG and the Council will begin a programme to implement further integration of our commissioning arrangements and structures along with the development of robust co-commissioning arrangements with Virgin Care, ensuring efficient alignment of resources to the functions/activities. Any proposals will be subject to engagement and consultation with staff and an organisational development plan that ensures that commissioning staff:

- Have the necessary skills and competencies;
- Feel confident and capable of dealing effectively with new approaches and challenges;
- Are supported, empowered and feel valued;
- Can span delivery and commissioning structures and who have support and the resources and systems to do so; and
- Can maximise the use of contract levers to support delivery in a Prime Provider model.

7 Managing Change

7.1 Service Users

Virgin Care will adhere to a set of robust, repeatable processes that support service transitions, with a clear focus on safe and secure transfer of service user care and support. Individuals, carers and families are at the heart of service design, with integrated IT systems providing seamless access to and sharing of high quality information across pathways.

To ensure a seamless transfer of service, Virgin Care's comprehensive mobilisation and communication plan will be developed as part of the contract to ensure GPs, staff, service users, carers and other stakeholders have a clear understanding of how to refer into the service during this transition period. The communications plan will be designed to ensure that people receive appropriately timed information about how services are transforming.

A dedicated point of contact will be provided for service users and their carers to contact the mobilisation team so that they can be provided with information about how the transition is being managed and how continuity of service will be maintained and how the service will evolve under Virgin Care.

Impact Assessment

Care Quality Commission guidelines recommend that the CCG and the Council should carry out equality impact assessments as part of best practice in health and care provision. In addition there are legal requirements which place a duty on public services to promote equality in its policy making, service delivery, enforcement and employment. This includes three interdependent areas of responsibility:

- To eliminate discrimination
- To promote equality of opportunity
- To promote good community relations

The Equality Impact Assessment covers the following areas:

- Age
- Disability
- Gender
- Marriage and civil partnership
- Pregnancy and maternity
- Race including nationality and ethnicity
- Religion or belief
- Sexual Orientation

As part of the development of this Full Business Case, we have conducted a stage 1 Impact Assessment informed by our extensive stakeholder engagement. A copy of the assessment can be found in Appendix 2. The CCG and the Council have concluded that the proposed transition will not negatively impact any of the protected Equality

groups. The aim is to have a positive impact upon the provision of health and care services which will also benefit carers and families.

Following the appraisal of the Full Business Case and its approval, we will endeavour to complete a Stage 2 Full Impact Assessment that will assess in detail the expected impact upon equality groups, the key risks to groups in the event of non-partial or delayed delivery and an action plan to address any newly identified challenges.

7.2 Workforce

One of the key roles of a prime provider is to deliver transformational change that will reduce duplication and inefficiencies across the system. Virgin Care's national scale allows them to make best use of technology and organisational infrastructure to support service delivery and free up more resources for direct care and support.

Ensuring a smooth transfer of staff eligible for TUPE is crucial for health and social care services in B&NES. Central to this will be open and honest communication with all stakeholders including staff representatives, the CCG and the Council.

During mobilisation, Virgin Care will ensure that all staff feel confident that their future lies with the new service, that they have a much-valued role in the new service and that they will continue to receive their pension and NHS, Council or existing terms and conditions. Virgin Care will engage with staff representatives, providing newsletter updates and a dedicated contact email. Once staff have safely transferred, Virgin Care will run a series of engagement workshops, explaining the service vision and sharing the roadmap for service transformation.

Staff engagement will be continuous, open, informed and positive. Staff will play a vital role in changing and innovating service delivery and Virgin Care will encourage this through multiple channels. The approach to engaging with staff representatives to ensure an orderly and effective transition and includes:

- Initial meetings to introduce Virgin Care and to discuss any questions and concerns, particularly those regarding TUPE and continuation of current pensions and other terms and conditions.
- Membership of the HR Project Management Group is offered and meeting notes and plans are shared for dissemination to staff more broadly
- Involvement in the induction planning group, policy group and staff survey development group.
- Keeping representatives and staff informed of all decisions, changes and issues that will affect the workforce.

Clear and regular communication with staff will ensure that people feel engaged and involved in their service; Virgin will use a variety of methods to do this, including:

- A weekly in-house newsletter to inform staff about current activity in the business and motivate them through positive messages and celebration of successes.

- Executive Team ‘back to the floor’ visits, where Executives make visits to services and shadow staff members, as well as meeting teams and listening to concerns.
- Personal Development Plans are drawn up with each member of staff and provide a means for the staff member and their manager to review progress and to undertake individual objective setting.
- Virgin’s Annual staff awards event provides a means by which they recognise the dedication and outstanding work of staff.
- The presentation of these awards forms a part of Virgin Care’s annual Big Thanks staff event. As well as the social aspect of this annual event, there are presentations about the direction of the business, celebrations of achievements and case studies of different projects.

Pensions and Pension Fund Position

a) NHS Pension Fund

Virgin have accepted the terms stated in the draft contract to allow continued enrolment in the NHS Pension fund for staff transferring from incumbent providers.

b) Council Pension Fund

The LGPS Avon Pension Fund is carrying out a fund valuation which will identify the surplus/liabilities on the fund at 31 March 2017.

Detailed work will be required to assess the impact on the incumbent provider, Virgin Care and the Council as fund guarantor. Scenarios that will need to be considered with arrangements in place to allow transfer of the following:

- Availability of the LGPS to staff who joined the pension scheme during Council employment
- Availability of the LGPS to staff who joined the pension scheme during Sirona employment

This work will need to consider the principles set out in the Department for Communities and Local Government’s ‘Fair Deal’ proposals

c) Other pension schemes

Where employees have joined other pension schemes transferring staff will be entitled to access a like for like scheme through the Virgin care Aviva scheme.

7.3 Estates and Equipment

The Environment Team within Virgin Care is the specialised resource for the transfer and management of property, equipment and facilities, health and safety, fire safety and security. Virgin Care are fully conversant with the requirements of CQC Care Quality Outcome 10 Safety and Suitability of Premises, and legislation such as the Health and Safety at Work Act 1974 (as amended), Regulatory Reform Fire Safety (Order) 2005, Approved Codes of Practice and NHS Health Building Notes and Technical Memoranda (this is not intended as an exhaustive list.)

When mobilising the contract Virgin Care will carry out a risk assessment of the type of premises concerned. This will take into account:

- The type of activity to be carried out
- The age and condition of the premises
- The frequency of use
- Responsibility for maintenance and repair

Virgin Care will conduct due diligence on all premises considered for use to ensure they are fit for purpose in the delivery of care. The due diligence regime adopted is tailored to take into account the outcome of the risk assessment carried out. This is so Virgin Care can match the level of investigation to the level of risk that the premises present. In this way Virgin Care are able to ensure that they can discharge their statutory responsibilities.

Virgin Care carries out an initial due diligence exercise as part of the mobilisation process. This exercise includes:

- A site survey to review if the site is fit for purpose, to identify functional suitability and to see what equipment is located at each site against asset list
- A data gathering exercise to identify current compliance levels
- A health and safety audit of current equipment and operational procedures
- A discussion with the landlord to identify likely occupation basis and maintenance responsibilities

The due diligence process includes:

- A desk top survey and site visit(s) carried out by the Environment Manager
- On site audits by technical specialists (extent dependent on outcome of desktop survey)
- A mapping of existing structure and processes used for the reporting of building management and health and safety issues

During the due diligence process Virgin Care will collect the certification necessary to demonstrate statutory compliance and establish if the premises are fit for purpose and safe to use. Virgin Care will work with landlords to mitigate risks and establish the actions necessary to achieve compliance if there are gaps. Negotiations with the landlords during the mobilisation process will help to establish:

- The base from which to migrate over to Virgin Care operational processes and procedures
- Who will provide hard and soft facilities management services
- Whether Virgin Care need to provide any facilities management services
- Where gaps in compliance are identified, Virgin Care will work closely with the landlords to plan a course of action in order not to delay safe transfer of the service.

Necessary works will be undertaken once the due diligence process is complete and service mobilisation has commenced. The service will then go through a strict internal sign off process culminating in completion of a statement of readiness to 'go live'.

Lease sign off will follow this process. During mobilisation, Virgin Care will appoint a service manager who will manage all reporting relationships. Their duties in relation to premises will include (but are not limited to);

- Raising and managing requests for reactive maintenance
Agreeing schedules of access for planned preventative maintenance (ensuring that service disruption is minimised)
- Managing arrangements for securing the building
- Monitoring performance standards against agreed key performance indicators
- Managing elements of statutory compliance such as Fire Safety which includes arranging fire alarm tests and evacuation drills
- Ensuring all relevant Facilities Management, cleaning and maintenance contracts are in place.
- Implementing and localising health and safety policies which are provided by the Environment Team
- Ensuring staff are appropriately trained
- Ensuring that clinical waste consignment notes are received.

NHS Properties

NHS Property Services Ltd (NHSPS) own or lease six core properties in B&NES that are utilised for the provision of community services:

- a) Bath NHS House
- b) Riverside, Bath
- c) St Martin's Hospital, Bath
- d) Paulton Hospital
- e) Keynsham Health Centre
- f) Chew Stoke Health Centre

Much of this space is currently occupied by Sirona for the delivery of community services. Some of the space is also occupied as offices and for other ancillary uses. Some is also let to other occupiers including the CCG.

The current nationally mandated arrangements with NHSPS mean that the CCG is generally liable for any vacant space costs (i.e. rent, service charge and facilities management costs) within their estate. It is however possible to release vacant space and the associated costs where whole buildings/sites (or substantial parts of buildings/sites) can be made available for disposal. It is therefore vital that NHSPS and the CCG work together with existing and potential occupiers to identify where there is an ongoing requirement for the existing estate and where there are opportunities to rationalise the estate and reduce costs.

Preliminary discussions with Sirona suggest that they are likely to substantially reduce their footprint across the NHSPS owned and leased estate. Further detailed discussions are required to understand where they wish to remain in occupation.

Virgin Care representatives have now visited the NHSPS properties, but their detailed property requirements will depend on the staff that will transfer to them from incumbent providers and the space that Sirona will wish to continue to occupy.

Although they have indicated that they will aim for a period of stability during the first three months of the contract, they have also confirmed their desire to identify opportunities for property cost savings.

Moving forward, it is anticipated that work will need to focus on the office space within the NHSPS estate where there is the greatest risk of vacant space being created as a result of the change in provider. However, the changes may provide opportunities to release cost through the disposal of surplus property.

a) Bath NHS House

This property is leasehold and is principally used as office type accommodation by Sirona and AWP. Virgin Care currently occupies part of the ground floor of this property as part of their contract to provide services in the Wiltshire CCG area and they have indicated their desire to vacate the property.

Avon and Wiltshire Mental Health Partnership NHS Trust (AWP) hold the head lease on this property and NHSPS holds a sub-lease of part of the property. There is an opportunity to break the lease in November 2016. It is therefore vital that both Sirona and Virgin's requirements in respect of this property are urgently understood.

b) Riverside, Bath

This property is leasehold. The ground floor is available for use as clinical space and proposals have been developed to use it as a focus for sexual health services. The first floor is principally used as office accommodation (with some dental services). It is multi occupied by Sirona, AWP and BEMS+.

It is important that the use of this property is maximised and work is required to understand the ongoing requirements for the ground floor clinical space and first floor offices.

c) St Martin's Hospital, Bath

This is a multi-occupied freehold site. The majority of the modern ward and outpatient block is occupied by Sirona, with AWP occupying one wing. It is anticipated that Virgin will take over Sirona's occupation of the modern ward block.

The historic buildings on the site include a significant amount of office space that is occupied by Sirona and other organisations including the CCG, NHSPS and the Council. In the event that Sirona no longer require a substantial presence within this part of the site, there is a risk that a significant amount of space will become available/vacant. NHSPS will therefore work with all occupiers to examine opportunities to rationalise the use of these historic buildings. The buildings are not ideally suited for providing efficient, modern, office accommodation and work will therefore be required to consider whether the remaining occupiers could be relocated to other office accommodation in the area to mitigate the risk of the vacant space costs falling on the CCG.

d) Paulton Hospital

This is a multi-occupied freehold site with AWP, SWASFT, BDUC and the RUH all occupying parts of the site alongside Sirona who run the inpatient beds, outpatient services and the minor injuries unit.

It is anticipated that Virgin Care will take over Sirona's occupation of this property.

The GP practices in the area have indicated a desire to better use this facility to deliver services and discussions will be progressed with them once Virgin Care's property requirements for this site have been understood.

e) Keynsham Health Centre

This is a multi-occupied freehold site. Whilst one wing is occupied by a GP practice, a significant proportion of the property is occupied by Sirona as outpatient clinics and as offices.

Discussions will be required with Sirona and Virgin Care to understand their requirements in respect of this property. There is a risk that neither provider will require the second floor offices.

f) Chew Stoke Health Centre

This is a leasehold property that is currently used principally as an office base for staff working in the community.

At this stage, it is assumed that there will be an ongoing requirement for this property by Virgin Care and that they will take over Sirona's occupation.

Leases will be granted on full repairing terms at market rents for these buildings. The current occupation agreements will expire end March 2017 and thereafter each of the locations will be available for Virgin Care based on the heads of terms offered in the original tender documents.

Council Properties

The premises owned by B&NES currently occupied by incumbent providers and offered to Virgin Care mainly operate on a desk licence arrangement. Desk Licences are essentially an agreement to permit use of the workstation and the IT at an all-in fee per desk. The Council will provide all facilities, excluding computer hardware and broadband, that are satisfactory and suitable for the licensee's permitted use. Properties include:

a) Children's Centres

Desk licences are available across multiple Children's Centres including;

- Parkside CC
- Radstock CC
- Keynsham CC
- Weston CC
- St Martins CC

b) The Hollies

This is an office and community building operated by B&NES

c) Radstock Road Depot

This is warehouse and office space, with self-contained ground floor warehouse and staff facilities space forming part of a council depot site used as a community equipment store.

d) Connections Day Centre, Frome Rd, Radstock

This is a single storey building used as a day centre with catering and common room facilities.

Virgin Care Estates representatives have started a programme of inspections which will determine which final sites they will need to occupy. In the event that there are premises they do not need, B&NES will retain these and deal with them as for any other surplus property.

Facilities Management (FM) Services

Sirona currently provide some FM services to the existing NHSPS estate and to other occupiers of that property. It is unlikely that Sirona will wish to continue the provision of FM in properties that they do not occupy.

Virgin Care's preference is not to take on FM services and to enter into contracts with other providers for those services.

There may be TUPE implications for Sirona staff currently providing FM services and there are also FM service continuity issues that need to be resolved during contract due diligence.

7.4 IT Infrastructure

Virgin Care will follow a set of clear, robust, tested and repeatable processes utilised on take-over of new services that ensures safe and secure migration of both clinical and corporate data from the incumbent providers to Virgin Care. Virgin Care's safe transfer protocol emphasises minimal change in the first 100 days of taking on a new service. The implication of this approach is to minimise the number of clinical and corporate information system changes at contract 'go live'.

Where IT systems or processes do change on 1st April it is recognised that some disruption will occur. The Virgin Care transition plan will identify these areas in advance and make available additional resource to support staff through the change.

The main clinical system in use by services within the scope of the prime provider contract is SystmOne provided by TPP and contracted by Sirona. The contract with TPP expires on 31 March 2017 and discussions have commenced between Virgin Care, Sirona, the CCG and the Council to identify an agreed route for the transfer of clinical records.

Virgin Care has stated a preference for a route that avoids a data migration. Should a data migration route be required each clinical system provider is responsible for

resourcing the data migration process for their system. Virgin Care will support this by assigning each project a clinical and an information governance lead to ensure that clinical and business risk assessments are undertaken prior to any data transfer and the testing process is closely monitored.

Migration plans for historical data differ between system providers, but the data migration will follow common procedures which have been included into the specifications and project plan(s), our intended outcome being the continued access for staff to the appropriate information required to support ongoing care.

The Local Authority case management system in use for adults and children social care is Liquid Logic, a relatively recent implementation. Virgin Care staff will initially use the Liquid Logic application in much the same way that staff in the in-scope services use the application currently.

In addition to SystmOne and Liquid Logic there are a significant number of additional IT systems and software used by staff working in the in-scope services. These range from commercially available software such as e-mail to in-house systems owned by Sirona. The use of these IT systems will be picked up in discussions between Sirona and Virgin Care to identify the processes reliant upon these systems and ensure that systems are in place to maintain them from 1 April 2017.

Usage of IT systems that need to be understood ahead of 1st April is not limited to those within Sirona and similar conversations will need to take place between Virgin Care and other providers to ensure a safe transfer. The RUH for example provide clinical systems for some in scope services.

Virgin Care will work jointly with the CCG and the Council to understand the needs of the population, considering how to turn local data into meaningful and actionable intelligence. They will be proactive with new uses of data including development of risk stratification models and applied data science techniques where relevant.

Virgin Care will operate within a collaborative research partnership environment, involving local academic and community stakeholders. All analytical activities will be undertaken within a structured ethical framework. Virgin Care will commit to being open with data and methodologies wherever legal and practical.

Delivery of truly integrated care will require IT improvements within and between organisations; specifically, the ability to share information more effectively. This will be achieved by:

- Using a single platform to share and exchange patient record information and to hold integrated care plans (though all provider organisations will continue to maintain their own versions on their own systems)
- Granting of access rights and revision of information sharing agreements such that relevant staff from all partner organisations will have access to and (in some cases) the ability to amend records
- Joint working and co-operation across all Providers including GPs, RUH, AWP, Dorothy House and Sirona is required to put in place this joined up record. Commissioners will work with Virgin care to help facilitate this.

- Post contract award, detailed work will commence to better understand the infrastructure requirements in the locality needed to support safe transition and the realisation of the integrated record.
- The Council has offered to support this process by making some of its infrastructure available to staff delivering community services if needed.
- In terms of Virgin Cares infrastructure arrangements and proposals, whilst more detailed due diligence is necessary, their proposals for sharing, storing and sharing records and information have not highlighted any technical concerns that appear insurmountable.

The CCG contracts with South Central & West CSU for the majority of its IT infrastructure. The CSU in turn has an SLA with Sirona for delivery of some IT services at Kempthorne House, the most significant element of which is telephony. The CSU has been briefed of the your care, your way procurement and is aware of the need to ensure a safe transition of its sub contracted services.

7.5 Working with delivery partners

The main role of a prime provider is to drive greater partnership and collaboration across the system, bringing together the strengths of local people, communities and organisations to deliver a more holistic and personalised service.

Virgin Care is already building strong relationships with a wide range of local voluntary sector organisations as well as key partners such as GP practices and the RUH. The range of services within the scope of the prime provider contract provides extensive opportunities for local organisations to work in partnership with Virgin Care to deliver improved outcomes for the population.

GP practices will be at the heart of the new model, with multidisciplinary teams wrapped around GP hubs in the community to bring together expertise and insight. These teams will enable health and social care practitioners, including hospital consultants, social workers, mental health professionals and local voluntary sector organisations to come together so that all the key players in our local health and care system are working in partnership.

The RUH will be working closely with Virgin Care in a number of areas. A key focus will be reducing the number of preventable hospital admissions and improving the discharge process so that people have the right support in the community to avoid a trip to hospital and return home safely as soon as possible should they need hospital care.

The RUH have also stated their intention to deliver more of their services outside hospital, supporting their specialists to deliver clinics in community settings and working more closely with GPs through multidisciplinary meetings. This work is already happening in areas such as diabetes care and dermatology and we expect Virgin Care to support the RUH to extend this further.

Virgin Care will also become a key partner within the B&NES, Swindon and Wiltshire Sustainability and Transformation Plan (STP) footprint. Working together with the

CCGs, Councils, hospitals and other community providers across the three areas, Virgin Care will have an important role to play in delivering the STP's objectives.

7.6 Managing risk

There are a number of key risks to the implementation of the new model of care in the proposed timescales, which are identified alongside the risk mitigation in Table 3 below.

Table 3: Key Risks

Ref	Risk	Mitigation
1	Funding There is a risk that on service transition there are emerging provider costs that are not funded from the existing contract financial envelope.	Assurance of Virgin Care's ability to operate within the agreed financial envelope and commissioner adequately specifying services and activity levels.
2	Service Mobilisation and Continuity There is a risk that it is not possible to mobilise the services within the proposed timescales to allow for safe transfer by April 2017.	Develop and implement detailed mobilisation plan outlining key milestones and using a detailed risk and mitigation log. Establish the Safe Transfer Group and Mobilisation Workstreams to govern the mobilisation process. Early identification of contract critical due diligence.
3	Winter Pressures There is a risk that it is not possible to provide continuity of service as a result of emerging winter pressures during mobilisation.	Risk assessments to be carried out for each service to understand any capacity/staffing issues. Appropriate risk-mitigation plans to be put in place on a case-by-case basis.
4	Staff Transfer The transition represents organisational change challenges for employees of both incumbent providers as well as the CCG and Council.	A detailed organisational development and change management action plan is in place to enable the workforce to be supported through the period of organisational change and the introduction of new ways of working.
5	Recruitment It is not possible to recruit to new roles required to deliver the new model of care within the current proposed timescales and as such it is not possible to implement within the timescales.	Early gap analysis to understand where additional skills and/or capacity are required. Early commencement of recruitment processes within mobilisation phase.

Ref	Risk	Mitigation
6	Requirement for financial balance in year impacts upon delivery Delays in implementation or benefits realisation will result in unplanned costs which will need to be met through reduction in planned investment. This could cause further delay in benefits realisation over the period.	Establish process through <i>your care, your way</i> steering group to progress transition in prioritised order and establish robust monitoring arrangements.
7	Benefits Realisation The implemented services do not deliver the expected impact on people's care experience and people's health.	Timely and ongoing evaluation of service delivery so that services can be adjusted if necessary.
8	Stakeholder buy-in Involvement is lacking during the mobilisation phase, causing delays to implementation and as a result the proposed benefits cannot be realised within timeframes.	Ensure all stakeholders are actively engaged with mobilisation, with sufficient opportunities for stakeholders to input and feedback. Communicate progress regularly to all relevant stakeholders, high level and tailored to their role,
9	Culture Change The level of culture change required for all stakeholders to operate in a truly integrated way within the timescales is challenging.	Timely and continuous engagement with key stakeholders and staff to foster understanding of the new model of care.
10	Information Sharing The current IT landscape across the whole of the health and care economy (system wide IT structures and information governance) is not yet sufficiently established to enable a single care record and care planning across provider or a joined-up approach	Successful mobilisation is predicated on stakeholders agreeing to share data and engage with Virgin Care in the use of Lumira. The CCG and the Council will need to facilitate collaboration and cooperation and wherever possible make provisions within existing and future contracts to mandate the requirement to work with Virgin Care (and indeed any party the CCG and the Council wish to share data with in support of achieving enhanced outcomes, subject to appropriate information governance arrangements),

Ref	Risk	Mitigation
11	Information Sharing Cost It is the expectation that the data provider (i.e. Council, RUH, GPs etc.) will bear the cost of integrating with Lumira which may result in a barrier to those organisations.	The CCG and the Council have a responsibility to put collective pressure on vendors to agree pricing and should consider splitting the cost of any system customisation that needs to be done. Virgin Care have committed to some financial support for this, however this would need to be looked at on a case by case basis.
12	Clinical Systems The safe transfer of services is built around having continued access to the existing clinical systems. Any reduced access to systems at go live due to technical or contractual issues is a risk to safe transfer of services	Virgin Care has commenced work with incumbents to identify existing contracts with clinical suppliers and potential to novate contracts.

8 Delivering value for money

8.1 Commissioning Joint Funding Model

Background

To support the financial management, reporting and oversight of the contract a robust financial operating model is required. This will allow both the Council and CCG to transfer funding to the Prime Provider, meet reporting requirements and allow oversight to assess value for money.

Financial Model Key Themes

To give both the Council and CCG assurance in the development of a Commissioning Joint Funding Model the following key criteria will need to be met through the recommended model:

- **Support strategic commissioning model**

The Commissioning Joint Funding Model will need to align to the target operating model for strategic commissioning supporting the Council and the CCG. This will need to allow flexibility to consider organisational changes through further Council and CCG integration and the development of the B&NES, Swindon, Wiltshire Sustainability and Transformation Plan. This builds on the principles of integration that have been set through the B&NES Better Care Fund plan.

- **Maximise functional benefits to the system**

The Commissioning Joint Funding Model will need to support the principles of appropriate, economic, efficient and effective use of public funding to ensure that funds are made available to deliver services that meet both Council and CCG strategic priorities.

- **Avoid duplication**

The Commissioning Joint Funding Model will need to support joint management of the Prime Provider contract including a Lead Commissioner supporting the contract review, performance reporting and finance support to ensure a consistent approach to managing the contract and relationships. The outputs will need to satisfy both organisations internal and external reporting requirements.

- **Maximise tax efficiency**

The Commissioning Joint Funding Model must support effective and compliant application of tax accounting policies to ensure that both organisations are not exposed to VAT inefficiencies.

- **Maximise flexibility to direct funds**

The Commissioning Joint Funding Model should give the commissioner flexibility to incentivise cash-releasing service developments and to re-direct released funds to priority areas of need. This will need to be supported by appropriate risk and gain share arrangements.

- **Allow direct control and intervention from accountable organisations**

The Commissioning Joint Funding Model will need to have financial governance arrangements in place that allow for direct lines of intervention for both the Council and CCG's accountable officers.

- **Allow discharge of statutory duties**

The Commissioning Joint Funding Model will need to allow for the delegation of statutory duties to the Lead Commissioner

- **Accounting compliance**

The financial model will need to ensure full compliance with the following financial reporting standards along with each organisations own financial accounting requirements:

- IFRS 11 Joint arrangements
<http://www.iasplus.com/en/standards/ifrs/ifrs11>
- IFRS 10 Consolidated financial statements
<http://www.iasplus.com/en/standards/ifrs/ifrs10>
- IAS 18 Revenue <http://www.iasplus.com/en/standards/ias/ias18>

The proposed finance model and supporting documentation will need to ensure that these accounting standards are followed; this will help define the level of control across both commissioning organisations. Direct line of control is summarised across the arrangements in the table below

Arrangement	Each body	One body
Aligned budget	✓	
Pooled budget	✓	
Joint commissioning	✓	
Collaborative commissioning	✓	
Delegated commissioning		✓
Lead commissioning		✓

The proposed model

The proposed model is a Pooled Budget hosted by the Council as lead commissioner acting on behalf of the CCG and Council under joint working arrangements

The mechanism for entering into the pooled budget will be under Section 75 of the NHS Act 2006, under the Act the Secretary of State can make provision for local authorities and National Health Service (NHS) bodies to enter into partnership arrangements in relation to certain functions, where these arrangements are likely to lead to an improvement in the way in which those functions are exercised.

Entering into a pooled budget with the Council as the lead commissioner will form part of the 2017/18 Better Care Fund Plan and build on the successful joint commissioning relationships in B&NES including pooled budgets for Learning Disabilities and Mental Health. This will allow each funding body to retain control with the Council having lead commissioner responsibilities under joint working for both organisations.

This recommendation will allow the both the Council and CCG to achieve:

Pooled Budgets fit the delivery of **strategic commissioning** and support the Government's mandate to NHS England for 2016-17 which states NHS England should support the NHS to achieve the Government's aim that health and social care are integrated across the country by 2020, including through the Better Care Fund.

This will allow **functional benefits** to be maximised through joint investment into services that will provide both Social Care and Health benefits to the B&NES population.

A single approach to commissioning, contract management and performance will **avoid duplication** of effort for both Providers and Commissioners allowing the principles of joint management and reporting to be fully embedded.

Through building on the existing Section 75 agreement that governs the Better Care Fund the Council and CCG will be able to satisfy their ability to **discharge duties** whilst maintaining **direct control** through the supporting partnership governance arrangements.

This approach will allow the maximisation of **tax efficiencies** whilst maintaining full compliance through following the accounting standards that apply to pooled budgets and joint reporting. This will give the opportunity to work collaboratively **and direct funds** to priority areas of service provision for both organisations.

Contract management and support services

The contract payment mechanism chosen will need to be aligned to the proposed Commissioning Joint Funding Model including commissioning, contract and performance management. Payment mechanisms have been identified in section 8.4 below.

Support services including finance will need to ensure that the needs of both organisations can be met, this will need to include:

- Reporting requirements – ensure content, format and frequency meets the reporting needs of both organisations
- Legislation – ensure that treatment of activity and financial information follows that guidance that applies to both organisations to ensure the compliance

This option has the following benefits:

- Supports the integration agenda at a commissioner level
- Build on the principles of the BCF for pooling budgets
- Builds on the existing pooled budget relationship that benefits from the Council finance infrastructure and systems including case management and reporting through the Liquidlogic Care and Health system
- New service proposals that require charging mechanisms will benefit from existing systems that allow payment and income recovery through Council systems
- Contract management already in place from high volume of current community service providers that are Council commissioned

Risk associated with this proposal:

- The CCG will need assurance that there is the correct governance in place to support management and decision making, this will be stipulated through the section 75 agreement
- Resources will need to be correctly aligned across both organisations to support the Lead Commissioner with contract management, commissioning and reporting
- There needs to be assurance that reporting requirements can be fulfilled and in the correct format to meet all externally mandated (NHSE) requirements for the CCG.

In the event that funding contributions and supporting risk share arrangements have not been fully defined and agreed by 1 April 2017, the Council and CCG will retain their current financial operating procedures for paying community health and care contracts.

Commissioner Risk Sharing

Risk Sharing

The Commissioning Joint Funding Model will need to be underpinned by a risk sharing agreement that allows flexibility within the financial envelope, but also gives both organisations assurance that they will not be exposed to any undue financial risk.

The detailed risk share will need to be developed following the progression of the agreed Commissioning Joint Funding Model. However it is recommended that the following risk share principles are applied:

- Funding contributions will need to be aligned to both Council and CCG financial plans; these will be subject to change through the budget setting process for both organisations.
- Treatment of financial risk will need to be linked to the treatment of over / underspends through the prime provider contract.
- Both organisations governance requirements will need to be met when agreeing investments or savings that will apply to the pooled budget.

Treatment of Investment

- Council and CCG Commissioner funding percentages will be proportionate to the value of original baseline funding provided for joint funded demand driven services.
- Where the provision of services has a direct relationship to a commissioning organisation the funding request is managed through a direct relationship between the commissioner and the prime provider.

Treatment for savings

- Where the provision of services are joint funded and have shared financial risks and benefits, savings above financial plan requirements are recognised by the pool for reinvestment; release of benefit / funding contribution is in line with the original funding proportions.
- Where the provision of services have a direct relationship to a commissioning organisation and a service review leads to a saving over and above financial plan requirements the benefit will be considered for re-investment into the pooled services.

8.1 The funding envelope

Commissioner Contract Funding

The funding envelope for in-scope all community service contracts is c£70.5m across all current providers. The table below shows the specific funding for the services delivered and sub-contracted by the Prime Provider contract alongside services remaining under Council and CCG Commissioning arrangements from 1 April 2017.

This is subject to change through the preferred bidder and during the contract award phase of the procurement

Prime Provider Funding Envelope	Baseline
	2016/17
	Year 0
	£000
<u>Services Delivered by Prime Provider</u>	
Council Commissioned Services Delivered by Prime Provider	16,288
CCG Commissioned Services Delivered by Prime Provider	22,052
CQUIN*	551
Sub Total (excl. CQUIN)	38,340
<u>Services Subcontracted by Prime Provider</u>	
Council Commissioned Services Sub-Contracted by Prime Provider	12,684
CCG Commissioned Services Sub-Contracted by Prime Provider	897
CQUIN*	22
Sub total	13,581
Total Prime Funding (excl. CQUIN)	51,921
Council Commissioned Services	10,754
CCG Commissioned Services	7,859
Total In-Scope Funding	70,534

**Commissioning for Quality and Innovation (CQUIN) values are held outside of the contract envelope and will be paid in accordance with the NHS England planning guidance.*

The funding envelope for the Prime contract is made up of the 2016/17 Commissioner baseline funding levels held in Council and CCG budgets. The funding for the contract from 2017/18 will be fully aligned to contract sums that are agreed on Full Business Case sign off and contract award

The table below shows the percentage share of the funding across commissioning organisations.

Commissioner	Percentage share of funding	Funding contribution £000
Bath & North East Somerset Council	56.32%	39,726
Bath and North East Somerset Clinical Commissioning Group	43.68%	30,808
Total	100.00%	70,534

Contract Funding Principles

The following funding assumptions were set out in the 'your care, your way' Outline Business Case and will continue to apply to the financial model and future contracting arrangements.

- The funding envelope may need to be adjusted from the 2016/17 baseline to align with the Council and CCG planning assumptions in health and care funding arising from both organisations' financial planning and annual budget-setting processes.
- Identified areas for cash-releasing efficiency savings or improving value will need to align to new commissioning and provider delivery models.
- Demographic change pressures will need to be managed within available resources.
- New investment requests will be reviewed on an individual basis and require sound quantitative and qualitative evidence of system benefits.
- Commissioners and providers will continue to work in partnership to jointly identify areas of opportunity including back office efficiencies.

In addition and taking into account the financial challenge that both the Council and CCG face the following contract principles will apply to the Prime Provider contract:

- On contract award the future operating costs for delivering the Prime Provider contract and sub-contracted services will need to be met from within the baseline funding envelope.
- For 2017/18 this will incorporate existing planning assumptions for savings and growth.
- The re-alignment of funding required for revisions to service operating costs will be subject to Commissioner and Prime Provider agreement; this will provide opening contract sums for services delivered by the Prime.
- Any future revisions to contract funding will be required to follow the contract monitoring and governance arrangements set out in section 5.5.
- Commissioner and Provider funding requests will need to be supported with evidence based rationale.
- Any future funding decisions to meet cost pressures will need to follow the requirements of the Councils approved Budget Management Scheme and the CCG's financial planning and approvals process.

Service Planning, Efficiencies and Transformation

Both the Council and CCG are developing their future year financial plans. In order to maintain high quality service provision against a backdrop of reducing government funding the plans need to identify areas that can improve financial efficiency to help meet demand and improve service delivery.

Areas of focus for both the Council and CCG are

- Value for Money – ensuring our approach to commissioning and contract management can demonstrate that services are performing well and are price efficient
- Practice Development – continually review and improve services to identify opportunities across health and care e.g. commissioning approach, service offering, reviews, support planning
- Provider Relationship – improving our systems and contracting methods to support a streamlined, well controlled and transparent approach in partnership with our providers.

The role of the Prime Provider is to work in partnership with the Council and CCG as a key delivery partner working alongside Commissioners on the development and implementation of cost improvement opportunities.

Open Book Accounting

The monitoring and management of the Prime Provider contract will be supported by an agreed set of finance dashboards that sit alongside a suite of reports to support the contract management and review process.

From the Commissioning perspective the format and frequency will need to cover

- Quarterly full contract finance dashboard for services delivered and sub-contracted by the Prime Provider
- Service level monitoring to support the lead commissioner at a portfolio level
- Service line actual expenditure against budget, year to date and forecast expenditure
- Transparency over contract funding including capped funding towards corporate overheads

The format and detailed content will need to be agreed between commissioners and the Prime Provider before go-live, the reported information will need to consider the availability of information through the contract transition and mobilisation.

8.3 Prime Provider Contract Value

The Following funding assumptions have been built into the contract model

- Values from 2017/18 will need to incorporate the Council and CCG financial planning assumptions on approval of the Council budget and CCG financial plan.
- Pay and other running costs inflation is to be funded from internal efficiencies generated by the Prime Provider working on the basis of flat cash from commissioners
- Unavoidable future growth pressures as a result of legislative or policy changes will need to be considered and incorporated into the financial planning cycle.

Contract Value

The tables below show the contract values for services delivered by the Prime Provider, services that are subcontracted by the Prime and in-scope services that will be commissioned by the Council and CCG from the 1 April 2017.

Table 1 - Prime Provider Contract Schedule	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	£000	£000	£000	£000	£000	£000	£000	£000
Management & Support Services								
<i>inc. Finance, IT, HR, Business Development</i>	3,255	3,255	3,255	3,255	3,255	3,255	3,255	22,786
Operational Costs								
<i>inc. Estates, Facilities, Transport, Running Costs</i>	1,753	1,753	1,753	1,753	1,753	1,753	1,753	12,269
Total Overheads	5,008	5,008	5,008	5,008	5,008	5,008	5,008	35,055
Council Services Delivered by Prime Provider								
Regaining Health and Independence (Early Intervention and Targeted)	12,076	12,076	12,076	12,076	12,076	12,076	12,076	84,535
Living Well and Staying Well (Prevention and Self Management)	3,813	3,813	3,813	3,813	3,813	3,813	3,813	26,690
Sub Total	15,889	15,889	15,889	15,889	15,889	15,889	15,889	111,226
Council Total	15,889	15,889	15,889	15,889	15,889	15,889	15,889	111,226
CCG Services Delivered by Prime Provider								
Regaining Health and Independence (Early Intervention and Targeted)	10,485	10,485	10,485	10,485	10,485	10,485	10,485	73,395
Enhanced and Specialist Support	6,958	6,958	6,958	6,958	6,958	6,958	6,958	48,703
Sub total	17,443	17,443	17,443	17,443	17,443	17,443	17,443	122,098
CQUIN & Tariff assumptions required	506	506	506	506	506	506	506	3,545
Total Prime Contract (Excluding CQUIN)	38,340	38,340	38,340	38,340	38,340	38,340	38,340	268,379

Table 2 - Prime Provider Sub-Contract Schedule	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	£000	£000	£000	£000	£000	£000	£000	£000
<u>Council Services Sub-Contracted by Prime Provider</u>								
Regaining Health and Independence (Early Intervention and Targeted)	4,951	4,951	4,951	4,951	4,951	4,951	4,951	34,656
Living Well and Staying Well (Prevention and Self Management)	3,387	3,387	3,387	3,387	3,387	3,387	3,387	23,707
Enhanced and Specialist Support	4,347	4,347	4,347	4,347	4,347	4,347	4,347	30,426
Sub Total	12,684	12,684	12,684	12,684	12,684	12,684	12,684	88,789
<u>CCG Services Sub-Contracted by Prime Provider</u>								
Enhanced and Specialist Support	897	897	897	897	897	897	897	6,277
Sub total	897	897	897	897	897	897	897	6,277
Total Prime Sub-Contracts	13,581	13,581	13,581	13,581	13,581	13,581	13,581	95,067

Total Prime Contract (Excluding CQUIN)	51,921	51,921	51,921	51,921	51,921	51,921	51,921	363,445
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Table 3 - Council and CCG Commissioned services from 1st April	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	£000	£000	£000	£000	£000	£000	£000	£000
Enhanced and Specialist Support	4,201	4,201	4,201	4,201	4,201	4,201	4,201	29,408
Regaining Health and Independence (Early Intervention and Targeted)	14,412	14,412	14,412	14,412	14,412	14,412	14,412	100,883
Total	18,613	18,613	18,613	18,613	18,613	18,613	18,613	130,291
Community Services In-Scope Total	70,534	70,534	70,534	70,534	70,534	70,534	70,534	493,736

Prime Provider Financial Risk and Benefits

To support the implementation and delivery of service improvements a key priority is to have a documented and jointly agreed mechanism that allows for system benefits to be identified, realised and re-invested where possible.

The Prime Provider will work collaboratively with commissioners to ensure that value for money is achieved and funding can be directed to priority areas of service provision.

The following principles will apply to contract financial risks and benefits

- The Prime Provider and commissioners will work together to identify and agree areas of opportunity that may create financial and non-financial efficiency.
- If savings are delivered above the planned levels these will be held in a risk pool and considered for re-investment ring fenced to invest in activities that meet the agreed outcomes of the Prime Provider contract.

- The Prime Provider will take on financial risk for areas where they have direct influence of the mechanisms required for mitigation allowing the flexibility to manage funding within the contract envelope.
- Activity and funding levels will be jointly reviewed and agreed to ensure that robust and relevant contract monitoring and performance measures can be put in place.

Investments and Savings

Virgin Care has a long history of enabling transformation across community delivered services. They have used this experience to forecast the key investment lines and amounts required to deliver this contract.

These investments can be summarised as:

- Infrastructure – IM&T hardware and software (subject to expected asset transfer), Care Coordination Centre and care navigation. This includes all supporting technologies such as the integrated records system (Lumira), DOS, CMS and supporting clinical systems plus support for virtual wards;
- People – development of new roles, workforce development and upskilling, development of the non-contracted workforce i.e. volunteers;
- Community support – VCSE innovation fund, early help and digital counselling;
- Transformation – service redesign expertise, pathway development, community service investment and mobilisation.

Virgin Care recognises that at this stage values and timing expressed for investments and savings are indicative with full work up into business cases required as part of Virgin Care due diligence. It is anticipated that these investments will be funded by Virgin Care and recovered from future year savings.

Prime Provider Health & Care System Risk & Gain

Purchased Care Transformation

Through delegated responsibility the Prime Provider will have the responsibility for carrying out the statutory Social Care function and Continuing Healthcare assessments; this includes care planning and the commitment of funding for packages of care.

To allow the Council and CCG to meet the cost of increasing demand a number of proposals are being taken forward to build on best practice approaches that have supported service delivery and delivered financial benefits.

The Prime Provider will be a delivery partner to help manage the service change required to support the financial planning objectives, this will be supported by a risk sharing agreement covering the following principles:

- Joint Commitment to implement the design and delivery of the savings opportunities approved through the financial planning process
- Commitment to support the achievement of financial planning targets held by the Council and CCG for Council and CCG retained purchased care budgets
- Create financial incentives that allow re-investment where in year savings above target are realised
- Where applicable manage the re-investment of in year benefits through the transfer of savings into a risk pool that is jointly governed by the Commissioner and Prime Provider

Non-elective reductions

Through the B&NES Better Care Fund plan there is a joint commitment to develop our community services care offer to help people meet their care needs in an independent community setting. This will help reduce the dependency on secondary care services through responsive community health and care that will reduce hospital non-elective admissions.

The Prime Provider has identified savings opportunities in reducing the current cost of hospital non-elective admissions. As the activity or intervention in one care setting will lead to an activity reduction and financial benefit in another care setting the following principles to risk and benefit sharing will apply:

- Partnership wide agreement will need to be in place to allow money to be re-directed when benefits are realised
- Mechanisms will need to be in place to monitor the benefits and activity reductions of care being delivered in alternative settings

- Approved system wide savings plans will need to release financial benefits back to the Commissioner to prevent spending the same pound twice
- When savings realised are above planned levels they will be held with partners for reinvestment
- Commissioners and providers will need to agree the process to allow the release of system wide savings for investments

8.4 Payment mechanisms

Payment Mechanism 2017/18 Contract

Once the financial operating model has been agreed the contract payment method will need to be finalised on the approval of the full business case and supporting contract.

This will cover the following for the Prime Provider payment:

- Core prime functions
- DPS contract payments
- CQUIN payments
- Performance based payment mechanisms

At this stage it is recommended that core prime functions are paid through a block contract supported by a commissioner and prime provider risk share agreement which sets out priority areas of service transformation, with operational and financial efficiency targets.

The frequency of the CCG to Council payment will be monthly into the pooled budget; this is in line with NHS planning guidance. This will not give rise to any material treasury implications for the Council as this will be a pass through payment to the Prime Provider.

For any demand driven services that are paid through a variable payment mechanism to the Prime Provider; the 2017/18 contract value and funding transfer will be subject to both Prime Provider and Commissioner reviewing and jointly agreeing anticipated activity levels and unit prices.

The DPS contract payments will be subject to the revised contract terms put in place between the prime provider and sub-contractor. Until these contract agreements are in place payments will be made under current terms by the commissioning organisation.

CQUIN payments will be made in line with NHS planning guidance and agreed by the commissioner and prime provider.

Any performance based payment mechanisms will be supported by contractual mechanisms between commissioner and prime subject to joint agreement of activity data, KPI's and the financial quantum.

8.5 Taxation

Commissioner VAT Implications

Under the proposed financial operating model careful consideration will need to be given to compliance with VAT accounting requirements. The detailed VAT implications of pooled budgets are subject to ongoing discussion at the National CIPFA VAT committee where B&NES Council is well represented.

The treatment of VAT in the pooled budget proposal will not expose either organisation to any undue risk as both organisations will maintain joint control and apply net accounting for pooled budget contributions. This will result in each organisations financial statement reporting their contribution and expenditure separately.

For the CCG funded services HMRC has indicated that the NHS VAT accounting requirements will apply where the statutory obligation to provide the services lies within the CCG.

For Council funded services where VAT is applicable to purchases under its statutory obligation the VAT will be recoverable under Section 33, VAT Act 1994, this will not have a negative impact on the Council's partial exemption position.

Prime Provider Tax implications

Virgin Care is registered and incorporated in the UK and meets its UK tax obligations. A full financial assessment including legal compliance of tax arrangements has been completed and Virgin Care is fully compliant. This assessment has also provided assurance around Virgin Care's financial viability.

9 Recommendation

The governing bodies of the CCG and the Council are asked to consider the following three options. Option 3 is the recommended option.

Option 1: Do nothing

The CCG and the Council recognise that the creation of a prime provider for community services is a bold and transformational step. However, services cannot continue to be delivered in the same way because in the long term this is unaffordable, unsustainable and, most importantly, will not deliver the preventative, collaborative and personalised service that local people and professionals have asked for. Also a significant proportion of contracts will expire on 31 March 2017.

Option 2: Work with existing providers to deliver our priorities

There are many strengths in existing community services locally with strong examples of innovation and partnership working. These include services that have won awards and plaudits from patients, families, carers and communities. Despite this, the way services are currently arranged does not create optimal conditions for the delivery of integrated, personal and sustainable community services.

The system complexity impacts on a range of areas particularly for people with the most complex needs where a seamless integrated community system is crucial to their care. Examples include: differing clinical and social policies and organisational governance systems; differing record keeping systems and Information Technology; and many challenges for patients navigating their way through the complex system.

It is also important to recognise that the CCG and the Council are governed by EU procurement law and the Public Contract Regulations 2015. The CCG is further bound by the Procurement, Patient Choice and Competition Regulations 2013. The regulations permit a number of ways in which services can be commissioned, but in each case they require the publication of a call for competition and the conduct of a fair and transparent process prior to the award of the contract.

Option 3: Confirm intent to award to Virgin Care [RECOMMENDED]

Under this option, a specified new model of care would be commissioned to start in April 2017 in line with the outcome of the procurement process.

The service model proposed by Virgin Care is based upon the priorities identified through engagement and consultation with local people and professionals. In addition, the demographic and financial challenges faced by health and care services both locally and nationally have made the current service model unsustainable.

Virgin Care has been selected as preferred bidder because they have an ambitious but realistic plan for transforming local services so that people experience care that is more personalised, more coordinated and focussed on prevention and self-care.

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Evaluation Panel

Overview

In total, approximately 50 evaluators were involved in the evaluation of bids and undertook formal training in order to do so. Each member of the evaluation panel was also required to sign conflict of interest and confidentiality form prior to the evaluation of bids. The procurement team gave the need for confidentiality a high profile throughout the evaluation process.

As part of the evaluator training and evaluator guidance supplied, equity of treatment between bidders was noted as a key principle to be abided by. The ITN stages of the procurement focused on the bidders' intentions for future service provision rather than current service provision. Exactly what evaluators could, and could not, take account of in terms of their assessments was made clear at all stages.

Each member of the evaluation panel carried out an independent evaluation of their specific part of the final submissions according to the scoring criteria sent out to Bidders. These scores were then collated and reviewed within moderation meetings with panel members.

The meetings enabled the panel to challenge and review the scores awarded by each evaluator to ensure that scoring had been consistent and key points in each evaluation area had been accounted for. Each evaluator was asked to provide a documented rationale or comment for their original score for each area or of evaluation. The aim of the meetings was to reach a consensus score for each evaluated question.

Roles

The evaluation panel, chaired by a senior member of the NHS South, Central & West Commissioning Support Procurement Team, consisted of subject matter experts from the CCG, the Council, GPs, and, Community Champions (experts through experience, service users and carers). The wide range and experience of evaluators helped to ensure a robust and thorough evaluation process. In addition to the group of Community Champions that were involved in the evaluation, the following key roles contributed to the evaluation process;

Finance

Chief Accountant
Finance & Resources Manager
Finance Manager
Group Accountant - Adult Social Care
Strategic Finance Business Partner

Information Governance and IT

Chief Information Officer
Corporate Governance & Planning Officer
Data Analyst
Head of IT Services
Information Governance Managers
Liquid Logic Programme Manager
Research & Intelligence Manager

Commissioning

Child Health Commissioning Project Manager
Children's Continuing Care Nurse Manager
Commissioning & Contracts Officer
Commissioning and Development Manager, Children and Young People, Public Health
Commissioning Managers
Contracts & Commissioning Officers
Contract Managers
Contracts, Quality Performance & Assurance Lead
Deputy Head of Adult Safeguarding and Quality Assurance
Designated Nurse Safeguarding Children & Integrated Quality
Director of Nursing and Quality
Head of Safeguarding and Quality Assurance
Performance Manager
Provider Performance Lead
Principle Social Worker
Public Health Speciality Registrar
Quality Assurance and Patient Safety Nurse
Senior Commissioning Managers
Senior Manager for Quality & Patient Safety
Supporting People & Communities Manager
Supporting People Manager
Transformation and Strategic Planning Manager
Urgent Care Network Programme Lead
Adult Safeguarding Nurse
Assistant Director, Health Improvement Public Health Department

Other

Communications Manager

GP's

Head of Communications

Human Resources Leads

Project Management Office Lead

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FBC Appendix 2: Impact Assessment

**Bath & North East
Somerset Council**

NHS
**Bath and North East Somerset
Clinical Commissioning Group**

**Combined Tool:
Equality Impact Assessment / Equality Analysis
Quality Impact Assessment Tool
Privacy Impact Assessment Tool**

Please refer to the combined guidance document for any assistance in completing this (Appendix 1)

Title of service or policy	Your Care Your Way – Community Services Review
Name of directorate and service	B&NES Council, People and Communities Directorate and BaNES CCG Commissioning
Name and role of officers completing the Impact Assessments	Senior Commissioning Manager Information Governance manager Assistant Director of Nursing and Quality Equalities Lead
Date of assessment	October 2016

Equality Impact Assessment

Equality Impact Assessment (or 'Equality Analysis') is a process of systematically analysing a new or existing policy or service to identify what impact or likely impact it will have on different groups within the community. The primary concern is to identify any discriminatory or negative consequences for a particular group or sector of the community. Equality impact Assessments (EIAs) can be carried out in relation to service delivery as well as employment policies and strategies.

This toolkit has been developed to use as a framework when carrying out an Equality Impact Assessment (EIA) or Equality Analysis on a policy, service or function. It is intended that this is used as a working document throughout the process, with a final version including the action plan section being published on the Council's and NHS Bath and North East Somerset's websites.

The Quality Impact Assessment Tool

This involves an initial assessment (stage 1) to quantify potential impacts (positive or negative) on quality from any proposal to change the way services are commissioned and/or delivered. Where potential negative impacts are identified they should be risk assessed using the risk scoring matrix to reach a total risk score.

Quality is described in 6 areas, each of which must be assessed at stage 1. Where a potentially negative risk score is identified and is greater than (>) 8 this indicates that a more detailed assessment is required in this area. All areas of quality risk scoring greater than 8 must go on to a detailed assessment at stage 2.

Privacy Impact Assessment

Privacy impact assessments (PIAs) are a tool that you can use to identify and reduce the privacy risks of your projects. A PIA can reduce the risks of harm to individuals through the misuse of their personal information. It can also help you to design more efficient and effective processes for handling personal data

1.	Identify the aims of the policy or service and how it is implemented	
	Key questions	Answers / Notes
1.1	Briefly describe purpose of the service/policy including <ul style="list-style-type: none"> • How the service/policy is delivered and by whom • If responsibility for its implementation is shared with other departments or organisations • Intended outcomes 	As the prime provider Virgin Care will be providing community health and adult social care services as an integrated model for Children , Young People and Adults in B&NES. Virgin Care will be responsible for the management and delivery arrangements of services within the scope of the contract . Virgin Care will deliver services by suitably qualified and registered practitioners who are professionally registered under statute. The ' services' will be delivered in a variety of locations across B&NES that include homes , Children's Centres , Early Years Settings , YOT services , day centres, community centres, schools, hospitals , GP

		<p>surgeries and other venues to meet the requirements of the people receiving care within Bath and North East Somerset . We will work in partnership with other providers whose care supports and contributes to the health and care outcomes of the people in Bath and North East Somerset.</p> <p>Services will be resilient and sustainable and will provide care and support across the whole life course to meet the overarching outcome that 'All people in Bath and North East Somerset enjoy good health and well-being "</p>
1.2	<p>Provide brief details of the scope of the policy or service being reviewed, for example:</p> <ul style="list-style-type: none"> ● Is it a new service/policy or review of an existing one? ● Is it a national requirement?). ● How much room for review is there? 	<p>'Your Care, Your Way' is a bold and ambitious redesign of community health and care services for children, young people and adults, commissioned jointly by Bath & North East Somerset Council and NHS Somerset Clinical Commissioning Group (BaNES CCG) to meet improved health and care outcomes for the people of Bath and North East Somerset</p> <p>Recent policy changes and guidance –NHS 5 Year Forward View, and the Better Care Fund - has given permission to commissioners in both health and social care to explore ways of doing things differently. Both nationally and locally there is renewed interest in finding new ways to integrate services to deliver better health and care outcomes for the people of B&NES .</p>
1.3	Do the aims of this policy link to or conflict with any other policies of the CCG?	<p>The issues set out in this report link to the following Organisational Objectives:</p> <ul style="list-style-type: none"> • Improving quality, safety and individuals experience of care • Improving consistency of care and reducing variation of outcomes • Providing proactive care to help people with complex care needs • Creating a sustainable health system within a wider health and social care partnership • Empowering and encouraging people to take personal responsibility for their health and wellbeing • Reducing inequalities and social exclusions and supporting our most vulnerable groups • Improving the mental health and wellbeing of our population

2. Consideration of available data, research and information

Monitoring data and other information should be used to help you analyse whether you are delivering a fair and equal service. Please consider the availability of the following as potential sources:

- **Demographic** data and other statistics, including census findings
- Recent **research** findings (local and national)
- Results from **consultation or engagement** you have undertaken
- Service user **monitoring data** (including ethnicity, gender, disability, religion/belief, sexual orientation and age)
- Information from **relevant groups** or agencies, for example trade unions and voluntary/community organisations
- Analysis of records of enquiries about your service, or **complaints** or **compliments** about them
- Recommendations of **external inspections** or audit reports

	Key questions	Data, research and information that you can refer to
2.1	What is the equalities profile of the team delivering the service/policy?	This is not information we currently request from all services but Commissioners will request a breakdown through the new commission once the service has started and review on an annual basis.
2.2	What equalities training have staff received?	Details on compliance with mandatory training is requested through the organisation not service specific. Commissioners will request a breakdown through the new commission once the service has started and review on an annual basis
	What is the equalities profile of service users?	Key information about the local population is as below: Census 2011 showed resident population to be 179,900 whilst the registered population is almost 20,000 higher. <ul style="list-style-type: none"> • Working age population is approximately 50% of B&NES • 20% of population is over 65, this proportion is increasing with

		<p>time.</p> <ul style="list-style-type: none"> Population structure is similar to England but much larger % of 20-24 yr olds. The Office of National Statistics (ONS) projects that the population of B&NES will increase to 198,800, by 2026. This increase is expected to be mainly in the older age groups; in particular the 80+ population is projected to increase by 40% from 9,900 in 2010 to 13,900 in 2026. <p>Gender;</p> <ul style="list-style-type: none"> The gender profile remains largely consistent compared to previous years, with a 49%/51% male/female split. <p>Age;</p> <ul style="list-style-type: none"> The age profile is also largely consistent with the UK as a whole, except for the 20-24 age range which is higher than average and represents the significant student population in the area. The population increase – as above - is expected to be mainly in the older age groups; in particular the 80+ population is projected to increase by 40% from 9,900 in 2010 to 13,900 in 2026 <p>Ethnicity;</p> <ul style="list-style-type: none"> B&NES is less ethnically diverse than the UK as a whole but more so than the South West. 88% of residents are likely to define their ethnicity as White British. 'White other' (3.66%) is the most significant non-white British ethnicity by volume which is likely to include EU Accession state residents followed by "Asian Indian" (1.97%), "Other ethnic background" (0.96%) and "Black African" (0.9%) . <p>Disability</p> <ul style="list-style-type: none"> Consistent with the regional trend, from 2002-2008, the
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		<p>percentage increase in DLA claimants in B&NES(34%) was considerably higher than the national average (23.4%).</p> <ul style="list-style-type: none"> An estimated 7% of population (8603) aged 18-64 has a moderate physical disability and 2% (2507) have a serious physical disability. An approximate increase of 6% in the number of people with physical disabilities is expected by 2030. Estimates of sensory impairment suggest 12% of the adult population have moderate or severe hearing loss (in line with the South West and England) Estimates suggest that approximately 2.6% of the adult population have a visual impairment. <p>Sexual Orientation</p> <ul style="list-style-type: none"> The 2011 census did not include a question on sexual orientation. There was a question on civil partnership and in B&NES 0.2% of the population (309 people) stated that they were in a registered civil partnership. It is estimated that approximately 7% of the population are Lesbian, Gay or Bisexual. In B&NES this would mean a figure of around 12,000 people
2.4	What other data do you have in terms of service users or staff? (e.g. results of customer satisfaction surveys, consultation findings). Are there any gaps?	The completeness of equalities data held across all the currently commissioned services varies. The commissioning process is designed to embed the requirement to monitor performance of equalities across the entire service contract.
2.5	What engagement or consultation has been undertaken as part of this EIA and with whom? What were the results?	<p>The review was launched at Bath Assembly Rooms on 29 January 2015 to an audience of over 200 providers and service users. Since then, a wide ranging programme of engagement work has taken place to understand people's experiences of community services and to collect their ideas for how these services could be improved in the future.</p> <p>The CCG and the Council identified a range of stakeholders that could be affected by or have an opinion on the review of community services. This process began by breaking down the local population into specific categories in order to tailor our engagement methods in</p>

		<p>the most effective way and to ensure that seldom heard groups were not excluded from participating in the review and sharing their valuable experiences.</p> <p>Having identified these key demographic groups we then mapped out the key organisations and professionals that are involved in the provision of community services and could help us reach these groups. We also encouraged stakeholder to contact us to provide any further details of organisations that should be involved in the review.</p> <p>Full details of the stakeholder categories and key organisations are provided in the YCYW Phase One engagement report.</p>
2.6	If you are planning to undertake any consultation in the future regarding this service or policy, how will you include equalities considerations within this?	<p>The Phase 2 consultation ran from 10th September to 30th October 2015 and further consultation will be delivered throughout the transition period.</p> <p>A key objective of our communication strategy during this phase is to ensure that all identified stakeholder groups (particularly seldom heard groups) are given the opportunity to contribute to the consultation and their views are fairly and proportionally represented in the final analysis of the data.</p>

3. Assessment of impact: 'Equality analysis'

	Based upon any data you have considered, or the results of consultation or research, use the spaces below to demonstrate you have analysed how the service or policy: <ul style="list-style-type: none"> Meets any particular needs of equalities groups or helps promote equality in some way. Could have a negative or adverse impact for any of the equalities groups 		
		Examples of what the service has done to promote equality	Examples of actual or potential negative or adverse impact and what steps have been or could be taken to address this
3.1	Gender – identify the impact/potential impact of the policy on women and men.	<p>Virgin Care has developed a 5 year Diversity & Inclusion (D&I) strategy which encompasses all the facets of diversity.</p> <p>The organisation together with other Virgin Companies on the 8th March 2016 participated in International Woman's Day (IWD) to promote gender equality. The gender equity pledge is a World Health Organisation (WHO) initiative where companies have been requested to sign up to one of five specific pledges with a view to address gender equity globally. The pledges are:</p> <p>Help women and girls achieve their ambitions Challenge conscious and unconscious bias</p> <ul style="list-style-type: none"> Call for gender balanced- 	<p>The D&I strategy includes action measures to continue to address gender inequality at each management level through our talent management and succession planning processes.</p> <p>There is a gender disparity in nursing roles where 80% of nursing colleagues are female. Virgin Care are committed to focusing on recruiting male nurses for the future and are broadening recruitment campaign activity to include attending open days at universities and schools.</p> <p>Virgin Care has also identified a possible untapped pool of talent among unpaid carers and are furthering recruitment activity in this area through volunteering strategy plans. We are focusing on</p>

		<p>leadership</p> <ul style="list-style-type: none"> • Value women and men's contribution equally • Create inclusive and flexible cultures <p>The Executive sponsor for D&I signed up to all the gender parity pledges together with a number of other senior managers as a clear example of gender equality intent.</p> <p>Our Executive Team has a 50/50% split between males and females which again shows senior management intent to ensure that gender parity is maintained.</p>	<p>colleagues voluntarily giving their time to help young people in their service communities to encourage interest in transferable of skills from caring to healthcare which in turn feeds the recruitment pipeline.</p>
3.2	Pregnancy and maternity	<p>Virgin Care has a fair and equitable leave policy which covers paternity, maternity, pregnancy rights, adoption rights and special days leave.</p> <p>Our colleagues and our customers also have access to the work we do with First Steps Surrey – our mental health specialist service who promote a host of information about mental health during or after pregnancy. This covers anxiety, depression, the baby blues and postnatal depression. The information can be accessed in leaflet form, online or over audio podcasts. They also offer a specific 'Man Zone' to support our male</p>	<p>No recognised adverse or negative impact noticed, however, there is a plan of action to impact assess all policies to ensure that LGBT, married/ civil partnership colleagues rights are not discriminated against especially around adoption rights/ days off need.</p>

		colleagues and customers through times of difficulty too.	
3.3	Transgender – – identify the impact/potential impact of the policy on transgender people	<p>Virgin Care's 5 year Diversity & Inclusion strategy includes mental health support for LGB and Transgender colleagues.</p> <p>Virgin Care has a colleague wellness platform that specifically focuses on My Mind, My Body and My Community. There are many areas, particularly in the My Mind section that cover many aspects of mental health support including those that may affect Transgender individuals such as depression, anxiety and low mood among others.</p> <p>We work in partnership with First Steps Surrey, our specialist mental wellbeing support service who help us to develop information packs and promote the importance of the wellbeing of the mind.</p> <p>We have an in house bespoke training programme called Mind Coach that has been developed by one of our Clinical Psychologists, who focuses on Positive Psychologist. The programme helps</p>	We are committed to ensure all our policies, training or service provision is impact assessed so that LGBT colleagues are not impacted negatively

		<p>colleagues build resilience and mental strength among other techniques.</p> <p>We also offer open access to an Employee Assistance Program (EAP) where colleagues can self-refer into a telephone hotline for impartial anonymous advice 24/7.</p> <p>Partnership working is important for Virgin Care and we actively seek to work with Stonewall to ensure that our LGBT colleagues are engaged and feel that they can bring their whole selves to work.</p> <p>Virgin Care is also working with other Virgin Companies on mental health support issues and has raised awareness through the participation in London Pride in June 16.</p>	
3.4	Disability - identify the impact/potential impact of the policy on disabled people (ensure consideration both physical and mental impairments)	<p>The Virgin Care D&I strategy includes providing disability training for senior leaders (Dining with a difference events, which are specific senior manager training sessions to raise awareness around disability issues) and this specific training is planned for 2017.</p> <p>In addition, our Occupational Health</p>	No potential negative or adverse impact identified to date, but we are committed to impact assess all policies, services, etc that may impact on disability.

		<p>provider helps with reasonable adjustment advice to support colleagues with disability/impairment issues.</p> <p>As described in 3.3, we also offer open access to an Employee Assistance Program (EAP) where colleagues can self-refer into a telephone hotline for impartial anonymous advice 24/7.</p> <p>Our colleague wellness platform (see 3.3) covers many aspects of mental health support including those that may affect individuals with physical or mental disabilities such as depression, anxiety and low mood among many others. The site also hosts an area for living with long term conditions and feeds into our occupational health service.</p> <p>The wellness platform also boasts the My Body area where colleagues can utilise 100's of video programmes that include mindfulness, breathing, stress, physical workouts (including seated workouts), and posture among many more. The D&I section on the site within the My Community sphere hosts a calendar of events and depicts the impact these events may have on colleagues. Within here we</p>	
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		<p>highlight many events and awareness campaigns around physical and mental impairments.</p> <p>These are also sporadically highlighted through our wider communication channels for colleagues who do not wish to use the wellness platform.</p> <p>As outlined in 3.3 colleagues have access to the Mind Coach training programme to work on building resilience and mental strength among other techniques. Our collaborative work with First Steps (outlined in 3.3) also assists in the psychological support we offer colleagues and customers with disabilities.</p> <p>We are also working with other Virgin Companies to assess how we can powerfully collaborate as a set of companies to support disability from a group wide perspective.</p>	
3.5	Age – identify the impact/potential impact of the policy on different age groups	The Virgin Care D&I strategy also covers age disparity and specific emphasis is in place to support managers around their recruitment and selection activity to ensure the workforce is representative of all age groups.	Our May, Have Your Say (staff survey) engagement score for age group 40+ has shown lower than average scores. Focus groups have been set up to identify the deeper underlying reasons for the lower engagement score across the

		<p>An example of this is activity focused on recruiting young people and providing work experience</p> <p>Age as a part of our D&I strategy also directly impacts our emphasis on unpaid caring responsibilities and how we support that community.</p> <p>Carers Club (www.carersclub.org) our dedicated resource for unpaid carers in the UK (both our colleagues and our customers) provides information, support and advice for carers. This includes a support area on balancing life and care and balancing work and care. Our commitment to evolving the organisation in an inclusive way means we have put in place clear training solutions, largely due to technology developments, which are accessible in a wide variety of learning options. Audio, video, written and drop in sessions are now all part of the learning frame at Virgin Care which is a development to suit all ages and learning preferences.</p> <p>Our collaborative work with First Steps (outlined in 3.3) also assists in the psychological support we offer to our aging population and covers the</p>	<p>organisation. There will be target action as a result of the deeper analysis to ensure the engagement score target of 3.80/5 is reached.</p>
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		mental wellbeing aspect of growing older. This includes work around isolation and loneliness.	
3.6	Race – identify the impact/potential impact on different black and minority ethnic groups	<p>The Virgin Care D&I strategy includes ensuring that the company is representative of the population it serves including in having a representative management structure.</p> <p>Our BME colleagues engagement score of 3.86/5 is higher than the organisational average score of 3.72/5</p> <p>To this end, the organisation is actively promoting BME support programmes as well as developing its own nurse development leadership programme for BME band 5/6 colleagues in partnership with the RCN.</p> <p>The organisation is participating in Black history month in October 16 and will set up a BME network as part of the wider business D&I council.</p>	The potential negative impact is on customer services and D&I forms part of feel the difference training for front line colleagues going forward.
3.6	Sexual orientation - identify the impact/potential impact of the policy on lesbians, gay, bisexual & heterosexual people	See transgender tab above 3.3	See transgender tab above 3.3

3.7	Marriage and civil partnership – does the policy/strategy treat married and civil partnered people equally?	See tab above 3.2	See tab above 3.2
3.8	Religion/belief – identify the impact/potential impact of the policy on people of different religious/faith groups and also upon those with no religion.	The Wellness platform (see 3.3) will help raise awareness of all religious/ faith groups together with other diversity type events in the D&I calendar. The organisation will be celebrating or participating in many of these events, which will be highlighted through both the platform and our wider communication channels. This will further provide a helpful knowledge resource for the organisation and help managers better integrate their teams to appreciate and respect difference in a more measured manner.	<p>The D&I calendar will form part of the customer services / feel the difference training for front line colleagues to increase knowledge on cultural/ religious/ faith groups. This will be skills based to help colleagues help their customers feel the difference as they enter our services.</p> <p>To mitigate risk we will be encouraging colleagues to request additional events or faith holidays / celebrations to be added to the D&I calendar. Each will describe what the event / celebration or holiday is and how it may affect team colleagues or customers throughout.</p>
3.9	Socio-economically disadvantaged – identify the impact on people who are disadvantaged due to factors like family background, educational attainment, neighbourhood, employment status can influence life chances	The Virgin Care D&I strategy includes working with service design colleagues to ensure that diversity socio-economic aspects of the local population are taken into consideration. This will ensure that all services are fit for purpose; welcoming and meeting the individual's needs.	See potential initiatives as demonstrated in previous column.

		<p>Virgin Care recognises it has a social responsibility, and this includes educational provision:</p> <p>This may be through providing opportunities for carers in association with Carers Club (www.carersclub.org), our dedicated resource to unpaid carers in the UK. Or, it may be through developmental recruitment opportunities through 'Strive2Thrive' type initiatives.</p> <p>Strive2Thrive is all about working with local schools to support school leavers to enter the world of work, whilst at the same time readying them for all that life post-school brings (including our input on health and wellness responsibilities as well as encouraging the interest in a healthcare profession). This double approach also provides volunteering opportunities to Virgin Care colleagues cultivating their own development.</p> <p>We are committed to active recruitment from the local economy to enhance social/ economic mobility in the future as well as work experience opportunities and apprentice schemes.</p>	
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3.10	<p>Rural communities – identify the impact / potential impact on people living in rural communities</p>	<p>As mentioned above the D&I strategy will include service design implications and how hard to reach rural communities may be identified and reached in terms of service provision.</p> <p>All areas of community diversity issues will be considered and service provision will be formulated around the identified community requirements. This could include rural communities with specific carer responsibilities that will be supported by our dedicated carer resource Carers Club.</p> <p>Our provision of materials, information and CBT style resources for mental wellbeing associated with loneliness and isolation is also available to both our colleagues and our customers.</p>	<p>See potential initiatives as demonstrated in previous column</p>
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Bath and North East Somerset Clinical Commissioning Group: Quality Impact Assessment Tool

Overview

This tool involves an initial assessment (stage 1) to quantify potential impacts (positive or negative) on quality from any proposal to change the way services are commissioned and/or delivered. Where potential negative impacts are identified they should be risk assessed using the risk scoring matrix to reach a total risk score.

Quality is described in 6 areas, each of which must be assessed at stage 1. Where a potentially negative risk score is identified and is greater than (>) 8 this indicates that a more detailed assessment is required in this area. All areas of quality risk scoring greater than 8 must go on to a detailed assessment at stage 2.

Scoring

A total score is achieved by assessing the level of impact and the likelihood of this occurring and assigning a score to each. These scores are multiplied to reach a total score.

The following tables define the impact and likelihood scoring options and the resulting score: -

LIKELIHOOD		IMPACT	
1	RARE	1	MINOR
2	UNLIKELY	2	MODERATE / LOW
3	MODERATE / POSSIBLE	3	SERIOUS
4	LIKELY	4	MAJOR
5	ALMOST CERTAIN	5	FATAL / CATASTROPHIC

Risk score	Category
1 – 3	Low risk (green)
4 – 6	Moderate risk (yellow)
8 – 12	High risk (orange)
15 – 25	Extreme risk (red)

A fuller description of impact scores can be found at appendix 1.

LIKELIHOOD	IMPACT				
	1	2	3	4	5
	1	2	3	4	5
	2	4	6	8	10
	3	6	9	12	15
	4	8	12	16	20
	5	10	15	20	25

Please take care with this assessment. A carefully completed assessment should safeguard against challenge at a later date.

Stage 1

The following assessment screening tool will require judgement against the 6 areas of risk in relation to Quality. Each proposal will need to be assessed whether it will impact adversely on patients / staff / organisations. Where an adverse impact score greater than (>) 8 is identified in any area this will result in the need to then undertake a more detailed Quality Impact Assessment. This will be supported by the Clinical Quality & Nursing team.

Answer positive/negative (P/N) in each area. If N score the impact, likelihood and total in the appropriate box. If score > 8 insert Y for full assessment

Area of Quality	Impact question	P/N	Impact	Likelihood	Score	Full Assessment required
Duty of Quality	Could the proposal impact positively or negatively on any of the following - compliance with the NHS Constitution, partnerships, safeguarding children or adults and the duty to promote equality?	P				
Patient Experience	Could the proposal impact positively or negatively on any of the following - positive survey results from patients, patient choice, personalised & compassionate care?	P				
Patient Safety	Could the proposal impact positively or negatively on any of the following – safety, systems in place to safeguard patients to prevent harm, including infections?	P				
Clinical Effectiveness	Could the proposal impact positively or negatively on evidence based practice, clinical leadership, clinical engagement and/or high quality standards?	P				
Prevention	Could the proposal impact positively or negatively on promotion of self-care and health inequality?	P				
Productivity	Could the proposal impact positively or negatively on - the best	P				

Area of Quality	Impact question	P/N	Impact	Likelihood	Score	Full Assessment required
and Innovation	setting to deliver best clinical and cost effective care; eliminating any resource inefficiencies; low carbon pathway; improved care pathway?					
Vacancy impact	Could the proposal impact positively or negatively as a result of staffing posts lost?	N	4	2	8	No
Resource Impact	Could this proposal impact positively or negatively with regard to estates, IT resource, community equipment service or other agencies or providers e.g. Social care/voluntary sector/District nursing	N	2	4	8	No

Rationale

Our plans for Community Services are to further improve continuity in care for the population of BaNES by making their health and social care more seamless and less transactional. This will mean that our services will be streamlined to prevent duplication in assessment and will operate in a single team manner.

We anticipate that this approach will mean that care will be much easier to understand and to navigate for people and professionals. Core attributes of the service that will be provided under the new model will be;

- Strengthened integrated multidisciplinary interventions and support providing wrap around care, for people with most complex needs.
- Closer working with the local community to develop community model
- Development of integrated health and social care teams at 'front door' of acute to prevent an admission and at 'back door' to facilitate timely complex discharges.
- Increased community led supported discharges by the community teams to proactively in reach and facilitate hospital discharge.
- These services will be provided via a single point of co-ordination and are complimented

A narrative of the key risks and mitigations follows below.

Safe Transfer

Virgin Care consider safe transfer to last up to the end of the first 100 days of service (July 2017), and during this period the priority for will be to ensure that all services have transferred safely and any challenges identified during transfer are resolved. Further priorities during transition include;

- Transfer to Virgin Care policies and procedures; this work will include establishing a new service-wide reporting framework, governance protocols and implementing new policies.
- Supporting the workforce; ensuring that colleagues transferring understand the vision of Your Care Your Way, and have a say in how the roadmap is developed. Immediate priorities are to identify training needs, a leadership and change programme.
- Working with partners; Virgin Care will be working over transition to support other health and care organisations, to support developments within the STP and to start to integrate data of other providers with their own.
- ‘Deep dives’ of high priority areas; identified during due diligence services that require further assessment of pathways will be prioritised for redesign and any urgent remedial actions undertaken
- Communication; establishing the ‘citizens panel’ that will be the forum for ongoing engagement will take place during transition and terms of reference agreed locally.

The speed at which co-commissioning arrangements are developed and the commissioner delegates some functions and responsibilities to the Prime Provider must be balanced against our assurance that the arrangements are appropriate and robust. Also, against our assurance and confidence in the Prime Provider’s state of readiness to take over some of these functions as ultimately the Council and CCG remain accountable for meeting the relevant statutory responsibilities and achievement of the high level outcomes and priorities for our population.

A dedicated mobilisation-team will be assigned to work with the services and the CCG and the Council, who focus on due diligence and the transition into and out of safe transfer. The team will oversee the mobilisation plan with clear milestones linked to a risk register to ensure the service is successfully operational within the agreed timeline. Commissioners will use an adapted Department of Health approved “Statement of Readiness” check, an organisational tool that is utilised for all services before they are launched.

Vacancy Impact

One of the key roles of a prime provider is to deliver transformational change that will reduce duplication and inefficiencies across the system. Virgin Care’s national scale allows them to make best use of technology and organisational infrastructure to support service delivery and free up more resources for direct care and support.

Ensuring a smooth transfer of staff eligible for TUPE is crucial for health and social care services in B&NES. Central to this will be open and honest communication with all stakeholders including staff representatives, the CCG and the Council.

During mobilisation, Virgin Care will ensure that all staff feel confident that their future lies with the new service, that they have a much-valued role in the new service and that they will continue to receive their pension and NHS, Council or existing terms and conditions. Virgin Care will engage with staff representatives, providing newsletter updates and a dedicated contact email. Once staff have safely, transferred, Virgin Care will run a series of engagement workshops, explaining the service vision and sharing the roadmap for service transformation.

Staff engagement will be continuous, open, informed and positive. Staff will play a vital role in changing and innovating service delivery and Virgin Care will encourage this through multiple channels. The approach to engaging with staff representatives to ensure an orderly and effective transition and includes:

- Initial meetings to introduce Virgin Care and to discuss any questions and concerns, particularly those regarding TUPE and continuation of current pensions and other terms and conditions
- Membership of the HR Project Management Group is offered and meeting notes and plans are shared for dissemination to staff more broadly
- Involvement in the induction planning group, policy group and staff survey development group
- Keeping representatives and staff informed of all decisions, changes and issues that will affect the workforce.

Clear and regular communication with staff will ensure that people feel engaged and involved in their service; Virgin will use a variety of methods to do this, including:

- A weekly in-house newsletter to inform staff about current activity in the business and motivate them through positive messages and celebration of successes.
- Executive Team 'back to the floor' visits, where Executives make visits to services and shadow staff members, as well as meeting teams and listening to concerns.
- Personal Development Plans are drawn up with each member of staff and provide a means for the staff member and their manager to review progress and to undertake individual objective setting.
- Virgin's Annual staff awards event provides a means by which they recognise the dedication and outstanding work of staff.
- The presentation of these awards forms a part of Virgin Care's annual Big Thanks staff event. As well as the social aspect of this annual event, there are presentations about the direction of the business, celebrations of achievements and case studies of different projects

Resource Impact

The Environment Team within Virgin Care is the specialised resource for the transfer and management of property, equipment and facilities, health and safety, fire safety and security. Virgin Care are fully conversant with the requirements of CQC Care Quality Outcome 10 Safety and Suitability of Premises, and legislation such as the Health and Safety at Work Act 1974 (as amended), Regulatory Reform Fire Safety (Order) 2005, Approved Codes of Practice and NHS Health Building Notes and Technical Memoranda (this is not intended as an exhaustive list.)

When mobilising the contract Virgin Care will carry out a risk assessment of the type of premises concerned. This will take into account:

- The type of activity to be carried out
- The age and condition of the premises
- The frequency of use
- Responsibility for maintenance and repair

Virgin Care will conduct due diligence on all premises considered for use to ensure they are fit for purpose in the delivery of care. The due diligence regime adopted is tailored to take into account the outcome of the risk assessment carried out. This is so Virgin Care can match the level of investigation to the level of risk that the premises present. In this way Virgin Care are able to ensure that they can discharge their statutory responsibilities.

Virgin Care carries out an initial due diligence exercise as part of the mobilisation process. This exercise includes:

- A site survey to review if the site is fit for purpose, to identify functional suitability and to see what equipment is located at each site against asset list
- A data gathering exercise to identify current compliance levels
- A health and safety audit of current equipment and operational procedures
- A discussion with the landlord to identify likely occupation basis and maintenance responsibilities

The due diligence process includes:

- A desk top survey and site visit(s) carried out by the Environment Manager
- On site audits by technical specialists (extent dependent on outcome of desktop survey)
- A mapping of existing structure and processes used for the reporting of building management and health and safety issues

During the due diligence process Virgin Care will collect the certification necessary to demonstrate statutory compliance and establish if the premises are fit for purpose and safe to use. Virgin Care will work with landlords to mitigate risks and establish the actions necessary to achieve compliance if there are gaps. Negotiations with the landlords during the mobilisation process will help to establish:

- The base from which to migrate over to Virgin Care operational processes and procedures
- Who will provide hard and soft facilities management services
- Whether Virgin Care need to provide any facilities management services
- Where gaps in compliance are identified, Virgin Care will work closely with the landlords to plan a course of action in order not to delay safe transfer of the service.

Necessary works will be undertaken once the due diligence process is complete and service mobilisation has commenced. The service will then go through a strict internal sign off process culminating in completion of a statement of readiness to 'go live'. Lease sign off will follow this process. During mobilisation, Virgin Care will appoint a service manager who will manage all reporting relationships. Their duties in relation to premises will include (but are not limited to);

- Raising and managing requests for reactive maintenance
- Agreeing schedules of access for planned preventative maintenance (ensuring that service disruption is minimised)
- Managing arrangements for securing the building
- Monitoring performance standards against agreed key performance indicators
- Managing elements of statutory compliance such as Fire Safety which includes arranging fire alarm tests and evacuation drills
- Ensuring all relevant Facilities Management, cleaning and maintenance contracts are in place.
- Implementing and localising health and safety policies which are provided by the Environment Team
- Ensuring staff are appropriately trained
- Ensuring that clinical waste consignment notes are received.

Privacy Impact Assessment screening questions

These questions are intended to help you decide whether a PIA is necessary. Answering 'yes' to any of these questions is an indication that a PIA would be a useful exercise. You can expand on your answers as the project develops if you need to.

PIA Screening Questions	Yes	No
Will the project involve the collection of new information about individuals?	Yes	
Will the project compel individuals to provide information about themselves?	Yes	
Will information about individuals be disclosed to organisations or people who have not previously had routine access to the information?		No
Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?		No
Does the project involve you using new technology that might be perceived as being privacy intrusive? For example, the use of biometrics or facial recognition.		No
Will the project result in you making decisions or taking action against individuals in ways that can have a significant impact on them?		No
Is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For example, health records, criminal records or other information that people would consider to be private.		No
Will the project require you to contact individuals in ways that they may find intrusive?		No

If you have answered yes to any of the questions above please complete the following template, you may find it helpful to refer to the guidance document which sets out the data protection principles

<p>Summarise why the need for a PIA was identified (from screening questions above)</p>	<p>Data utilised in compiling the needs analysis (NHS Number) and consultation outputs (postcode) may contain patient identifiable data. Individuals may also be required to share personal experiences of using services in BaNES should they choose to do so.</p>
<p>Describe the information flows: You should describe the collection, use and deletion of personal data here and it may also be useful to refer to a flow diagram or another way of explaining data flows. You should also say how many individuals are likely to be affected by the project</p>	<p>The wellness platform will store personal data that an individual loads on to the system themselves about their body, mind, community, and general wellness. The personal data/ flow is loaded by accessing the system using a dedicated username and password and will only be seen by the individual concerned as they track their wellness over a given period. The wellness platform once fully rolled out will be accessible by all colleagues.</p> <p>To utilise the Wellness Platform colleagues will need to input their first name, last name and email address. Colleagues will then be encouraged to fill in the profile which will ask for their gender, height, weight, waist size, date of birth, business unit (all voluntary input). They will then be encouraged to answer the questionnaire about their health and wellbeing.</p> <p>There are around 7000 staff who will be able to access the platform and is accessible via an opt in consensual basis. Additional locum or other sub-contracted staff will receive access to the platform to support them in their role should their manager wish.</p>
<p>Consultation requirements: Explain what practical steps you will take to ensure that you identify and address privacy risks. Who should be consulted internally and externally? How will you carry out the consultation? You should link this to the relevant stages of your project management process.</p>	<p>Staff involvement within the testing teams who voluntarily sign up to shape the future of the Wellness platform, workshops with colleague groups, communications survey and analysis with operational and corporate leads.</p> <p>A detailed user guide will be provided to assist individual</p>

<p>You can use consultation at any stage of the PIA process</p>	<p>colleagues on keeping their personal data safe. The system has been tested for privacy breaches and discussions are ongoing with our internal IG colleagues to ensure the system is 100% safe and there is no possibility for data breaches. The system is cloud based and normal IT/ internet protocols will apply similar to any cloud based system the organisation uses.</p>																			
<p>Identify the privacy and related risks: Identify the key privacy risks and the associated compliance and corporate risks. Larger-scale PIAs might record this information on a more formal risk register.</p>	<table><tr><th>Privacy issue</th><th>Risk to individuals</th><th>Compliance risk</th><th>Associated organisation / corporate risk</th></tr><tr><td>Username and passwords being hacked</td><td>Personal loaded data is at risk</td><td>Normal IT governance protocol to apply in the form of advice to users and governance</td><td>Cloud Based IT Risk</td></tr><tr><td>Data accessible to supplier organisation</td><td></td><td>A third party checklist completed with supplier and to be reviewed and approved by the Information Security Lead which will form the central PIA on the project</td><td></td></tr><tr><td></td><td></td><td>Access</td><td></td></tr></table>				Privacy issue	Risk to individuals	Compliance risk	Associated organisation / corporate risk	Username and passwords being hacked	Personal loaded data is at risk	Normal IT governance protocol to apply in the form of advice to users and governance	Cloud Based IT Risk	Data accessible to supplier organisation		A third party checklist completed with supplier and to be reviewed and approved by the Information Security Lead which will form the central PIA on the project				Access	
Privacy issue	Risk to individuals	Compliance risk	Associated organisation / corporate risk																	
Username and passwords being hacked	Personal loaded data is at risk	Normal IT governance protocol to apply in the form of advice to users and governance	Cloud Based IT Risk																	
Data accessible to supplier organisation		A third party checklist completed with supplier and to be reviewed and approved by the Information Security Lead which will form the central PIA on the project																		
		Access																		

		controls and training on the platform with supplier including audit spot checks			
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Identify privacy solutions:

Describe the actions you could take to reduce the risks, and any future steps which would be necessary (eg the production of new guidance or future security testing for systems).

Risk	Solution(s)	Result: is the risk eliminated, reduced, or accepted?	Evaluation: is the final impact on individuals after implementing each solution a justified, compliant and proportionate response to the aims of the project?
Security hack of personal data	Apply organisational guidance for managing usernames & passwords, access controls, network and information security. Suitable guidance and training where necessary and auditable facilities. Having a clear data confidentiality clause in the contract with Revital, which includes time frames to address any data security breach as well as clear actions to take and responsibilities	Risk is acceptable as it's the same as any cloud based web-based system.	It's a proportionate response to potential risks which due to the nature of the system security and guidance being issued to users

Sign off and record the PIA outcomes:

Who has approved the privacy risks involved in the project? What solutions need to be implemented?

Risk	Approved solution	Approved by
The project covers an opt in consensual platform on a cloud based, anonymised system $1 \times 3 = 3$ Likelihood is rare but with a serious impact. The result is a Low Risk scoring project	There will be a clear contract in place with the supplier	The project is going through approval via the IG Committee with sign off sought from the SIRO and Caldicott Guardian

Integrate the PIA outcomes back into the project plan:

Who is responsible for integrating the PIA outcomes back into the project plan and updating any project management paperwork?
Who is responsible for implementing the solutions that have been approved? Who is the contact for any privacy concerns that may arise in the future?

The Privacy Impact Assessment is completed by the project team with support from the Information Governance Team. All identified actions will have an owner which will need to be completed ahead of supply to the IG Committee where the PIA will need approval from the SIRO and Caldicott Guardian before the project can progress.

The PIA for this project is currently under review. Please find Virgin Care PIA draft document attached.



Wellness Platform
PIA V0.3.docx

Bath and North East Somerset CCG**Equality Impact Assessment/ Quality Impact Assessment and Privacy Impact assessment Improvement Plan**

Please list actions that you plan to take as a result of this combined assessment. The actions need to be built into your service planning framework. Actions/targets should be measurable, achievable, realistic and time framed.

Issues identified	Actions required	Progress milestones	Officer responsible	By when
Full and final PIA to be completed for the Wellness Platform	Project Team review	Complete	Project Team and IG Team	August 2016
Communication – ensure all projects identified	Project Team review	Complete	Project Team	August 2016
Review following preferred bidder due diligence	Review by subject matter experts	Complete	Project Team	October 2016
Complete Stage 2 review with full service level assessments if deemed appropriate	Review by subject matter experts. Alignments to Safe Transfer process	In progress	Project Team	December 2016

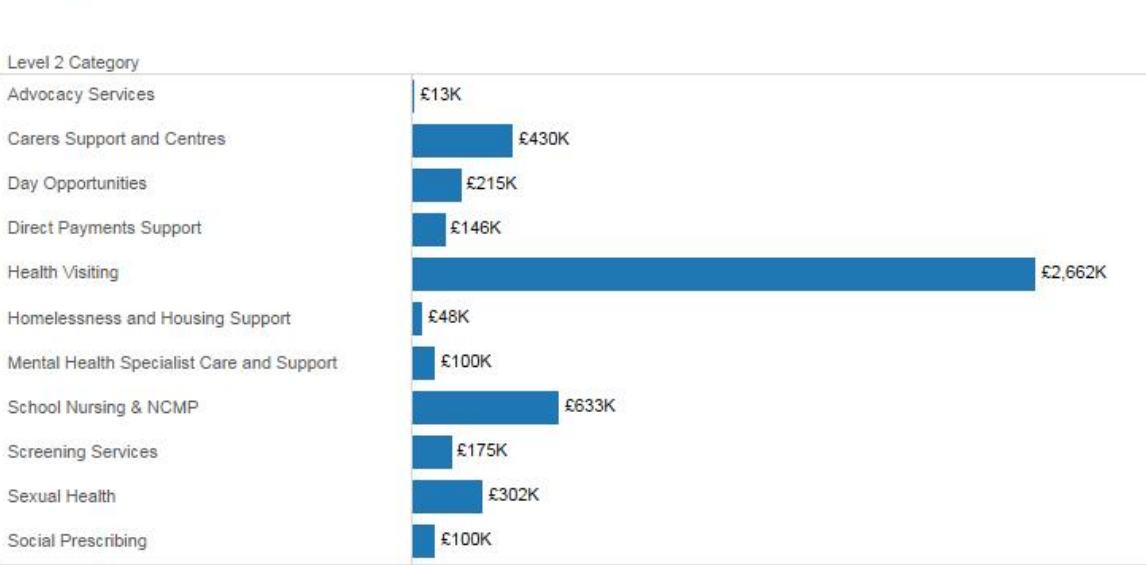
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Contracts Dashboard Living Well and Staying Well (Prevention and Self Management)

Level 1 Service Budget

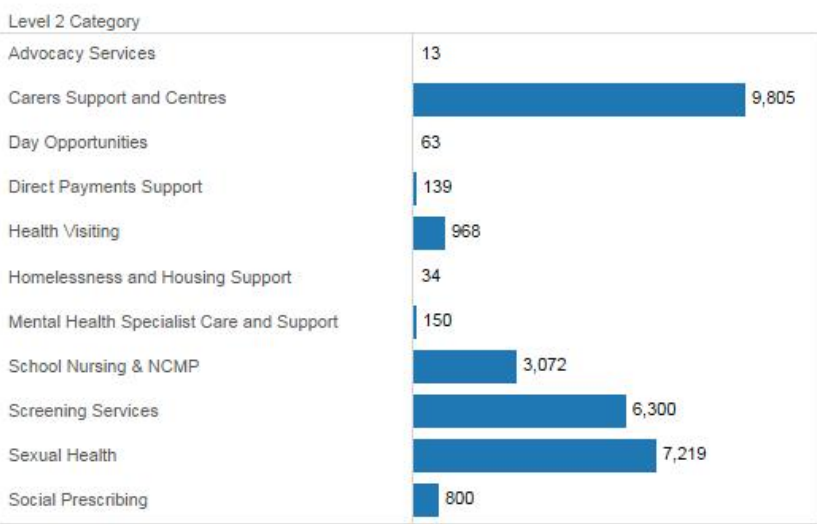


Level 2 Service Budget

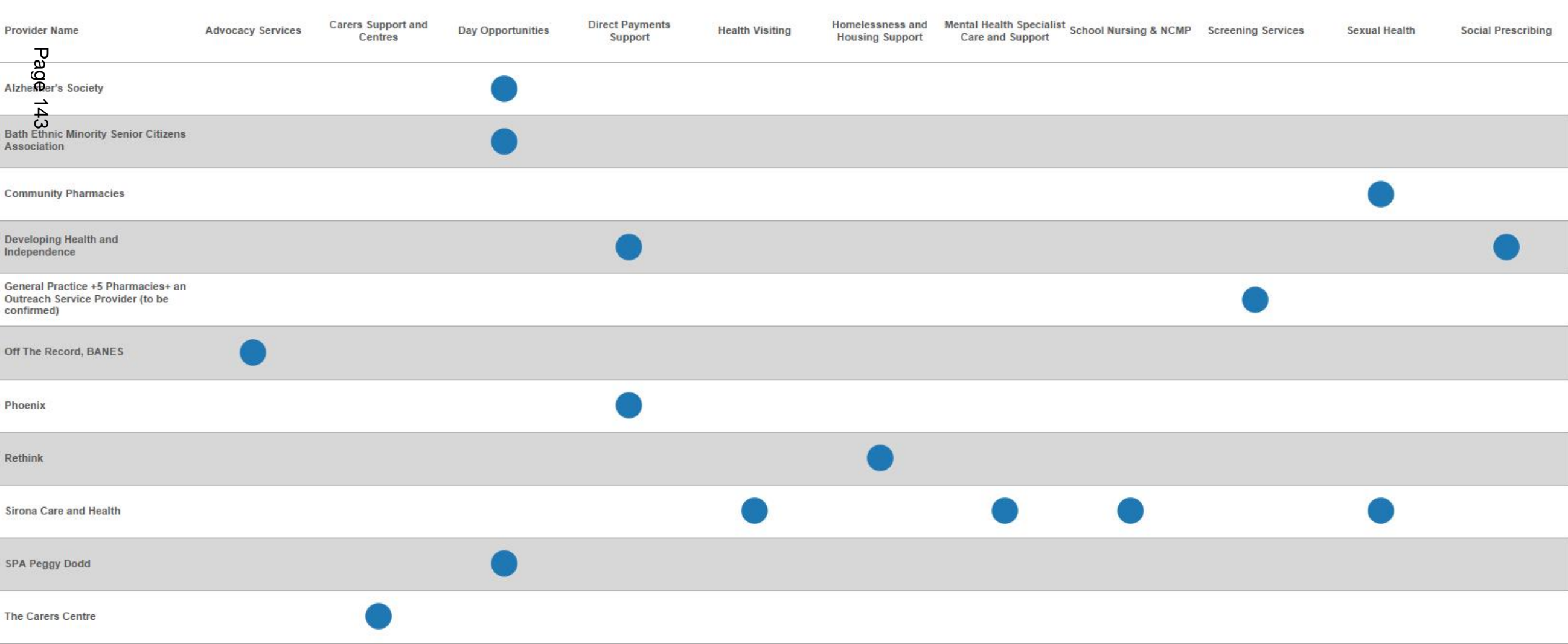


Level 2 Activity (transactions)

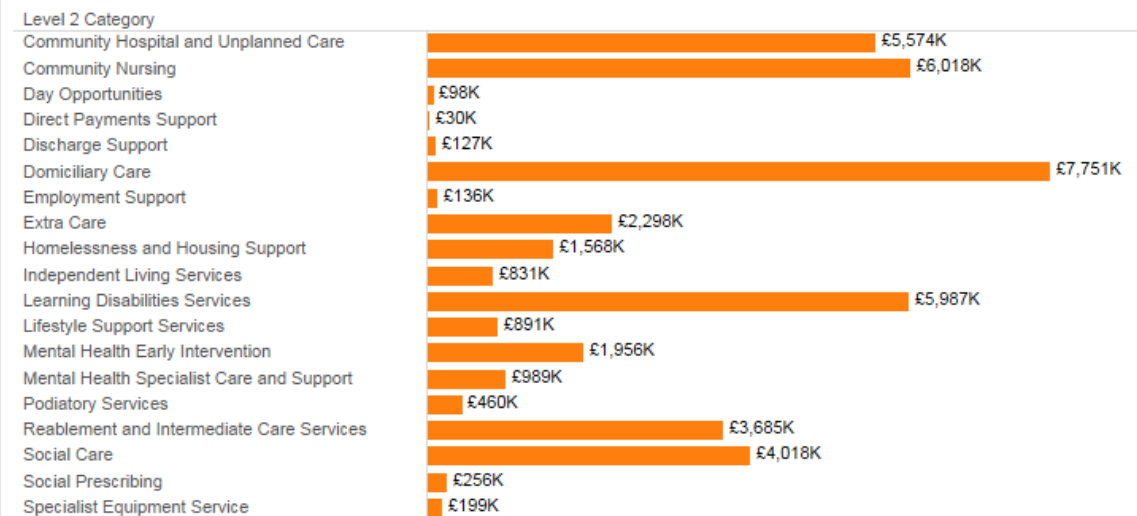
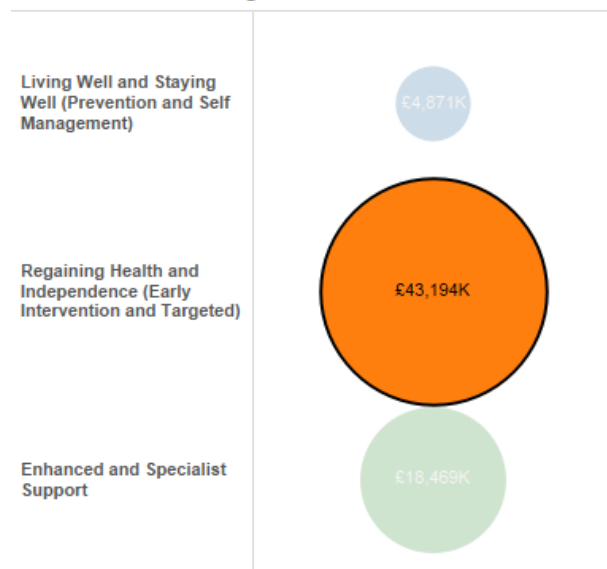
This includes available transactions as at 15/16 year end, or earlier where available. Data indicative and provided for information only.



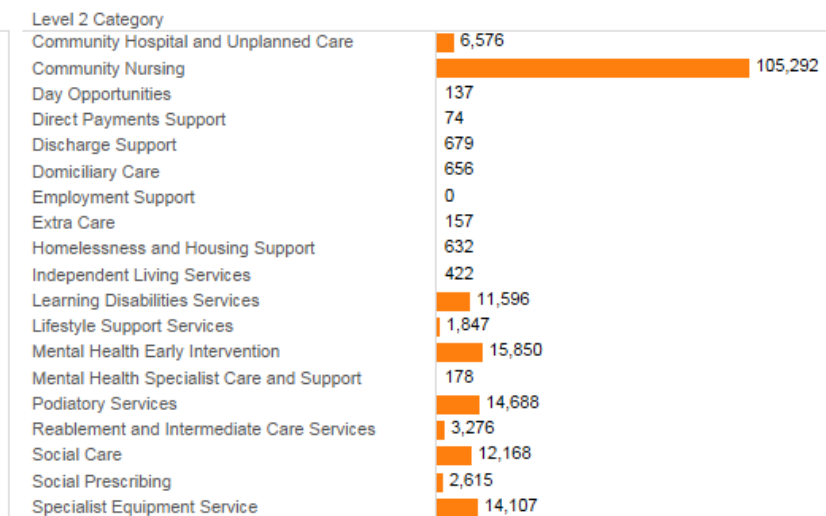
Level 2 Current Providers



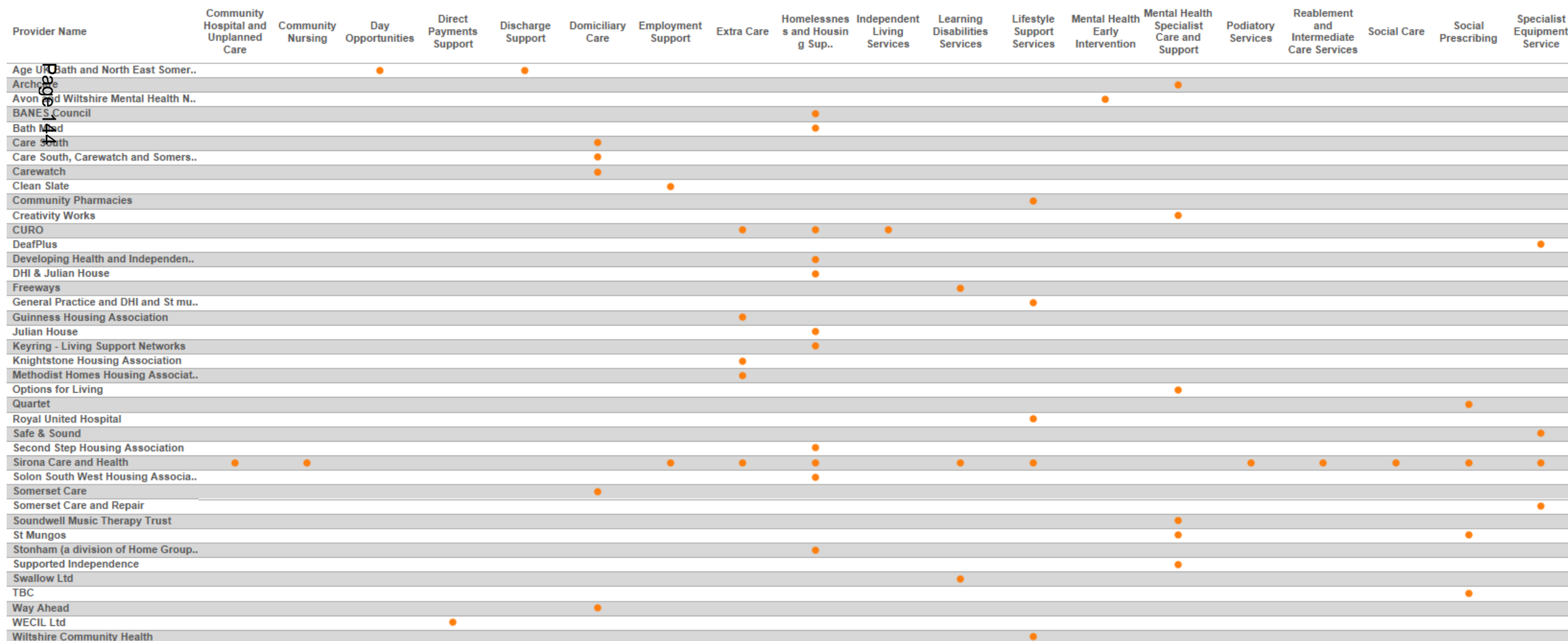
Level 2 Service Budget



This includes available transactions as at 15/16 year end, or earlier where available. Data indicative and provided for information only.



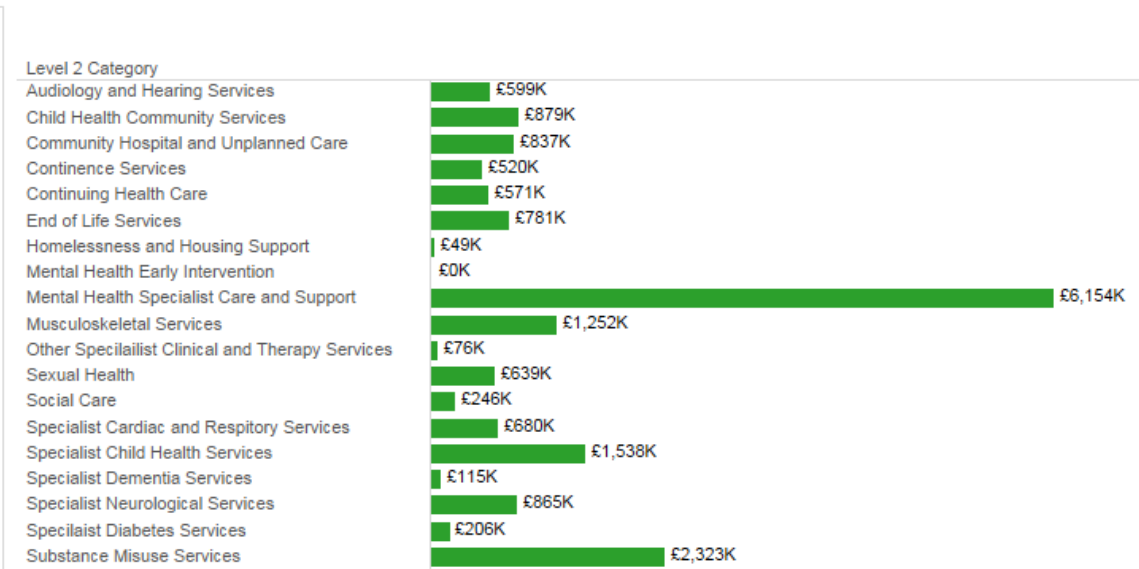
Level 2 Current Providers



Level 1 Service Budget

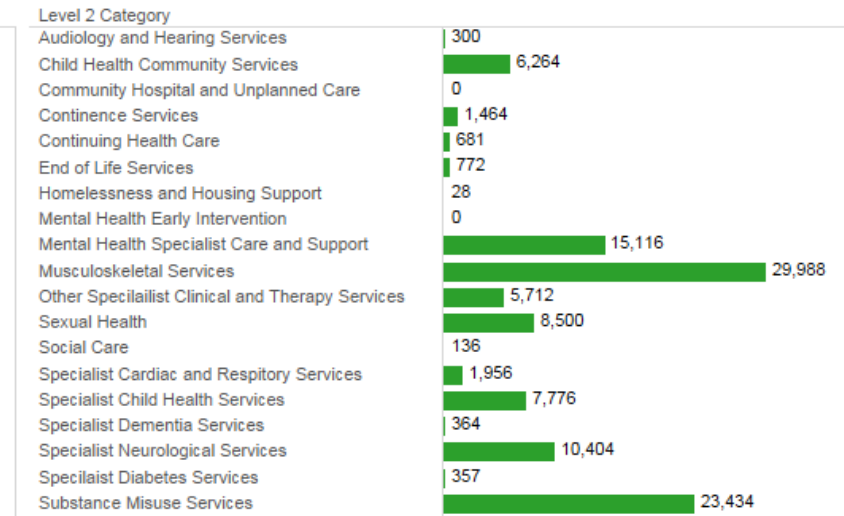


Level 2 Service Budget



Level 2 Activity (transactions)

This includes available transactions as at 15/16 year end, or earlier where available. Data indicative and provided for information only.



Level 2 Current Providers

Provider Name	Audiology and Hearing Services	Child Health Community Services	Community Hospital and Unplanned Care	Continence Services	Continuing Health Care	End of Life Services	Homelessness and Housing Support	Mental Health Early Intervention	Mental Health Specialist Care and Support	Musculoskeletal Services	Other Specialist Clinical and Therapy Services	Sexual Health	Social Care	Specialist Cardiac and Respiratory Services	Specialist Child Health Services	Specialist Dementia Services	Specialist Neurological Services	Specialist Diabetes Services	Substance Misuse Services
Alzheimer's Society																			
Avon and Wiltshire Mental Health NHS Trust																			
BANES Council																			
Bath Mind																			
Community Pharmacies																			
Developing Health and Independence																			
Dorothy House																			
General practice																			
Royal United Hospital																			
RUH																			
SDAS																			
Sirona Care and Health																			
St Peters Hospice																			
Stroke Association																			

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Direct Payments Hub

Service Description: Direct payments (DPs) are monetary payments made by the Council and CCG to individuals in lieu of providing a service. They can be from either personal budgets (social care) or personal health budgets (health). This is for both adult and children's services. The DP Hub will be an information and advice service that explains how people can effectively use their DP. It will be staffed by a mixture of specialist DP advisers and experts by experience and is the first point of contact for people considering a DP. It will provide information and advice on what DPs are, how flexibly they can be used, what employment responsibilities are (if DP recipients employ their own staff), and links DP recipients together. It will also hold a PA register and provide advice and signposting (if needed) to on the ongoing support available for DP recipients.

FBC Appendix 4: Measuring Outcomes



Customer: People who have assessed eligible health or social care needs and who either have or are considering having a direct payment.

Performance Measures:

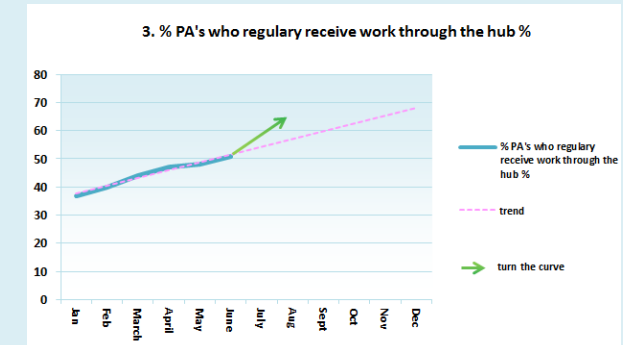
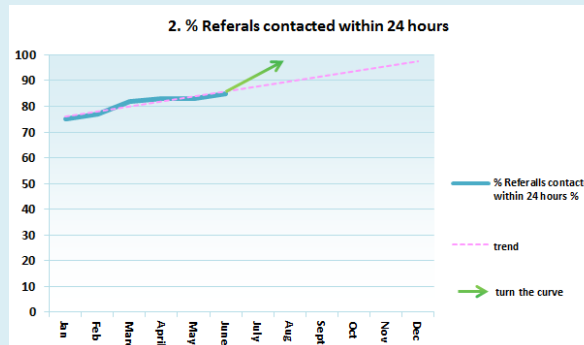
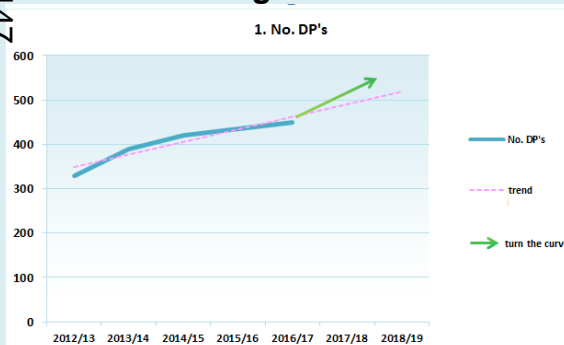
1. No. of new service users choosing a direct payment.
2. % of new referrals contacted within 24 hours
3. % of PA's who regularly receive work via the hub.

Data Development Agenda:

1. No. and % of users of the hub who report they are able to achieve their support plan goals because of their contact with the Hub.
2. % people who report a high level of satisfaction following contact with the hub.
3. Hub staff measures: workload ratio, staff turnover rate, staff morale, % staff fully trained
4. % of external staff who report an increased understanding and awareness of DPs and the support available in relation to DPs following contact with the hub.
5. No. and % of PA's who have regular work through their registration with the hub.
6. No. and % of people referred to the Hub who go on to need no further support with their DP after 12 months.

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How are we doing?**



Story Behind The Baseline:

This hub has been established as there is currently no consistent point of information for DPs and there are different contracts in place across adults, children's and health. There is little choice available in what support you receive and it's difficult to make an informed choice between providers. We also know it's difficult to find and retain PA's and people can be put off having a DP because of the responsibilities they may take on as an employer.

Key Partners:

People with lived experience; direct payment support services; social workers; community nurses: CHC nurses; job centre; skills for care; VCS

What are we going to do to improve performance?

Improve links with professionals, VCS and private sector to promote DPs and the service; make sure people with lived experience are central to the Hub; develop clear information and advice on DPs and what support is available; develop accessible PA register, in consultation with PAs and DP recipients.

****NB.** For the purpose of this report data is an example only, not actual

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Collated Milestones (mobilisation)					Standstill Wk. 1	Standstill Wk. 2	Wk. 1 Mobilisation Project Briefing	Mobilisation Wk. 3	Mobilisation Wk. 4	Mobilisation Wk. 5	Mobilisation Wk. 6	Mobilisation Wk. 7	Mobilisation Wk. 8	Mobilisation Wk. 9	Mobilisation Wk. 10	Mobilisation Wk. 11	Mobilisation Wk. 12	Week before transfer	TRANSFER DATE	Week after transfer	Operation Wk. 2	Operation Wk. 3	Operation Wk. 4	Operation Wk. 5	Operation Wk. 6	Operation Wk. 7	Operation Wk. 8	Operation Wk. 9	Operation Wk. 10	Operation Wk. 11	Operation Wk. 12	Operation Wk. 13	Operation Wk. 14	Operation Wk. 15	Operation Wk. 16	Operation Wk. 17	Operation Wk. 18	
					Standstill	MOBILISATION														FIRST 100 DAYS																		
Milestone Number	Milestone	Assigned Individual	To be completed by	Current Status	Comments / Reports																																	
M1	Core Project Team established	Mobilisation Specialist	End of standstill		Project Management & Control																																	
M2	PB1 - Briefing and handover from Bid to Core Safe Transfer Team	Mobilisation Specialist	End of standstill		Project Management & Control																																	
M3	CQC documentation submitted	BUH/Mobn Specialist	ASAP - NO later than Wk 2 Mob																																			
M4	CD licence application submitted	National Development Pharmacist	ASAP - NO later than Wk 2 Mob																																			
M5	OFSTED registration application confirmed	HOPI/KCQC	ASAP - NO later than Wk 2 Mob																																			
M6	Project Office set up	Mobilisation Specialist	Wk 1 mobilisation		Project Management & Control																																	
M7	Project Briefing completed	Mobilisation Specialist	Wk 1 Mobilisation		Project Management & Control																																	
M8	Contract Critical Due Diligence process agreed with commissioners/incumbents	Head of Due Diligence	Wk 1 Mobilisation		Contract Critical Due Diligence																																	
M9	Contacts list exchanged	Mobilisation Specialist	Wk 2 Mobilisation		Project Management & Control																																	
M10	STInfo process agreed with incumbent provider(s)	STInfo Co-Ordinator	Wk 2 Mobilisation		Safe Transfer Information																																	
M11	Draft of head received for review	BUH/MD - Legal Counsel	Wk 2 Mobilisation		Head Contract - BusTrans Agmt																																	
M12	STInfo briefing produced for workstreams/operations	STInfo Co-Ordinator	From Wk3 Mobilisation																																			
M13	R6/7 Project Board and Reporting established	Mobilisation Specialist	Wk 4 Mobilisation		Project Management & Control																																	
M14	50% contract critical DD completed	Head of Due Diligence	Wk 4 Mobilisation		Contract Critical Due Diligence																																	
M15	Heads of Terms in place with all material providers	BUH/Operations Lead	Wk 4 Mobilisation		Material Subcontractors - Suppliers																																	
M16	Initial HR due diligence completed satisfactorily	People Transformation Leads	Wk 4 Mobilisation		Workforce - TUPE - Engagement																																	
M17	Student Education confirmed and agreed	Clinical Training Lead	Wk 4 Mobilisation		Welcome -Induction - Training																																	
M18	Fully populated head contract schedules received for review	BUH/MD - Legal Counsel	Wk 5 Mobilisation		Head Contract - BusTrans Agmt																																	
M19	Front end BTA agreed with incumbent (Transfer of staff PLUS goods/property)	BUH/MD - Legal Counsel	Wk 5 Mobilisation		Head Contract - BusTrans Agmt																																	
M20	100% Contract critical DD completed	Head of Due Diligence	Wk 6 Mobilisation		Contract Critical Due Diligence																																	
M21	PB2 Due Diligence Conclusion (Contract critical DD report & analysis produced for Project	Head of Due Diligence	Wk 6 Mobilisation		Contract Critical Due Diligence																																	
M22	50% STInfo completed	STInfo Co-Ordinator	Wk 6 Mobilisation		Safe Transfer Information																																	
M23	Service specs and SDIP signed off by Operations Lead	Ops Lead - Legal Counsel	Wk 6 Mobilisation		Head Contract - BusTrans Agmt																																	
M24	Finance schedule signed off by Finance	Hof - Legal Counsel	Wk 6 Mobilisation		Head Contract - BusTrans Agmt																																	
M25	Quality requirements signed off by Ops/Clinical/IM Team - QR penalties signed off by	Ops/Clin/IM - Legal Counsel	Wk 6 Mobilisation		Head Contract - BusTrans Agmt																																	
M26	Reporting requirements signed off by IM Team	IM Lead - Legal Counsel	Wk 6 Mobilisation		Head Contract - BusTrans Agmt/Business Intelligence																																	
M27	Buildings confirmed as compliant and FFP	National Estates Lead	Wk 6 Mobilisation		Property Compliance - Health & Safety - Facilities																																	
M28	Detailed Assets lists received	Mobn Spec/Operations Lead	Wk 6 Operation		Equipment - Non-IT Assets																																	
M29	Completion of IT due diligence	SNG Mobilisation Lead	Wk 6 Mobilisation		Systems-Network - Support																																	
M30	Confirm level of IG compliance following on site audit/assessment and revise action plan	IG Team	Wk 6 Mobilisation		Information Governance																																	
M31	Anonymised ELI spreadsheet received	People Transformation Leads	Wk 6 Mobilisation		Workforce - TUPE - Engagement																																	
M32	Vocational Training confirmed and agreed	SoM/Training Lead	Wk 6 Mobilisation		Welcome -Induction - Training																																	
M33	Where required, recruitment action plan implemented	People Transformation Leads	Wk7Mobilisation		Workforce - TUPE - Engagement																																	
M34	IT support and resourcing described and funded	SNG Mobilisation Lead	Wk 8 Mobilisation		Systems-Network - Support																																	
M35	Submission of Measures letter	People Transformation Leads	Wk 8 Mobilisation		Workforce - TUPE - Engagement																																	
M36	Welcome meetings confirmed and communicated	Head of People	Wk 8 Mobilisation		Welcome -Induction - Training																																	
M37	Final R5 financial model built	Hof	Wk 8 Mobilisation		Finance Plan - Onboarding																																	
M38	R5 Exec Approval - Head contract/FMT/Transformation Plan	Mobilisation Specialist	Wk 9 Mobilisation		Project Management & Control																																	
M39	Fully populated schedules received for BTA (Transfer of staff PLUS goods/property)	BUH/MD - Legal Counsel	Wk 9 Mobilisation		Head Contract - BusTrans Agmt																																	
M40	TUPE consultation completed	People Transformation Leads	Wk 9 Mobilisation		Workforce - TUPE - Engagement																																	
M41	Receipt of FULLY populated ELI spreadsheet	People Transformation Leads	Wk 9 Mobilisation		Workforce - TUPE - Engagement																																	
M42	HR/OPs sign-off of TUPE and recruited workforce against the budgeted WFP	People Transformation Leads	Wk 9 Mobilisation		Workforce - TUPE - Engagement																																	
M43	100% STInfo completed	STInfo Co-Ordinator	Wk 10 Mobilisation		Safe Transfer Information																																	
M44	BTA transfer costs agreed (Transfer of staff PLUS goods/property)	BUH/MD - Legal Counsel	Wk 10 Mobilisation		Head Contract - BusTrans Agmt																																	
M45	All subcontracts signed	BUH/Operations Lead	Wk 10 Mobilisation		Material Subcontractors - Suppliers																																	
M46	Supplier agreements signed (or novated)	BUH/Operations Lead	Wk 10 Mobilisation		Material Subcontractors - Suppliers																																	
M47	Legal property agreements in place	National Estates Lead	Wk 10 Mobilisation		Property Compliance - Health & Safety - Facilities																																	
M48	Soft and hard FM agreements in place	Operations Lead	Wk 10 Mobilisation		Property Compliance - Health & Safety - Facilities																																	
M49	Obtain TUPE letter of indemnity from current employer (where only staff transferring	People Transformation Leads	Wk 10 Mobilisation		Workforce - TUPE - Engagement																																	
M50	Mapped integration into VCL reporting structure	Head of Corporate Governance	Wk 10 Mobilisation		Corporate Governance - Risk Mgt																																	
M51	Head Contract signed	BUH/MD - Legal Counsel	Wk 11 Mobilisation		Head Contract - BusTrans Agmt																																	
M52	PGDs completed and signed	National Development Pharmacist	Wk 11 Mobilisation		Medicines Management																																	

Collated Milestones (mobilisation)

				Standstill	MOBILISATION													FIRST 100 DAYS																		
M53	BTA signed (Transfer of staff PLUS goods/property)	BUH/MD - Legal Counsel	Wk 12 Mobilisation	Head Contract - BusTrans Agmt																																
M54	PAT testing contract in place	Mobn Spec/Operations Lead	Wk 12 Mobilisation	Equipment - Non-IT Assets																																
M55	EBME contract in place	Mobn Spec/Operations Lead	Wk 12 Mobilisation	Equipment - Non-IT Assets																																
M56	All transferring equipment & non-IT assets documented, compliant, FFP and insured as	Insurance & Claims Mgr	Wk 12 Mobilisation	Equipment - Non-IT Assets																																
M57	IT BCP reviewed and in place	SNS Mobilisation Lead	Wk 12 Mobilisation	Systems-Network - Support																																
M58	IT hardware, system and support contracts in place	SNS Mobilisation Lead	Wk 12 Mobilisation	Systems-Network - Support																																
M59	Full IT support plan ready from Day 1 to first 100 days	SNS Mobilisation Lead	Wk 12 Mobilisation	Systems-Network - Support																																
M60	Refresh level of IG compliance with an action plan to address immediate issues on cutover	IG Team	Wk 12 Mobilisation	Information Governance																																
M61	All Information sharing agreements in place and signed by all parties	IG Team	Wk 12 Mobilisation	Information Governance																																
M62	Recruitment issues transferred	People Transformation Leads	Wk 12 Mobilisation	Workforce - TUPE - Engagement																																
M63	Operational HR issues transferred	People Transformation Leads	Wk 12 Mobilisation	Workforce - TUPE - Engagement																																
M64	Bank staff workforce actions completed	People Transformation Leads	Wk 12 Mobilisation	Workforce - TUPE - Engagement																																
M65	Welcome packs delivered (ready for dispatch)	Head of People	Wk 12 mobilisation	Welcome -Induction - Training																																
M66	Training links and ongoing funding confirmed	TLE - BusDevLead	Wk 12 Mobilisation	Welcome -Induction - Training																																
M67	Drug supply and drug supplier subcontract in place	National Development Pharmacist	Wk 12 Mobilisation	Medicines Management																																
M68	FP10s on site and ready to be distributed	National Development Pharmacist	Wk 12 Mobilisation	Medicines Management																																
M69	Clinical medicines management in place	National Development Pharmacist	Wk 12 Mobilisation	Medicines Management																																
M70	Medicines management governance in place	National Development Pharmacist	Wk 12 Mobilisation	Medicines Management																																
M71	Agencies notified of change (if any off panel in use)	People Transformation Leads	Wk 12 Mobilisation	Service Operation NOS																																
M72	First 3 months support plan in place	Mobilisation Specialist	Wk 12 Mobilisation	First 100 day planning																																
M73	RB Exec Approval - Safe Transfer readiness confirmed	Mobilisation Specialist	Week before transfer	Project Management & Control																																
M74	CQC registration confirmed	HoPR&CQC	Week before transfer	Formal Registration																																
M75	CD licence confirmed	National Development Pharmacist	Week before transfer	Formal Registration																																
M76	OFSTED registration confirmed	HoPR&CQC	Week before transfer	Formal Registration																																
M77	Full insurance cover in place	Claims & Insurance Manager	Week before transfer	Insurance																																
M78	New equipment in place at point of delivery	Mobn Spec/Operations Lead	Week before transfer	Equipment - Non-IT Assets																																
M79	Acceptance testing of all systems is complete	SNS Mobilisation Lead	Week before transfer	Systems-Network - Support																																
M80	TUPE letters dispatched	People Transformation Leads	Week before transfer	Workforce - TUPE - Engagement																																
M81	Existing service - preliminary clinical governance review completed with develoment of	Clinical Lead	Week before transfer	Clinical Governance																																
M82	Fully functioning clinical system with access to active records as required	Clinical Systems Team	Transfer	Clinical Systems																																
M83	Execute safe transfer solution for payroll function	Payroll Manager	Transfer	Payroll-Pension-Lease Cars																																
M84	Execute safe transfer solution for pensions	Legal Counsel	Transfer	Payroll-Pension-Lease Cars																																
M85	Robust arrangement in place to support lease car users	People Hub Team	Transfer	Payroll-Pension-Lease Cars																																
M86	New patient information ready for distribution	Operations Lead	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M87	Active patients informed of service provider change	Ops Lead/Incumbent	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M88	Service website operational	Ops Lead/Comms Team	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M89	Complete revision of external directories and website links	Ops Lead/Comms Team	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M90	Customer services fully in place and confident	Ops Lead/Carol Dale	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M91	Complete execution of external communications action plan	BUH/Nic Parkes	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M92	External announcement of launch	BUH/Nic Parkes	Transfer	Customer Serv, PT Info, Ext Comms, Mkting																																
M93	Actively managed risk register in place	Head of Corporate Governance	Transfer	Corporate Governance - Risk Mgt																																
M94	>90% Statement of readiness actions completed, remaining 10% in progress, 0% behind	Operations Lead	Transfer	Service Operation NOS																																
M95	Updated overarching BCP plan in place	Operations Lead	Transfer	Service Operation NOS																																
M96	VC ID badges available	HoP/Project Manager	Transfer	Service Operation NOS																																
M97	Finance team recruited/transferred	HoF	Transfer	Finance Plan - Onboarding																																
M98	Immediate onboarding actions completed for cutover	HoF	Transfer	Finance Plan - Onboarding																																
M99	Immediate De Poel actions completed for cutover	HoF	Transfer	Finance Plan - Onboarding																																
M100	On site presence for finance support	HoF	Transfer	Finance Plan - Onboarding																																
M101	Revised transformation plan completely updated	Transformation Lead	Transfer	Transformation planning																																
M102	Post cutover 100 day plan completed	Mobilisation Specialist	Week after transfer	Project Management & Control																																
M103	First 100 day plan completed, circulated and monitoring agreed	Mobilisation Specialist	Week after transfer	First 100 day planning																																
M104	Means to collect F&F throughout services	Ops Lead/Surrinder Pattawola	Wk 1 Operation	Customer Serv, PT Info, Ext Comms, Mkting																																
M105	Formal Transformation Plan sharing with senior team	BUH/Transformation Lead	Wk 1 Operation	Transformation planning																																
M106	Implementation of mandatory audit & CG process across services	Clinical Lead	During First 100 days	Clinical Governance																																
M107	Urgent FTF training completed or in plan	Head of People	Wk 2 Operation	Welcome -Induction - Training																																

Collated Milestones (mobilisation)				Standstill Wk. 1	Standstill Wk. 2	Wk. 3 Mobilisation (Project Briefing)	Mobilisation Wk.2	Mobilisation Wk.3	Mobilisation Wk. 4	Mobilisation Wk.5	Mobilisation Wk.6	Mobilisation Wk. 7	Mobilisation Wk.8	Mobilisation Wk. 9	Mobilisation Wk. 10	Mobilisation Wk. 11	Mobilisation Wk. 12	Week before transfer	TRANSFER DATE	Week after transfer	Operation Wk. 2	Operation Wk. 3	Operation Wk. 4	Operation Wk. 5	Operation Wk. 6	Operation Wk. 7	Operation Wk. 8	Operation Wk. 9	Operation Wk. 10	Operation Wk. 11	Operation Wk. 12	Operation Wk. 13	Operation Wk. 14	Operation Wk. 15	Operation Wk. 16	Operation Wk. 17	Operation Wk. 18
				Standstill	MOBILISATION															FIRST 100 DAYS																	
M108	Completion of RTW/DBS checks	People Transformation Leads	Week 4 Operation	Workforce - TUPE - Engagement																																	
M109	Staff e-Induction completed	Head of People	Wk 4 Operation	Welcome -Induction - Training																																	
M110	FFT fully in place and reporting to NHS England and via Tableau	Ops Lead	Wk 4 Operation	Customer Serv, PT Info, Ext Comms, Mktg																																	
M111	Actively managedincident reporting in place	Head of Corporate Governance	Wk 4 Operation	Corporate Governance - Risk Mgt																																	
M112	General Ledger system & processes in place	HoF	Wk 4 Operation	Finance Plan - Onboarding																																	
M113	Accounts Payable - Purchase to Pay systems and processes in place	HoF	Wk 4 Operation	Finance Plan - Onboarding																																	
M114	Accounts Receivable - Billing systems and processes in place	HoF	Wk 4 Operation	Finance Plan - Onboarding																																	
M115	Payroll transferred & first payment run executed	HoF	Wk 4 Operation	Finance Plan - Onboarding																																	
M116	Cash, expenses & credit card function in place	HoF	Wk 4 Operation	Finance Plan - Onboarding																																	
M117	Reporting, financial control and review established	HoF	First 100 days	Finance Plan - Onboarding																																	
M118	First months activity and performance report produced	Mobilisation Specialist	Wk 6 Operation	Business Intelligence																																	
M119	Service line/team specific BCP plan in place	Operations Lead	Wk 8 Operation	Service Operation NOS																																	
M120	Circulation of Safe Transfer lessons learned	Mobilisation Specialist	Wk 9 Operation	First 100 day planning																																	
M121	Integration handover	Mobilisation Specialist	Wk 14-18 Operation	First 100 day planning																																	
M122	All staff aware of transformation plans for developing the services	Transformation Lead	First 100 days Operation	Transformation planning																																	
M123	Transformation governance structure in place	Transformation Lead	First 100 days Operation	Transformation planning																																	

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Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10th November 2016	
TITLE:	The Local Council Tax Reduction Scheme 2017/18	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<ul style="list-style-type: none">• Council Tax Reduction Policy – Appendix 1• Consultation analysis – Appendix 2• Impact Analysis – Appendix 3		

1 THE ISSUE

- 1.1 Council is required to agree the Local Council Tax Reduction Scheme in accordance with S13 A (1a) (2a) and Schedule 1a of the Local Government Finance Act 1992
- 1.2 The Council Tax Reduction scheme was introduced at short notice in 2013 when the old Council Tax Benefit scheme for working age people was abolished and replaced with this new discretionary scheme which is now in desperate need of change as it has not kept pace with other Welfare Reforms.
- 1.3 Bath Job Centre became one of the first in the country to start closing the gateway to Housing Benefit applicants in May 2016, moving working age customers to Universal Credits and it is important that any new Council Tax Reduction Scheme reflects these changes and supports people in adapting to the digital agenda.
- 1.4 The proposed scheme is designed to provide claimants with the same overall level of financial support, targeted to those on the lowest household incomes and by simplifying the process it will help reduce the cost of administration, using electronic data sharing with DWP to make automatic awards of Council tax Reduction.
- 1.5 For those most impacted by the change in the scheme we will be able to focus additional support through Welfare Support, ensuring that the most vulnerable do have a safety net. Our welfare Support Team working with our Connecting

Families Team will be able to take an holistic approach to peoples circumstances and ensure the right support is provided to those most in need.

- 1.6 The report sets out the preferred scheme that has been through a public consultation exercise and view seeking exercise with key stakeholders and it highlights areas where changes are suggested. The Council is now required to formally adopt the scheme in order that it can be taken into account as part of the annual Tax Setting process.

2 RECOMMENDATION

The Council is asked to;

- 2.1 Approve the Local Council Tax Reduction Scheme as detailed in Appendix 1 to this report for application to Council Tax accounts with effect from 1st April 2017.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 Council Tax Reductions are accounted for within the Collection Fund and impact on Bath & North East Somerset Council, Town & Parish Council's and Major Precepting bodies including Police and Fire Authorities. Details from the approved scheme are required in order to estimate the relevant tax base for the Billing Authority which must be determined by the 31st January preceding the relevant Financial Year.
- 3.2 At the start of 2016/17 Council Tax Reductions awarded amounted £8.5m under the current scheme, this was roughly split 50 – 50 between Pension age scheme and working age scheme. The new scheme for working age claimants has been modelled on the basis that a similar level of funding will be required; this will obviously be subject to economic conditions and take up of the scheme, along with application of any exceptional hardship awards in accordance with Section 13A. 1a Local Government Finance Act 1992
- 3.3 The Divisional Director for Customer Services and Cabinet Member for Resources will monitor ongoing support required for Local Welfare Support within the current funded limits in order to enable Exceptional Hardship payments in accordance with the above
- 3.4 Simplification of the scheme as it is phased in with working age Universal Credit customers will deliver efficiency savings estimated at £70,000. This will result in a reduction of approximately 2-3 FTE's through natural wastage or redeployment.
- 3.5 The move towards an income banded assessment scheme for working age claimants will reduce the volume of changes in circumstances and therefore reduce unnecessary administration costs assisting debt recovery for unpaid accounts.
- 3.6 The proposed scheme for working age claimants and pensioners will be modelled across each of the Council's parishes and estimates used within the calculation of the Council tax base for the area.
- 3.7 Major preceptors have been notified in respect of the consultation proposals for the new scheme relating to working age claimants and no objections have been

received, on the basis that the scheme is estimated to be cost neutral there should be limited impact on major preceptors.

- 3.8 Pensioners will remain protected by the scheme and due to the fact that uprating and changes in pension age continue to apply we have actually seen a small reduction in claimants and spending on this group.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Council is required to agree the Local Council Tax Reduction Scheme in accordance with S13 A (1a) (2a) and Schedule 1a of the Local Government Finance Act 1992.
- 4.2 Various options for replacing and or amending the Council Tax Reduction Scheme have been considered as detailed later in the report, extensive consultation has been conducted and an Equalities Impact Assessment of the proposed scheme has been carried out and is included within the background papers.
- 4.3 The rules relating to Pensioners are still mandatory and will therefore only change in accordance with National uprating.
- 4.4 It is proposed that for those working age customers who are currently in receipt of Council Tax reduction and not in receipt of Universal Credit that they will continue to receive Local Council Tax Reduction Scheme awards in accordance with the scheme that has been in operation since April 2013. (Detailed in Appendix 1)
- 4.5 It is proposed that for new Universal Credit customers or those customers in receipt of Universal Credit as at the 1st April 2017 their entitlement to Council Tax Reduction will be calculated based on the new scheme as detailed in Schedule 6 of the attached policy.

5 THE REPORT

- 5.1 Council Tax Support helps people on a low income by reducing the amount of Council Tax they have to pay. Bath & North East Somerset Council, like every other council, had to put in place a Local Council Tax Support scheme to replace Council Tax Benefit from April 2013.
- 5.2 The Government specified that pensioners should see no changes to their entitlement under the local schemes, but gave Councils the discretion to implement rules applicable to people of working age.
- 5.3 A local scheme, which took into account a reduction in government funding, was implemented in Bath and North East Somerset in April 2013. The rules have remained the same ever since.
- 5.4 This proposal is for a transition to the new scheme for Universal Credit claimants so that from April 2017, anyone of working age wishing to make a new claim for Council Tax Reduction will need to apply for Universal Credit first. If they are not awarded Universal Credit they will not be entitled to Council Tax Reductions.
- 5.5 Existing working age claimants who have already moved on to Universal Credit will be automatically transferred to the new Council Tax Reduction scheme from 1st April 2017 and we will in advance of this be contacting them.

- 5.6 Existing working age claimants who still receive Jobseeker's Allowance, Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit or Housing Benefit instead of Universal Credit will only be transferred to the new Council Tax Reduction scheme once they have moved on to Universal Credit.
- 5.7 Existing working age claimants who do not currently receive Universal Credit, Jobseeker's Allowance, Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit or Housing Benefit will stay on the current Council Tax Reduction scheme until their circumstances change.
- 5.8 So in summary the key objectives of the scheme are:-
- Last updated April 2013
 - Simplified system for customers to understand and staff to administer (c£70,000 Admin savings)
 - Alignment with Universal Credit Rules phased in as customers switch
 - No reduction in the overall spend on actual Council Tax Support
 - Targeted towards those with the lowest incomes, with a safety net of Local Welfare Support funding

5.9 The Key features of the existing scheme are:

- 5.10 The current scheme in Bath and North East Somerset is based on the complex means tested Council Tax Benefit rules, with certain changes applicable to working age claimants only:
- 5.11 Maximum support available to the majority of working-age claimants is up to 78% of the Council Tax bill.
- 5.12 Support is only paid up to the cost of a Band D Council Tax property bill. (This does not mean that people in Band E or above don't get any support – but they can only get up to 78% of the cost of a Band D property bill.)
- 5.13 Child Benefit and child maintenance are counted as income when calculating support.
- 5.14 People with capital / savings over £10,000 are not eligible. (This excludes the value of the property they live in.)
- 5.15 No non-dependant deductions. (This benefits parents with young adults in the household, as their contribution isn't considered when calculating Council Tax Support.)
- 5.16 No backdating of claims.
- 5.17 No entitlement to Second Adult Rebate.
- 5.18 Working-age claimants in receipt of certain disability benefits are automatically protected by the current scheme and are eligible for 100% support.

5.19 Key features of the proposed scheme for Universal Credit Customers:

- 5.20 Eligibility is based on entitlement to Universal Credit.
- 5.21 Maximum support available to all working age claimants is up to 90% of the Council Tax bill.
- 5.22 No blanket protection is provided for households in receipt of disability benefits, but Disability Living Allowance and Personal Independence Payments will not counted as household income, along with a number of specified payments relating to disability support as detailed in the Policy.
- 5.23 The maximum amount of support available is determined by income bands:
- 90% discount for weekly incomes of £0 - £99.99
 - 85% discount for weekly incomes of £100 - £199.99
 - 80% discount for weekly incomes of £200 - £299.99
 - 70% discount for weekly incomes of £300 - £349.99
 - 50% discount for weekly incomes of £350 - £399.99
 - 0% discount for weekly incomes above £400.
- 5.24 In order to reflect the additional needs of multi-person households and families, the upper tier of bands is increased as follows:
- For couples with no children £25 is added to the band limit.
 - If there is a child in the household £50 is added to band limit.
 - If there are two or more children in the household £100 is added to the band limit.
- 5.25 The housing cost element of Universal Credit is now considered as income when calculating support.
- 5.26 Self-employed applicants declaring unrealistic income are assessed at the National Living Wage / National Minimum Wage.
- 5.27 The capital / savings limit is reduced to £6,000 in line with Universal Credit rules. This does not include the value of the property you are living in.
- 5.28 Savings achieved by overall reduction in support available are reallocated to the Council's Local Welfare Support fund, to offer targeted assistance to those most in need and enabling provision of exceptional hardship payments where appropriate under Section 13A 1a. Local Government Finance Act
- 5.29 For Universal Credit Customers falling out of a Universal Credit Award they may be considered for an award under the existing scheme if appropriate, consideration in future years will need to be given for abolishing the existing scheme for working age customers once full universal credit roll out has taken place.

6 RATIONALE

- 6.1 The Council is seeking to reduce the administrative cost of Council Tax Support by implementing a less complicated scheme, which will be easier for claimants to understand and apply for. The revised scheme will also align with wider Welfare Reforms and the roll out of Universal Credit.
- 6.2 The proposed scheme for Universal credit customers looks to spread the impact of the changes and protect those with the lowest incomes, as well as maximising incentives for people to work.
- 6.3 Working age people in receipt of certain disability benefits are classified as vulnerable under the current local scheme and are therefore automatically awarded a higher level of support. The categorisation of vulnerability has always been difficult, and the Council's current classification has not always appeared to be fair in respect of someone's ability to pay Council Tax.
- 6.4 The Council is therefore proposing to introduce an income banded scheme where the maximum level of support available is the same for all working-age claimants. In future, eligibility for Council Tax Reduction will be linked with a person's entitlement to Universal Credit.
- 6.5 The information held on a person's Universal Credit claim will be used to determine which income band they fall into and the amount of Council Tax Support they are entitled to. The Department for Work and Pensions (DWP) will provide the Council with this information so a claimant will no longer need to make a separate application for a Council Tax Reduction.
- 6.6 Whilst the Council believes that the proposed changes will have some impact on the majority of claimants, the reduction in the overall amount of support available to working age claimants, including those in receipt of disability benefits, will be supported through the award of hardship payments to be determined through the Council's local Welfare Support team where appropriate and in accordance with current guidelines. This will enable the Council to offer more targeted, effective and longer-term assistance to those most in need.
- 6.7 It should be noted that as the new scheme for Universal credit customers will be phased in alongside Universal credit, those that may consider themselves most impacted by the changes are likely to be among the last groups to move across to the new scheme and this will allow us to work with them to ensure impacts are minimised.
- 6.8 An analysis of the data used for modelling the new scheme identifies those households that are most likely to be impacted and can therefore be targeted for additional support in advance (See Appendix 3)
- 6.9 The modelling work considers the implications of all claimants being in receipt of universal Credits and as stated in 6.7 this will not be the case from the outset, with full roll out of Universal credits not expected in this area until around 2019.
- 6.10 Assuming all claimants are in receipt of universal credits then the attached analysis shows that on current data up to 95 households could be £20 a week or more worse off. These are cohorts where we would like to specifically target the support of our Local Welfare resources in order to help find the best outcomes for these families.

7 OTHER OPTIONS CONSIDERED

- 7.1 Officers have been reviewing the options for a new Local Council Tax Reduction Scheme for some time; this has included research as to what other Councils are doing and reference to National guidance published by Communities and Local Government following a consultation review of Council Tax Reduction. (see link to consultation outcomes at Appendix 2)
- 7.2 Whilst there is only one example of a banded income scheme at South Gloucestershire Council at the moment it is clear that many authorities are considering a move to this method of assessment and it is indeed recommended by the consultation carried out by Communities and Local Government.
- 7.3 Options considered included; no change; update the existing policy to account for current issues; a variety of income banded options.
- 7.4 The rules relating to consultation on a Local Council Tax Reduction Scheme require the Council to consult on its preferred option. A period of consultation took place during May involving a number of our key internal and external support service partners. The purpose of this exercise was to gather views on the principles of the proposed scheme options before deciding upon a preferred option to put forward for public consultation.

8 CONSULTATION

- 8.1 A single member decision to proceed with Public Consultation was made on the 7th July 2016 and Public consultation took place over the period from 8th August 2016 and ended on 16th October 2016. All local residents, key stakeholders, partner organisations and parish & town councils were given the opportunity to respond and comment on the Council's preferred scheme.
- 8.2 Around 5,500 working age people across Bath and North East Somerset currently claim Council Tax Support and we wrote to these people directly to let them know the consultation was live and asking them for their views on the proposed scheme.
- (1) The public responded overwhelmingly that more help for those on low incomes and increased funding for Welfare Support were their most important principles and areas of the scheme they agreed with.
 - (2) Over half agreed with an income banded scheme and that the maximum discount was set at the right level.
 - (3) Only 31% felt that the scheme would not be simpler to understand and apply for.
 - (4) 81% agree that DLA and PIP should be disregarded as income

8.3 A direct response was also received from the CAB supporting the increase in the maximum discount and commended the investment in the Welfare Support team valuing the excellent service they provide.

8.4 (Seventy Four) 74 responses were received and a summary of the responses is included at Appendix 2. On approval of the scheme the detailed responses will be published on the Council's web pages.

8.5 During the consultation period there were questions raised regarding disregarded income and having sought advice on these issues we are recommending that the proposed scheme for Universal Credit customers includes income disregards for the following categories this is the only change included in the policy following the consultation process:-

- Payments made by the Council to meet travel costs to school for children with special educational needs;
- Direct payments and Personal Budgets for adults with Care needs;
- Fostering and similar payments made by the Local Authority in respect of children in care; and
- Discretionary Housing Payments

(These are fully detailed in the Policy document)

8.6 Once the scheme is adopted we will again write to those impacted by the proposals and inform them of the impacts in advance of issuing annual bills in March 2017

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken and constantly reviewed throughout the project, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Ian Savigar; 01225 477327</i>
Background papers	<i>CLG National Consultation -</i> https://www.gov.uk/government/publications/local-council-tax-support-schemes-an-independent-review <i>Equality Impact assessment</i>
Please contact the report author if you need to access this report in an alternative format	

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Council Tax Reduction Scheme Policy
S13A (1) (a), S13A (2) and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme (Council Tax Support)

- 1.1 The following policy has been adopted by the Council and details the Council Tax Reduction scheme adopted by the authority for the period 1st April 2017 until 31st March 2018.
- 1.2 This policy 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 2017 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: and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

The Council has **no** discretion in relation to the calculation of Council Tax Reduction in respect of the pension age scheme.

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

Class C: alternative maximum Council Tax Reduction (Second Adult Rebate)

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

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

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

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

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—

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

Disregard of certain incomes

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

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

The scheme for working age applicants – the council's local policy

- 1.6 The adopted scheme for working age applicants is a means test, which compares income against an assessment of applicable amounts (unless otherwise stated). Full details of the working age policy 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 policy 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 or on an income-related employment and support allowance or on universal credit.
- 1.7 The Council has resolved that there will be *three* classes of persons who will receive a reduction in line with adopted scheme (from hereafter referred to as Support). There will be *three* main classes prescribed for, for each of which there will be a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from support as specified within section 7 of this policy.

Class D

To obtain support the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit¹; 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 or on an income-related employment and support allowance;
- 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. 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;
- f. be somebody in respect of whom a maximum council tax support² amount can be calculated;
- g. not have capital savings above 10,000³;
- h. have not been assessed by the Secretary of state for Work and Pensions (DWP) for Universal Credit and either been awarded Universal Credit, or they would have been awarded Universal Credit other than for any deductions, amendments, prepayments, sanctions or waiting days;
- 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*⁴ is **less** than their *applicable amount*⁵ or the applicant or partner is in receipt of Income Support, Jobseekers allowance (income based) or Employment and Support Allowance (income related); and
- j. has made a valid application for support⁶.

Maximum council tax reduction stated in d. above is defined within section 57 of this policy

Class E

To obtain support the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit⁷;
- 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;
- c. be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- d. is not deemed to be absent from the dwelling;
- e. 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;
- f. be somebody in respect of whom a maximum council tax support⁸ amount can be calculated;
- g. not have capital savings above £10,000⁹;
- h. have not been assessed by the Secretary of state for Work and Pensions (DWP) for Universal Credit and either been awarded Universal Credit, or they would have been awarded Universal Credit other than for any deductions, amendments, prepayments, sanctions or waiting days;
- i. be a person in respect of whom a day in which s/he is liable to pay council tax falls within

¹ Section 5 of this policy

² Sections 57 to 63 of this policy

³ Sections 33 to 42 and Schedule 5 of this policy

⁴ Sections 15 to 32 and Schedules 3 and 4 of this policy

⁵ Sections 12 to 14 and Schedule 1 of this policy

⁶ Sections 68 to 74a of this policy

⁷ Section 5 of this policy

⁸ Sections 57 to 63 of this policy

⁹ Sections 33 to 42 and Schedule 5 of this policy

- a week in respect of which the person's *income*¹⁰ is **more** than their (*applicable amount*¹¹;
- j. have made a valid application for support¹²;
- k. be a person 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.

Maximum council tax reduction stated in d. above is defined within section 57 of this policy

The capital limit set in classes D and E above will be £16,000 where the applicant is in receipt of;

- Support Component of Employment and Support Allowance (ESA); or
- Enhanced Disability Premium (EDP); or
- Enhanced Disability Premium for Dependents; or
- Disability Child Premium for Dependents (DCP); or
- Severe Disability Premium (SDP).

Class F;

This class shall apply to all individuals (or partner) who:

- a. be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- b. is not deemed to be absent from the dwelling;
- 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. have been assessed by the Secretary of State for Work and Pensions (DWP) for Universal Credit and either been awarded Universal Credit, or would have been awarded Universal Credit other than for any deductions, amendments, pre-payments, sanctions or waiting days;
- e. must not have capital or savings greater than £6,000 as defined within Schedule 6 of this scheme;
- f. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week where their assessed income and household membership as defined, falls within an income band specified within Schedule 6 of this scheme; and
- g. have made an application for support¹³;

¹⁰ Sections 15 to 32 and Schedules 3 and 4 of this policy

¹¹ Sections 12 to 14 and Schedule 1 of this policy

¹² Sections 68 to 74a of this policy

¹³ Sections 68 to 74a of this policy

Council Tax Reduction Scheme

Details of support to be given for **working age applicants** for the financial year 2017/18

DRAFT

Sections 2- 8

Definitions and interpretation

(All classes)

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

2.1 In this policy–

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

‘the Administration Act’ means the Social Security Administration Act 1992;

‘the 1973 Act’ means the Employment and Training Act 1973;

‘the 1992 Act’ means the Local Government Finance Act 1992;

‘the 2000 Act’ means the Electronic Communications Act 2000;

‘Abbeyfield Home’ means an establishment run by the Abbeyfield Society including all bodies corporate or incorporate which are affiliated to that Society;

‘adoption leave’ means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996;

‘an AFIP’ means an armed forces independence payment payable in accordance with an armed and reserve forces compensation scheme established under section 1(2) of the Armed Forces (Pensions and Compensation) Act 2004

‘alternative maximum council tax support’ (Second Adult Rebate) means the amount determined in accordance with section 62 and Schedule 2;

‘applicant’ means a person who the authority designates as able to claim Council Tax Support – for the purposes of this policy all references are in the masculine gender but apply equally to male and female;

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

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

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

‘attendance allowance’ means–

(a) an attendance allowance under Part 3 of the Act;

(b) an increase of disablement pension under section 104 or 105 of the Act;

(c) a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;

(d) an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;

(e) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or

(f) any payment based on need for attendance which is paid as part of a war disablement pension;

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

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

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

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

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

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

(Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

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

'child' means a person under the age of 16;

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

'the Children Order' means the Children (Northern Ireland) Order 1995;

'child tax credit' means a child tax credit under section 8 of the Tax Credits Act;

'the Children Order' means the Children (Northern Ireland) Order 1995;

'claim' means a claim for council tax support; **'applicant'** means a person claiming council tax support;

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

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

'the Consequential Provisions Regulations' means the Housing Benefit and Council tax support (Consequential Provisions) Regulations 2006;

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

'converted employment and support allowance' means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations;

'council tax benefit' means council tax benefit under Part 7 of the SSCBA;

'council tax reduction scheme' has the same meaning as **'council tax support or reduction'**

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

'couple' means;

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

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

'date of claim' means the date on which the 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 support;

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax support; or

- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
- (c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;
- 'disability living allowance'** means a disability living allowance under section 71 of the Act;
- 'dwelling'** has the same meaning in section 3 or 72 of the 1992 Act;
- 'earnings'** has the meaning prescribed in section 25 or, as the case may be, 27;
- 'the Eileen Trust'** means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;
- 'electronic communication'** has the same meaning as in section 15(1) of the Electronic Communications Act 2000 ;
- 'employed earner'** is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;
- 'Employment and Support Allowance Regulations'** means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;
- 'Employment and Support Allowance (Existing Awards) Regulations'** means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;
- 'the Employment, Skills and Enterprise Scheme'** means a scheme under section 17A (schemes for assisting persons to obtain employment; 'work for your benefit' schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **'Back to Work Schemes'**;
- 'employment zone'** means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and 2014 and an **'employment zone programme'** means a programme established for such an area or areas designed to assist applicants for a jobseeker's allowance to obtain sustainable employment;
- 'employment zone contractor'** means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;
- 'enactment'** includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;
- 'extended payment (or reduction)'** means a payment of council tax support payable pursuant to section 60;
- 'extended payment (or reduction) period'** means the period for which an extended reduction is payable in accordance with section 60A or 61A of this policy;
- 'extended payment or extended reduction (qualifying contributory benefits)'** means a payment of council tax support payable pursuant to section 61;
- 'family'** has the meaning assigned to it by section 137(1) of the Act;
- 'the Fund'** means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;
- 'a guaranteed income payment'** means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;
- 'he, him, his'** also refers to the feminine within this 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 meanings given by section 1(4) of the Jobseekers Act 1995;
- 'income-related employment and support allowance'** means an income-related allowance

under Part 1 of the Welfare Reform Act 2007;

'Income Support Regulations' means the Income Support (General) Regulations 1987(a);

'independent hospital'–

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

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

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

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

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

'Jobseekers Act' means the Jobseekers Act 1995; **'Jobseeker's Allowance Regulations'** means the Jobseeker's Allowance Regulations 1996 and Jobseeker's Allowance Regulations 2013 as appropriate;

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

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

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

'lone parent' means a person who has no partner and who is responsible for and a member of the same household as a child or young person;

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

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

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

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

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

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

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

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

'mobility supplement' means a supplement to which paragraph 9 of Schedule 4 refers;

'mover' means a applicant who changes the dwelling in which the applicant is resident and in

respect of which the applicant liable to pay council tax from a dwelling in the area of the appropriate authority to a dwelling in the area of the second authority;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(bb) homeless or otherwise living an unsettled way of life; and 'local authority' means a local authority in England within the meaning of the Local Government Act 1972;

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

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

'ordinary clothing or footwear' means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

'partner' in relation to a person, means

(a) where that person is a member of a couple, the other member of that couple;

(b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or

(c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

'paternity leave' means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

'payment' includes part of a payment;

'pensionable age' has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

'pension fund holder' means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

'pensioner' a person who has attained the age at which pension credit can be claimed;

'person affected' shall be construed as a person to whom the authority decides is affected by any decision made by the council;

'person on income support' means a person in receipt of income support;

'personal independence payment' has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

'person treated as not being in Great Britain' has the meaning given by section 7;

'personal pension scheme' means—

a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as

amended by the Public Service Pension Act 2013;

- b. an annuity contractor trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004¹⁴;
- 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;
- 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;

'policy of life insurance' means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

'polygamous marriage' means a marriage to which section 133(1) of the Act refers namely;

- (a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and
- (b) either party to the marriage has for the time being any spouse additional to the other party.

'public authority' includes any person certain of whose functions are functions of a public nature;

'qualifying age for state pension credit' means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)–

- (a) in the case of a woman, pensionable age; or
- (b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

'qualifying contributory benefit' means;

- (a) severe disablement allowance;
- (b) incapacity benefit;
- (c) contributory employment and support allowance;

'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996

'qualifying income-related benefit' means

- (a) income support;
- (b) income-based jobseeker's allowance;
- (c) income-related employment and support allowance;

'qualifying person' means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

'reduction week' means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

'relative' means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

'relevant authority' means an authority administering council tax reduction;

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

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

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

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

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

'second authority' means the authority to which a mover is liable to make payments for the new dwelling;

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

¹⁴ As amended by the Finance Act 2014

‘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.); or
- (c) the Employment, Skills and Enterprise Scheme;

‘Service User’ references in this scheme to an applicant participating as a service user are to

- a. a person who is being consulted by or on behalf of—
 - (i) the Secretary of State in relation to any of the Secretary of State’s functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- b. the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph;

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

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

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

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

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

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

‘student’ has the meaning prescribed in section 43;

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

‘support or reduction week’ means a period of 7 consecutive days commencing upon a Monday and ending on a Sunday;

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

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

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

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

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

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

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

(Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

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

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

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

'war pension' means a war disablement pension, a war widow's pension or a war widower's pension;

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

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

'water charges' means;

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

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

'week' means a period of seven days beginning with a Monday;

'Working Tax Credit Regulations' means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended¹⁵; and

'young person' has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this policy, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this policy, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this policy, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or
 - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
 - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
 - (d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

¹⁵ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- 2.4A For the purposes of this policy, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
 - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

2.5 For the purposes of this policy, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

2.6 In this policy, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

3.0 Definition of non-dependant (Classes D and E)

3.1 In this policy, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.

3.2 This paragraph applies to;

- a. any member of the applicant's family;
- b. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
- c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
- d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
- e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

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

- a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - i. that person is a close relative of his or her partner; or
 - ii. the tenancy or other agreement between them is other than on a commercial basis;
- b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax support scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
- c. a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that

dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the support scheme.

4.0 Requirement to provide a National Insurance Number¹⁶ (All Classes)

4.1 No person shall be entitled to support unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming support.

4.2 This subsection is satisfied in relation to a person if–

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

4.3 Paragraph 4.2 shall not apply–

- a. in the case of a child or young person in respect of whom council tax support is claimed;
- b. to a person who;
 - i. is a person in respect of whom a claim for council tax support is made;
 - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act;
 - iii. is a person from abroad for the purposes of this policy as defined in section 2.2; and
 - iv. has not previously been allocated a national insurance number.

5.0 Persons who have attained the qualifying age for state pension credit or who are of working age and who have a partner who has attained the qualifying age for state pension credit (All Classes)

5.1 This policy for working age applicants does not apply in relation to any person if he, or if he has a partner, his partner, has attained the qualifying age for state pension credit, except where either partner receives Income Support, Jobseekers Allowance (Income Based) or Employment and Support Allowance (Income Related)

5.2 This scheme also applies to a person if;

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

6.0 Remunerative work (Classes D and E)

6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this policy as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

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

- 6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;
- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
 - b. in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,
- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
 - b. no other payment is made or is expected to be made to him.

7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control (All Classes)

Persons treated as not being in Great Britain

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations or Article 6 of Council Directive 2004/38/EC;
 - (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;
 - (ab) Article 45 of the Treaty on the functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
 - (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 (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.5 A person falls within this paragraph if the person is—
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971¹⁷ where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
 - (f) a person who has humanitarian protection granted under those rules;
 - (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
 - (h) in receipt of income support or on an income-related employment and support allowance;
 - (ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4) or
 - (i) a person who is treated as a worker for the purpose of the definition of “qualified person” in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013 (right of residence of a Croatian who is an “accession State national subject to worker authorisation”)
- 7.6 A person falls within this paragraph if the person is a Crown servant or member of Her Majesty’s forces posted overseas.
- 7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty’s forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
- 7.8 In this regulation—

¹⁷ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

“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 The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014; and

“Her Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority’s scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9

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

7A.0 Transitional provision

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

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

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

8.0 Temporary Absence (period of absence) (All Classes)

8.1 Where a person is absent from the dwelling throughout any day then no support shall be payable

8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.

8.3 In paragraph 8.2, a ‘period of temporary absence’ means—

- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
 - i. the person resides in that accommodation;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

- b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
 - i. the person intends to return to the dwelling;

- ii. the part of the dwelling in which he usually resided is not let or sub-let; and
- iii. that period is unlikely to exceed 13 weeks; and
- c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let;
 - iii. the person is a person to whom paragraph 8.4 applies; and
 - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.4 This paragraph applies to a person who is;

- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
 - i. in a dwelling, other than the dwelling referred to in paragraph 6.1, or
 - ii. in premises approved under section 13 of the Offender Management Act 2007, or, detained in custody pending sentence upon conviction;
- b. resident in a hospital or similar institution as a patient;
- c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in the United Kingdom or elsewhere, a training course;
- e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- h. a student;
- i. receiving care provided in residential accommodation other than a person to whom paragraph 6.3a) applies; or
- j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.5 This paragraph applies to a person who is;

- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995); and
- b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—

- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident

8.7 In this section;

- ‘medically approved’ means certified by a medical practitioner;
- ‘patient’ means a person who is undergoing medical or other treatment as an in- patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
 - a. in a care home;
 - b. in an independent hospital;

- c. in an Abbeyfield Home; or
- d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- e. 'training course' means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

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Sections 9 – 11

The family for Council Tax Support purposes

(Applies to persons defined by Classes D and E)

9.0 Membership of a family

9.1 Within the support scheme adopted by the Council 'family' means;

- a. a married or unmarried couple;
- b. married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
- c. two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
- d. two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
- e. and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
- f. except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the policy a child is further defined as a 'child or young person'

A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;

- a. on income support ;
- b. an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
- c. a person to whom section 6 of the Children (Leaving Care) Act 2000 applies.

9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable

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

10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies

10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;

- a. the person who is receiving child benefit in respect of him; or
- b. if there is no such person;
 - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or

- ii. in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this policy a child or young person shall be the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

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

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is—

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he—

- a. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- b. has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- c. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 An authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household in any reduction week where;

- a. that child or young person lives with the applicant for part or all of that reduction week; and
- b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 as amended.

Sections 12 – 14 & Schedule 1

Applicable Amounts for Council Tax Support purposes

(Applies to persons defined by Classes D and E)

12.0 Applicable amounts

12.1 Subject to sections 13 and 14, an applicant's weekly applicable amount shall be aggregate of such of the following amounts as may apply in his case;

- a. an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 as the case may be, of Schedule 1 of this policy;
- b. an amount determined in accordance with paragraph 2 of Schedule 1 of this policy in respect of any child or young person who is a member of his family;
- c. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium);
- d. the amount of any premiums which may be applicable to him, determined in accordance with paragraphs 4 to 20 of Schedule 1 of this document (premiums).
- e. the amount of either the
 - i. work-related activity component; or
 - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 of this document (the components)
- f. the amount of any transitional addition which may be applicable to him in accordance with paragraph 23 to 24 of Schedule 1 of this policy (transitional addition).

13.0 Polygamous marriages

13.1 Subject to section 14, where an applicant is a member of a polygamous marriage, his weekly applicable amount shall be the aggregate of such of the following amounts as may apply in his case;

- a. the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this policy as if he and that partner were a couple;
- b. an amount equal to the lowest amount within paragraph 1 of Schedule 1 of this policy in respect of each of his other partners;
- c. an amount determined in accordance with paragraph 2 of Schedule 1 of this policy (applicable amounts or living allowances) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in paragraph 3 of Schedule 1 of this policy (family premium);
- e. the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this policy (premiums).
- f. the amount of either the;
 - i. work-related activity component; or
 - ii. support component which may be applicable to him in accordance within paragraph 17 and 18 of Schedule 1 (the components).
- g. the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this policy (transitional addition)

14.0 Not Used

Sections 15 – 32 & Schedules 3 & 4

Definition and the treatment of income for Council Tax Support purposes

(Applies to persons defined by Classes D and E)

15.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage

- 15.1 The income and capital of:
- an applicant; and
 - any partner of that applicant,

is to be calculated in accordance with the following provisions.

- 15.2 The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

- 15.3 Where an applicant or the partner of an applicant is married polygamously to two or more members of his household:
- the applicant must be treated as possessing capital and income belonging to each such member; and
 - the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

16.0 Circumstances in which capital and income of non-dependant is to be treated as applicant's

- 16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax support scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.
- 16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this policy as if it were a reference to that non-dependant.

17.0 Calculation of income on a weekly basis

- 17.1 For the purposes of this policy and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;
- by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
 - by adding to that amount the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
 - by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2 are met, from those earnings plus whichever credit specified in sub-paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.
- 17.2 The conditions of this paragraph are that;
- the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and

- b. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.
- 17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;
- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
 - b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.
- The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended)

- 17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

18.0 Treatment of child care charges

- 18.1 This section applies where an applicant is incurring relevant child-care charges and;
- a. is a lone parent and is engaged in remunerative work;
 - b. is a member of a couple both of whom are engaged in remunerative work; or
 - c. is a member of a couple where one member is engaged in remunerative work and the other;
 - i. is incapacitated;
 - ii. is an in-patient in hospital; or
 - iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).
- 18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—
- a. is paid statutory sick pay;
 - b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
 - c. is paid an employment and support allowance;
 - d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
 - e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- 18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
- a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - b. the first day of the period in respect of which earnings are credited, as the case may be.
- 18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply, and shall be calculated on a weekly basis in accordance with paragraph 18.10.
- 18.6 The charges are paid by the applicant for care, which is provided
- a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - b. in the case of any child of the applicant's family who is disabled, in respect of the period

beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid–
- in respect of the child's compulsory education;
 - by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
 - in respect of care provided by a relative of the child wholly or mainly in the child's home.

- 18.8 The care to which paragraph 18.7 refers may be provided;
- out of school hours, by a school on school premises or by a local authority;
 - for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
 - by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
 - by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
 - by;
 - persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; Act 2001, or
 - local authorities registered under section 8(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
 - by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
 - by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
 - by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
 - by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
 - by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
 - by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
 - by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
 - by a person who is not a relative of the child wholly or mainly in the child's home.

- 18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

- 18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is

appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where

- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work- related activity component on account of his having limited capability for work
- b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013;
- d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- f. there is payable in respect of him one or more of the following pensions or allowances—
 - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
 - ii. attendance allowance under section 64 of the Act;
 - iii. severe disablement allowance under section 68 of the Act;
 - iv. disability living allowance under section 71 of the Act;
 - v. personal independence payment under the Welfare Reform Act 2012;
 - vi. an AFIP;
 - vii. increase of disablement pension under section 104 of the Act;
 - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (vii) above;
 - ix. main phase employment and support allowance;
- g. a pension or allowance to which head (ii), (iv), (vi) or (viii) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.
- h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

- j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12 For the purposes of paragraph 18.11 once paragraph 18.11d) applies to the applicant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

- 18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person—
- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
 - b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
 - c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

18.14 18.14 For the purposes of paragraph 18.1 a person on maternity leave, paternity leave or adoption leave shall be treated as if they are engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that—

- a. in the week before the period of maternity leave, paternity leave, shared parental leave (effective from 5/4/2015) or adoption leave began, they were in remunerative work;
- b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
- c. the person is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.

18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on—

- a. the date that leave ends;
- b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.

whichever shall occur first.

18.16 In paragraphs 18.14 and 18.15

- a. **'qualifying support'** means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
- b. **'child care element'** of working tax credit means the element of working tax credit

prescribed under section 12 of the Tax Credits Act (child care element) 2002.

18.17 In this section 'applicant' does not include an applicant;

- a. who has, or
 - b. who (jointly with his partner) has,
- an award of universal credit

19.0 Average weekly earnings of employed earners

19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—

- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - i. 5 weeks, if he is paid weekly; or
 - ii. 2 months, if he is paid monthly; or
- b. whether or not sub-paragraph 16.1 i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)

- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

19.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26

20.0 Average weekly earnings of self-employed earners

20.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this policy

21.0 Average weekly income other than earnings

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise an authority to disregard any such income other than that specified in Schedule 4 of this policy

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

21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this policy

22.0 Calculation of average weekly income from tax credits

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3

22.3 Where the instalment in respect of which payment of a tax credit is made is;

- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- b. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- c. a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- d. a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

23.0 Calculation of weekly income

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

- a. does not exceed a week, the weekly amount shall be the amount of that payment;
- b. exceeds a week, the weekly amount shall be determined—
 - i. in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - ii. in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the quotient by 7.

23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the quotient by 7.

24.0 Disregard of changes in tax, contributions etc.

24.1 In calculating the applicant's income the appropriate authority may disregard any legislative change

- a. in the basic or other rates of income tax;
- b. in the amount of any personal tax relief;
- c. in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
- d. in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act;

- e. in the maximum rate of child tax credit or working tax credit,

for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

25.0 Earnings of employed earners

25.1 Subject to paragraph 25.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes–

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of–
- g. (i) travelling expenses incurred by the applicant between his home and his place of employment;
- (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended¹⁸.

25.2 Earnings shall not include–

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of an applicant participating as a service user.

25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)

¹⁸ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

26.0 Calculation of net earnings of employed earners

- 26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.
- 26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.
- 26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;
- a. any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 contributions under the Act;
 - b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
 - c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
 - d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.
- 26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.
- 26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—
- a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- 26.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less—
- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
 - b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - c. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

27.0 Earnings of self-employed earners

- 27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.
- 27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.
- 27.3 This paragraph applies to—
- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - b. any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.
- 27.4 27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction shall be treated as a corresponding fraction of a week) by dividing the earnings by the amount of council tax reduction which would be payable had the payment not been made plus an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be
- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
 - b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
 - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.
- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less
- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - b. an amount in respect of;

- (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of–
- a. any capital expenditure;
 - b. the depreciation of any capital asset;
 - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
 - d. any loss incurred before the beginning of the assessment period;
 - e. the repayment of capital on any loan taken out for the purposes of the employment;
 - f. any expenses incurred in providing business entertainment, and
 - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for–
- a. the replacement in the course of business of equipment or machinery; and
 - b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a) or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt–
- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
 - b. a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the 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
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- a. income tax; and
 - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.

28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined

- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
- b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

29.0 Deduction of tax and contributions of self-employed earners

29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate 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 of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of—

- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means—

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph (28.3)(a) or, as the case may be, (28.4) of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There shall be disregarded from the calculation of an applicant's gross income under paragraph 30.2, any sum, where applicable, specified in Schedule 4.

30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of

recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.

30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 30.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

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

30.7 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—

$$\frac{A - (B \times C)}{D}$$

Where

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax support immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section— 'academic year' and 'student loan' shall have the same meanings as for the purposes of sections 43 to 45, 'assessment period' means—

a. in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

b. in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the

person abandoned, or was dismissed from, his course and ending with the reduction week which includes–

- i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
- ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those date is earlier

‘quarter’ in relation to an assessment period means a period in that year beginning on;

- a. 1st January and ending on 31st March;
- b. 1st April and ending on 30th June;
- c. 1st July and ending on 31st August; or
- d. 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1

- a. any payment to which paragraph 25.2 (payments not earnings) applies; or
- b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

31.0 Capital treated as income

31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with sections 33 to 42 of this policy exceeds £6,000, be treated as income.

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

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

31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income

31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

32.0 Notional income

32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.

32.2 Except in the case of–

- a. a discretionary trust;
- b. a trust derived from a payment made in consequence of a personal injury;
- c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;

- d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
 - e. any sum to which paragraph 48(a) of Schedule 5 refers;
 - f. rehabilitation allowance made under section 2 of the 1973 Act;
 - g. child tax credit; or
 - h. working tax credit,
 - i. any sum to which paragraph 32.13 applies;
- any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.

32.3 – 32.5 Not used

- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–
- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
 - c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made–
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
 - b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
 - c. pursuant to section 2 of the 1973 Act in respect of a person's participation–
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - d. in respect of a person's participation in the Work for Your Benefit Pilot Scheme
 - e. in respect of a previous participation in the Mandatory Work Activity Scheme;
 - f. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
 - g. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

32.8 Where an applicant is in receipt of any benefit (other than council tax support) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.

32.9 Subject to paragraph 32.10, where—

- a. applicant performs a service for another person; and
- b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

32.10 Paragraph 32.9 shall not apply—

- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- b. in a case where the service is performed in connection with—
 - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or
- c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this policy shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this policy shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (32.3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be

- calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation as a service user.

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Sections 33 – 42 & Schedule 5

Definition and the treatment of capital for Council Tax Support purposes

(Applies to persons defined by Classes D and E)

33.0 Capital limit

33.1 For the purposes of this section (no entitlement to support if capital exceeds prescribed amount), the prescribed amount is £10,000. Where the applicant is in receipt of;

- Support Component of Employment and Support Allowance (ESA);
- Enhanced Disability Premium (EDP); or
- Enhanced Disability Premium for Dependents; or
- Disability Child Premium for Dependents (DCP); or
- Severe Disability Premium (SDP).

The amount specified £16,000.

34.0 Calculation of capital

34.1 For the purposes of this policy, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this policy and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Disregard of capital of child and young person

35.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

36.0 Income treated as capital

36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.

36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.

36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

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

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

37.0 Calculation of capital in the United Kingdom

37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less–

- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. the amount of any encumbrance secured on it;

38.0 Calculation of capital outside the United Kingdom

38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

39.0 Notional capital

39.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax support or increasing the amount of that support except to the extent that that capital is reduced in accordance with section 40 (diminishing notional capital rule).

39.2 Except in the case of

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 5; or
- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
- (f) any sum to which paragraph 48(a) of Schedule 5 refers; or
- (g) child tax credit; or
- (h) working tax credit,

any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made

- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
- (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in 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.

39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (bb) in respect of a person's participation in the Mandatory Work Activity Scheme; Enterprise Scheme;
- (bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- (a) the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- (b) he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

40.0 Diminishing notional capital rule

40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;

- (a) in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;

- (b) in the case of a week in respect of which paragraph 40.1(a) does not apply but where
- (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.
- 40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that
- (a) he is in receipt of council tax support; and
 - (b) but for paragraph 39.1, he would have received an additional amount of council tax support in that week.
- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- (a) the additional amount to which sub-paragraph 40.2 (b) refers;
 - (b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations (notional capital);
 - (c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
 - (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
 - (e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax support in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- (a) the amount of council tax support to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax support to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
 - (b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
 - (c) if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-

paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7

- (d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this policy, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this subparagraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- (e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this subparagraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax support and the conditions in paragraph 40.6 are satisfied, and in such a case—

- (a) sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- (b) subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

40.6 The conditions are that

- (a) a further claim is made 26 or more weeks after
 - (i) the date on which the applicant made a claim for council tax support in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
 - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax support which resulted in the weekly amount being re-determined, or
 - (iii) the date on which the last ceased to be entitled to council tax support, whichever last occurred; and
- (b) the applicant would have been entitled to council tax support for paragraph 39.1.

40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.

40.8 For the purposes of this section

- (a) 'part-week'
 - (i) in paragraph 40.4(a) means a period of less than a week for which council tax support is allowed;
 - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 40.4 (c),(d) and (e) means—
- (aa) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
- (bb) any other period of less than a week for which it is payable;
- (b) 'relevant week' means the reduction week or part-week in which the capital in question

of which the applicant has deprived himself within the meaning of section 39.1

(i) was first taken into account for the purpose of determining his entitlement to council tax support; or

(ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax support on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax support;

and where more than one reduction week is identified by reference to heads (i) and (ii) of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- (c) 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

41.0 Capital jointly held

- 41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess

42.0 Calculation of tariff income from capital

- 42.1 Where the applicant's capital calculated in accordance with this scheme exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £10,000
- 42.2 Notwithstanding paragraph 42.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.
- 42.3 For the purposes of paragraph 42.1, capital includes any income treated as capital under section 36 (income treated as capital).

Sections 43 - 56

Definition and the treatment of students for Council Tax Support purposes

(Applies to persons defined by Classes D and E)

43.0 Student related definitions

43.1 In this policy 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 Islands, Isle of Man or any other country outside Great Britain;

'full-time course of study' means a full time course of study which;

- a. is not funded in whole or in part by the Secretary of State under section 14 of the

- Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;
- b. is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
 - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
 - c. is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

'full-time student' means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

'grant' (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

'grant income' means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

'higher education' means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

'last day of the course' means;

- a. in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- b. in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

'period of study' means—

- a. in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b. in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year's start and ending with either—
 - (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- c. in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

‘periods of experience’ means periods of work experience which form part of a sandwich course;

‘qualifying course’ means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations;

‘modular course’ means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

‘sandwich course’ has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

‘standard maintenance grant’ means—

- a. except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (‘the 2003 Regulations’) for such a student;
- b. except where paragraph (c) applies, in the case of a student residing at his parent’s home, the amount specified in paragraph 3 thereof;
- c. in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as ‘standard maintenance allowance’ for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- d. in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

‘student’ means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

- a. a course of study at an educational establishment; or
- b. a qualifying course;

‘student’ loan’ means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Student’s Allowances (Scotland) Regulations 2007

43.2 For the purposes of the definition of ‘full-time student’, a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course

- (a) in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending;
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
- (b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

43.3 For the purposes of sub-paragraph (a) of paragraph 2.8, the period referred to in that sub-paragraph shall include;

- (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
- (b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation

immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

44.1 The following sections relate to students who claim Council Tax Support

45.0 Students who are excluded from entitlement to council tax support

45.1 Students (except those specified in paragraph 45.3) are not able to claim Council Tax Support under Classes A and B of the Council's reduction scheme however they will be able to claim under Class C (alternative maximum council tax support or second adult rebate).

45.2 To be eligible for support, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this policy (persons from aboard).

45.3 Paragraph 45.2 shall not apply to a student

- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
- (b) who is a lone parent;
- (c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;
- (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;
- (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
- (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
- (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
- i) aged under 21 and whose course of study is not a course of higher education
 - ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding
 - iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person)
- (j) in respect of whom
 - i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act

1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

45.3A Paragraph 45.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
 - (i) engaged in caring for another person; or
 - (ii) ill;

- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

- (a) the day on which he resumes attending or undertaking the course; or
 - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
- which shall first occur.

46.0 Calculation of grant income

46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.

46.2 There shall be excluded from a student's grant income any payment;

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;

- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
 - (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
 - (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;
 - (f) intended to meet the cost of books and equipment;
 - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
 - (h) intended for the child care costs of a child dependant.
 - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;
- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).
- 46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
 - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

47.0 Calculation of covenant income where a contribution is assessed

- 47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.
- 47.2 The weekly amount of the student's covenant shall be determined—
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
 - (b) by disregarding from the resulting amount, £5.
- 47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

48.0 Covenant income where no grant income or no contribution is assessed

- 48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;
- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
 - (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
 - (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
 - (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.
- 48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;
- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
 - (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

49.0 Student Covenant Income and Grant income – non disregard

- 49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this policy

50.0 Other amounts to be disregarded

- 50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

51.0 Treatment of student loans

51.1 A student loan shall be treated as income.

51.2 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,
- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
 - (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to

- (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
 - (ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4
- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

51A.0 Treatment of fee loans

- 51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.
- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.
- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
 - b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.
- 52.4 Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
 - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

53.0 Disregard of contribution

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

54.0 Further disregard of student's income

- 54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

55.0 Income treated as capital

- 55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.
- 55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.
- 55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

- 56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

Sections 57 – 63

The calculation and amount of Council Tax Support

(Applies to persons defined by Classes D and E)

57.0 Maximum council tax support

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 78 per cent, of the amount A/B where;

- (a) A is the **lower** of either;
 - i. 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; or
 - ii. the amount set by the appropriate authority as the council tax for the relevant financial year in respect of a dwelling within Band D subject to any discount which may be appropriate to the person's circumstances; and
- (b) B is the number of days in that financial year.

57.1A Where the applicant is in receipt of;

- Support Component of Employment and Support Allowance (ESA); or
- Enhanced Disability Premium (EDP); or
- Enhanced Disability Premium for Dependents; or
- Disability Child Premium for Dependents (DCP); or
- Severe Disability Premium (SDP).

The amount specified in paragraph 57.1 shall be 100% of the band relevant to 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

less any deductions in respect of non-dependants which fall to be made under section 58 (non-dependant deductions).

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

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

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax support) applies, in determining the maximum council tax support in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax. This paragraph and paragraph 57.4 applies to **all classes within this scheme**.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case

58.0 Non-dependant deductions

58.1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum council tax support) shall be;

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £0.00 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £0.00 x 1/7.

59.0 Council tax support taper (applies to persons defined within Class E only)

59.1 The prescribed percentage for the purpose of calculating support as a percentage of excess of income over the applicable amount which is deducted from maximum council tax support, shall be $2\frac{6}{7}$ per cent. Where an applicant's income exceeds their applicable amount, their council tax support shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax support as defined within section 57 of this policy

60.0 Extended reductions

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

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

60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

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

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

- (a) the applicant ceased to be entitled to council tax support because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

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

60A.0 Duration of extended reduction period

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the

applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

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

60B.0 Amount of extended reduction

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of–

- (a) the amount of council tax support to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax support to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax support to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax support, no amount of council tax support shall be payable by the appropriate authority during the extended reduction period.

60C Extended reductions – movers

60C.1 This section applies;

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

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax support which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

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

60C.4 Where–

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

60D.0 Relationship between extended reduction and entitlement to council tax support under the general conditions of entitlement

60D.1 Where an applicant's council tax support award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

61.0 Extended reductions (qualifying contributory benefits)

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

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

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

- (a) the applicant ceased to be entitled to council tax support because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

61A.0 Duration of extended reduction period (qualifying contributory benefits)

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends;

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

61B.0 Amount of extended reduction (qualifying contributory benefits)

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

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

61B.2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax support, no amount of council tax support shall be payable by the appropriate authority during the extended reduction period.

61C.0 Extended reductions (qualifying contributory benefits) – movers

61C.1 This section applies;

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

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax support which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to—

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

61C.4 Where

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

61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax support under the general conditions of entitlement

61D.1 Where an applicant's council tax support award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction— movers).

61E.0 Extended reductions: - Movers Generally¹⁹

61E.1 Where;

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
 - (i) another billing authority in England; or
 - (ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

62.0 – 63.0

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¹⁹ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012

Sections 64 – 67

Dates on which entitlement and changes of circumstances are to take effect

(Applies to persons defined by all Classes)

64.0 Date on which entitlement is to begin

- 64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax support is made and who is otherwise entitled to that support shall be so entitled from the reduction week following the date on which that claim is made or is treated as made.
- 64.2 Where a person is otherwise entitled to council tax support and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his claim is made or is treated as made, he shall be so entitled from that reduction week.

65.0 - 66.0 Not Used

67.0 Date on which change of circumstances is to take effect

- 67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.
- 67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.
- 67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.
- 67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.
- 67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
- 67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.
- 67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.
- 67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

Date on which income consisting of earnings from employment as an employed earner are taken into account (Applies to persons defined only by Classes D and E)

- 67.9 (1) A applicant's average weekly earnings from employment shall be taken into account—
- (a) in the case of a claim, on the date that the claim was made or treated as made and the first day of each reduction week thereafter, regardless of whether those earnings were actually received in that week;
 - (b) in the case of a claim or award where the claimant commences employment, the first day of the reduction week following the date the claimant commences that employment, and the first day of each reduction week thereafter, regardless of whether those earnings were actually received in that week; or
 - (c) in the case of a claim or award where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each week thereafter, regardless of whether those earnings were actually received in that week.

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Sections 68– 74A

Claiming and the treatment of claims for Council Tax Support purposes

(Applies to persons defined by all Classes)

68.0 Making a Claim²⁰

- 68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- 68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
 - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 68.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and

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

- (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

69.0 Procedure by which a person may apply for a reduction under the authority's scheme²¹

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

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

- 69.3
- (1) An application which is made in writing must be made to the designated office on a properly completed form.
 - (2) The form must be provided free of charge by the authority for the purpose.

- 69.4
- (1) Where an application made in writing is defective because—
 - (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
 - (b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

- 69.5.
- (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.
 - (2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

- 69.7
- (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
 - (2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered. For the purposes of this scheme a Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall

²¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

be treated as a valid claim.

69A.0 Date on which an application is made

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

(a) in a case where;

- (i) an award of 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;

(b) in a case where;

- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where;

- (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
 - (ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,
- the date of the death or separation;

(d) except where paragraph c) 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;

(e) in any other case, the date on which an application is received at the designated office;

69A.2 For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),
have been entitled to that allowance.

69A.3 Where there is a defect in an applications by telephone;

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.

69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

69A.5 The conditions are that—

- (a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or
- (b) where an application is not on approved form or further information requested by authority applies;
 - (i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;
 - (ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,
- in either case, within such longer period as the authority may consider reasonable; or
- (c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than 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.

70.0 Submission of evidence electronically

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim

71.0 Use of telephone provided evidence

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim

72.0 Information and evidence²²

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

72.2 This sub-paragraph is satisfied in relation to a person if—

- (a) the application is accompanied by;
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- insurance number that has been allocated to the person; or
- (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
- (i) evidence of the application for a national insurance number to be so allocated; and
- (ii) the information or evidence enabling it to be so allocated.
- 72.3 Sub-paragraph (2) does not apply;
- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who;
- (i) is a person treated as not being in Great Britain for the purposes of this scheme;
- (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
- (iii) has not previously been allocated a national insurance number.
- 72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
- 72.5 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
- 72.6 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
- (c) a payment which is disregarded under paragraph 58.9.
- 72.7 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
- (a) the name and address of the pension fund holder;
- (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.
- 73.0 Amendment and withdrawal of application²³**
- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

²³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.
- 74.0 Duty to notify changes of circumstances²⁴**
- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
- (a) between the making of an application and a decision being made on it, or
 - (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.
- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
- (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
 - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
 - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
 - (b) changes in the age of the applicant or that of any member of his family;
 - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

²⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 For the avoidance of doubt, the authority will not backdate the date of claim in any event and for whatever reason.

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Sections 75- 90

Decisions, decision notices and awards of Council Tax Support

(Applies to persons defined by all Classes)

75.0 Decisions by the authority²⁵

75.1 The authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and section 69 being satisfied, or as soon as reasonably practicable thereafter.

76.0 Notification of decision²⁶

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;

(a) informing the person affected of the duty imposed by paragraph 74.1 of this scheme;

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000⁽³⁾ who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be,

²⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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.

77.0 Time and manner of granting council tax support²⁷

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom support is to be paid²⁸

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount of

²⁷ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012

²⁸ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012

a reduction under paragraph 14(1)(b) must be made to that person.

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

79.0 Shortfall in support / reduction²⁹

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

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

80.0 Payment on the death of the person entitled³⁰

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

81.0 Offsetting

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

82.0 Payment where there is joint and several liability³¹

82.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
 - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
 - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,
- it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

²⁹ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012

³⁰ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012

³¹ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

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

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

83 – 87 Not used

88.0 Diminution of notional capital

88.1 Where notional capital has been used in the calculation of Council Tax Support. Further calculations may be undertaken every thirteen weeks to reduce the notional capital by the amount of council tax support that would have been awarded if the notional capital had not been taken into account in the calculation.

89.0 Not used

90.0 Not used

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Sections 91 – 94

Collection, holding and forwarding of information for Council Tax Support purposes

(Applies to persons defined by all Classes)

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

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

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements³².

92.0 Collection of information

92.1 The authority may receive and obtain information and evidence relating to claims for council tax support, the council may receive or obtain the information or evidence from—

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

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

93.0 Recording and holding information

93.1 The authority may

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

94.0 Forwarding of information

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

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to council tax support.

³² Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

Sections 95 – 98

Revisions, Written Statements, Termination of Council Tax Support

(Applies to persons defined by all Classes)

95.0 Persons affected by Decisions

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority here that person is;
- a. an applicant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or support on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or support appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - c. a person appointed by the authority under this policy;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this policy, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the policy, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council Tax Support. The request must be received within one month of the date of the notification being issued by the authority.

98.0 Terminations

- 98.1 The authority may terminate support in whole or in part the Council Tax Support where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council Tax Support are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council Tax Support where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council Tax Support are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 99

Appeals against the authority's decisions

(Applies to persons defined by all Classes)

99.0 Procedure by which a person may make an appeal against certain decisions of the authority³³

- 99.1 .A person who is aggrieved by a decision of the authority, which affects;
(a) the person's entitlement to a reduction under its scheme, or
(b) the amount of any reduction to which that person is entitled,
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must
(a) consider the matter to which the notice relates;
(b) notify the aggrieved person in writing;
(i) that the ground is not well founded, giving reasons for that belief; or
(ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act³⁴.

³³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³⁴ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

Section 100

Procedure for applying for a discretionary reduction

(Applies to persons defined by all Classes)

100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act³⁵

- 100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 100.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).)

³⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 100A

Procedure for applying for additional support under the Council's Exceptional Hardship Fund

(Applies to persons defined by all Classes)

100A.0 Procedure for applying for additional support under the Council's Discretionary Scheme

- 100A.1 The authority may make a discretionary award under this scheme where it considers that it is reasonable to do so, having regard to the applicant's household and financial circumstances. The discretionary award may be made for any amount subject to their council tax liability amount, less any council tax support awarded under this scheme.
- 100A.2 The authority may make such a reduction by reducing the amount of council tax which an applicant has to pay, or by writing off an amount of debt that has already accrued or will accrue during the financial year.
- 100A.3 Applications for a discretionary award under this section must be made in writing, by email or on paper to the Welfare Support team, who will make a recommendation as to the decision to be made once the facts of the case are known and the needs of the customer are understood.
- 100A.4 The authority can make a discretionary award under this section on its own initiative, and a discretionary award may be made whether or not an applicant fulfils the conditions of entitlement in the preceding paragraphs.

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Section 101 – 106A³⁶

Electronic Communication
(Applies to persons defined by all Classes)

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³⁶ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) Regulations 2012

101.0 Interpretation

101.1 In this Part;

“information” includes an application, a certificate, notice or other evidence; and
“official computer system” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

102.0 Conditions for the use of electronic communication

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

102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in paragraph (1) if the conditions specified in paragraphs (3) to (6) are satisfied.

102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

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

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

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

102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

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

103.0 Use of intermediaries

103.1 The authority may use intermediaries in connection with;

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

104.0 Effect of delivering information by means of electronic communication

104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;

- (a) by this section; and
- (b) by or under an enactment,

are satisfied.

104.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

105.0 Proof of identity of sender or recipient of information

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

106.0 Proof of delivery of information

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;

(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

106A.0 Proof of content of information

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

Section 107

Counter Fraud and Compliance
(Applies to persons defined by all Classes)

107.0 Counter Fraud and compliance

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

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

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

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

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

Schedule 1

Applicable Amounts

(Applies to persons defined by Classes D and E)

Personal Allowance

- 1 The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes the main scheme;

Column 1 Person or Couple	Column 2
1. A Single applicant who; a) is entitled to main phase employment and support allowance	£73.10
b) is aged not less than 25	£73.10
c) is aged not less than 18 but less than 25	£57.90
2. Lone Parent	£73.10
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£114.85
b) Where one member is aged not less than 18	£114.85
c) Polygamous Addition	£41.75

For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if;

- Paragraph 17 or 18 is satisfied in relation to the applicant; or
- The applicant is entitled to a converted employment and support allowance

- 2 (1) The amount specified in column (2) below in respect of each person specified in column (1) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of the main scheme

Column 1 Child or Young Person	Column 2
Person in respect of the period— (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£66.90
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£66.90

(2) In column (1) of the table in paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Family Premiums

3. (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- where the applicant is a lone parent to whom sub-paragraph (3) of Schedule 3 of the Housing Benefit Regulations 2006 applies, £22.20;
 - in any other case, £17.45;

Premiums

4. Except as provided in paragraph 5, the premiums specified in this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
5. Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
6. (1) The following premiums, namely—
 - a. severe disability premium to which paragraph 10 applies;
 - b. an enhanced disability premium to which paragraph 11 applies;
 - c. a disabled child premium to which paragraph 12 applies; and
 - d. carer premium to which paragraph 13 applies,may be applicable in addition to any other premium which may apply under this Schedule
7. (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
 - a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
 - b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.(2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

Disability Premium

8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

Additional Condition for the Disability Premiums

9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

Severe Disability Premiums

10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

Enhanced Disability Premium

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

Disabled Child Premium

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

Carer Premium

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

Persons in receipt of concessionary payments

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

15. For the purposes of this Schedule, a person shall be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and shall be so regarded only for any period in respect of which that benefit is paid.

Amounts of Premium

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
Disability Premium	£32.25
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£45.95
Severe Disability Premium	£61.85
a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006	£61.85
1. in a case where there is someone in receipt of carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 14(5);	
2. in a case where there is no one in receipt of such an allowance	£123.70
Disabled Child Premium	£60.06 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Carer Premium	£34.60 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Enhanced Disability Premium	(a) £24.43 in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied; (b) £15.75 in respect of each person who is neither— (i) a child or young person; nor (ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied; (c) £22.60 where the applicant is a member of a couple or a polygamous marriage and the

	conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.
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The components

17. The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
18. The amount of the work-related activity component is £29.05. The amount of the support component is £36.20

Transitional Addition

19. The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of the Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 – 29 of Schedule 3 of the Housing Benefit Regulations 2006

Amount of transitional addition

20. The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of the Housing Benefit Regulations 2006

Schedule 2

Not Used

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Schedule 3

Sums to be disregarded in the calculation of earnings (Applies to persons defined by Classes D and E)

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1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—
 - (a) where—
 - (i) the employment has been terminated because of retirement; and
 - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,
any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
 - (b) where before the first day of entitlement to council tax support the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—
 - (i) any payment of the nature described in
 - (aa) paragraph 25.1(e), or
 - (bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
 - (ii) any award, sum or payment of the nature described in
 - (aa) paragraph 25.1(g) or (h), or
 - (bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),
including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
 - (c) where before the first day of entitlement to council tax support—
 - (i) the employment has not been terminated, but
 - (ii) the applicant is not engaged in remunerative work,
any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii) (bb) or paragraph 25.1(i), or (j).
2. In the case of an applicant who, before first day of entitlement to council tax support;
 - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
 - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,
any earnings paid or due to be paid in respect of that employment except;
 - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
 - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (i) or (j).
- 2A. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation of

his employment any earnings derived from that employment except earnings to which paragraph 27.3 and paragraph 27.4 (earnings of self-employed earners) apply.

3. (1) In a case to which this paragraph applies and paragraph 4 does not apply, £20; but notwithstanding section 15 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.
- (2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component.
- (3) This paragraph applies where
 - (a) he is a member of a couple and his applicable amount includes an amount by way of the disability premium; and
 - (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
- (4)–(5) Not used
4. In a case where the applicant is a lone parent, £25.
5. (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium, £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with this policy as being in receipt of carer's allowance.
- (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £20 of the aggregated amount.
6. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment;
 - (a) specified in paragraph 8(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 5 exceed £20;
 - (b) other than one specified in paragraph 8(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.
7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.
8. (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the applicant, £20 of earnings derived from one or more employments as–
 - (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
 - (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section

- 1 of the Fire (Scotland) Act 2005(a)) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
- (c) an auxiliary coastguard in respect of coast rescue activities;
 - (d) a person engaged part-time in the manning or launching of a life boat;
 - (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;
- but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the applicant's partner is engaged in employment;
 - (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
 - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.
9. Where the applicant is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 8 exceed £20.
10. In a case to which none of the paragraphs 3 to 9 applies, £5.
- 10A. (1) Where;
- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
 - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
 - (c) paragraph 12 does not apply,
- the amount specified in sub-paragraph (7) ('the specified amount').
- (2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph.
 - (3) Notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4).
 - (4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.
 - (5) This sub-paragraph applies to a person who is;
 - (a) in receipt of a contributory employment and support allowance;
 - (b) in receipt of incapacity benefit;
 - (c) in receipt of severe disablement allowance; or
 - (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975
 - (6) 'Exempt work' means work of the kind described in;

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations; or (as the case may be)

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

11. Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

12. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

13. Any earnings derived from employment, which are 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 those earnings.

14. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

15. Any earnings of a child or young person.

16. (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.

(2) The conditions of this sub-paragraph are that—

(a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or

(b) the applicant—

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his applicable amount includes a family premium; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and;

(aa) the applicant's applicable amount includes a disability premium, the work-related activity component or the support component ;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in sub-head (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or

(3) The following are the amounts referred to in sub-paragraph (1);

- (a) the amount calculated as disregardable from the applicant's earnings under paragraphs 3 to 10A of this Schedule;
 - (b) the amount of child care charges calculated as deductible under paragraph 17(1)(c); and
 - (c) £17.10
 - (4) The provisions of section 6 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that section were a reference to 30 hours.
- 17.** In this Schedule 'part-time employment' means employment in which the person is engaged on average for less than 16 hours a week.

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Schedule 4

Sums to be disregarded in the calculation of income other than earnings **(Applies to persons defined by Classes D and E)**

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant's participation as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker's allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment—
 - (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of

school expenses; grant of scholarships etc);

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992

- (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or

(iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
 - (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
 in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

13. Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.

- 14** (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
 - (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

- 15** (1) Subject to sub-paragraph (2), any of the following payments;
 - (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any

agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by—
 - (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16. 100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria;
 - (h) an Armed Forces Compensation Scheme payment.
- 17. Subject to paragraph 35, £15 of any;
 - (a) widowed mother's allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18. (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
(2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of—
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
(3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—
 - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998(c), that student's award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
 - (c) the student's student loan,an amount equal to the weekly amount of that parental contribution, but only in respect of the

period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to—
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non- dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family—
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to—
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

- 26.** (1) Any payment made to the applicant in respect of a person who is a member of his family—
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 27.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under—
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 28.** Any payment made to the applicant or his partner for a person ('the person concerned'), who is not normally a member of the applicant's household but is temporarily in his care, by—
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 29.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children

(Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.

30. (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
31. Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
32. Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013
33. Any payment under Part 10 of the Act (Christmas bonus for pensioners).
34. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
35. The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
36. (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and

who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

(a) the person who is suffering from haemophilia or who is a qualifying person;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either;

(i) to that person's parent or step-parent, or

(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either

(i) to that person's parent or step-parent, or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

37. Any housing benefit or council tax benefit

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

39. - 40. not used

41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

42. Not used

43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).

44. Not used

45. (1) Any payment or repayment made—

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).

46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

48. (1) Where an applicant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

48A. (1) Where an applicant is in receipt of;

- Support Component of Employment and Support Allowance (ESA); or
- Enhanced Disability Premium (EDP); or
- Enhanced Disability Premium for Dependents; or
- Disability Child Premium for Dependents (DCP); or
- Severe Disability Premium (SDP)

Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.

(2) In paragraph (1)

'child maintenance' means any payment towards the maintenance of a child or young person,

including any payment made voluntarily and payments made under;

- (a) the Child Support Act 1991;
- (b) the Child Support (Northern Ireland) Order 1991;
- (c) a court order;
- (d) a consent order;
- (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

49. Not used.

50. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

51. Any guardian's allowance.

52. (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

53. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

54. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

55 (1) Any payment which is
(a) made under any of the Dispensing Instruments to a widow, widower or
(b) surviving civil partner of a person;
(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
(ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

55A. Any council tax support or council tax benefit to which the applicant is entitled.

56. Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10

56A.–56B. Not used

57. Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
58. (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—
(a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity, in respect of which such assistance is or was received.
(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
59. (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
60. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
61. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
62. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001
63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
64. Where an applicant is in receipt of;
 - Support Component of Employment and Support Allowance (ESA); or
 - Enhanced Disability Premium (EDP); or
 - Enhanced Disability Premium for Dependents; or
 - Disability Child Premium for Dependents (DCP); or
 - Severe Disability Premium (SDP)Any amount of Child Benefit
65. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

Schedule 5

Capital to be disregarded

(Applies to persons defined by Classes D and E)

DRAFT

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
 - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
 - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital **but only** where in the applicant or partner is in receipt of;
 - Support Component; or
 - Enhanced Disability Premium (EDP); or
 - Enhanced Disability Premium for Dependents; or
 - Disability Child Premium for Dependents (DCP); or
 - Severe Disability Premium (SDP)within either their the Council Tax Reduction, income support, income based -jobseeker's allowance or income-related employment and support allowance.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub- leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

- (2) The assets of any business owned in whole or in part by the applicant where—
- (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

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

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

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

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

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

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

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

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

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

- 10.** Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
 - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.
- 11.** Any sum—
- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited and which is to be used for the purchase of another home,
- for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax support or to increase the amount of that support.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
- (2) But sub-paragraph (1)
- (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
 - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
 - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
 - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
- (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
- (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

19. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.
- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.
20. Any social fund payment made pursuant to Part 8 of the Act.
21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
22. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a

member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian, but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian, but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on

which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

28. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.
29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
 - (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
 - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling

- expenses and health service supplies);
- (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),
- but only for a period of 52 weeks from the date of receipt of the payment or repayment.
- (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
- 41.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 41A.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 42.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
- 43.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 44.** Not used
- 45.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
- 46.** (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax support), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax support), sub-paragraph (1) shall not have effect.
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
(b) which can only be disposed of by order or direction of any such court; or
(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
(2) This sub-paragraph applies to a sum of capital which is derived from;
(a) an award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 48.** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
(a) award of damages for a personal injury to that person; or
(b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 49.** Any payment to the applicant as holder of the Victoria Cross or George Cross.

50. Not used

51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

53. (1) Any payment;

- (a) by way of an education maintenance allowance made pursuant to—
 - (i) regulations made under section 518 of the Education Act 1996;
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
- in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

53A.-53B. Not used

54. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

55. Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of—

- (a) the applicant;
- (b) the applicant's partner;

- (c) the applicant's deceased spouse or deceased civil partner; or
- (d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

- 57.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
 - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
 - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person—
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
 - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person

- (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,whichever is the latest.
- (5) In this paragraph, a reference to a person—
 - (a) being the diagnosed person's partner;
 - (b) being a member of a diagnosed person's family;
 - (c) acting in place of the diagnosed person's parents,at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
- (6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;
'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;
'trust payment' means a payment under a relevant trust.
- 58. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner
 - (a) was a slave labourer or a forced labourer;
 - (b) had suffered property loss or had suffered personal injury; or
 - (c) was a parent of a child who had died,during the Second World War.
- 58 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.
- 60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
- 61. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 62. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

**Schedule 6
Class F only**

The scheme for all individuals (or partner) who have been assessed by the Secretary of State for Work and Pensions (DWP) for Universal Credit

1. Persons who fall within Class F

This schedule applies to all individuals (or partner) who:

- a. are liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- b. is not deemed to be absent from the dwelling in accordance with Section 8 of this scheme;
- 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. have been assessed by the Secretary of State for Work and Pensions (DWP) for Universal Credit and either been awarded Universal Credit, or would have been awarded Universal Credit other than for any deductions, amendments, pre-payments, sanctions or waiting days;
- e. must not have capital or savings greater than £6,000;
- f. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week where their assessed income and household membership as defined; and
- g. have made an application for support³⁷;

2. Definitions

'Capital'

means the level of capital of the individual as defined by the Secretary of State for Work and Pensions (DWP).

'Council Tax Liability'

means the actual weekly Council Tax liability of the applicant after any discounts, disregards, exemptions or reductions.

'the maximum reduction'

is equivalent to the Band 1 percentage applied against the Council Tax liability.

'the Income Band'

is the number allocated to the income range and related percentage.

'the Income Range'

is the applicant's weekly income (as calculated under these rules) to which the Council Tax Support percentage relates. Where the applicant's calculated household weekly income falls on or within a range, then the related percentage is applied against their liability.

'Membership of the household'

means the household of the individual as defined by the Secretary of State for Work and Pensions (DWP). This will include the applicant, any partner (s) and any dependant child (ren) or young person (s) who currently reside with the applicant and for whom they are responsible.

'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.

³⁷ Sections 68 to 74a of this policy

‘Universal Credit Award’

means any payment of Universal Credit payable to the individual (partner) or would have been awarded other than for any deductions, amendments, pre-payments, sanctions or payments to third parties.

‘Universal Credit Award Period’

means any award period defined by the Secretary of State for Work and Pensions (DWP).

‘net Universal Credit Earnings’

means any earnings defined by the Secretary of State for Work and Pensions (DWP) prior to any earnings allowances. For the sake of clarity net Universal Credit Earnings are calculated by reducing the Gross Earnings during the Universal Award Period by any tax, national insurance or pension contributions assessed by the Secretary of State for Work and Pensions (DWP).

‘Universal Credit Other Income’

means any other income defined by the Secretary of State for Work and Pensions (DWP) during the Universal Award Period.

3. Calculation of Income

The calculation of income for all persons falling with Class F shall be as follows:

The **net Universal Credit Earnings** of the individual (partner,) as defined in paragraph 2 above;

PLUS

The **Universal Credit Award** as defined in paragraph 2 above;

PLUS

The **Universal Credit Other income** as defined in paragraph 2 above

PLUS

Any **other income** declared by the applicant

LESS

Any **disregarded income as specified in paragraph 4 below.**

EQUALS

Total Income for the purposes of Class F of this scheme

For the purposes of the calculation the weekly income shall be determined as follows:

- Where income is received weekly, the income;
- Where income is received fortnightly; by dividing the amount by 2;
- Where income is received monthly, by multiplying the amount of the payment by 12 and dividing the product by 52;
- 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

4. Disregarded income

The following incomes shall be disregarded when calculating income of the applicant in line with paragraph 3 above:

- a. Any payment of Disability Living Allowance made to the applicant or partner;
- b. Any payment of Personal Independence Allowance made to the applicant or partners;
- c. Any payments of Attendance Allowance made to the applicant or partner;
- d. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made;

- 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
 - by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- e. 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–
- i. a health authority;
 - ii. a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - iii. a voluntary organisation;
 - iv. the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - v. 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
 - vi. 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
- f. 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).
- g. (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;
- was formerly in the applicant's care, and
 - is aged 18 or over, and
 - continues to live with the applicant.
- h. 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.
- i. Any payment made or reduction in liability granted under S13A 1 C of the Local Government Finance Act 1992;
- j. Any payment made under any discretionary payment under this scheme;
- k. 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).

- l. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.
- m. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).

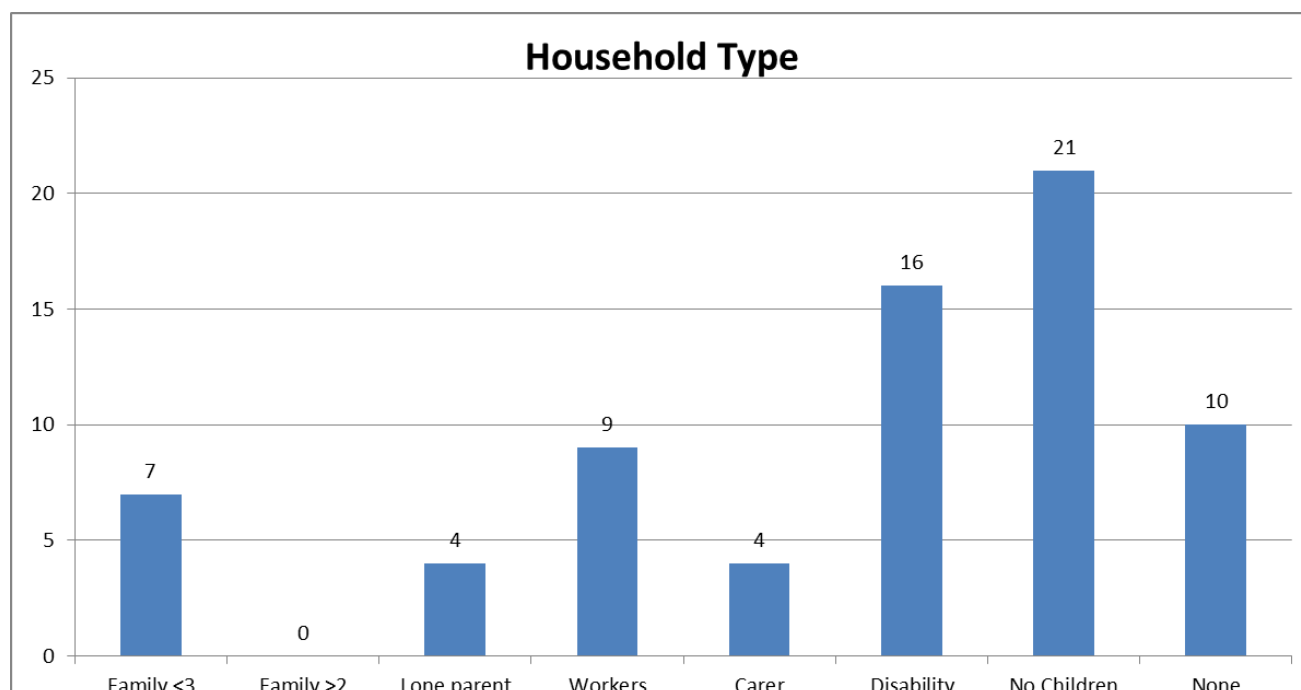
5. Levels of Reduction for Class F

- a. the reduction applied will be equal to a percentage of the liability as referred to in paragraph 2 above
- b. the percentage to be applied will be based on the income of the applicant and partner(s), according to specified income bands
- c. the maximum reduction is equivalent to the Band 1 percentage applied against the Council Tax liability.
- d. the Income Band is the number allocated to the income range and related percentage
- e. the Income Range is the applicant's weekly income (as calculated under these rules) to which the Council Tax Support percentage relates. Where the applicant's calculated household weekly income falls on or within a range, then the related percentage is applied against their liability
- f. the income ranges are increased at the upper end of the values by £25 where the applicant has a partner who is a member of the same household, as determined by the Secretary of State for Work and Pensions (DWP)
- g. the income ranges are increased at the upper end of the values by £50 where the applicant has a child or young person in their household, as determined by the Secretary of State for Work and Pensions (DWP), for each child or young person, subject to a maximum of two children or young persons.

<u>Income band</u>	<u>Weekly Income Range £</u>	<u>Percentage</u>
1	0.00 to 99.99	90
2	100.00 to 199.99	85
3	200.00 to 299.99	80
4	300.00 to 349.99	70
5	350.00 to 399.99	50
6	400.00 and over	0

Summary of Responses to New LCTS Scheme Public Consultation (Total 74)	
Response Area	Summary
Principles	<ul style="list-style-type: none"> • Vast majority placed most importance on protecting those on the lowest incomes and extra funding for Welfare Support • Less importance placed on everyone paying some Council Tax and aligning scheme with Universal Credits
Administration	<ul style="list-style-type: none"> • 68% agree with a cost neutral scheme (19% Don't know) • 42% agree with a simpler scheme (27% Don't know)
Policy content	<ul style="list-style-type: none"> • 93% agree on most support for those on low incomes (3% Don't know) • 80% agree with extra funding for Welfare Support provision (7% Don't know) • 53% agree moving to an income banded scheme (17% Don't know) • 35% agree with the proposed income band levels (28% Don't know) • 44% agree with increase in bands for multi-person households and families (27% Don't know) • 39% agree with a maximum level of support for working age (11% Don't know) • 50% agree with the proposed maximum level of support (8% Don't know)
Income and capital	<ul style="list-style-type: none"> • 39% agree with including UC housing cost element as income (16% Don't know) • 81% agree with disregarding DLA and PIP as income (4% Don't know) • 51% agree with a minimum income level for self-employed (25% Don't know) • 49% agree with reducing the savings limit to £6,000 (4% Don't know)
Respondents	<ul style="list-style-type: none"> • 92% are residents of B&NES • 74% are current LCTS recipients; 63% on other benefits • 28% are working, 44% are permanently sick or have a disability • 81% are between 35 and 64 years old • 60% have a disability or a member of the household has a disability

Summary of Written Comments	
Principles	<ul style="list-style-type: none"> • A written response from CAB Director Gill Whitehead praised the proposed scheme specifically increased help for the lowest incomes and increased funding to Welfare Support, valuing the excellent service they provide • A thread in the written comments is that respondents are disagreeing that everyone must pay something; including those with disabilities • There is also concern that having to seek help from Welfare Support is demeaning • There is a comment suggesting that self-employed people may not always be capable of earning the 'living wage' • There is also a comment suggesting that households with multiple children should have benefits capped lower than the current rate
Funding	<ul style="list-style-type: none"> • The main thread is that other funding should come from the richest people • Increased funding from tourism • Charges for Libraries • Reduction in major developments • Other income streams such as parking fines
Policy content	<ul style="list-style-type: none"> • A few suggestions of lowest band starting at £199 • Mainly comments on hardship caused by band percentages • Some suggesting a return to 100% as the maximum discount



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Breakdown of people with a reduction in CTS from the new scheme

CTS Reduction in £	0-5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	Totals
Previously Protected	1646	243	81	74	45	26	4	3	2122
Previously Non-protected	234	104	76	54	17	0	0	0	485
Total Impacted per Band	1880	347	157	128	62	26	4	3	2607

[illegible]

The 152 cases with an increase in CTS by £10/wk or greater						
Income 0 - 100/wk up to £5,200/yr	Income 100 - 200/wk up to 10,400/yr	Income 200 - 300/wk up to 15,600/yr	Income 300 - 350/wk up to 18,250/yr	Income 350 - 400/wk up to 20,800/yr	Income 400 - 500/wk up to 26,000/yr	Income 500 - 600/wk up to 31,200/yr
1	27	39	42	24	18	1
Employed	Mix Employed/Bens	Mostly Employed	Mostly Employed	Mostly Employed	Mostly Employed	Employed
Owner	Mostly Owners	Mostly Social rent	Mostly Social rent	Mostly Social rent	Mostly Social rent	Private rent
0 children	Only 1 with one child	Av 0.2 children	Av 0.8 children	Av 1.6 children	Av 1.9 children	2 children

Page 1

The 95 cases with a reduction in CTS by £20/wk or greater							
Capital in Excess of £6,000 and less than £10,000	Capital in excess of £10,000	Income 400 - 500/wk 20,800 - 26,000/yr	Income 500 - 600/wk up to 31,200/yr	Income 600 - 700/wk up to 36,500/yr	Income 700 - 800/wk up to 41,700/yr	Income 800 - 900/wk up to 46,900/yr	Income 900 - 1000/wk up to 52,100/yr
15	7	2	34	21	10	3	3
Mostly Benefits	Mostly Benefits	Employed	Mix Employed/Bens	Most Employed	Most Employed	One of each	One of each
Mix of Owner and Renting	Mostly Owners	Social Rent	Mostly Social Rent	Mix Private & Social	Mix Private & Social	1 social 2 private	2 social 1 private rent
Av 0.3 children	Av 0.4 children	Only one with 1 child	Av 2.8 children	Av 2.95 children	Av 4.6 children	Av 4.3 children	Av 6.7 children
	3 with capital >£19,000						1 family 9 children

NB: These 95 cases will be those that receive direct contact and assistance from the Welfare Support Team

Economic status options are

- Out of work benefits
- Employed
- Self-employed

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10th November 2016	AGENDA ITEM NUMBER
TITLE:	Procurement Options – External Audit	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

- 1.1 The report sets out the background and statutory requirements for the Council to approve the procurement route for the External Auditors to the Council, under the Local Audit & Accountability Act 2014. The Corporate Audit Committee reviewed this item at its September Committee and supported the recommended option of using the sector led body, Public Sector Audit Appointments Limited.

2 RECOMMENDATION

- 2.1 That Council approves the use of Public Sector Audit Appointments Limited (PSAA Ltd) to manage the procurement process for the appointment of External Auditors to the Council.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications as the sector led body (PSAA Ltd) are funded through the LGA and no direct charge is being made. Previously this service was provided as part of the role and responsibilities of the Audit Commission and there was no direct cost.

4 STATUTORY CONSIDERATIONS & BASIS FOR PROPOSAL

- 4.1 The Local Audit & Accountability Act 2014 changed the framework for the future of the external audit regime and the Local Audit (Appointing Persons) Regulations 2015 sets out at regulation 19 that only full Council can approve the procurement route for the appointment of the Council's External Auditors. PSAA Ltd has been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies under the provisions of the 2014 Act.

5 THE REPORT

Background –

- 5.1 The Local Audit & Accountability Act 2014 put in place the framework which will allow local authorities to appoint their own external auditors. Prior to 2010, the Audit Commission was responsible for appointments with the work either being undertaken by their in-house auditors or by a limited number of private firms. The Audit Commission was also responsible for standard setting and overseeing the National Fraud Initiative.
- 5.2 In August 2010, the then Secretary of State for Communities and Local Government announced that the Audit Commission would be abolished. His stated aims were to reduce costs and improve local democratic accountability by allowing local authorities to appoint their own external auditors from a more competitive market.
- 5.3 As part of the transitional arrangements, the Audit Commission undertook a competitive exercise which resulted in a series of regional contracts being awarded to Grant Thornton, KPMG, Ernst & Young and Mazars. The new contracts commenced in 2012 and saved over £25M nationally in audit fees each year.
- 5.4 The Audit Commission itself closed in March 2015 with responsibility for the existing appointments transferring to Public Sector Audit Appointments Limited (PSAA) an independent company established by the Local Government Association.
- 5.5 Whilst the Corporate Audit Committee oversee the work of the External Auditor and approve the Annual Accounts only full Council have the authority under the Local Audit & Accountability Act to approve the use of PSAA Ltd to carry out future procurement processes on our behalf.

Current Position -

- 5.6 Following substantial lobbying from the LGA and other bodies the government recently announced that the contract & transitional arrangements for principal authorities would be extended for a further year until April 2018.
- 5.7 Health bodies and smaller local government bodies will however still need to appoint their own external auditors from April 2017.
- 5.8 The one year extension has been welcomed by the LGA along with the government's decision to allow councils to come together to continue to procure audit services through a sector led organisation (PSAA Ltd).

Conclusion & Recommended Option -

- 5.9 Whilst the Act allows councils to appoint their own auditor or to make a joint appointment with neighbouring councils, this change in approach by the government is likely to mean the majority of councils avoid the need to establish an auditor panel or undertake their own procurement exercise.
- 5.10 Some bodies will however see advantages in making their own arrangements. These include full control and ownership over the process and the ability to reflect local circumstances. Larger councils may also feel they will be able to secure a

better price if they can attract a high level of interest although there is no evidence to support this.

- 5.11 Those councils who wish to make their own appointment whether jointly or on their own would need to start planning within the next few months as any appointment must be confirmed by December 2017 and the procurement exercise will take time and significant cost. Indeed there are no resources available to carry out this exercise internally or any spare capacity to manage the process effectively.
- 5.12 Therefore within the local government sector the vast majority of Councils have already expressed a preference to join a sector led procurement exercise from PSAA and it is the recommendation of the S151 Officer that Bath & North East Somerset Council should also follow this option. A provisional expression of interest has already been made to PSAA to indicate our inclusion in the national exercise.
- 5.13 There are no direct charges from using PSAA Ltd and there are very clear financial and quality benefits by following the recommended option which should also help the major firms to also plan their resources and bids more effectively.
- 5.14 Council are therefore asked to support the recommendation to the report so that arrangements can be finalised in the next few months to confirm our approach to securing our involvement in the sector led exercise by PSAA.

6 RATIONALE

- 6.1 As laid out in the report in section 5 there are clear financial and quality benefits by following the recommended option. The Council has no available resources or spare capacity to carry out the exercise on its own or to manage the contract on an ongoing basis.

7 OTHER OPTIONS CONSIDERED

- 7.1 Two other options have been considered, the first of which is to carry out the exercise ourselves or to partner with a group of neighbouring authorities. In both cases there are no available resources or expertise to carry out the exercise or any appetite from other councils in our region to use scarce capacity on this initiative. Almost all councils will be using the recommended option.

8 CONSULTATION

- 8.1 Consultation has been carried out with the Cabinet Member for Resources, Chief Executive, Monitoring Officer and Section 151 Finance Officer.

9 RISK MANAGEMENT

- 9.1 An effective External Auditor demonstrates one aspect of good governance on behalf of the Council and the wider Community. This helps to ensure that the

Council is delivering good value to its residents from its services and is managing its key risks appropriately.

Contact person	Jeff Wring (01225 47323); Tim Richens (01225 477468)
Background papers	Report to Audit Committee – 27 th September – External Audit Procurement
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING:	Council	
MEETING:	10 November 2016	
TITLE:	Update on Destination Management Commission	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Bath Tourism Plus: Proposed Business Objectives		

1. THE ISSUE

- 1.1. The Council commenced the procurement process for the new Destination Management contract in December 2015. The preferred bidder is Bath Tourism Plus (BTP), a Company jointly owned by the Council and Bath Chamber of Commerce.
- 1.2. There has been some delay in finalising the contract as a consequence of due diligence issues relating to BTP's ongoing pension liabilities.
- 1.3. The Council and Bath Chamber of Commerce, as co-owners of Bath Tourism Plus, have reviewed options. The Recommendation for the Council to take sole ownership of the Company is made to ensure the ongoing viability of Bath Tourism Plus and the successful delivery of Destination Management services.

2. RECOMMENDATION

The Council is asked to:

- 2.1. Delegate to the Strategic Director (Place) authority to extend the existing contractual arrangements between the Council and BTP (the Company) until the ownership issues (2.3 refers) are resolved.
- 2.2. Delegate to the Chief Executive and Strategic Director (Place), in consultation with the Leader, the Cabinet Member for Economic Development, the s151 Officer, and the Monitoring Officer, authority to finalise and agree the Articles of the Company and other such matters necessary for the Council to (i) take sole ownership of the Company (ii) deliver the objectives identified in this report (iii) finalise the new contractual arrangements for the Destination Management contract.
- 2.3. Delegate to the Leader the exercise of all Council functions as sole shareholder representative of the Company, with the exception of disposing of ownership of the Company.

- 2.4. Delegate to the Strategic Director (Place) authority to finalise service provision arrangements between the Council and BTP for all required support services, including officer support.

3. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1. FINANCE IMPLICATIONS

- 3.1.1. EY have undertaken a financial review of Bath Tourism Plus.
- 3.1.2. The key issue highlighted through this review was that with the crystallisation of the Pension deficit, the acquisition of the company would not be favourable. However, the Pension deficit is not expected to crystallise (3.3.3 refers).
- 3.1.3. The EY report confirmed that the Company had generated cumulative post-tax surplus, before the pension liability, of £47K over the three years to March 2016, and that the existing business plan protects pre-tax surplus for the period to March 2019 of £347K.
- 3.1.4. In addition, the EY report highlighted several matters for further consideration. Of those, the key items requiring further work include:
- Review of most updated information, once available, for the last financial year (including pension valuation and statement of accounts).
 - Preparation of Completion Accounts at the date of acquisition. This will enable correct valuation of the acquisition.
 - Confirm accounting treatment of the acquisition.
 - Review the tax position of the proposed acquisition.
 - Review the tax position of the subsequent wholly owned organisation and the transactional relationships.
 - Revision of the business plan and forward projections for the Company once acquired.
- 3.1.5. Initial review of the impact of acquisition on the business plan, undertaken internally, indicates that the core financial objective around reducing Council contract reliance is achievable; however further more robust estimates and business planning work is required.
- 3.1.6. The cost of the contract over the coming 3 years is incorporated within existing budgets, although budget virements will be required in the coming years to align as required.
- 3.1.7. There is a Strategic Review budget target linked to the reduction in the contract value over the coming three years. Although indications at this time are for the full target to be achieved by 2019/20, the incremental saving toward the total value within the 2017/18 and 2018/19 years is now considered unlikely.

3.2. PROPERTY CONSIDERATIONS

- 3.2.1.** BTP currently occupy the ground floor of Abbey Chambers where the Visitor Information Centre is located, with office accommodation on the first floor.

3.2.2. BTP may wish to relocate in the future. As part of the dialogue process for the Destination Management contract, it is understood that BTP's senior management are considering options for alternative provision. There is potential impact to the Council's commercial estate should BTP change locations, but this could be offset by leasing the property to another occupier.

3.3. TUPE & Pension Considerations

3.3.1. There are no implications for Council staff.

3.3.2. If the Council takes sole ownership of the Company (2.2 refers), this will *not* trigger a TUPE transfer of BTP's staff, because there is no change of employer.

3.3.3. The proposed change will not change BTP as a legal entity, so it should not trigger a crystallisation of BTP's pension deficit.

3.3.4. Options under consideration are:

(a) Do nothing – the Council as sole shareholder becomes the ultimate guarantor. However, the pension deficit would remain on the BTP balance sheet which could restrict its cash-flow and investment options in the future.

(b) Bring the deficit 'back in house' - BTP would retain responsibility for future service contributions, with the deficit balance (plus any reserves) transferring back to the Council. This would then be subsumed within the wider B&NES deficit, with recovery managed through existing recovery payment processes, although BTP would be expected to contribute to these payments.

Option (b) is preferred.

4. STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1. This proposal will support the delivery of the Medium Term Financial Plan and Strategic Review objectives.

4.2. The Company will be governed in accordance with the powers set out under S1 of the Localism Act 2011 (The General Power of Competence) and in accordance with any Company governance arrangements the Council implements in due course.

5. THE REPORT

5.1. Background

5.1.1. Bath Tourism Plus (BTP) was established by the Council and Bath Chamber of Commerce in 2003 to deliver the Council's tourism and conferencing services. It is classed as a separate Local Authority influenced company and was established as a non-charitable company limited by guarantee. This governance model met the Council's needs at the time, but Officers and the Bath Chamber of Commerce believe that the current and future needs are best met by the change to sole ownership (2.2 refers).

5.1.2. BTP has two members, the Council and Bath Chamber of Commerce Limited, with the Council holding a type of 'golden share' to be used in specific situations of disagreement between the two members.

5.1.3. Since its incorporation, BTP's scope of operation has grown significantly to include many successful commercial trading activities (such as the Christmas Market), alongside the contract for core services from the Council.

5.2. Destination Management Commission Process

5.2.1. The Council commenced the procurement process for the new Destination Management contract in December 2015. BTP is the preferred supplier.

5.2.2. However, still to be resolved is the treatment of the pensions liability (3.3.3 refers) which, from a procurement perspective, is currently considered too great a risk to award a contract.

5.2.3. In order to address this issue, Officers reviewed the options set out in (3.3.4).

5.3. Wholly-Owned Subsidiary of the Council

5.3.1. The recommended option is to progress to where BTP is a wholly-owned subsidiary of the Council, making the Council in its corporate capacity the sole shareholder of the Company.

5.3.2. As sole shareholder, the Council would be able to exercise control over risks, such as the pension liability.

5.4. Legal Process

5.4.1. The decision to restructure BTP is down to the members – the Council and Bath Chamber of Commerce (BCC).

5.4.2. The most expedient approach would be for a written special resolution, agreeing to amendments to the Articles, signed by an authorised representative of the Council and BCC.

5.4.3. The new Articles would take effect immediately and a copy of the new Articles and signed resolution must be with Companies House within 15 days of resolution.

5.4.4. Any new governance arrangements can be implemented immediately after the special resolution has been passed. Legal advice has indicated that this is preferable to prevent delay and uncertainty within the BTP workforce.

5.5. Governance Arrangements

5.5.1. Based on independent expert legal advice, the Company would remain a Company Limited by Guarantee with the Articles being altered to enable the company to distribute surplus to its members.

5.5.2. A Board of directors will be put in place to oversee and manage the Company in accordance with the objectives set by the Council.

5.5.3. The Company would be 100% Council-owned at shareholder level. It would operate through its Board. The Directors would have a duty to act in the best

interests of the Company, which would be to maximise the return/benefit for the shareholders (the Council).

5.5.4. Advice has been received that, to avoid any inherent conflict of interest between the role of Council officers and Board members, Board members cannot be drawn from the Place Directorate or have a Culture, Tourism or Economic Development role.

5.5.5. The Councillor and Officer roles would be unpaid although expenses to attend Board meetings would be in line with normal Council policy.

5.5.6. Non-Executive Directors will be appointed, following an external process (as advised by the Monitoring Officer), with the approval of the Leader and the Chair of the Board.

5.6. Financial Due Diligence

5.6.1. Feedback from EY showed that BTP has delivered an operating surplus each year ranging from £80k to £150K, which has been transferred to the reserve needed to cover pension liability.

5.6.2. A risk-based due diligence with Finance officers and consultants EY examined the status, financial issues and related risks of the Company at the proposed point of transfer to a Council wholly-owned company; with the exception of the pension issue, this was satisfactory.

5.6.3. A review of BTP's proposed business plan was positive and showed alignment with the Strategic Review, savings and income plans for this area of service. There is a reduction of contract value over the lifetime of delivery, aligned to the Company becoming more self-sustaining. A revised business plan will be developed once sole ownership has been agreed. Proposed business objectives are shown in Appendix 1 to this report.

5.6.4. BTP's most recent audited accounts (2014/15) show a turnover of £2.76m. Income is earned primarily from the Visitor Information Centre activity and the Christmas Market, the services contract with the Council, and some income from grants and sponsorship.

6. RATIONALE

The Recommendation for the Council to take sole ownership of the Company is made to ensure a cost-effective delivery model for Destination Management in future. The proposed change to the Council's sole ownership of the Company will give the Council greater flexibility to manage the Company and respond to changing circumstances as they occur, and will place BTP in a more financially secure position.

7. OTHER OPTIONS CONSIDERED

7.1. Officers have thoroughly examined other ways of resolving the pension liabilities issue and, having taken Legal, Pensions and Finance advice, do not recommend any other options to Council.

8. CONSULTATION

- 8.1. All proposals have been drawn up with support from Officers in relevant departments and external experts (EY), together with research into the experience of other local authorities who have, or are in the process of, establishing similar companies.
- 8.2. Consultation has taken place with the Board of Bath Tourism Plus and Bath Chamber of Commerce.
- 8.3. Consultation has been undertaken with relevant Cabinet Portfolio Holders and Group Members. All future proposals will be subject to the normal processes and consultation.
- 8.4. The Monitoring and s151 Officers have been involved throughout and have had opportunity to review and input into this report.

9. RISK MANAGEMENT

- 9.1. A risk assessment related to the issue and recommendations has been undertaken by the Council's business partner EY, in compliance with the Council's decision making risk management guidance.
- 9.2. Officers will implement a work programme to take forward the actions, and will keep Members updated on progress.
- 9.3. Over the next 12 months the work programme will include:
- Development and agreement to a new business plan
 - Agreement to a future property strategy for BTP
 - Updating the Destination Management Plan for B&NES

Contact person	Ben Woods, Group Manager, Economy & Culture benjamin_woods@bathnes.gov.uk 01225 477597 Ann Cullis, Arts Development Manager ann_cullis@bathnes.gov.uk 01225 396455
Background papers	Bath Tourism Plus background information: http://visitbath.co.uk/about-visit-bath
Please contact the report author if you need to access this report in an alternative format	

Appendix 1 – Bath Tourism Plus: Proposed Business Objectives 2016-19

1. Deliver transformational change in the visitor economy, benchmarking Bath and North East Somerset against other comparable destinations and horizon-scanning for future trends and initiatives.
2. Provide a year round package of cultural events, festivals and other initiatives in B&NES in support of the cultural and creative sector. Market B&NES and beyond as a destination to the leisure and business visitor, including domestic and overseas markets.
3. Develop and deliver coordinated marketing activity that increases the visitor economy in B&NES through destination marketing and product development. Enhance the marketing, packaging and offer of events, activities and festivals and where appropriate work jointly with the Council to achieve this.
4. Work in partnership with the Cultural and Creative Strategic Investment Board to develop the quality of the destination offer for B&NES, supporting local businesses, events, festivals and visitor attractions.
5. Identify funding opportunities at a national and regional level that will secure the long-term future of our destination as a growing visitor economy. Work with the Council to develop and deliver a 5 year Destination Management Plan (DMP).
6. Continue to grow and develop private sector engagement and communication with all stakeholders, businesses and services providers to support the visitor economy. Provide a forum/platform to ensure engagement with stakeholders and the sector.
7. Provide strategic guidance in relation to market intelligence to support the Council to develop its strategic visitor economy priorities. Provide specialist advice on the visitor economy to the Council and act as the voice for B&NES at regional, national and international level. Manage the Visitor Information Centre in an efficient and effective way.
8. Distribute any surplus revenue in accordance with Council strategic objectives as set out in the Economic Development Strategy, Cultural and Creative Strategy or Destination Management Plan.
9. Reduce the delivery costs by £400,000 over the three-year contract period.
10. Develop income-generating projects such as markets, walking tours, and new events to grow the visitor economy.
11. Enable a number of strategic review projects including the visitor economy strand.

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Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10 November 2016	
TITLE:	Bath & Somer Valley Enterprise Zone	
WARD:	Abbey : Kingsmead : Widcombe : Westmoreland : Keynsham North : Keynsham East : Peasedown : Bathavon South : Westfield : MSN North : Paulton	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Draft Memorandum of Understanding		

1. THE ISSUE

- 1.1. Following the successful application in 2015, in partnership with West of England Local Enterprise Partnership, to convert the Bath Riverside Enterprise Areas into a full Enterprise Zone and expand this to the Old Mills site in the Somer Valley the Council was asked to submit a Business Case for the possible expansion of the Enterprise Zone to include additional sites in the Somer Valley and Keynsham.
- 1.2. This report seeks approval to finalise the site allocations and proposals for the expanded Enterprise Zone ahead of officially commencing operation in April 2017.

2. RECOMMENDATION

The Council is asked to;

- 2.1. Approve the extension to the Bath and Somer Valley Enterprise Zone in accordance with the proposals set out in this report
- 2.2. Approve the proposed Governance and operating procedures for the Enterprise Zone, which are set out in a Memorandum of Understanding (MoU) and supporting Partnership Agreement.
- 2.3. Grant delegated authority to the Strategic Director (Place) in consultation with the Executive Member for Economic Regeneration to:
 - 2.3.1. Finalise the site allocations for Enterprise Zone status subject to a final decision by DCLG and the West of England LEP following the Government's Autumn Statement.

- 2.3.2. Confirm with DCLG that the existing Enterprise Area boundary is protected and clarify the policy on business rate relief
- 2.3.3. Based on concluding the discussions in 2.3.1 and 2.3.2 complete the Memorandum of Understanding with the LEP and Government covering the expansion of the Bath & Somer Valley EZ
- 2.3.4. Agree and submit an Implementation Plan for the Enterprise Zone expansion to the West of England LEP prior to the 30th November ahead of submission by the West of England LEP to DCLG on 9th December

3. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1. FINANCE IMPLICATIONS

- 3.2. Negotiations are on-going with DCLG/HMT on the Government agreeing to fund the granting of Business Rates discounts for occupation of premises within the existing EA fiscal boundary, which would effectively give the ability to grant the same reliefs as are available in an EZ.
- 3.3. Modelling shows that a revision to the existing EA baseline would be likely to cause a financial loss to the City Region Deal Pool, even if the term of the current EA was extended by three years to 2042. Therefore, in order not to lose the benefits of economic growth achieved since 2013, the existing baseline needs to be retained. DCLG have indicated protection of the baseline should be possible.
- 3.4. Financial modelling, carried out in conjunction with the Council's Business Partners, suggests that forecast cumulative Business Rates growth across all the potential expansion sites could be in the region of £76m by 2042 at a current price base as set out in the table below.

Sites	NDR £m
Old Mills	22.8
Roseberry Place	5.2
Keynsham Peninsula (KP1)	14.8
East of Keynsham (KE3a)	12.6
Somerdale	8.8
Kingsmead House	3.8
Welton Hollow Sewage Works	2.1
Westfield Industrial Estate	2.1
Welton Bibby Baron	1.5
Midsomer Enterprise Park	1.4
Bath Business Park	1.2
Total	76.3

- 3.5. A reasonable assessment of the likely impact of the move to a national 100% Business Rates Retention Scheme by Government from 2019/20 has been included in the modelling although of course the final details of this scheme are some way from being decided by Government.
- 3.6. To address development uncertainties inherent in the real estate market, adjustments have been made to the forecasts to deal with optimism bias and lower rates of

occupancy – on the same basis as the reductions applied within the existing WoE growth forecasting.

- 3.7. B&NES would seek to continue to utilise the existing City Region Deal governance and pooling arrangements for the Bath City Riverside EZ. Annual growth would be paid into the Business Rates Pool with funds distributed or invested annually in accordance with the Pooling Principles Agreement as follows :

Tier 1: To ensure that no individual Authority is any worse off than it would have been under the national local government finance system,

Tier 2: To an Economic Development Fund (EDF) for reinvestment within the designated areas

Tier 3: For the relief of demographic and service pressures associated with growth.

- 3.8. It has been agreed that, in respect of the expansion sites, the Tier 2 funds secured will be allocated to a separate infrastructure fund from the existing £500m EDF. A separate fund will also be created for Bristol City Council's proposed extension to the Temple Quarter EZ.

- 3.9. However, the existing governance arrangements including the one front door approach to assessing and approving infrastructure investment proposals, through submission of Business Cases at the appropriate WoE LEP Board meeting, will be maintained.

3.10. PROPERTY & PEOPLE

- 3.11 At this stage it is not possible to fully assess the resource implications arising from an extension of the Bath & Somer Valley Enterprise Zone pending agreement with the Government on a Business Plan and Implementation Plan.

4. STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1. This proposal will support the delivery of the medium term financial plan and strategic objectives.
- 4.2. The legal powers to allow this have been granted by the Secretary of State for Communities and Local Government. Governance Arrangements for the Enterprise Zone are in line with the pre-existing governance arrangements for the Enterprise Area and have been agreed with the Local Economic Partnership. Any proposed policy documents will be in accordance with the permissions being offered by the Secretary of State.

5. THE REPORT

5.1. Background

- 5.1.1 In the autumn of 2015, government approved in principle the conversion of the existing Bath Riverside Enterprise Area to full Enterprise Zone status and expansion to include the Old Mills employment site in the Somer Valley.
- 5.1.2 The Bath City Riverside Enterprise Area is the main focus for the 60,000sq gross new floorspace required in the city to deliver Core Strategy & PMP policy objectives. Conversion of the Bath Riverside Enterprise Area to Enterprise Zone status will enable the application of business rates discounting to end tenants equalising the offers of the two emerging office locations in Bath and Bristol.

5.1.3 The Old Mills expansion site in the Somer Valley has the potential to deliver up to 62,000sqm of development space in an area with a 0.7% vacancy rate for B1, B2 and B8 commercial uses.

5.1.4 There have also been ongoing conversations with DCLG / BIS regarding the feasibility of increasing the number of sites across the Somer Valley and to also include Keynsham.

5.1.5 To enable formal consideration of the Council's proposal DCLG requested B&NES submit a business case for the proposed expansion.

5.2. Progress Update

EXPANSION SITES BUSINESS CASE

5.2.1 The initial submission from the Council included sites in Midsomer Norton & Radstock town centres. However due to the high proportion of retail uses proposed DCLG/BIS requested their removal from the revised Business Case.

5.2.2 The Business Case including estimated business rates uplift to 2042, additional net GVA and site maps were submitted to DCLG on Friday 26th August.

5.2.3 The sites listed in the table below were included given their match with the guidance criteria and strategic fit with the Place Making Plan and emerging WoE Joint Spatial Plan / Transport Strategy.

5.2.4 The table summarises the projected job numbers and GVA uplift for the combined Bath & Somer Valley Enterprise Zone including, in bold, the expansion sites along the A367 and A4 corridors. The projections have been adjusted to take account of the latest position in relation to planning policy and specific planning consents and will form the basis of future detailed discussions with government.

5.2.5 DCLG have indicated that no announcements will be made public on the success or not of the expansion sites Business Case before the Autumn Statement scheduled for the 23rd November.

Site	Net Internal Area (m2)	Gross Direct Jobs	Net Additional Jobs	Net Additional GVA £m
Bath City Centre				
Cattlemarket	1,575	165	145	7.3
Manvers Street	8,643	1,061	787	41.9
North Quays	26,000	2,650	2,600	153.0
South Quays	12,760	1,100	1,370	84.0
South Bank	5,400	580	170	10.0
Green Park East	13,201	1,060	444	27.0
Green Park West	23,000	2,366	2,926	154.0
Bath Press	1,800	195	198	11.0
Roseberry Place	7,680	780	740	41.0
Kingsmead House	8,106	198	149	4.0
Keynsham				

Somerdale	9,454	993	1008	58.1
East of Keynsham (KE3A EMP)	48,000	1,235	1473	88.8
Keynsham Peninsula	32,500	1,519	1636	96.2

Somer Valley				
Old Mills	62,000	1,900	2,100	121.6
Welton Bibby Baron	5,000	535	501	31.1
Westfield	5,000	147	176	10.4
Bath Business Park	2,900	87	104	6.1
Welton Hollow	6,000	179	214	12.6
Midsomer Enterprise Park	3,500	104	124	7.3
Total	282,519	16,854	16,865	965.0

5.3. Fit with B&NES Economic Strategy, LEP and Government Criteria

5.3.1. The 'additionality' of the Somer Valley and Keynsham sites would enable the sustainable expansion of non-office based high-tech, low carbon, creative & digital businesses from BaNES and the wider WofE.

5.3.2. Given their locations along the A367/A362 towards the Somer Valley and the A4 towards Keynsham the EZ sites will support the growth of businesses in developing rural areas and complement the existing non-urban Enterprise Areas at J21, Filton and Avonmouth Severnside.

5.3.3. The Somer Valley / Keynsham cluster meets Government policy because;

- There is clear market failure due to coordination issues as a consequence of multiple ownerships, the need for significant enabling infrastructure and constrained market conditions which affect viability
- The current limited provision of superfast broadband hinders commercial expansion in the area
- It will enable clustering and agglomeration benefits, helping to attract and focus new investment

5.3.4 The sites could target areas most in need of regeneration following major factory closures / relocations ie : Polestar / Alcan / Welton Bibby Baron / Cadbury.

5.3.5 The sites could help to address Somer Valley's continued economic vulnerability because of above average manufacturing employment and the focus on printing & packaging (where there is still global over capacity) and help to rebuild Keynsham's employment base taking advantage of the town's sustainable location between Bristol and Bath.

5.3.6 The expansion will facilitate regeneration and generate investment in:

- The brownfield sites at Welton Bibby Baron, Keynsham Paper Mill and Broadmead Waste sites
- The development of the allocated employment sites at Old Mills and East of Keynsham as an overspill locations for companies looking to expand and/or facing relocation from the Bath river corridor and the wider West of England sub-region.
- Underpin employment generation in key development locations emerging from the WofE JSP to support the delivery of housing developments and unlock transport investment throughout the Somer Valley and Keynsham

6. Memorandum of Understanding & Implementation Plan

MEMORANDUM OF UNDERSTANDING

- 6.1 A basic text has been provided by government to all LEPs to be agreed by the LEPs and host authorities. Officers have reviewed the text and are happy with the contents. The final draft of the MOU has to include the final site allocations, associated Incentives, governance and treatment of pooled rates and be submitted to DCLG in September.
- 6.2 The MOU attached in Appendix 1 has been agreed in principle with the Local Enterprise Partnership and the subject of initial discussions with DCLG. Further discussions are required to agree the overall scope of the MOU prior to confirmation of site allocations from HMT during the Autumn Statement

IMPLEMENTATION PLAN

- 6.3 A draft Implementation Plan was submitted to Government in September. It reflected all available information on each site up to 31st August and covered the first three years of the Enterprise Zone from 1 April 2017 – 2020.
- 6.4 The implementation plan is being refined ahead of the submission of the final document in November to take account of;
- Masterplanning work on key expansion sites in Keynsham and the Somer Valley
 - Ongoing planning discussions regarding expansion sites with developers and land owners.
 - Feedback from DCLG/HMT on suggested application of BR discounts to Bath Enterprise Zone tenants
 - Feedback from DCLG/HMT on the proposed expansion sites

7 RATIONALE

- 7.1 The move to a national 100% Business Rates Retention Scheme by Government from 2019/20 will place more emphasis on delivering local economic growth, in line with the adopted planning policy framework, in order to provide the Council with funding to invest in local services.
- 7.2 The granting of EZ status to sites will continue to provide several additional financial and service benefits, including exclusion of Business Rates growth in the zones from any resets of the national retention system for the next 25 years, as well as the Central Government funding of the BR discounts available to occupiers in the first 5 years of the scheme.

8 OTHER OPTIONS CONSIDERED

- 8.1 There is no obligation on the Council, if successful in its application, to agree to proceeding with an Enterprise Zone. However there are clear economic and financial benefits which can be gained from Enterprise Zone status, including the ability to attract funding for investment in enabling infrastructure through the Local Enterprise Partnership.
- 8.2 If the Council did not pursue its application then any net benefits would be far more difficult to deliver and take longer to achieve.

9 CONSULTATION

- 9.1 The Bath & Somer Valley Enterprise Zone proposals have been developed in conjunction with advice from external financial and commercial property consultants and in consultation with colleagues in Planning, Property, Project Delivery, Regeneration and Transport.
- 9.2 Consultation has been undertaken with relevant Cabinet Portfolio Holders and Group Members.

10 RISK MANAGEMENT

- 10.3 A risk assessment related to the issue and recommendations has been undertaken by the Council's business partner EY, in compliance with the Council's decision making risk management guidance.

Contact person	John Wilkinson tel : 01225 396593
Background papers	<i>Bath Enterprise Area & EZ Update Report and Presentation : Planning, Housing & Economic Development Policy Development & Scrutiny Panel 1st March 2016</i> <i>Bath & Somer Valley Enterprise Zone Update Report & Presentation Planning, Housing & Economic Development Policy Development & Scrutiny Panel 1st November 2016</i>
Please contact the report author if you need to access this report in an alternative format	

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Enterprise Zone Memorandum of Understanding

THIS AGREEMENT is dated [] 2016

PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**);
2. Each of the local authorities for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 1 (together the **Relevant Local Authorities**)
3. The Local Enterprise Partnership for the area of the Enterprise Zone, whose names and principal addresses are listed at Schedule 2 (where a local enterprise partnership does not have corporate status then the Accountable Body who acts as the representative is listed) (together with the **Local Enterprise Partnership**)

BACKGROUND

- A The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. Enterprise Zones are on sites which would ordinarily not be expected to generate significant business growth nor generate any business rates without incentives and /or dedicated local stakeholder support. Any increase from business rates income which arise from the development of an Enterprise Zone site will not be affected by business rates reform, reset or redistribution for a period of 25 years.
- C. A local enterprise partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. This includes arrangements for the establishment and operation of Enterprise Zones. As some local enterprise partnerships are not corporate bodies, a local authority may act as an accountable body on their behalf.
- D. In agreement with the Local Enterprise Partnership local authorities responsible for all or part or all of an Enterprise Zone use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and neighbouring areas.
- E. Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State with the agreement of the Chancellor of the Exchequer offers the Local Enterprise Partnership and Relevant Accountable Bodies the right to set up and establish arrangements for the operation of the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this Memorandum of Understanding. To allow all parties to review their interests, in the first instance this Memorandum of Understanding extends to 2020.

IT IS AGREED THAT:

1 DEFINITIONS

In this Memorandum of Understanding the following words and phrases shall have the following meanings:

“Accountable Body” means a local authority organisation(s) responsible for one or more aspects of the operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.

“Application” means the application for enterprise zone status submitted to the Secretary of State by the Local Enterprise Partnership on [DATE] 2015 (which may be amended from time to time after the date of this Memorandum of Understanding) and includes each of the representations at Schedule 3 of this Memorandum of Understanding (in the event of conflicting statements, Schedule 3 and then the latest validly made variation shall take priority).

“Enterprise Zone” means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

“Regulations” means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.

“Relevant local authorities” means a local authority on which all or part of an Enterprise Zone is situated and as a consequence collects business rates from businesses in operation on that site.

“Term” means the earlier of 31 March 2020 or the date of the Secretary of State, each of the Local Enterprise Partnership or each of the Relevant Local Authorities giving written notice to the other parties to this Memorandum of Understanding of its intention to terminate the Enterprise Zone status under clause 5.

2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE

Having relied upon the representations made by the Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership and the Relevant Local Authorities the right to set up and operate the Enterprise Zone for the Term, subject to the terms of this Memorandum of Understanding, including the right to benefit from the following business incentives:

- Permitting the Relevant Local Authorities to retain 100% of any business rate increase which accrues for a period of 25 years from the commencement date (this being [START DATE]) of the Enterprise Zone, providing that such sums are directed towards the development of the Enterprise Zones and thereafter towards the Local Enterprise Partnership's other identified growth priorities;
- Central government will reimburse the cost incurred by Relevant Local Authorities in providing a 100% business rates discount for a period of up to five years, to any business which sets up operations within the Enterprise Zone site before 31 March

2022, and is able to receive the support within the State Aid De Minimis threshold (or other limitation applicable by law);

- As an alternative to the reimbursement of business rates, and up until 31st March 2020, Central Government will reimburse the Relevant Local Authorities the cost of allowing businesses occupying an Enterprise Zone sites within an Assisted Area to count 100% up to €125 million of their first years' expenditure on qualifying plant and machinery assets against taxable income as an Enhanced Capital Allowance (**ECAs**)
- The Local Enterprise Partnership and Relevant Local Authorities can together agree to other local authorities benefitting from the benefits of the Enterprise Zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the regulations. In this situation, notice shall be given to the Secretary of State of the arrangement.

3. TERMS AND CONDITIONS

3.1 The Relevant Local Authorities and the Local Enterprise Partnership agree, having undertaken due investigation, that at the date of this Memorandum of Understanding:

- (a) The statements within the Application are accurate;
- (b) they are not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership and the Relevant Local Authorities to deliver the Enterprise Zone in accordance with the Application and achieve the outputs; and
- (c) they are not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the Enterprise Zone in accordance with the Application or achieving the outputs.

3.2 The Relevant Local Authorities and Local Enterprise Partnership confirm, having undertaken due investigation, that:

- (a) they have obtained or shall use all reasonable endeavours to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;
- (b) they have or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) they will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid, planning law and all rules relating to the collection and distribution of business rates, discount, and use of business rates for investment); and

- (d) they will deliver the relevant incentives at Schedule 4 for the period set out in the Application and this Memorandum of Understanding.

3.3 The Relevant Local Authorities and the Local Enterprise Partnership agree to:

- (a) organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly ("**Governance Group**"); and
- (b) enter into Memorandum of Understandings with each other which set agreed objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Memorandum of Understanding (for example, provisions covering the use of business rates retained by local authorities and how local authorities will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships and local authorities involved in the Enterprise Zone changes, the Secretary of State requires that the Local Enterprise Partnership uses all reasonable endeavours to enter into new Memorandum of Understandings under this clause. Copies of these Memorandum of Understandings should be sent to the Secretary of State within 50 days of execution.
- (c) to use government subsidies provided for the Enterprise Zone (including the subsidy provided under this Memorandum of Understanding and the Regulations) for the objectives of the Enterprise Zone and in compliance with relevant laws.

3.4 Implementation Plan

The Local Enterprise Partnership in consultation with the Relevant Local Authorities shall design and submit to the Secretary of State a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31st March 2017.

3.5 The **Cities and Local Growth Unit** shall support:

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is [redacted] (E-mail: **Telephone:** [redacted]) (who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and Relevant Local Authorities shall be informed if there is a change in the Cities and Local Growth Unit team contact.

- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, Twitter account and other media; and
- (c) Collaboration, by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed or subject to alteration after that date.

3.6 The Relevant Local Authorities and Local Enterprise Partnership shall:

- (a) send the Cities and Local Growth Unit contact the details of the primary point of contact ("**Local Enterprise Zone Contact**", a named representative agreed with the Local Enterprise Partnership) for the Enterprise Zone within 20 Working Days of entering into this Memorandum of Understanding. The Cities and Local Growth Unit contact shall be informed if there is a change in the Local Enterprise contact.
- (b) authorise the Local Enterprise Contact to discuss progress of the Enterprise Zone with the Cities and Local Growth Unit contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the Cities and Local Growth Unit team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The Cities and Local Growth Unit team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

3.7 Marketing

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to

- (a) promote the Enterprise Zone;
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Memorandum of Understanding; and
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

3.8 Monitoring

The Relevant Local Authorities and the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at

Schedule 5 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

4. CHANGES

All changes to the text of the application or this Memorandum of Understanding must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Memorandum of Understanding in compliance with its terms before such change.

5. TERMINATION

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of any or all of the Local Enterprise Partnership and / or the Relevant Local Authorities to market an Enterprise Zone if, acting reasonably, the Secretary of State is of the view that a party has acted in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Memorandum of Understanding.
- (b) The Relevant Local Authorities and Local Enterprise Partnership with the Memorandum of Understanding involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

6. GOOD FAITH AND COOPERATION

Each party covenants with the others that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Memorandum of Understanding.

7. MISCELLANEOUS

Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the parties.

ACCEPTANCE

This Memorandum of Understanding has been entered into on the date stated at the beginning of it.

Signed for and behalf of

SECRETARY OF STATE FOR)

COMMUNITIES)

AND LOCAL GOVERNMENT)

Authorised Signatory: _____

Print Name: _____

1. Local Enterprise Partnership Accountable body signs here

Signed for and in agreement with

LOCAL ENTERPRISE PARTNERSHIP BY THE ACCOUNTABLE BODY

[Insert AUTHORISED BODY DETAILS]

Authorised Signatory: _____

Print Name: _____

(Add more as required)

Signed for and in agreement with

Name of Local Authority

[Insert LOCAL AUTHORITY DETAILS]

Authorised Signatory: _____

Print Name: _____

.....

Signed for and in agreement with

Name of Local Authority

[Insert LOCAL AUTHORITY DETAILS]

Authorised Signatory: _____

Print Name: _____

.....

The following parties are aware of the requirements of this Memorandum of Understanding (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term, but due to not having the required legal personality

[LOCAL ENTERPRISE PARTNERSHIP]

Authorised Signatory:

Print Name:

[LOCAL ENTERPRISE PARTNERSHIP]

Authorised Signatory:

Print Name:

SCHEDULE 1 - RELEVANT LOCAL AUTHORITIES

SCHEDULE 2 – LOCAL ENTERPRISE PARTNERSHIP

SCHEDULE 3 KEY INFORMATION ON [INSERT NAME] ENTERPRISE ZONE / EXTENSION [FROM NAME OF LOCAL ENTERPRISE PARTNERSHIP APPLICATION]

General	
Name of Enterprise Zone	West of England Enterprise Zone
Name of Local Enterprise Partnership	West of England
Relevant local authorities	Bristol City Council Bath and North East Somerset Council

Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?

Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

Additional Business Rates growth generated from this EZ bid will be treated in the same way as the Retained Rates through the West of England City Region Deal, under which, Bristol City, Bath & North East Somerset, North Somerset and South Gloucestershire Councils are allowed to retain 100% of the growth in business rates raised in the Enterprise Zone/Areas over a 25 year period to create an Economic Development Fund for the West of England and to manage local demographic and service pressures arising from economic growth.

Each participating authority pays an annual growth figure to South Gloucestershire Council, as the Accountable Body for the Business Rates Pool, representing business rates collected in the Enterprise Areas in excess of an agreed baseline figure. Retained funds are distributed or invested annually in accordance with the Regulations and the BRPPA as:

- Tier 1: to ensure that no individual Authority is any worse off than it would have been under the national local government finance system,
- Tier 2: to an Economic Development Fund (EDF) for reinvestment within the designated areas
- Tier 3: for the relief of demographic and service pressures associated with growth.

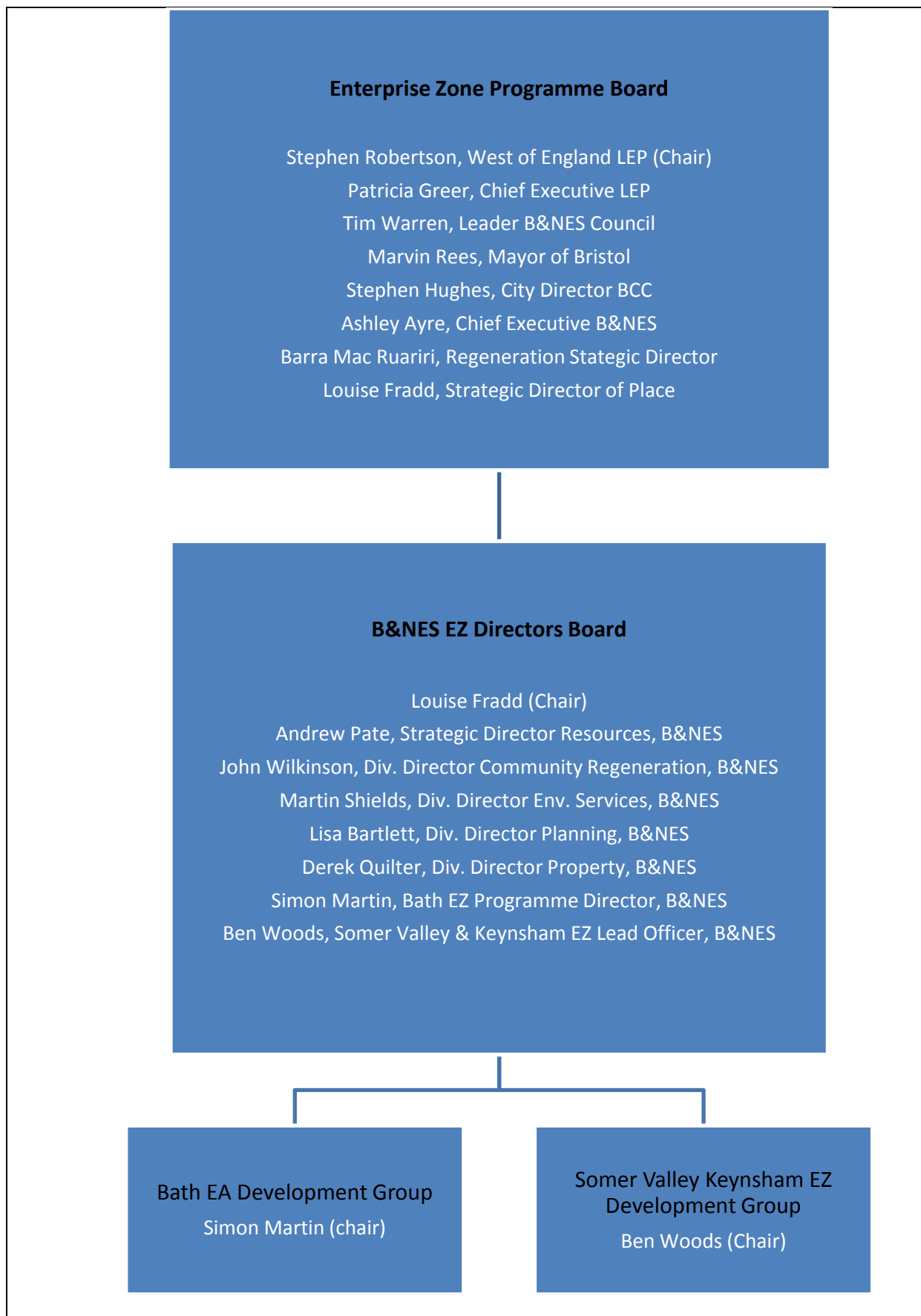
It has been agreed that, in respect of the expansion sites, the Tier 2 funds secured will be allocated to a separate infrastructure fund from both the existing £500m EDF and from the Bristol City Council Temple Quarter extension Fund.

However, the existing governance arrangements including the one front door approach to assessing and approving infrastructure investment proposals at the appropriate WoE LEP Board meeting will be maintained.

The governance arrangements provide timely and binding decisions, with due clarity, transparency and accountability. A Strategic Leaders Board involving the three Council Leaders and the Bristol Mayor meets formally, in public, and is the ultimate joint decision making body approving a programme of schemes to support the development of the Enterprise Zone. An Investment Board, comprising the four Authority Chief Executives and four business representatives then makes individual investment decisions including the granting of 'Programme Entry' and business case sign off.

Individual Authorities sponsoring an infrastructure scheme are able to borrow to fund the upfront investment with reimbursement of capital and financing costs made from the EDF over a period of the fund.

Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.



Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day-to-day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

The existing Bath City Riverside Enterprise Area and Somer Valley Cluster has established a clear and dedicated leadership process to ensure the Council maintains focus on the many outcomes BaNES is seeking to achieve through delivery of the Enterprise Area. This will be extended to cover the proposed new sites.

Projects already involve a number of different delivery mechanisms and partnerships ranging from multi-agency public sector partnerships to public-private and private sector delivery vehicles.

Specific skills and resources appropriate to the scale of the ambition and complexity of projects are managed via a dedicated Programme Management Board (PMB) which leads and directs each respective project via its own Project specific Steering Groups (PSG).

Assisting the PMB, Council Working Groups, including the established Bath Western Riverside Steering Group ensure that the Council delivers in a coordinated approach.

EZ Programme Governance

Reporting to the Councils Strategic Management Team (SMT) and administrations formal governance arrangements, delivery of the EZ Programme will build on existing structures for the delivery of the Enterprise Area and the Somer Valley:

Programme Management Board (PMB)

Consisting of SMT and invited officers with cross directorate and strategic partnership attendance to assist the delegated decision makers in directing Programme and Project Delivery.

Project Steering Group (PSG)

Project specific leadership group that governs delivery of individual projects and administers contracts, agreements and partnerships contracted for the delivery of the project. Chaired by the nominated Project Sponsor(s) and assisted by Client Lead Officer and Project Director/Manager.

The EZ Programme governance will link to the Council corporate capital, risk and decision making processes in the normal way. BaNES have an established Project Management system including regular reviews, risk mitigation, cost management, resource monitoring and clear reporting to senior level decision makers where required.

This approach will provide clarity of roles and responsibilities within the agreed programme priorities and define how the Councils One Council Approach be managed.

Project Portfolio

The table below sets out the project portfolio currently established within BaNES for the proposed Bath, Keynsham and Somer Valley EZ based on a realistic phased delivery schedule. Allocation of a dedicated project manager indicates that a project is funded and has moved from scoping and definition to delivery.

Project Name	PLACE-CLIENT	PLACE - CLIENT		RESOURCES - DELIVERY	
Leadership Role	SRO	Project Sponsor	Client Lead	Project Director	Project Manager
Bath City	Louise Fradd	John Wilkinson	Simon Martin	Derek Quilter	Richard Marsh
Somerdale	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	John Cox
East of Keynsham	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	John Cox
Keynsham Peninsula	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	Caroline Lightfoot
Old Mills	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	John Cox
Welton Bibby Baron	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	John Cox
Westfield	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	Monique Clarke
Bath Business Park	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	Caroline Lightfoot
MSN Enterprise Park	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	Monique Clark
Welton Hollow	Louise Fradd	John Wilkinson	Benjamin Woods	Tim Hewitt	Monique Clarke

Q E3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, and investment?

A dedicated monitoring facility is already in place to manage the City Deal investment programme coordinated by Business Support and Development Manager John Cox. The lead officers listed below have an oversight of programme monitoring as part of their day to day responsibilities within the Enterprise Area project team or affiliated teams in Planning, Economic Development and Business Rates.

As delivery of the Bath, Keynsham and Somer Valley EZ expands the officers John Cox, Jack Fennell and Anna Garner will switch to full time monitoring roles with Neil Best and Mark Angus fulfilling any statutory monitoring roles as per their current roles.

Project outcomes will be monitored based on the following framework which has been developed based on BIS/DCLG guidance. The following table details the project outcomes which would be monitored and the approach to evaluation.

	Category	Sub Category	Monitoring Method	Lead Officer
1	Employment space (not new committed in sqm)	Office	LPA Annual	Jack Fennell (Project Team) Ed Winter (Planning Team)
		Industrial: general/light	Monitoring Report (AMR)	
		Industrial: warehouse/distribution		

		Retail		
		Leisure		
2	Employment space (completed in sqm)	Office	LPA Annual Monitoring Report (AMR)	Jack Fennell (Project Team) Ed Winter (Planning Team)
		Industrial: general/light		
		Industrial: warehouse/distribution		
		Retail		
		Leisure		
3	Under construction	Total land under construction	LPA Annual Monitoring Report (AMR)	Jack Fennell (Project Team)Ed Winter (Planning Team)
4	Jobs created (actual if known)	Office	Annual business survey	John Cox (Project Team) Anna Garner (Economy Team)
		Industrial: general/light		
		Industrial: warehouse/distribution		
		Retail		
		Leisure		
5	Business rates	Total Business Rate Value	Project team annual monitoring report	Jack Fennell (Project Team) Mark Angus (Business Rates)
		Change from last year		
6	Investment	Public Sector investment	Project team annual monitoring report	John Cox (Project Team)
7	Housing	Net dwellings completed	LPA Annual Monitoring Report (AMR)	Jack Fennell (Project Team) Ed Winter (Planning Team)
		Net dwellings committed		
		Dwellings under construction		
8	Land converted & created	Amount of land developed or redeveloped	LPA Annual Monitoring Report (AMR)	Jack Fennell (Project Team)
		New floor space created		Neil Best

		Refurbished floor space		(Planning Team)
		New and refurbished floor space		

An additional business occupier database for all site occupiers in the Zone will be created by B&NES council.

The database would contain the following information, and be updated every six months through discussion with site developers / owners, in order to track and monitor development progress of the Zone:

- Business occupier name
- Address on site
- Floor space occupied (Floor Area Basis according to HCA guidance)
- Use Type (according to HCA guidance)
- Description of type of business activity undertaken
- Standard Industrial Classification of business
- On-site employment
- Investment

The database would enable full monitoring of the EZ's development progress, and would provide the essential information necessary to develop accurate progress indicators on key economic measures such as:

- Jobs
- GVA
- Incomes
- Floor space
- Investment
- Number of businesses

Information would be provided on a site by site basis, as well as for the entire EZ.

A report would be provided every quarter to the LEP containing an update of the Zone's progress on the above key indicators / measures.

Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.

The marketing and branding strategy is focused on maximising both commercial and economic returns on investment and is based on continually updating our knowledge base to better understand and tailor our messaging to our target audiences.

Strategic Approach

Our key goal is to position Bath, Keynsham and the Somer Valley as the market

leader within a very crowded and competitive market place. It utilises the distinctive character and personality of the city of Bath, the one location in the West of England of global renown, to attract more investment and more businesses.

We are already working hard to re-position the perception of the city as a place of astounding heritage and cultural significance to a place where those characteristics are key attractors for international firms. There are six key 'strategic' strands to all activity undertaken:

1. International Partnerships

In the last 6 months Bath has hosted 4 delegations from Chinese provinces all seeking to form strategic alliances with Bath for the purpose of enabling commercial investment propositions for businesses. We have pre-existing interest from American and European firms attracted to Bath's excellent proximity to Heathrow and London. As our proposition for the EZ develops we work with these locations to maximise the most appropriate investment from these locations.

2. National and Regional Partnerships

As well as working on joint initiatives with international partners we will also continue to

invest in the development and work closely with Invest Bristol and Bath to develop our proposition. This will include establishing the pipeline of demand to indicate what the strongest opportunities are for inward investment for the EZ and what type of development should be brought forward. Property and infrastructure investment – working with the Council and the LEP to identify and target international investors to bring forward the strongest possible commercial development as quickly as possible. Occupier investment – attracting new business with a strong fit for the specific attributes of the EZ creating jobs and generating income for the region.

3. Collateral

We will develop a suite of marketing collateral which will be used to underpin all activity undertaken throughout the campaign. This will include printed materials and a dedicated online presence, utilising a visual identity based upon the existing Bath and Somer Valley brand but with a clear investment focus.

4. PR

We will develop a programme of targeted PR activity through hosted events, thought leadership and to launch any products created for the campaign. We have for example developed a programme for the creation of key political and business ambassadors to work with us and endorse Bath and the Somer Valley as a strategically important business location. Activity will be planned around key milestones in the run-up to the delivery of each specific development site or emerging property offer to ensure maximum exposure.

5. Personal dialogue

Linked to the partnerships theme where individuals or groups have been identified within the

investment community as key decision makers then dedicated activity can be undertaken to promote Bath, Keynsham and the Somer Valley and open lines of dialogue to identify how the EZ team can work to realise investment ambitions. This will include opening up direct access to both politicians and senior officers.

6. Support Packages

Whilst not specific to the 'marketing' of the sites it is important that the EZ team develops bespoke wraparound service for example recruitment and skills support for

inward investors and housing solutions where necessary to supplement the existing incentive packages.

Tactical Approach

<i>Why Bath, Keynsham and Somer Valley? Taster brochure</i>	Initial collateral produced to generate interest and buzz – supported by online content
<i>Why Bath, Keynsham and Somer Valley? brochure</i>	A promotional brochure to underpin the whole campaign, outlining why Bath, Keynsham and the Somer Valley is the best location for business and investment; can be developed into a suite of collateral.
<i>Investment Prospectus</i>	Development of the online and offline investment prospectus highlighting the investment opportunities available
<i>Invest in Bath, Keynsham & Somer Valley</i>	Extend the existing inward investment offer on investbath.co.uk to promote the area, outline the support available and provide details of the opportunities.
<i>E-bulletins</i>	Targeted email bulletins to all known potential investors and businesses, keeping them aware of any latest developments, promoting any activity/events and maintaining momentum throughout the campaign
<i>Social Media</i>	Develop social media (particularly Twitter) to generate buzz around Bath, Keynsham and the Somer Valley, promote activity/events and keep the campaign immediate, building on current presence via @investinbath
<i>Advertising</i>	Targeted advertising can be undertaken both on and offline, looking particularly at key industry/sector-specific publications and websites; could also be used to open up avenues for editorial content (if budget allows)
<i>Direct marketing</i>	Targeted direct marketing activity could be undertaken to key sectors and audiences (through list rental or purchase) to promote specific events/products that are part of the campaign (if budget allows)
<i>Thought leadership</i>	Commission research to identify trends and perceptions within our target audiences and demonstrate why Bath, Keynsham and the Somer Valley is the best fit.
<i>Media</i>	Targeted activity within the regional, national and international media to raise the profile of Bath, Keynsham and the Somer Valley as a business location, launch any new campaign products, disseminate any thought leadership undertaken and react to any regeneration/investment agenda.
<i>Events</i>	Events will be run targeting different audiences allowing the council to promote the borough, highlight opportunities, engage in discussions/debates on key business issues and provide

	opportunities for our ambassadors to speak on our behalf. Building on developmental work which is being undertaken to promote Bath Quays.
<i>Tailored familiarisation tours</i>	Tours can be undertaken for individuals/small groups to allow us to show the opportunities available in the borough and open personal dialogue between senior business figures/decision makers and key politicians/officers in the borough over how we can support their investment plans.
<i>Reciprocal Promotion</i>	Forge strong communications links with our partners to ensure we have a significant presence within their own marketing collateral (e.g. websites/e-newsletters/social media).
<i>Partner events/activity</i>	Identify opportunities to ensure EZ involvement in any events/activity being undertaken by our partners.

Site Specific Approach & Prioritisation

It is envisaged that sites will be marketed separately due to offering differing propositions to the developer and occupier markets. The Council will work closely with both Invest in Bristol and Bath and its appointed agents to track details of occupier requirements.

Marketing of the individual sites within the Bath elements of the EZ will be prioritised in accordance with the **realistic phased delivery schedule as listed in the table in E2. Each project site currently has a dedicated Communication plan which follows the outlined strategic and tactical delivery model.**

For example, this is the approach taken with Bath City Riverside and Somer Valley Cluster which will be replicated as appropriate for the new sites:

Bath City Riverside – the Council will develop a clear brand for the overall Bath Riverside scheme with a focus on attracting key sectors outlined within the Economic Strategy. This proposition will be the basis of a marketing exercise to secure a development partner in 2016. Whilst the structure has yet to be determined, the Council will work in partnership with the selected partner to bring forward the servicing and then development of the site. The development partner will bring expertise and resource which will include marketing the scheme to end occupiers.

Marketing of the individual sites or specific properties will be marketed in alignment with the usage assigned to each building. E.g. the marketing of small business incubator space will be targeted at spin offs from the Bath University Innovation Centre and Guild Co-Working Hub whilst larger office floorplates will target national and international organisations

A362 Growth Corridor – Following site assembly the Council will market the opportunity to secure a development partner either directly or in partnership with the landowner(s). It is envisaged this partner would provide pre-development and development management services as well as delivering key site servicing works. A draw down structure would most likely be established whereby serviced plots can be either sold to owner occupiers or drawn down by the developer once market interest is established.

The completion of site servicing works will reduce cost and improve viability and speed of delivery. Again marketing of the individual plots or specific properties will be marketed in alignment with the usage assigned to each building. E.g. the marketing

of small grow on space may focus on creative designer makers from Bath Spa University in need of small production facilities more suited to a rural environment or spin-offs from West of England tech locations.

A4 Growth Corridor – The Council will follow the approach outlined for the A362 growth Corridor to ensure consistency of approach. Whilst the A362 Corridor is expected to favour marketing targeted at growing domestic firms, the A4 Corridor's proximity to Bath and Bristol will make it possible to target international investors. The recent interest in an 'offshore' incubation space from the Zhuhai provincial government (replicating their Singapore site) is an already positive step in regard to soft market testing.

SCHEDULE 4 – SITES AND INCENTIVES

Proposed EZ Sites	District / Local authority Ward	ECA	BRD	BRR
BATH RIVERSIDE				
CATTLEMARKET	ABBEY		X	
MANVERS STREET	ABBEY		X	
NORTH QUAYS	ABBEY		X	
SOUTH QUAYS	WIDCOMBE		X	
SOUTH BANK	WIDCOMBE		X	
GREEN PARK EAST	KINGSMEAD		X	
GREEN PARK WEST	WIDCOMBE		X	
BATH PRESS	WESTMORELAND		X	
ROSEBERRY PLACE	WESTMORELAND		X	
KINGSMEAD HOUSE	KINGMEAD		X	
KEYNSHAM				
SOMERDALE	KEYNSHAM NORTH		X	
BROADMEAD PENINSULA	KEYNSHAM EAST		X	
EAST OF KEYNSHAM	KEYNSHAM EAST		X	
SOMER VALLEY				
OLD MILLS	PAULTON		X	
WELTON BIBBY BARON	MIDSOMER NORTON NORTH		X	
WESTFIELD	WESTFIELD		X	
BATH BUSINESS PARK	PEASEDOWN & BATHAVON SOUTH		X	
WELTON HOLLOW	MIDSOMER NORTON NORTH		X	
MIDSOMER ENTERPRISE PARK	MIDSOMER NORTON NORTH		X	

SCHEDULE 5 – MANAGEMENT INFORMATION

Q1* What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?

Q2* What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?

Q3* What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?

Q4 What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?

Q5 What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?

Q6 What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?

Q7 Was a Local Development Order introduced on the zone or a part of the zone this quarter?

Q8 What was the change in the number of businesses that started trading on the zone this quarter?

Q9 What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.

Q10 What was the value of any new public sector revenue investment on the zone this quarter?

Q11 What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?

Q12 What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?

Q13 What area of land was reclaimed and made ready for development on the zone this quarter?

Q14 What commercial floorspace was constructed on the zone in this quarter?

Q15 What commercial floorspace was refurbished on the zone this quarter?

Q16* "What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?"

Q17 What land sales were there on the zone this quarter?

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Bath & North East Somerset Council		
MEETING	Council	
MEETING DATE:	10 November 2016	
TITLE:	Avon Pension Fund Annual Report	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – The Avon Pension Fund Committee’s Annual Report to Council 2016		
Appendix 2 – Local Pension Board – Annual Report 2016		

1 THE ISSUE

- 1.1 The Avon Pension Fund Committee discharges the responsibilities of the Council in its role as the administering authority of the Avon Pension Fund in accordance with the Local Government Pension Scheme Regulations 2013 (as amended).
- 1.2 The Committee reports annually to Council on the work it has undertaken in the previous twelve months and reference is also made in the report to the future work programme. This report is for the 12 months to 31 March 2016.
- 1.3 As background to this report it may be worth reminding members that Bath & North East Somerset Council has a dual interest in the Avon Pension Fund, firstly as administering authority and secondly as one of the employing bodies. This report focuses entirely on the Council’s role as administering authority.

2 RECOMMENDATION

- 2.1 The Council is asked to note this report.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The costs of administering the Avon Pension Fund are recharged to the employing bodies through the employer contribution rates which are set by the actuary every three years as part of the valuation.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council is required to put in place arrangements for the effective discharge of its business.

5 THE REPORT

- 5.1 The Annual Report is attached as Appendix 1 to this report. It relates to the financial year April 2015 to March 2016. The document is primarily for the Council's purposes. However, the report will be circulated to the employing bodies within the Fund to improve transparency about the Committee's activities and the decisions taken.
- 5.2 The Public Service Pensions Act 2013 required the Council to establish a local pension board to assist the administering authority with the effective and efficient management and administration of the scheme. The Avon Fund Pension Board has published its annual report detailing the work undertaken by the Board in its inaugural year. This report is included in Appendix 2 for completeness.

6 RATIONALE

- 6.1 This report is for information only

7 OTHER OPTIONS CONSIDERED

- 7.1 None

8 CONSULTATION

- 8.1 The draft report was considered by the Avon Pension Fund Committee at the committee meeting on 23 September 2016.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	Tony Bartlett, Head of Business Finance & Pensions x 7302
Background papers	Avon Pension Fund Committee/Investment Panel reports and minutes; Avon Pension Fund Pension Board reports and minutes
Please contact the report author if you need to access this report in an alternative format	

Avon Pension Fund Committee Annual Report to Council

(April 2015 - March 2016)



AVON PENSION FUND COMMITTEE ANNUAL REPORT TO COUNCIL (April 2015 - March 2016)

1. BACKGROUND TO THE AVON PENSION FUND

The Avon Pension Fund is a statutory scheme regulated by the Local Government Pension Scheme Regulations 2014 (as amended) and the Local Government Pension Scheme Regulations (Management and Investment of Funds) Regulations 2009 (as amended). Bath & North East Somerset Council ("the Council") administers the Fund on behalf of more than 230 employing bodies including the four unitary authorities (of which c. 120 are academies). The Fund has approximately 106,000 members and the value of the Fund as at 31 March 2016 was £3.7 billion. In 2015/16 the Fund received £144m in pension contributions and paid out £163m in pension payments and transfers.

(a) GOVERNANCE

The Council has delegated responsibility for the Fund to the Avon Pension Fund Committee (the "Committee") which is the formal decision-making body for the Fund. The Committee's role is strategic in nature, setting policy framework and monitoring implementation and compliance within that framework. Due to the wide scope of the Committee's remit it is supported by the Investment Panel (the "Panel") which considers the investment strategy and investment performance in greater depth. The Committee has delegated authority to the Panel for specific investment decisions. The Terms of Reference, agreed by the Council, for the Committee and Panel are set out in Appendix A to this report.

Committee Membership

The Committee structure is as follows:

Voting members (12)	5 elected members from B&NES (subject to the rules of political proportionality of the Council) 2 independent trustees 3 elected members nominated from the other West of England unitary councils 1 nominated from the education bodies 1 nominated by the trades unions
Non-voting members (4)	1 nominated from the Parish Councils Up to 3 nominated from different Trades Unions

The Committee meets quarterly. Attendance at these meetings was 91% for the voting members and 40% for the non-voting members.

Ad hoc workshops are arranged as necessary reflecting the Committee's meeting agendas. During the last twelve months four workshops were arranged covering:

- Introduction to the pension fund
- Benefits administration training including TPR requirements
- Actuarial valuations and the 2015 Interim Valuation
- Liability Driven investing and the Funding Strategy Statement

Investment Panel

The Panel consists of up to six voting members from the Committee and meets at least quarterly ahead of Committee meetings.

The Panel met formally three times during the year with attendance at 83%. In addition two workshops were held; one for the managers to present to the panel on their performance and outlook for their portfolio and a training session on investment strategy.

2. TRAINING

The Fund provides training to committee members to ensure they possess an appropriate level of knowledge, skill and understanding to discharge their fiduciary duties. The administering authority must ensure:

- that decisions are taken by persons or organisations with the skills, knowledge advice and resources necessary to make them effectively and monitor implementation; and
- those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.

The Fund has in place a training framework which is based on CIPFA's (Chartered Institute of Public Finance and Accounting) Knowledge and Skills Framework for LGPS funds, which identifies six areas of knowledge as follows:

- i. Legal and governance context
- ii. Pensions Auditing and Accounting Standards
- iii. Procurement and Relationship Management
- iv. Investment Performance and Risk Management
- v. Financial Markets and Product Knowledge
- vi. Actuarial Methods, Standards and Practices

Committee training is delivered in a variety of formats, reflecting the strategic importance of the subject matter to the Committee's agenda and the differing level of knowledge and understanding across the Committee. Much of the training is delivered through detailed Committee and Panel reports and workshops where the topic is explored greater in detail. As there were a number of new members following the 2015 local elections, a number of induction sessions were held.

Three committee members have completed the on-line Pensions Regulator's e-learning public sector pension module toolkit and others are currently completing the modules.

In addition, members attended a number of seminars and conferences which broaden their understanding of investments and topics of relevance to the LGPS.

3. REVIEW OF THE YEAR

a) INVESTMENTS

- The Fund's assets decreased from £3,840m at 31 March 2015 to £3,742m at 31 March 2016. The Fund generated an investment return of -2.1% during the year, with a return of 5.8% p.a. over the last three years.
- The 2015/16 investment return was driven primarily by the fall in equity markets which account for 50% of the fund's assets and the impact of hedging the foreign currency exposure within the portfolio during a period when sterling depreciated. Excluding the currency hedge the returns were -0.2% over the year and 6.1% p.a. over the last three years. Bonds overall generated a positive return albeit more subdued than in the previous year. Property delivered a positive return as did hedge funds and diversified growth funds to a lesser extent.

b) POOLING OF ASSETS

- In 2015 the government announced that the LGPS funds should pool their assets to reduce investment management costs and increase the capacity across the LGPS to invest in infrastructure.
- Funds were asked to put forward their proposals by February 2015. The fund is participating in a pool of 10 funds mainly from the south west to develop this proposal (known as Brunel Pension Partnership).
- The initial proposal in February was approved by government with a more detailed proposal submitted

in July detailing the operational structure of the pool. The government has yet to provide feedback on this stage.

- The full business case for the pool overall and each individual fund is now being developed for approval later in 2016. The new arrangements are to be in place by April 2018. A Shadow Oversight Board comprising the Chair of each LGPS fund is overseeing the process.

c) FUNDING LEVEL

- As at 31 March 2016 the Actuary has estimated that the funding level was 83% from 78% a year earlier and the deficit has decreased to c. 750m from £1,104m. The improvement reflects the change in the discount rate partially offset by the negative return on assets.
- The value of the future pension liabilities is calculated using a discount rate. Historically this has been based on UK gilt yields. However, with gilt yields at very low levels there is a risk that a discount rate based on gilt yields will build too much prudence in to the actuarial valuation meaning employer contribution rates will be overstated.
- Therefore the valuation struck at 31 March 2016 will be calculated with reference to inflation (CPI) as the pension benefits are linked to inflation. The discount rate will reflect the real investment return expected on the investment portfolio.

d) PENSIONS ADMINISTRATION

(i) Budget

- During the year to 31 March 2016, total administration costs (excluding governance and investment management costs) were £2.13m a saving of £253,000 (10%) on the budget.
- Total costs including Investment Management, custody and governance costs, were £19.7m, £1.9m below budget. Investment management fees were lower than expected due to the lower than anticipated increase in asset values since the setting of the budget and lower fee rates on some mandates.
- The investment management and custody fees of £17.1m equates to 0.46% of the Fund's assets.

(ii) CIPFA Benchmarking (Benefits Administration)

- The Fund participates in the annual Pensions Administration CIPFA Benchmarking exercise where its performance and running costs are compared against its peers and against the "average fund".
- In 2014/2015 the Fund's overall costs at £16.55 p.a. per member were less than the average of £19.17. Staffing costs (excluding payroll) were significantly less at £6.73 per member against £7.83. Payroll costs per pensioner member of £0.82 compares favourably against the average of £1.85.
- The Fund invests heavily in communications with communication costs at £2.21 per member compared to the average of £0.78. Although significantly higher, the Committee has prioritised resources to this area as it strongly believes in the importance of providing members with timely, accurate information. This is delivered by specific newsletters to active and pensioner members, a high quality website, provision of member access to their "account" via the website and the facility for scheme employers to send information digitally via secure portal. Savings are being realised through the increased use of electronic delivery for employers 'ESS' & 'i-Connect' and through the further development and promotion of the member self-service facility 'MSS'.

(iii) Pensions Administration Strategy

- The Administration Strategy sets out how the administering authority and scheme employers will work together to provide an improving quality level of service to Fund members.
- Performance of both the Fund and employers is closely monitored by officers and the Committee. The Strategy provides a transparent and robust operating and performance framework which improves accountability and has successfully focussed attention on the need for both parties to invest in and make use of electronic data provision to improve efficiency.

4. COMMITTEE BUSINESS TO MARCH 2016

a) Investment Strategy

During the year a number of strategic decisions were implemented as follows:

- A review of the currency hedging strategy during the year concluded that the strategic decision to hedge foreign currency exposure to protect the value of the assets in sterling terms should be maintained. However, implementation was altered from an active to passive approach to ensure more effective hedging of the currency risk
- In addition the committee has begun to explore ways in which the investment portfolio can be used to manage the liability risks more effectively. The current investment strategy only provides limited protection against changes in the value of the liabilities. The Committee is considering how this level of protection could be increased and any decision will be made in 2016/17. As an initial step the allocation to UK government bonds is now invested entirely in index linked gilts that closely match the fund's inflation linked cashflows.
- The Fund has continued to support the Local Authority Pension Fund Forum (LAPFF) as part of its Responsible Investing Policy, with members and officers attending quarterly meetings. LAPFF act on behalf of local authority funds to promote best practice in governance in investee companies either on its own or in collaboration with other organisations with similar objectives.

b) Funding Strategy

- The next actuarial valuation is due in 2016. The Committee are updated quarterly on the funding position from the 2013 valuation as part of the financial monitoring process. In addition an interim valuation was undertaken as at March 2015 to identify the issues that will need to be considered in the 2016 funding strategy and to inform employers of the trend in contribution rates for budgeting purposes.

c) Approval of the 3-year Service Plan and Budget 2016/19

- The Service Plan sets out the Pension Fund's objectives for the next three years (2016/19). The three year budget supports the objectives and actions arising from the plan.
- The main focus of this plan is:
 - (i) To fully engage in the development of pooled funds in the interest of the Avon Pension Fund
 - (ii) to strengthen the resources available to cope with future demand pressures and manage risk and compliance
 - (iii) to continue implementation of the IT strategy to achieve a digital step change in service delivery and to mitigate service demand growth;
 - (iv) to deliver the valuation and revised funding strategy
 - (v) to continue work on Liability Driven Investment and undertake an asset liability review to ensure the Fund manages its cashflows effectively.
 - (vi) to continue to support the introduction of Pension Boards
- The later years will focus on consolidation, realising efficiencies and embedding partnership working with stakeholders.
- The budget approved for Administration in 2016/17 was £2.66m. This includes gross savings of £80,000 that have been made through changes in working arrangements and the greater adoption of digital technology. These savings have partially offset additional costs included to meet the pressures of dealing with the increasing number of employers. The other major additional cost pressure arises from the increase in NI costs.
- The Service Plan includes a three year cash flow forecast reflecting the maturing of the scheme, which is no longer cash flow positive on a monthly basis. Investment income is now required to meet pension payments so closer monitoring of the cash flow position is required for the investment strategy to be effectively managed.

d) Approval of draft revised Administration Strategy

The Fund revised its 2011 Administration strategy to include a more detailed ICT Strategy and also to ensure the Governance and administration requirements of the Pension Regulator are properly addressed as they fall to the Fund and Employers.

- The Administration Strategy sets out how the administering authority and scheme employers will work together to provide an improving quality level of service to Fund members.
- The key objectives of this Strategy are to ensure that:
- The Fund and Employers are aware of and understand their respective roles and responsibilities under the LGPS Regulations and in the delivery of administrative functions (largely defined in Service Level Agreements)
- The Fund operates in accordance with LGPS regulations and is aligned with The Pension Regulator in demonstrating compliance and scheme governance.
- Communication processes are in place to enable both the Fund and Employers to proactively and responsively engage with each other and other partners.
- Accurate records are maintained for the purpose of calculating pensions entitlements and Employer liabilities, ensuring all information and data is communicated accurately, timely and in a secure and compliant manner
- The Fund and Employers have appropriate skills and that training is in place to deliver a high quality service and effectively contribute to the changing pensions agenda
- Standards are set and monitored for the delivery of specified activities in accordance with Regulations and minimum standards as set out in each Employer's Service Level Agreement
- Administrative services are developed and delivered digitally as outlined in the ICT Strategy, in order to streamline processes and maintain costs at below or average levels
- The strategy ensures the Fund can continue to deliver a high quality pension service at a time when the operating environment is becoming more complex: the employer base has fragmented, especially with the creation of academies, furthermore the increase in the number of third party HR and payroll providers (favoured by a number of local education authority (LEA) schools) has added a further layer to the process and provision of data.

e) Public Service Pensions Act 2013 and government reform

- The Public Sector Pensions Act 2013 (PSPA2013) has changed the governance structure of the local LGPS funds.
- PSPA2013 gives the Pensions Regulator a role in regulating the public service schemes including the LGPS.
- The Pension Regulator's (TPR) Code of Practice 14 and the Public Service Pensions (Record Keeping & Miscellaneous Amendments) Regulations 2014 set out the requirements for public sector pension funds to maintain comprehensive and accurate data on their members and their member's pension contributions. The Fund has undertaken a detailed review of its core data and processes and assessed its level of compliance with regulation requirements in respect of:
 - Scheme record keeping
 - Maintaining contributions
 - Providing information to members
- The regulations require 100% completeness of data across a number of core areas. In all, the Fund tested 102,000 membership records through a series of analytical reports and measured the overall level of completeness of data accuracy at 92%. A data improvement plan has been produced to address the issues identified.
- To ensure compliance the Fund has also undertaken to review its existing procedures relating to the monitoring of late payment of monthly contributions from employers and its Internal Dispute Resolution Procedure (IDRP). Additionally, the fund has implemented a Breaches Procedure to enable reporting to be undertaken in situations whereby the failure to comply with TPR is likely to be of material significance or in which a legal duty which is relevant to the administration of the scheme has not been complied with.
- Detailed reports on compliance and the data improvement plan are presented to both Pensions Committee and Local Pensions Board on a quarterly basis for review and approval.

f) Treasury Management Policy and Cash Management Policy

- The Committee approves the Fund's Treasury Management Policy annually. The policy sets out how the Fund's cash is invested to meet its day-to-day requirements. The cash managed under this policy at any time is c. £25 million, which represents less than 1% of the Fund's value.
- The management of this cash is delegated to the Council's Treasury Management Team. However, the Fund's cash is invested separately (via separate bank account) to the Council's and the Fund has a bespoke Treasury Management Policy.

g) Administration

- In accordance with the Pensions Administration Strategy the Committee monitors the KPI for pensions administration and the scheme employers quarterly.
- Focus in 2015/16 was the continued rollout of electronic receipt and delivery of data with employers. Work with employers in this area has resulted in a significant move towards full electronic data transfer with 75% of scheme employers now submitting member data electronically, representing 85% of overall fund membership.

h) Workplans

- Separate workplans are prepared for the Committee and Panel detailing the forthcoming areas of work relating to the investment and funding strategies and to the administration of benefits to give the Committee and officers the opportunity to review the workload and accommodate issues that may arise.

5. FUTURE BUSINESS

The Committee's (and Investment Panel's) focus over the next twelve months will be as follows:

a) Investments

- Investment Strategy – conclude on the options to more effectively manage the liabilities through hedging the interest rate and risks.
- Review the Responsible Investing Policy to ensure all risks are managed and opportunities identified.
- Review the investment strategy following the 2016 valuation with particular focus on meeting updated cash flow requirements.

b) Funding Strategy

- Review the outcome of the 2016 actuarial valuation, the application of the funding strategy on employer funding plans and the work undertaken to assess the financial covenants of scheme employers.
- Explore options for insuring against ill-health retirements.

c) Benefits Administration

- Ensure maintained compliance with stringent requirements of The Pensions Regulator (TPR).
- Review and approve the Funds KPI Benchmarking reports and Fund/Employer performance reports following the implementation of the revised Pensions Administration Strategy.
- Review the AVC Strategy on the number and types of funds to be offered to members to assist them in saving towards retirement.

d) Governance of the LGPS

- Work closely with the Shadow Oversight Board of Brunel Pension Partnership to understand the significance and impact of the pooling proposals on the Avon Pension Fund to make sure due process is followed and the outcome is in the best interests of the fund.
- Consider the impact of pooling on the fund's governance arrangements and put forward recommendations to Council.

- Engage with and respond to government consultations or consultations from the LGPS Scheme Advisory Board. It is expected that the focus will be on the outcome of the 2016 valuation and potential implications of the cost mechanism to control employer costs.
- The Committee will continue to monitor the impact that the 2014 Budget freedoms for pension fund members has on the Fund to ensure there is a robust governance process in place to manage the potential risks arising from these changes.

Avon Pension Fund - September 2016

Terms of Reference for the Avon Pension Fund Committee and Investment Panel

1. Avon Pension Fund Committee

Bath and North East Somerset Council, in its role as administering authority, has executive responsibility for the Avon Pension Fund. The Council delegates its responsibility for administering the Fund to the Avon Pension Fund Committee which is the formal decision making body for the Fund.

Function and Duties

To discharge the responsibilities of Bath and North East Somerset Council in its role as lead authority for the administration of the Avon Pension Fund. These include determination of all Fund specific policies concerning the administration of the Fund, investing of Fund monies and the management of the Fund's solvency level. In addition, the Committee is responsible for all financial and regulatory aspects of the Fund. At all times, the Committee must discharge its responsibility in the best interest of the Avon Pension Fund.

The key duties in discharging this role are:

1. Determining the investment strategy and strategic asset allocation.
2. Determining the pensions administration strategy.
3. Making arrangements for management of the Fund's investments in line with the strategic policy.
4. Monitoring the performance of investments, investment managers, scheme administration, and external advisors.
5. Approving and monitoring compliance of statutory statements and policies required under the Local Government Pension Scheme Regulations.
6. Approving the Pension Fund's Statement of Accounts and annual report.
7. Approving the annual budget for the Pension Board subject to the approval of Pension Board's workplan.
8. Commissioning actuarial valuations in accordance with the provisions of the Local Government Pension Scheme Regulations.
9. Considering requests from organisations wishing to join the Fund as admitted bodies.
10. Making representations to government as appropriate concerning any proposed changes to the Local Government Pension Scheme.

Delegations

In discharging its role the Committee can delegate any of the above or implementation thereof to the Sub-Committee (referred to as the Investment Panel) or Officers. The current delegations are set out in Sections 2 & 3 below.

Membership of the Committee

Voting members (12)	5 elected members from B&NES (subject to the rules of political proportionality of the Council) 2 independent trustees 3 elected members nominated from the other West of England unitary councils 1 nominated from the education bodies 1 nominated by the trades unions
Non-voting members (4)	1 nominated from the Parish Councils Up to 3 nominated from different Trades Unions

The Council will nominate the Chair of the Committee.

Meetings

Meetings will be held at least quarterly. Meetings will be held in public, though the public may be excluded from individual items of business in accordance with the usual exemption procedures.

Quorum

The quorum of the Committee shall be 5 voting members, who shall include at least one Member who is not a Bath & North East Somerset Councillor.

Substitution

Named substitutes to the Committee are allowed.

2. Investment Panel

The role of the Avon Pension Fund Committee Investment Panel shall be to consider, in detail matters relating to the investment of the assets within the strategic investment framework and performance of investment managers in achieving the Fund's investment objectives.

The Investment Panel will:

1. Review strategic and emerging opportunities outside the strategic asset allocation and make recommendations to the Committee.
2. Review the Statement of Investment Principles and submit to Committee for approval.
3. Report regularly to Committee on the performance of investments and matters of strategic importance and have delegated authority to:
4. Approve and monitor tactical positions within strategic allocation ranges.
5. Approve investments in emerging opportunities within strategic allocations.
6. Implement investment management arrangements in line with strategic policy, including the setting of mandate parameters and the appointment of managers.
7. Approve amendments to investment mandates within existing return and risk parameters.
8. Monitor investment managers' investment performance and make decision to terminate mandates on performance grounds.
9. Delegate specific decisions to Officers as appropriate.

Panel Membership

The Panel shall comprise a maximum of 6 voting Members of the Avon Pension Fund Committee, of which 3 shall be Bath and North East Somerset Councillors. The membership shall include the Chairman of the Committee and /or the Vice- Chair and 4 other Members (or 5 if the Chair or Vice-Chairperson is not a member of the Panel).

Note: The appointment of Bath and North East Somerset Councillors to the Panel is subject to the rules of political proportionality of the Council.

Members shall be appointed to the Panel for a term of one year.

The Council will nominate the Chair of the Panel.

Panel Meetings

Though called a "Panel", it is an ordinary sub-committee of the Committee. Accordingly, meetings must be held in public, though the public may be excluded from individual items of business in accordance with the usual exemption procedures.

The Panel shall meet at least quarterly ahead of the Committee meeting on dates agreed by Members of the Panel.

Panel Quorum

The quorum of the Panel shall comprise 3 Members, who shall include at least one Member who is not a Bath & North East Somerset Councillor.

Panel Substitution

Substitutes for the Panel must be members of Committee or their named Committee substitute.

Panel Minutes

Minutes of Panel meetings (whether or not approved by the Panel) shall appear as an item on the next agenda of the meeting of the Committee that follows a meeting of the Panel.

3. Officer Delegations

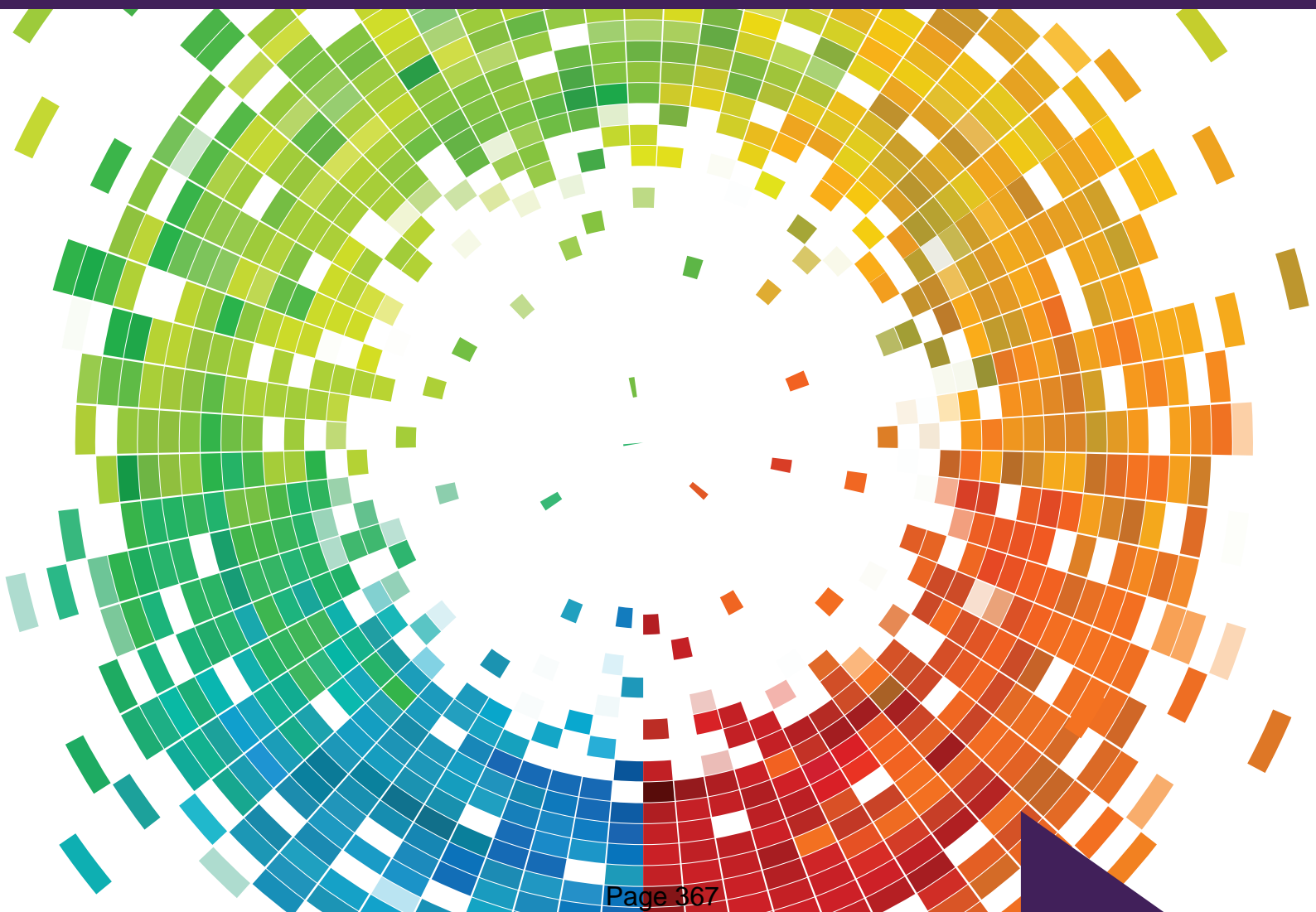
Officers are responsible for:

1. Day to day implementation and monitoring of the investment, administration, funding strategies and related policies.
2. Appointment of specialist advisors to support the Committee in discharging its functions.
3. The Section 151 Officer has authority to dismiss investment managers, advisors and 3rd party providers if urgent action is required (does not refer to performance failures but to their inability to fulfil their contractual obligations or a material failing of the company).
4. The Section 151 Officer has authority to suspend policy (in consultation with the Chairs of Committee and Panel) in times of extreme market volatility where protection of capital is paramount.
5. Under its wider delegated powers, the Section 151 Officer has delegated authority to effectively manage the liabilities of the Fund including the recovery of debt.
6. Exercising the discretions specified in the Local Government Pension Scheme Regulations in connection with deciding entitlement to pension benefits or the award or distribution thereof.

May 2015

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Avon Pension Fund Pension Board Annual Report 2015/16



1. Introduction



Welcome to the first Annual Report of the Local Pension Board (LPB) of Avon Pension Fund.

The Board was established in 2015 following a decision made by B&NES Council to create the Board in response to the Public Sector Pensions Act 2013.

This report covers the period 1st April 2015 to 31st July 2016 within which the Board has held five formal meetings.

The first year of the Board has been a developmental one with the initial focus being on -

- a. Establishing its own Terms of Reference and policies and procedures to ensure that its

governance complies with the statute and LGPS regulations and best practice guidance issued by the national LGPS Advisory Board;

- b. Supporting development of Board Members skills and knowledge through formal and informal training and agreeing a training plan so its members are fully conversant with their statutory duties and responsibilities for example on the requirements of the Pensions Regulator;
- c. Developing and starting to implement a rolling work programme to fulfil its statutory duties;
- d. Understanding the legislative framework within public sector pensions, compliance standards and significant new developments which may affect future governance such as 'pooling'.

I am delighted to say that with the support of the officers and advisors to the Avon Pension Fund the LPB has made good progress in fulfilling its terms of reference in its first year.

The LPB has reviewed a wide range of areas and made a number of recommendations (see page 8 and Appendix 1). Examples of such action included

the establishment of a formal Breaches Policy.

One of the most important reviews the LPB has undertaken is the funds compliance with the Pensions Regulators Code of Practice 14 (see page 6). The LPB welcomes the actions being implemented by the fund to ensure it fully complies with the Code before the LPB carries out its next annual review of compliance.

The LPB has also reviewed the Pension Funds communications and stressed the need for information to be kept up to date and the importance of the fund website to fund members

Looking ahead the LPB will seek to assist and support the Avon Pension Fund in respect of minimising potential governance and other risks arising from the Governments proposed asset pooling in 2017-18.

Last but not least could I thank my fellow Board members for their commitment to their roles on the LPB and I commend this report to you.

Howard Pearce
Independent Chair

2. Legal basis of Local Pension Board

Background

At the request of central government Lord Hutton conducted a wide ranging review into public service pensions and published his findings in a report in March 2011 recommending significant change to the governance of Pension Funds, 'to make... schemes...more transparent'.

Subsequently legislation was introduced in the form of the Public Sector Pension Act 2013 along with the Local Government Pension Scheme (Governance) Regulations 2015. These require each Local Government Pension Scheme (LGPS) administering authority to establish a new body known as a Local Pensions Board (LPB) to assist the Council (Administering Authority) in running the Pension Fund.

One of the key aims of the reform was to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests in that process.

Therefore the LPB is separate to the Avon Pension Fund Committee (Section 101 committee) to which as administering authority (the Council) it has delegated its functions in relation to the administration of the LGPS.

Specific Role and Purpose

The Public Sector Pension Act 2013 therefore sets out the requirements for the establishment of a Board with the responsibility for assisting the scheme manager in relation to the following matters:

- a. Securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and:
- b. To ensure the effective and efficient governance and administration of the Scheme.

The LPB will assist the 'Scheme Manager' by monitoring and advising on compliance with the pension scheme regulations, along with all other

legislation and the requirements imposed by the Pensions Regulator to ensure the effective and efficient governance and administration of the Scheme.

The LPB therefore works with the Avon Pension Fund Committee to scrutinise its decision making process and ensure the Fund's compliance with its legislative requirements and is not a decision making body.

Pension Regulator

From April 2015, the Pension Regulator had responsibility for the LGPS. Therefore a focus for the LPB was in ensuring compliance with the Regulator's code of practice. This is split into a number of areas which covers Governance, Risk Management and Resolving Issues.

The LPB as part of their work plan has needed to consider these areas, to ensure the Fund is compliant and if not to make recommendations to the Pension Fund Committee on ways to address these requirements.

Terms of Reference

Terms of Reference for the board are available through the following link.

<http://www.avonpensionfund.org.uk/pension-board>

3. Establishment of Local Pension Board

The requirement for an Independent Chairman and Board Membership was outlined in the terms of reference to the LPB which were agreed by full Council on the 15th January.

Adverts for the role of Chairman were placed on the Fund's website, Western Daily Press, Jobsgopublic.com, Local Government Chronicle online and the Council's job vacancy website.

All applicants were then reviewed against the five published criteria in the person specifications and a shortlist of four candidates drawn up for interview with the Strategic Director of Resources, Head of Business, Finance and Pensions and the Head of Audit West.

Interviews were held in June 2015 and a preferred candidate – Howard Pearce – was identified and recommended to the LPB for an appointment of four years.

The process for the appointment of Board Members followed a similar path with adverts placed on the Fund's website and pro-actively distributed through the many employee and employer communications and conferences.

Interviews for Board Membership were held from June 2015 through to May 2016 and as at May 2016 a full compliment of employer and employee members are now in post.

Details of the Local Pension Board Members

Independent Chairman:

Howard Pearce,
former Head of Pension Fund Management, Environment Agency.

Employer Member Representatives:

Gaynor Fisher, *active member*
Steve Harman, *active member*
Tony Whitlock, *active member*

Scheme Member Representative:

David Yorath, *retired member*
Tom Renhard, *active member*
Mark King, *active member*

The register of interests for members of the Local Pension Board and details of each individual's relevant experience are available through the following link.

<http://www.avonpensionfund.org.uk/pension-board>

Attendance at Local Pension Board Meetings – July 2015 – July 2016

Role	Board Member	Attendance
Independent Chairman	Howard Pearce	5
Employer Representative	Gaynor Fisher	4
	Steve Harman	4
	Tony Whitlock	2 (Started Role May 2016)
Member Representative	David Yorath	5
	Tom Renhard	4
	Mark King	1 (Started Role May 2016)

4. Training

Background

In accordance with the Pension Regulator (tPR) Code of Practice 14 every individual member of a LPB must in summary:

- Be Conversant with the rules of the local government pension scheme (LGPS) &
- Have knowledge and understanding of the law relating to pensions:

These responsibilities begin from the date the LPB member takes up their role. These knowledge and understanding requirements apply to every individual member of a LPB rather than as a collective group.

Degree of Knowledge and Understanding

The legal requirement is that Members of the LPB must be conversant with the rules of the LGPS and any document recording policy about the administration of the Fund. This is implied as a working knowledge so that members are aware of which legislation/policies to refer to when carrying out their role.

Areas of Knowledge and Understanding

LPB Members should be conversant with, but not limited to the following areas:

- a. Scheme approved policies
- b. Risk assessment/management
- c. Scheme booklets/members communications
- d. Role of LPB Members and the scheme manager
- e. Policies in relation to discretions
- f. Communications with scheme members and employers
- g. Key policy documents on administration, funding and investment

Training Undertaken

Briefings were given by officers from the Avon Pension Fund to LPB members on a full range of topics covering the LGPS framework, Avon Pension Fund and its administration.

In addition three Board Members attended the LGE Pensions Fundamental Course and five completed the on-line tPR e-learning public sector pension module toolkit.

Training is a regular topic at each formal board meeting and all Board Members retain their own training log, which is also submitted annually to assist in the completion of ongoing needs into a Training Plan.

Details of areas discussed, updates and plans are available through the following link.

<https://democracy.bathnes.gov.uk/ieListMeetings.aspx?Committeeld=563>

5. Local Pension Board Code of Conduct and Conflicts of Interest Policy

Code of Conduct

All LPB members signed up to a Code of Conduct in July 2015 which emphasised that as a holder of public office there is an expectation that LPB members will comply with the 'seven principles of public life', also known as the 'Nolan Principles'.

All LPB members have formally completed their declaration of interest forms and through five formal meetings which have been held during the year no 'conflicts' have been declared. For more information on conflicts of interest and declarations at each meeting please use the following link.

Conflicts of Interest

All LPB members also signed up to their own Conflicts of Interest Policy in November 2015. This requires all members to notify Democratic Service of any potential conflict of interest arising as a result of their position on the Board.

<https://democracy.bathnes.gov.uk/mgCommitteeDetails.aspx?ID=563>

All meetings of the LPB include a standing item titled 'Declaration of Interests' at the start of the meeting where any declaration in relation to the items on the agenda should be made.

6. Pension Board Costs & Budget

In meeting the requirements of the Public Sector Pension Act (2013) and establishing a Local Pensions Board, Bath & North East Somerset approved terms of reference and necessary supporting arrangements at its meeting of its full Council on the 15th January 2015 and the Pension Board adopted these at its meeting in July 2015.

As with all elements of the public sector there is exceptional pressure to ensure value for money can be demonstrated and the Board will continue to consider this in its future operations.

These included the establishment of a budget to enable the Board to perform its duties and a summary of costs for its first year (nine months up to 31st March 2016) is included below.

Summary Financial Table

Budget Area	Actual Costs	Budget
LPB Members Allowances	£6,024	£11,600
LPB Members Training Costs	£3,485	£6,000
LPB Meeting & Democratic Services Costs	£5,514	£6,000
Central Recharges & Officer Costs	£9,420	£12,800
Total	£24,443	£37,400

7. Local Pension Board Compliance with the Pension Regulator's Code of Practice No.14

As part of assessing both the effectiveness and compliance of the Board with its key requirements, officers carried out a self-assessment of the LPB's current arrangements against the Regulator's Code of Practice No.14.

The full results of this exercise were reported to the LPB's formal meeting in May 2016 and are available via the following link.

<https://democracy.bathnes.gov.uk/documents/s41759/Benchmarking%20update%20App2.pdf>

In summary the LPB and the fund were compliant with the Code and the self-assessment identified only a small number of recommended actions to take in meeting best practice, which included –

- Monitoring of Data Improvement Plan
- Managing Overdue contributions
- Records of Investigations and correspondence
- Production of Annual Benefit statements in required formats

- Provision of basic scheme information to new entrants
- Review Dispute Resolution procedures
- Review Employer obligations re: IDRPs Procedures
- Review Employer obligations re: TPAS and Pensions Ombudsman Procedures

The Board remain committed that the exercise should be revisited at least annually to ensure it could evaluate its compliance and assess improvements where necessary.

8. Pension Fund Communications

Effective communications form a core part of the role of the Avon Pension Fund and during the year the Board reviewed the new website which had been developed by the Fund as well as the overall Communications Strategy.

The Board welcomed the new website which had refreshed and simplified the way information on the Fund could both be located and sought and commended the actions of officers. Reviewing the strategy for how the fund communicates to its many stakeholders will remain a key element of the work plan of the Board on a rolling basis.

9. Risk Management

Risk management processes for the Avon Pension Fund follow the framework laid down by the Council. The Risk Register for the fund identifies the significant risks that could have a material impact in terms of value, reputation, compliance or provision of service and sets out the action taken to manage the risk.

The Register is reviewed regularly by the pension management team and risks fall into one of the following categories –

- i. Fund administration & control of operational processes and strategic governance processes and TPR compliance;
- ii. Service delivery partners not delivering in line with their contracts or SLAs;
- iii. Financial loss due to payments in error, loss of assets due to investment strategy and/or managers failing to deliver required return, fraud or negligence of investment managers or custodian
- iv. Changes to the National Scheme
- v. Increasing political pressure to reform scheme structure and governance frameworks and direct investment decisions

The LPB's ongoing review concurred with the views of Avon Pension Fund Officers in that the three top risks facing the fund revolve around –

- Project Brunel and future implications of pooling arrangements
- Significant growth of new employers through the Academies agenda
- Future Funding Strategy

The Fund continues to invest significantly in systems and resources to ensure the risks are managed effectively and resilience is built into the service and the arrangements in place are supported by external and internal audit reviews.

The LPB will continue to ensure that a review of the risk register will remain a regular agenda item.

10. Summary Review of Areas Covered in 2015/16 & Recommendations Made

The first year of operation of the LPB was very much developmental with the essential building blocks needing to be put in place to enable the Board to work effectively as we move forward.

A summary of the areas covered and recommended is detailed as follows (Full Details at Appendix 1) -

Establishment of LPB Arrangements, Policies & Procedures
Approval of Appointment of Chair and Board Members
Review & Approval of LPB Terms of Reference
Review & Approval of LPB Code of Conduct
Review & Approval of LPB Conflicts of Interest Policy
Review & Recommendation of Avon Pension Fund Regulatory Breaches Policy
Review of Training Requirements
Review of Work Plan

Review of Pension Fund Administration
Review of Compliance Report
Review of Risk Register
Review of Service Plan
Review of Annual Report
Review of Communication Strategy

Independent Assurance
Review of TPR & CIPFA Benchmarking exercises
Review of External Audit role and reports
Review of Internal Audit role and reports

11. Forward Plan for 2016-17

The draft work plan for the next 12 months is detailed as follows and will be kept under regular review.

Agenda Item	02/11/16	16/02/17	11/05/17	27/07/17
Conflicts of Interest Declarations	✓	✓	✓	✓
Training Plan Update (Incl. Annual Plan)	✓	✓	✓	✓
Work Plan Update	✓	✓	✓	✓
Avon Pension Fund Committee & Investment Panel Minutes	✓	✓	✓	✓
LGPS Developments & Updates	✓	✓	✓	✓
Risk Register Update	✓	✓	✓	✓
Review of Pension Fund Annual Report	✓			
Review of Administration Strategy		✓		
Compliance Report	✓	✓	✓	✓
Internal Audit Plans & Update		✓		
External Audit Plans & Update	✓		✓	
Pension Board Budget		✓		
Benchmarking Update	✓		✓	
Avon Pension Fund Service Plan 16/17			✓	
Pension Board Annual Report			✓	✓
Review of Communications Strategy				✓
Review of Statement of Investment Principles (Statutory Investment Strategy Statement)		✓		
Review of Policy Framework	✓			
Review of Valuation & Funding Strategy	✓			
Review of Data Integrity & Action Plans		✓		
Review of IT Security & Business Continuity			✓	
Review of Governance Compliance Statement			✓	
Review of compliance with TPR COP 14		✓		
Review of Fund Internal Controls & Delegations		✓		
Review of External Advisors				✓
Review of Fraud Risk Strategy		✓		
Review of Complaints/IDRP Procedures			✓	
Review of outcome of GMP reconciliation				✓

Appendix 1 – Local Pension Board – Actions & Decisions

The draft work plan for the next 12 months is detailed as follows and will be kept under regular review.

	Area	Action
All meetings	Pension Committee and Investment Sub-Committee Decision Making	The Local Pension Board actively scrutinised all Pension Committee and Investment Sub-Committee papers and minutes and considered their impacts in terms of the meeting agenda
30 July 2015		Resolved:
	Appointment of Chair & Board Members	Approve appointment of Chair and Board Members
	Purpose of Board & Terms of Reference	Approve Terms of Reference
	Code of Conduct and Conflicts of Interest	Recommend process to adopt Code of Conduct & create separate Conflicts of Interest Policy
	Training & Work Plan Requirements	Recommend creation of Training Plan and Work Plan for the Board
5 November 2015		Resolved:
	LGPS Developments	Note the report and latest developments and that Members should receive training about governance so that they had a clear understanding of the roles of the Council, the Committee, the Panel and the Board
	Conflicts of Interest Policy	Approved LPB Conflicts of Interest Policy
	Regulatory Breaches Policy	Recommended revisions and submission to Pension Fund Committee
	Annual Report	Note the Report
	Financial Statements	Note the Statements and recommend attendance of External Auditors at future meeting
	Administration Strategy	Note the Report
	Training & Work Plan Updates	Note the Updates
25 February 2016		Resolved:
	LGPS Developments	Note the report
	Benchmarking Update	Note the report and future plans for benchmarking of the LGPS by tPR and Scheme Advisory Board
	Compliance Report	Note the performance indicators and customer satisfaction feedback for the four months to January 2016
		Note progress on the Data Improvement Plan
		The Board would consider its regulatory compliance reporting at a future meeting
	Risk Register	Note the Risk Register

	Internal Audit	Note the report and Audit Plan and that completion of the recommended actions would come to a future meeting
	Regulatory Breaches Policy	Recommend the Breaches procedure (subject to the revisions discussed) to the Pension Fund Committee for approval
	Pension Board Budget	Recommend the budget for approval
	Training & Work Plan Updates	Note the reports and recommend completion of training logs and tPR e-learning module
19 May 2016		Resolved:
	LGPS Developments	Note the report and developments on 'pooling'
	External Audit	Note the Audit Plan for 2015/16
	Pension Fund Service Plan	Note the 3 year Service Plan and Budget
	Risk Register	Note the report
	Benchmarking Update	Note the outcome of the benchmarking exercise and review of tPR's Codes of Practice
	Compliance Report	Note the performance indicators and customer satisfaction feedback to 30th April 2016
		Note the Data Improvement Plan
	Training & Work Plan Updates	Note the reports and endorse the plans
27 July 2016		Resolved:
	LGPS Developments	Note the report
	Communications Strategy	Note the Communications Strategy
	Compliance Report	Note the report and Performance Indicators and Customer Satisfaction feedback for 3 months to 30 June 2016 and progress on the Data Improvement Plan
	Risk Register	Note the report and planned improvements
	Annual Report	Approve the Annual report
	Training & Work Plan Updates	Note the reports

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10 th November 2016	
TITLE:	Charitable Trust Board – amendments to Terms of Reference	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix A		

1 THE ISSUE

- 1.1 The Charitable Trust Board has now met twice. At its last meeting on 4th October it made recommendations which Council are asked to ratify as outlined in section 2 below.

2 RECOMMENDATION

- 2.1 To recommend to Council that the Charitable Trust Board's terms of reference are amended as detailed in Appendix A to permit the following:
- 2.1.1 Decisions about requests for works to be undertaken, or events to be approved that fall outside of the Charitable Trust Board cycle be delegated to the Chair of the Trust Board in consultation with the Lead Officer to decide (as detailed in Schedule 1 & 2 of Appendix A).
 - 2.1.2 That urgent works required under health and safety legislation be delegated to the Lead Officer to action promptly (as detailed in Schedule 1 & 2 of Appendix A).
- 2.2 That the Terms of reference (TOR) of the Charitable Trust Board are amended so as to move the land, Free Fields (Rainbow Woods) into Schedule 1 of the Board's Terms of Reference so that its responsibilities as trustee are delegated to the Board, now that it has been established that this is a trust for which the Council is sole corporate trustee.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council maintains these sites within existing budget & resource allocations. The cost of these services represents a grant "in-kind" to the relevant charitable trust. The value of this varies dependent on the trust and the required volume of works in any

financial period, as an example the Alice Park Trust has historically been in the region of £30k to £50k per annum.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Where a Council is the sole trustee of a charity, it is the corporate body, acting in accordance with its usual procedures, which is the trustee. While ongoing management may be delegated to a committee and officers, responsibility for decision making and oversight rests with all councillors. The Terms of Reference of the Trust Board therefore require that it reports to full Council on an annual basis after it has filed all annual reports for the charitable trusts that it manages on behalf of the Council with the Charity Commission.
- 4.2 The management of the Trust(s) should be kept separate, as far as possible, from the business of the Council and equally the finances of the Trust(s) must be kept separate from those of the Council. The assets must be accounted for separately and income and expenditure needs to be channelled through discrete cost centres. The Council may top up the finances of the Trust(s) but no funds should pass from the Trust into the Council's own accounts although, in appropriate cases, the Council may recover the cost of administering the Trust(s)
- 4.3 It is proposed that if members resolve to amend the terms of reference of the Trust Board (as detailed in Appendix A) to include Free Fields in schedule 1 of the TOR, the Trust Board would in turn delegate its operational management functions to a sub-committee formed specifically for each charitable trust in Schedule 1 of the Terms of Reference of the Trust Board. In that way the Council can ensure the assets of each Trust are separately considered and administered and a distinct audit trail will be created. A report will be brought back to the Charitable Trust Board on the most efficient governance proposals for Free Fields.

5 THE REPORT

- 5.1 This report brings the recommendations detailed in the minutes of the Charitable Trust Board 4th October meeting to full Council for ratification.

6 RATIONALE

- 6.1 The Charitable Trust Board must seek ratification from the Council for decisions taken at the earliest opportunity.

7 OTHER OPTIONS CONSIDERED

- 7.1 None.

8 CONSULTATION

- 8.1 Monitoring officer, Section 151 officer, Property Services, Strategic Director Place.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Carol Maclellan, Group Manager Neighbourhood Environmental Services</i>
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Background papers	https://democracy.bathnes.gov.uk/ieListDocuments.aspx?CId=577&Mid=4844&Ver=4
Please contact the report author if you need to access this report in an alternative format	

Appendix A

Charitable Trust Board Terms of Reference

The purpose of the Charitable Trust Board is to facilitate the management of the Charitable Trust for which the Council is the sole trustee; independently, in accordance with their governing documents and in the best interests of the charity.

In respect of the charities listed in Schedule 1 the Charitable Trust Board shall have the following powers delegated to it.

The Role of the Board is to exercise the powers delegated to it for the management of the trust, namely;

- ☐ to manage the charity in pursuit of the charitable purposes,
- ☐ to manage the finances of the charity and ensure its solvency,
- ☐ to ensure the charity acts within the governing documents,
- ☐ to ensure the charity deals with their regulatory and public accountability obligations, and
- ☐ to identify and manage potential conflicts of interest.

In respect of the charities listed in Schedule 2 the Charitable Trust Board shall investigate the governing documents of each charity and recommend to Council the inclusion of any Charity suitable for incorporation into Schedule 1 and until such time as the Council decides to delegate its functions in respect of such Trust to the Charitable Trust Board it shall advise the Council as trustee on;

- ☐ the strategic direction of those Trusts,
- ☐ the financial resources needed to operate those Trusts;

The Charitable Trust Board shall, in respect of all Trusts, ensure compliance with the Charity Commission's registration and reporting requirements and periodically consider if Trust's assets could be consolidated and more efficiently /effectively used in conjunction with another Trust. Where appropriate it should consult on consolidation proposals with the Charity Commission and interested parties and make any recommendations for consolidation in its annual report to Council.

The Board will comprise:

- ☐ Five councillors
(to include the Cabinet member responsible for Community Services and at least one councillor who is not a member of the controlling group but whose appointment is determined by the controlling group), and
- ☐ One independent person with suitable skills, experience or interests to be appointed by the Board from applicants who wish to be considered following advertisement of the role.

The Board will elect a Chair and Vice-Chair. Decisions will be by a majority of the councillors present. Quorum will be three councillors.

The Board shall have the power to create a sub-committee for each charity listed in Schedule 1 to ensure that each charity shall be separately administered. Each subcommittee shall consist of at least 3 councillors and co-opted non-voting members consisting of the ward councillor(s) for the area where any land subject to the Trust is situated and any other non- voting members who may be able to assist it in its work.

The Trust Board and each sub-committee shall undertake its duties through meetings as required and will meet at least twice annually.

In any meeting, the affairs of each Trust will be considered separately and in relation to the purpose and governing document of each Trust.

Each sub-committee will report annually to the Trust Board after submitting any annual report to the Charity Commissioners and the Trust Board shall thereafter provide an annual report to

Council on the financial standing of each Trust and update the Council on the work undertaken by each Trust in the preceding year.

Support for the Board and sub-committees as necessary will be provided through the relevant Council sections. Lead advisors will be identified for each charitable Trust in Schedule 1.

Decisions about requests for works to be undertaken, or events to be approved that fall outside of the Charitable Trust Board cycle be delegated to the Chair of the Trust Board in consultation with the Lead Officer to decide.

Urgent works required under health and safety legislation be delegated to the Lead Officer to action promptly.

Schedule 1

Charitable Trust for which the Council is sole trustee

The Alice Park

Free Field (Rainbow Woods)

Schedule 2

Charitable Trust for which the Council is responsible

Weston Recreation Ground

No.4, Circus

Firs Field

Beechen Cliff

Newbridge Meadows (Queen Elizabeth the Second Fields)

Backstones

Innox Park

Post Office Museum

Former Radstock Infant School

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Bath & North East Somerset Council	
MEETING:	Council
MEETING:	10th November 2016
TITLE:	Appointment of the Independent Persons
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report: None	

1 THE ISSUE

The report invites the Council to appoint the Independent Persons as required by the Localism Act 2011.

2 RECOMMENDATION

The Council is asked to approve the appointment of the Independent Person and the Deputy Independent Person.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

There are none arising directly from this report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 Under the provisions of the Localism Act 2011, Councils are required to appoint at least one independent person who can assist when considering complaints against Councillors. Council is required to approve such appointments by majority vote.

4.2 The role is complementary to but distinct from the role of independent co-opted members of the Standards Committee. These co-opted members participate fully

in the deliberations of the Committee, both on complaints cases and policy and procedural matters. The Independent Person's role is to be a source of advice to the Committee; members against whom complaints are made and the Monitoring Officer in the effective operation of the Standards regime.

4.3 As required by law, the position of Independent Person has been advertised and a number of applications were received and considered. Council is recommended to appoint Tony Drew as the Independent Person, and Paul Ryan as the Deputy Independent Person. Brief biographical details provide by them are set out in the following paragraphs:

4.4 **Tony Drew:** Tony is an experienced complaints professional who is currently a consultant adjudicator with the Higher Education ombudsman, and an NHS Serious Incident Investigator. He was previously an investigator with Standards for England, and was a member of the Mental Health Act Commission for 11 years. Tony is a committee member of a local disability charity, and a local faith group.

4.5 **Paul Ryan:** I was born in Tipperary, in the Republic of Ireland and moved to the UK in 2005 to study Physical Education and Sport Coaching Science at the University of Worcester. I am very fortunate to be able to combine my career with one of my passions - sport. In 2009 I was offered a job at a sixth form college in Bristol and moved to the BANES area in 2012. I live with my wife and little boy in Midsomer Norton.

5 RATIONALE

The Council is required by law to appoint at least one Independent Person.

6 OTHER OPTIONS CONSIDERED

This is a statutory requirement.

7 CONSULTATION

The Council's Chief Executive, Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

8 RISK MANAGEMENT

No risk assessment related to the issue and recommendations has been undertaken as the requirement to appoint an Independent Person is a statutory duty.

Contact person	Maria Lucas, Head of Legal and Democratic Services (Ext 5171)
Background papers	The Council's Constitution
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10 th November 2016	
TITLE:	Treasury Management Monitoring Report to 30 th September 2016	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Performance Against Prudential Indicators Appendix 2 – The Council’s Investment Position at 30 th September 2016 Appendix 3 – Average monthly rate of return for 1 st 6 months of 2016/17 Appendix 4 – The Council’s External Borrowing Position at 30 th September 2016 Appendix 5 – Arlingclose’s Economic & Market Review Q2 of 2016/17 Appendix 6 – Interest & Capital Financing Budget Monitoring 2016/17 Appendix 7 – Summary Guide to Credit Ratings		

1 THE ISSUE

- 1.1 In February 2012 the Council adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a Treasury Management Strategy before the start of each financial year, review performance during the year, and approve an annual report after the end of each financial year.
- 1.2 This report gives details of performance against the Council's Treasury Management Strategy and Annual Investment Plan 2016/17 for the first six months of 2016/17.

2 RECOMMENDATION

The Council agrees that:

- 2.1 the Treasury Management Report to 30th September 2016, prepared in accordance with the CIPFA Treasury Code of Practice, is noted
- 2.2 the Treasury Management Indicators to 30th September 2016 are noted.

3 RESOURCE IMPLICATIONS

- 3.1 The financial implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 This report is for information only.

5 THE REPORT

Summary

- 5.1 The average rate of investment return for the first six months of 2016/17 is 0.50%, which is 0.13% above the benchmark rate.
- 5.2 The Council's Prudential Indicators for 2016/17 were agreed by Council in February 2016 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.

Summary of Returns

- 5.3 The Council's investment position as at 30th September 2016 is given in **Appendix 2**. The balance of deposits as at 30th June 2016 and 30th September 2016 are also set out in the pie charts in this appendix.
- 5.4 The Council is the accountable body for the West of England Revolving Investment Fund (RIF) and received grant funding of £57 million at the end of the 2011/12 financial year, the value of the fund as at 30th September 2016 is £30.7 million. The Council acts as an agent and holds these funds until they are allocated in the form of repayable grants to the constituent Local Authorities to meet approved infrastructure costs. These funds are invested separately from the Council's cash balances they are therefore excluded from all figures given in this report.
- 5.5 The Council also continues to act as Accountable Body for the West of England Local Enterprise Partnership (WoE LEP). In 2016/17 it has received £42.407m of Local Growth Fund (LGF) from Central Government following submission of its Strategic Economic Plan. This sum, prior to distribution, is being invested in line with the Council's overall Treasury Management Strategy, with the interest earmarked to fund support and governance costs. The balances related to the LGF are included in the figures given in this report.
- 5.6 Gross interest earned on investments for the first six months totalled £223k. Net interest, after deduction of amounts due to Schools, Local Growth Fund and other internal balances, is £107k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.50%, which was 0.11% above the benchmark rate of average 7 day LIBID +0.05% (0.39%).

Summary of Borrowings

- 5.7 No new borrowing has taken place in the three months to 30th September 2016. The Council repaid £5m during the quarter reducing the current borrowing to £128.3M.
- 5.8 The Council's Capital Financing Requirement (CFR) as at 31st March 2016 was £182.5 million with a projected total of £266 million by the end of 2016/17 based on the capital programme approved at February 2016 Council. This represents the Council's underlying need to borrow to finance capital expenditure, and demonstrates that the borrowing taken to date relates to funding historical capital spend.

5.9 Following Local Government Reorganisation in 1996, Avon County Council's residual debt is administered by Bristol City Council. All successor Unitary Authorities make an annual contribution to principal and interest repayment, for which there is a provision in the Council's revenue budget. The amount of residual debt outstanding as at 31st March 2016 apportioned to Bath & North East Somerset Council is £13.40m. Since this borrowing is managed by an external body and treated in the Council's Statement of Accounts as a deferred liability, it is not included in the borrowing figures referred to in paragraph 5.7.

5.10 The borrowing portfolio as at 30th September 2016 is shown in **Appendix 4**.

Strategic & Tactical Decisions

5.11 As shown in the charts at **Appendix 2**, the investment portfolio has been diversified across UK Banks and Building Societies, Local Authorities and very highly rated Foreign Banks. The Council also uses AAA rated Money Market funds to maintain very short term liquidity. The Council has £18.7M invested in Money Market Funds as at 30th September 2016.

5.12 The Council does not hold any direct investments with banks in countries within the Eurozone reflecting both on the underlying debt issues in some Eurozone countries and the low levels of interest rates. The Council's investment counterparty list does not currently include any banks from Portugal, Ireland, Greece, Spain and Italy.

5.13 The Council's current average investment return is in broadly line with the budgeted level of 0.45%.

Future Strategic & Tactical Issues

5.14 Our treasury management advisors economic and market review for the second quarter 2016/17 is included in **Appendix 5**.

5.15 The Bank of England base rate was reduced to 0.25% on 4th August 2016. In the opinion of the Council's treasury advisors there is unlikely to be a rate rise until Q2 2018.

5.16 These lower rates reinforce the benefits of the Council's current policy of internal borrowing (although could adverse impact elsewhere including pension liabilities), and this continues to be monitored regularly against the likelihood that long term borrowing rates are forecast to rise in future years. The focus is now on the rate of increase and the medium-term peak and, in this respect, the current forecast remains that rates will rise slowly and to a lower level than in the past.

Budget Implications

5.17 A breakdown of the revenue budget for interest and capital financing and the forecast year end position based on the period April to September is included in **Appendix 6** and shows a forecast underspend of 560,000 reflecting savings from capital programme slippage delaying the need to borrow and a lower Minimum Revenue Provision (MRP) requirement

5.18 This position will be kept under review during the remainder of the year, taking into account the Council's cash-flow position and the timing of any new borrowing required.

6 RATIONALE

6.1 The Prudential Code and CIPFA's Code of Practice on Treasury Management requires regular monitoring and reporting of Treasury Management activities.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

8.1 Consultation has been carried out with the Cabinet Member for Community Resources, Section 151 Finance Officer and Monitoring Officer.

8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

9.1 The Council's lending & borrowing list is regularly reviewed during the financial year and credit ratings are monitored throughout the year. All lending/borrowing transactions are within approved limits and with approved institutions. Investment and Borrowing advice is provided by our Treasury Management consultants Arlingclose.

9.2 The CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carries out this scrutiny.

9.3 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year.

Contact person	<i>Tim Richens - 01225 477468 ; Andrew Stanton - 01225 477209 Tim_Richens@bathnes.gov.uk ; Andrew_Stanton@bathnes.gov.uk</i>
Background papers	<i>2016/17 Treasury Management & Investment Strategy</i>
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Authorised limit for external debt

These limits include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over & above the operational limit for unusual cash movements.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Borrowing	266,000	128,300
Other long term liabilities	2,000	0
Cumulative Total	268,000	128,300

2. Operational limit for external debt

The operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Borrowing	229,000	128,300
Other long term liabilities	2,000	0
Cumulative Total	231,000	128,300

3. Upper limit for fixed interest rate exposure

This is the maximum amount of total borrowing which can be at fixed interest rate, less any investments for a period greater than 12 months which has a fixed interest rate.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Fixed interest rate exposure	229,000	108,300*

* The £20m of LOBO's are quoted as variable rate in this analysis as the Lender has the option to change the rate at 6 monthly intervals (the Council has the option to repay the loan should the Lender exercise this option to increase the rate).

4. Upper limit for variable interest rate exposure

While fixed rate borrowing contributes significantly to reducing uncertainty surrounding interest rate changes, the pursuit of optimum performance levels may justify keeping flexibility through the use of variable interest rates. This is the maximum amount of total borrowing which can be at variable interest rates.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Variable interest rate exposure	141,000	20,000

5. Upper limit for total principal sums invested for over 364 days

This is the maximum amount of total investments which can be over 364 days. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	£'000	£'000
Investments over 364 days	50,000	0

6. Maturity Structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk.

	Upper Limit	Lower Limit	Actual as at 30th September 2016
	%	%	%
Under 12 months	50	Nil	30*
12 months and within 24 months	75	Nil	0
24 months and within 5 years	75	Nil	8
5 years and within 10 years	100	Nil	0
10 years and above	100	Nil	62

* The CIPFA Treasury management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date (which are at 6 monthly intervals for the £20m of LOBO's). However, the Council would only consider repaying these loans if the Lenders exercised their options to alter the interest rate.

7. Average Credit Rating

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the weighted average credit rating of its investment portfolio. A summary guide to credit ratings is set out at **Appendix 7**.

	2016/17 Prudential Indicator	Actual as at 30th September 2016
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA+

APPENDIX 2

The Council's Investment position at 30th September 2016

The term of investments, from the original date of the deal, are as follows:

As per Weekly	Balance at 30 th September 2016
	£'000's
Notice (instant access funds)	26,744
1 month to 3 months	23,000
Over 3 months	37,000
Total	86,744

The investment figure of £96.7 million is made up as follows:

	Balance at 30 th September 2016
	£'000's
B&NES Council	41,239
West Of England Growth Points	134
Local Growth Fund	39,004
Schools	6,367
Total	86,744

The Council had a total average net positive balance of £89.235m during the period April 2016 to September 2016.

Chart 1: Council Investments as at 30th September 2016 (£86.7m)

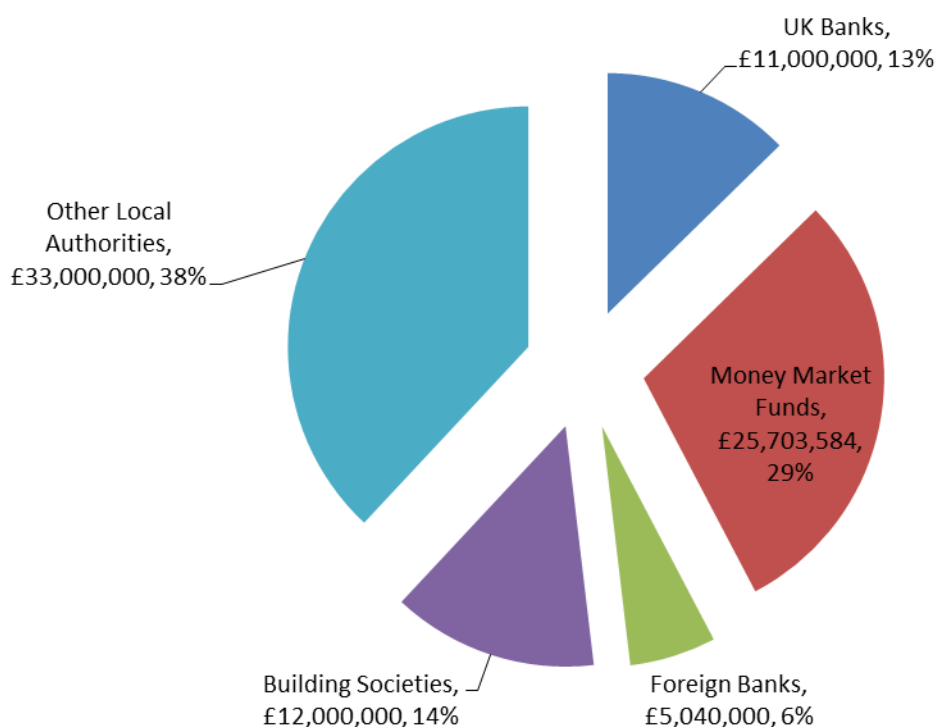


Chart 2: Council Investments as at 30th June 2016 (£93.4m)

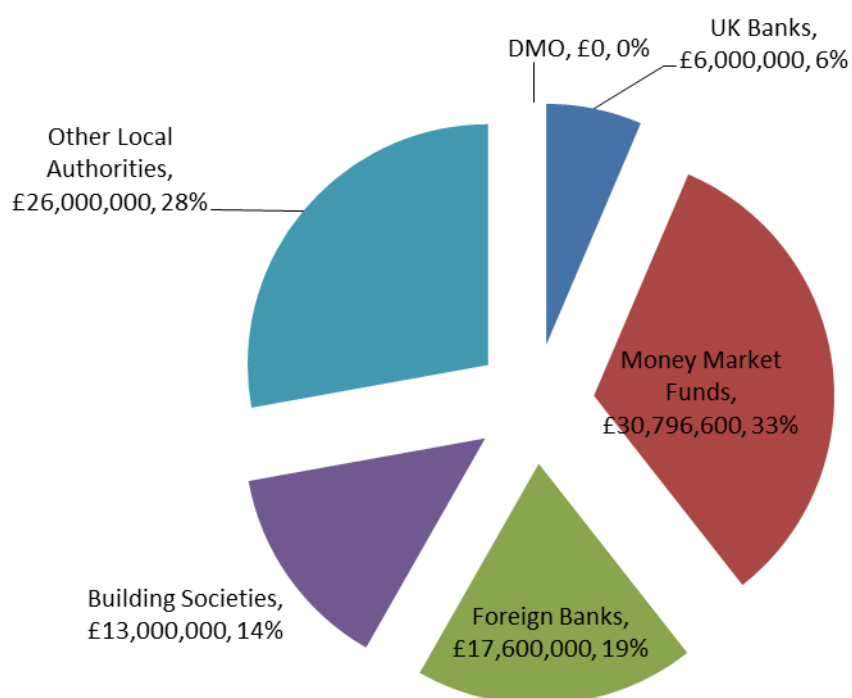


Chart 3: Council Investments per lowest equivalent Long Term credit rating (£86.7m) 30th September 2016

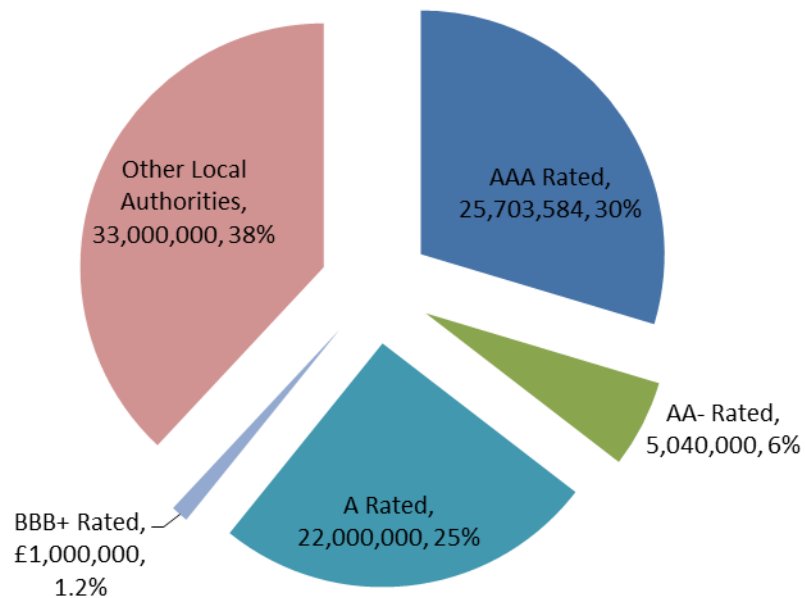
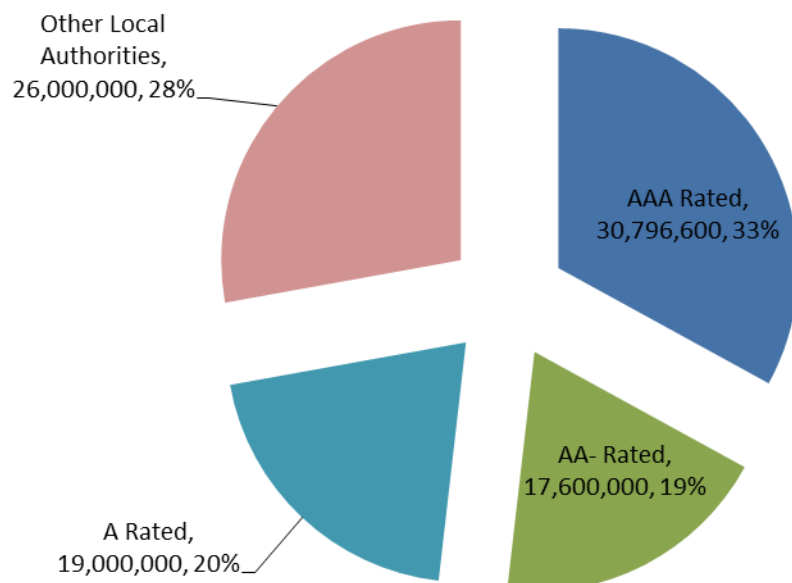


Chart 4: Council Investments per lowest equivalent Long Term credit rating (£93.4m) 30th June 2016



APPENDIX 3

Average rate of return on investments for 2015/16

	April %	May %	June %	July %	Aug %	Sept %	Average for Period
Average rate of interest earned	0.45	0.52	0.52	0.52	0.51	0.48	0.50%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.41	0.42	0.41	0.41	0.36	0.33	0.39%
Performance against Benchmark %	+0.04	+0.10	+0.11	+0.11	+0.15	+0.15	+0.11%

APPENDIX 4

Councils External Borrowing at 30th September 2016

LONG TERM	Amount	Start Date	Maturity Date	Interest Rate
PWLB	10,000,000	15/10/04	15/10/35	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/08/60	4.53%
PWLB	5,000,000	05/08/11	15/02/31	4.86%
PWLB	10,000,000	05/08/11	15/08/29	4.80%
PWLB	15,000,000	05/08/11	15/02/61	4.96%
PWLB	5,300,000	29/01/15	15/08/29	2.62%
PWLB	5,000,000	29/01/15	15/02/61	2.92%
PWLB	20,000,000	20/06/16	200641	2.36%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%
Eurohypo Bank*	10,000,000	27/04/05	27/04/55	4.50%
West Midland Police Authority	5,000,000	08/10/14	10/10/16	1.10%
Portsmouth City Council	3,000,000	15/10/14	17/10/16	1.08%
Gloucestershire County Council	5,000,000	25/11/14	25/11/19	2.05%
Gloucestershire County Council	5,000,000	19/12/14	19/12/19	2.05%
London Borough of Ealing	5,000,000	21/10/15	19/10/16	0.60%
West Midland Police Authority	5,000,000	27/11/15	25/11/16	0.62%
TOTAL	128,300,000			
TEMPORARY	Nil			
TOTAL	128,300,000			3.43%

*All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.50%. The lender has the option to change the interest rate at 6 monthly intervals. Should the lender use the option to change the rate, then at this point the borrower has the option to repay the loan without penalty.

APPENDIX 5

Economic and market review for July to September 2016 (provided by Arlingclose)

The preliminary estimate of Q2 2016 GDP showed reasonably strong growth as the economy grew 0.7% quarter-on-quarter, as compared to 0.4% in Q1 and year/year growth running at a healthy pace of 2.2%. However the UK economic outlook changed significantly on 23rd June 2016. The surprise result of the referendum on EU membership prompted forecasters to rip up previous projections and dust off worst-case scenarios. Growth forecasts had already been downgraded as 2016 progressed, as the very existence of the referendum dampened business investment, but the crystallisation of the risks and the subsequent political turmoil prompted a sharp decline in household, business and investor sentiment.

The repercussions of this plunge in sentiment on economic growth were judged by the Bank of England to be severe, prompting the Monetary Policy Committee to initiate substantial monetary policy easing at its August meeting to mitigate the worst of the downside risks. This included a cut in Bank Rate to 0.25%, further gilt and corporate bond purchases (QE) and cheap funding for banks (Term Funding Scheme) to maintain the supply of credit to the economy. The minutes of the August meeting also suggested that many members of the Committee supported a further cut in Bank Rate to near-zero levels (the Bank, however, does not appear keen to follow peers into negative rate territory) and more QE should the economic outlook worsen.

In response to the Bank of England's policy announcement, money market rates and bond yields declined to new record lows. Since the onset of the financial crisis over eight years ago, Arlingclose's rate outlook has progressed from 'lower for longer' to 'even lower for even longer' to, now, 'even lower for the indeterminable future'.

The new members of the UK government, particularly the Prime Minister and Chancellor, are likely to follow the example set by the Bank of England. After six years of fiscal consolidation, the Autumn Statement on 23rd November is likely to witness fiscal initiatives to support economic activity and confidence, most likely infrastructure investment. Tax cuts or something similar cannot be ruled out.

Whilst the economic growth consequences of BREXIT remain speculative, there is uniformity in expectations that uncertainty over the UK's future trade relations with the EU and the rest of the world will weigh on economic activity and business investment, dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment. These effects will dampen economic growth through the second half of 2016 and in 2017.

Meanwhile, inflation is expected to pick up due to a rise in import prices, dampening real wage growth and real investment returns. The August Quarterly *Inflation Report* from the

Bank of England forecasts a rise in CPI to 0.9% by the end of calendar 2016 and thereafter a rise closer to the Bank's 2% target over the coming year, as previous rises in commodity prices and the sharp depreciation in sterling begin to drive up imported material costs for companies.

The rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes, concentrating instead on the negative effects of Brexit on economic activity and, ultimately, inflation.

Market reaction: Following the referendum result gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. The yield on the 10-year gilt fell from 1.37% on 23rd June to a low of 0.52% in August, a quarter of what it was at the start of 2016. The 10-year gilt yield has since risen to 0.69% at the end of September. The yield on 2- and 3-year gilts briefly dipped into negative territory intra-day on 10th August to -0.1% as prices were driven higher by the Bank of England's bond repurchase programme. However both yields have since recovered to 0.07% and 0.08% respectively. The fall in gilt yields was reflected in the fall in PWLB borrowing rates.

On the other hand, after an initial sharp drop, equity markets appeared to have shrugged off the result of the referendum and bounced back despite warnings from the IMF on the impact on growth from 'Brexit' as investors counted on QE-generated liquidity to drive risk assets.

The most noticeable fall in money market rates was for very short-dated periods (overnight to 1 month) where rates fell to between 0.1% and 0.2%

Counterparty Update : Various indicators of credit risk reacted negatively to the result of the referendum on the UK's membership of the European Union. UK bank credit default swaps saw a modest rise but bank share prices fell sharply, on average by 20%, with UK-focused banks experiencing the largest falls. Non-UK bank share prices were not immune although the fall in their share prices was less pronounced.

Fitch downgraded the UK's sovereign rating by one notch to AA from AA+, and Standard & Poor's downgraded its corresponding rating by two notches to AA from AAA. Fitch, S&P and Moody's have a negative outlook on the UK. S&P took similar actions on rail company bonds guaranteed by the UK Government. S&P also downgraded the long-term ratings of the local authorities to which it assigns ratings as well as the long-term rating of the EU from AA+ to AA, the latter on the agency's view that it lowers the union's fiscal flexibility and weakens its political cohesion.

Moody's affirmed the ratings of nine UK banks and building societies but revised the outlook to negative for those that it perceived to be exposed to a more challenging operating environment arising from the 'leave' outcome.

There was no immediate change to Arlingclose's credit advice on UK banks and building societies as a result of the referendum result. Our advisor believes there is a risk that the

uncertainty over the UK's future trading prospects will bring forward the timing of the next UK recession.

The European Banking Authority released the results of its 2016 round of stress tests on the single market's 51 largest banks after markets closed on Friday 29th July. The stress tests gave a rather limited insight into how large banks might fare under a particular economic scenario. When the tests were designed earlier this year, a 1.7% fall in GDP over three years must have seemed like an outside risk. Their base case of 5.4% growth now looks exceptionally optimistic and the stressed case could be closer to reality. No bank was said to have failed the tests. The Royal Bank of Scotland made headline news as one of the worst performers as its ratios fell by some of the largest amounts, but from a relatively high base. Barclays Bank and Deutsche Bank ended the test with Common Equity Tier 1 (CET1) ratios below the 8% threshold, and would be required to raise more capital should the stressed scenario be realised. The tests support our cautious approach on these banks.

Fitch also upgraded Svenska Handelsbanken's long-term rating from AA- to AA reflecting the agency's view that the bank's earnings and profitability will remain strong, driven by robust income generation, good cost efficiency and low loan impairments.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2016/17 (July to September)

April to June 2016	YEAR END FORECAST			ADV/FAV
	Budgeted Spend or (Income) £'000	Forecast Spend or (Income) £'000	Forecast over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	5,403	5103	(300)	FAV
- Internal Repayment of Loan Charges	-10,671	-10,671	0	
- Ex Avon Debt Costs	1,240	1,240	0	
- Minimum Revenue Provision (MRP)	7,115	6865	(260)	FAV
- Interest on Balances	-79	-79	0	
Sub Total - Capital Financing	3,008	2,488	(560)	FAV

APPENDIX 7

Summary Guide to Credit Ratings

Rating	Details
AAA	Highest credit quality – lowest expectation of default, which is unlikely to be adversely affected by foreseeable events.
AA	Very high credit quality - expectation of very low default risk, which is not likely to be significantly vulnerable to foreseeable events.
A	High credit quality - expectations of low default risk which may be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB	Good credit quality - expectations of default risk are currently low but adverse business or economic conditions are more likely to impair this capacity.
BB	Speculative - indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time.
B	Highly speculative - indicates that material default risk is present, but a limited margin of safety remains. Capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC	Substantial credit risk - default is a real possibility.
CC	Very high levels of credit risk - default of some kind appears probable.
C	Exceptionally high levels of credit risk - default is imminent or inevitable.
RD	Restricted default - indicates an issuer that has experienced payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased operating.
D	Default - indicate an issuer that has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.

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Bath and North East Somerset Council

Full Council meeting, Thursday 10 November 2016

Liberal Democrat Motion on Refugees

To be proposed by Councillor Dine Romero

This Council notes that:

1. Bath & North East Somerset Council, on an all-party basis, expressed a strong willingness to the Home Office be involved in the Government's national resettlement scheme. It established an officer working group which established the capacity within the area for this, particular relating to support services, housing supply and medical interventions.
2. The Council accepted 25 individuals (5 families) during 2015/16 under the Home Office Syrian Vulnerable People Resettlement programme.
3. The Council has received 10 unaccompanied asylum seeking children.
4. The Council is grateful to the people of Bath & North East Somerset for the many offers of support from citizens, voluntary organisations, faith groups and other organisations to assist in resettlement and confirms its commitment to build on that spirit of welcome.
5. Refugees contribute a huge amount to local communities throughout the UK.
6. The Council has agreed in principle to sponsor an application by the local group 'Bath Welcomes Refugees' for Community Sponsorship.
7. The Chair of the Local Government Association's Asylum, Refugee and Migration task group has called for Councils to receive more funding from central government to cope with resettlement challenges.

This Council resolves to:

1. Commend the work of Council officers and staff from the Clinical Commissioning Group in responding quickly and efficiently to urgent requests for resettling the most vulnerable of the refugees during 2015/16.
2. Continue to actively address requests from the Home Office for further resettlement of vulnerable people, refugees and asylum seeking children.
3. Work with partners, organisations and local individuals to address the significant problem of lack of housing that is affordable (i.e. within Local Housing Allowance rates).
4. Identify the skills and capacity which Council and partners can contribute to a variety of resettlement options.
5. Call on the Cabinet member for finance and efficiency to consider separating out the budget line for refugees from the Connecting Families project, in the forthcoming budget process, to increase transparency.
6. Request that the Leader write to government and local MPs to once again call for additional funding and support to be made available to help local authorities resettle refugees and to build capacity.
7. Encourage Councillors to sign the "Councillors Statement of Support for Refugee Children" hosted by Liberty, which has already won the support of 300 Councillors from across the country and five Councils.

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Council 10 November, 2016

Grammar Schools

Labour Group to move:

This Council:

1. Recognising the excellence of the secondary schools in BANES, opposes the re-introduction of Grammar Schools;
2. Uses its influence to discourage secondary schools in B&NES from seeking to become Grammar Schools; and
3. Writes to our local MPs asking them to call on the Government to rethink its proposals.

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Council 10th November 2016
Community Pharmacies
Lead Member - Cllr. Eleanor Jackson
Labour Group to move:

Council notes:

- That there are 38 community pharmacies in B&NES and these are evenly situated across the local authority area.
- The valuable role local pharmacies play in our communities in providing local people with a vital service to seek medical advice and reducing waiting times at local GPs.

Council further notes:

- That NHS England has a huge challenge in tackling its deficit.
- That the Government previously planned to cut £170 million of funding from community pharmacies.

This council believes:

- That residents should have easy access to local pharmacies
- That further investigation is required to assess the adequacy of existing services and the impact of any proposed cuts to pharmacy services when demand is on the rise.

Therefore council resolves:

- To request the Health and Wellbeing Select Committee investigates this matter further.

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