



**Agenda for Council
Wednesday, 25th February, 2026, 6.00 pm**

To: All elected Members of the Council; Honorary Aldermen

Venue: Council Chamber, Blackdown House, Honiton

Contact: Andrew Melhuish, Democratic Services Manager;
email andrew.melhuish@eastdevon.gov.uk 01395 517541
(or group number 01395 517546)
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East Devon District Council
Blackdown House
Border Road
Heathpark Industrial Estate
Honiton
EX14 1EJ
DX 48808 HONITON
Tel: 01404 515616
www.eastdevon.gov.uk

This meeting is being recorded for subsequent publication on the Council's website and will be streamed live to the [East Devon District Council YouTube channel](#)

Dear Sir/Madam

**Meeting of the Council of the District of East Devon on
Wednesday, 25th February, 2026 at 6.00 pm**

You are called upon to attend the above meeting to be held in the Council Chamber, Blackdown House, Honiton. It is proposed that the matters set out on the agenda below will be considered at the meeting and resolution or resolutions passed as the Council considers expedient.

Yours faithfully

A handwritten signature in black ink that reads "T. Hendren".

Tracy Hendren, Chief Executive

1 Apologies

2 Declarations of interest

Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)

3 Minutes of the previous meeting (Pages 5 - 26)

- 4 **Public speaking**
Information on [public speaking](#) is available online
- 5 **Matters of urgency**
Information on [matters of urgency](#) is available online
- 6 **Announcements from the Chair and Leader**
- 7 **Confidential/exempt item(s)**
To agree any items to be dealt with after the public (including the Press) have been excluded. There are no items which officers recommend should be dealt with in this way, but if confidential minutes from Cabinet and/or the Council's Committees are being discussed, Officers may recommend consideration in the private part of the meeting.
- 8 **To answer questions asked by Members of the Council pursuant to Procedure Rules No. 9.2 and 9.5** (Pages 27 - 33)
- 9 **Reports from the Cabinet and the Council's Committees and questions on those reports** (Pages 34 - 137)
- 10 **Recommendation from Audit & Governance Committee - Final Auditors Annual Report (VFM) 2024/2025** (Pages 138 - 180)
- 11 **Recommendation from Cabinet - Capital Strategy and Treasury Management Strategy 2026/2027 (incorporating Minimum Revenue Provision Policy Statement and Annual Investment Strategy) 2026/2027** (Pages 181 - 235)
- 12 **Revenue and Capital Budgets and Council Tax Resolution 2026/2027** (Pages 236 - 245)
- 13 **Recommendation from Cabinet - Council Tax Reduction Scheme 2026/2027** (Pages 246 - 368)
- 14 **Motion on Notice: Recognising and Protecting the Rights of Rivers in East Devon** (Pages 369 - 372)

Motion 1: Recognising and Protecting the Rights of Rivers in East Devon

Proposed by: Cllr Paula Fernley

Seconded by: Cllr Jess Bailey

Supported by: Councillors Paul Arnott, Charlotte Fitzgerald, Geoff Jung, Steve Hunt, Marianne Rixson, Sarah Jackson, Paul Hayward, Alasdair Bruce, Joe Whibley, Tim Dumper, Ian Barlow, Olly Davey, Anne Hall, Fabian King, Duncan Mackinder, Steve Hunt, Richard Jefferies and Bethany Collins

This Council notes that:

East Devon is home to a network of rivers and streams — including the Axe, Coly, Otter, Sid, Exe, Clyst, Lym and their tributaries, which are central to the district's ecology, landscape character, cultural heritage and community wellbeing. These waterways support wildlife, livelihoods, recreation, food production and the local economy.

Across East Devon and nationally, rivers are under increasing pressure from sewage pollution, agricultural runoff, over-abstraction, habitat loss and climate change. These pressures threaten biodiversity, public health, climate resilience and the long-term sustainability of our river catchments.

This Council believes that:

To safeguard these natural assets for current and future generations, East Devon District Council should demonstrate leadership by recognising the intrinsic value, ecological importance of rivers and they have rights, drawing inspiration from the principles set out in the Universal Declaration of the Rights of Rivers, including:

- the right to flow naturally and seasonally;
- the right to perform essential ecological functions;
- the right to be free from pollution;
- the right to be sustained by, and sustain, healthy freshwater sources;
- the right to support native biodiversity and ecological integrity; and
- the right to recovery and regeneration from environmental harm.

Council therefore resolves to:

1. **Acknowledge the intrinsic ecological value of all rivers and streams within the jurisdiction of East Devon District Council**, and that they have rights, including the Axe, Coly, Otter, Sid, Exe, Clyst, Lym and their tributaries.
2. **Affirm the Council's commitment, through its planning and policy functions**, to giving due weight to river protection, flood prevention, sustainable drainage (SuDS), nutrient neutrality, biodiversity net gain and green infrastructure, including through the emerging Local Plan and development management processes.
3. **Note that river protection and restoration principles** have been embedded within the emerging Local Plan as far as current legislation allows, and that these considerations will continue to inform relevant planning decisions.
4. **Continue to work in partnership** with relevant national and regional bodies, including the Environment Agency, Natural England, DEFRA, Ofwat and South West Water, to formally communicate concerns about river health and to encourage stronger protections, effective enforcement and catchment-based approaches. As well as asking our MPs to put pressure on Government.
5. **Recognise the value of citizen science and community-led river monitoring initiatives**, and commit to signposting communities to appropriate regulatory bodies and partners where concerns about river quality arise.
6. **Encourage collaboration with community groups, NGO's, catchment partnerships and other stakeholders**, where this aligns with existing Council priorities and resources, to share information, promote good

15 Budget Setting & Capital Allocations Panel - Nomination of councillor

To seek the nomination of a councillor to serve on the Budget Setting and Capital Allocations Panel.

16 Local Government (Access to Information) Act 1972 - Exclusion of Press and Public

To consider passing a resolution having been duly proposed and seconded under Schedule 12A of the Local Government Act 1972 to exclude the press and public from the meeting, on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, within the meaning of Schedule 12A to the Local Government Act 1972.

Reason: Para 3 Schedule 12A Information relating to the finance or business affairs of any particular person

17 Recommendation from Cabinet - Bridge and Structure Inspections 2025
(Pages 373 - 379)

18 Recommendation from Cabinet Exmouth Town Hall (Pages 380 - 395)

Under the Openness of Local Government Bodies Regulations 2014, any members of the public are now allowed to take photographs, film and audio record the proceedings and report on all public meetings (including on social media). No prior notification is needed but it would be helpful if you could let the democratic services team know you plan to film or record so that any necessary arrangements can be made to provide reasonable facilities for you to report on meetings. This permission does not extend to private meetings or parts of meetings which are not open to the public. You should take all recording and photography equipment with you if a public meeting moves into a session which is not open to the public.

If you are recording the meeting, you are asked to act in a reasonable manner and not disrupt the conduct of meetings for example by using intrusive lighting, flash photography or asking people to repeat statements for the benefit of the recording. You may not make an oral commentary during the meeting. The Chair has the power to control public recording and/or reporting so it does not disrupt the meeting.

Members of the public exercising their right to speak during Public Speaking will be recorded.

[Decision making and equalities](#)

For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Council held at Council Chamber, Blackdown House, Honiton on 26 November 2025

Attendance list at end of document

The meeting started at 6.00 pm and ended at 7.48 pm

65 Apologies

A list of apologies is set out at the end of these minutes.

66 Declarations of interest

Agenda Item 7: Local Government Reorganisation - Full Proposal

Councillor Mike Goodman, Personal, declared, whilst not an interest, his son was employed by KPMG but had not been involved in the drafting of the business case and that he (Cllr Goodman) came to the matter with an open mind free from bias and predetermination.

Councillor Nick Hookway declared an interest as a county councillor but confirmed that he had been granted a dispensation to enable him to fully take part and that he came to the matter with an open mind free from bias and predetermination.

Councillor Paul Hayward declared an interest as a county councillor but that he had been granted a dispensation to enable him to fully take part and that he came to the matter with an open mind free from bias and predetermination.

67 Public speaking

No members of the public had registered to speak at the meeting.

68 Matters of urgency

There were none.

69 Announcements from the Chair and Leader

There were no announcements.

70 Confidential/exempt item(s)

There were no items of confidential/exempt business.

71 Local Government Reorganisation - Full Proposal

The Portfolio Holder for Council Coordination and External Engagement, introduced the report reminding councillors of the process that had been undertaken relating to the Council's submission to Government based around the Reimagining Devon: Believe in Better, which proposed the 4-5-1 model of local government reorganisation in response to the Secretary of State's invitation.

The Portfolio Holder reported that Cabinet and Council had received a series of reports over the course of the year on the topic of Local Government Reorganisation (LGR) and Devolution. These followed the publication of the English Devolution White paper in December 2024, which committed to ending the current two-tier system of District and County Councils, and the subsequent invitation from the Secretary of State to submit proposals for a single tier of government.

Councillors noted that the final submission represented the culmination of the process that had been undertaken, in collaboration with the other District and Borough Councils across Devon, over the course of this year to respond to the Secretary of State's invitation. The final proposals submitted through Reimagining Devon addressed the six criteria and applied them to how future services could be efficiently and effectively delivered and structured. Council further noted that the full proposal for the 4-5-1 model of local government reorganisation in conjunction with a proposed modification to extend the current boundary of Plymouth City Council.

Council acknowledged that over the course of the summer considerable time and effort had been invested in to developing this model into a complete full proposal. This had included securing input from over fifty officers drawn across the District and Borough Councils in Devon together with Torbay Council. Specialist support had also been commissioned in relation to financial matters and to develop the case more widely.

Council welcomed that alongside the collaboration between this group of Councils there had been extensive consultation and engagement with external stakeholders. This engagement campaign had received nearly 6,000 responses from residents, businesses, and community groups, helping to directly shape the final proposals. A series of briefings and engagement events had also been undertaken with statutory organisations, Members of Parliament, local businesses and parish and town councils.

Council acknowledged that whichever option was ultimately progressed, it would be important for the local government family in Devon to pull together to ensure the best possible outcomes for Devon residents and businesses with the focus needing to quickly shift to preparatory work to support successful implementation. Further reports would come to Cabinet and full Council as key milestones were reached.

Councillors endorsed the submission of the Reimagining Devon: Believe in Better by the 28 November 2025 as the Council's response which put forward a vision to transform local government and secure a better, more prosperous future for all communities across Devon.

Having been proposed by Councillor John Loudoun and seconded by Councillor Ian Barlow the motion was put to the vote and carried by a majority show of hands.

RESOLVED:

1. That the Council endorse the submission to the Secretary of State for Housing, Communities and Local Government of the full proposal for the 4-5-1 model of local government reorganisation as set out in the Reimagining Devon: Believe in Better as the Council's response to the Secretary of State's invitation, together with the proposing of the 4-5-1 + option to the Secretary of State through a modification.
2. That Council endorses the next steps in terms of the progression of work by the Chief Executive in consultation with the Deputy Leader.

Attendance List

Councillors present:

A Bailey	T Dumper	D Ledger
B Bailey	P Faithfull	Y Levine
I Barlow	P Fernley	J Loudoun
K Blakey	C Fitzgerald	D Mackinder
K Bloxham	S Gazzard	M Martin
V Bonetta	M Goodman	J O'Leary
C Brown	M Hartnell	T Olive
J Brown	P Hayward	H Parr
A Bruce	J Heath	M Rixson
C Burhop	N Hookway	E Rylance
S Chamberlain	M Howe	S Westerman
M Chapman	B Ingham	J Whibley
B Collins	S Jackson	E Wragg
R Collins	G Jung	
O Davey	F King	

Officers in attendance:

Simon Davey, Director of Finance
Tracy Hendren, Chief Executive
Catrin Stark, Director of Housing and Health
Melanie Wellman, Director of Governance (Monitoring Officer)
Andrew Wood, Director of Place
Andrew Melhuish, Democratic Services Manager

Councillor apologies:

P Arnott
J Bailey
I Chubb
A Hall
M Hall
S Hawkins
S Hughes
R Jefferies
V Johns
T McCollum
C Nicholas
H Riddell
S Smith
D Wilson

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Council held at Council Chamber, Blackdown House, Honiton on 10 December 2025

Attendance list at end of document

The meeting started at 6.00 pm and ended at 7.45 pm

72 Apologies

A list of apologies is set out at the end of this document.

73 Declarations of interest

74 Minutes of the previous meeting

The minutes of the meeting held on 15 October and the extraordinary meeting held on 10 November 2025 were confirmed as a correct record.

75 Public speaking

Two members of the public had registered to speak:

Mr Andrew Beresford confirmed that following the issue of a Community Protection Warning and an appeal to the Magistrates Court to dismiss the warning he was seeking compensation and requesting that the Council review its policies for such matters.

The Chair of Council thanked the speaker for the comments which were noted.

Grace Clifford, Ocean Conservation Trust spoke in support of the Motion of Notice that was set out in the agenda.

The Chair of Council thanked the speaker for their comments which would be taken into consideration during the debate on the Motion on Notice – Motion for the Ocean.

76 Matters of urgency

There were no matters of urgency.

77 Announcements from the Chair and Leader

The Chair of Council welcomed newly elected Councillor Fran McElhone, Exmouth Halsdon ward to the meeting.

78 Confidential/exempt item(s)

There were no confidential/exempt items of business.

79 To answer questions asked by Members of the Council pursuant to Procedure Rules No. 9.2 and 9.5

The following Questions on Notice had been submitted and the responses to those questions were submitted to Council. The table below includes any follow up questions submitted at the meeting.

Question	Question from	Question	Response
1	Cllr Mike Goodman	<p>Question to Portfolio Environment Operations & Portfolio Holder for Environment Nature & Climate</p> <p>East Devon is an area of outstanding natural beauty. In November 2023 this was re-named National landscapes. Could I ask if the signs could be changed to reflect the new name.</p>	<p>Portfolio Environment Operations & Portfolio Holder for Environment Nature & Climate</p> <p>East Devon National Landscape team are currently working with National Highways to get the road signs replaced to reflect the new branding. Changes in National Highway's local resources have caused delays but this work is now moving forward with the replacement plans. The East Devon National Landscape team will update Members with timelines and locations once the replacement programme has been formally signed off. Also to note that all footpath signs have now been updated with the new National Landscape branding.</p>
2	Cllr Mike Goodman	<p>Question to Portfolio Environment Operations & Portfolio Holder for Environment Nature & Climate</p> <p>Sidmouth Town Council with the Arboretum set a target of planting 14,000 trees they have now achieved this and have come in under budget which is a great achievement for the town. EDDC in June agreed a tree strategy and set a target of increasing tree canopy coverage in the County. Could council have an update on progress made please.</p>	<p>Portfolio Environment Operations & Portfolio Holder for Environment Nature & Climate</p> <p>First of all, a note of congratulations to Sidmouth Arboretum for achieving their target and helping the district to achieve its 30% Tree Canopy Cover target by 2034. The district currently has a canopy cover of 21.7% set against the canopy cover of 16.7% for England. Therefore, East Devon is well placed to achieve its ambition within the next 10 years of the Strategy's target. It is also important to remind Members that the Tree, Hedge & Woodland Strategy is for East Devon and is a 10 year plan that will require</p>

			<p>the support and co-operation of organisations such as the National Trust, Woodland Trust, Forestry Commission, local landowners, Town and Parishes to help us deliver on the 30% canopy cover target. So, the planting that has been achieved in Sidmouth is an excellent example of this wider partnership working for the whole of East Devon.</p> <p>Cllr Goodman has noted that the Strategy was adopted by Full Council 4 months ago and he will also know that the Strategy's 10-year Delivery Plan was integrated into the existing workstreams of teams such as Countryside, Streetscene and Housing where opportunities lie for tree planting schemes. There has been no additional resource on top of business as usual to deliver the Strategy however we can report steady progress is being made. The Countryside, Environment & Ecology (CEE) Service have created momentum targeting the next 3 years before LGR with a number of initiatives and projects that will be delivered by both our internal teams and much closer engagement with our communities and partners. The activities that have been developed and are in the pipeline from the THaWS Delivery Plan 2024-2034 are:</p> <ul style="list-style-type: none"> • Launch of the East Devon Tree Champion scheme in November which is being led by our Countryside team and this will help us to start a more meaningful engagement with local communities in areas such as tree planting schemes to help us achieve our 30% tree canopy cover target by 2034; • Internal discussions between Streetscene and Countryside identifying Council owned
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			<p>land where we can create tree planting schemes again as part of our tree canopy cover target have started and a programme of tree planting working with local communities on suitable land will commence in 2026/27;</p> <ul style="list-style-type: none"> • EDDC’s Countryside, Environment & Ecology (CEE) Service as part of the Saving Devon’s Treescape project has developed a business case with EDDC’s Green Team to support Broadclyst Community Tree Nursery for 3 years to include opportunities for training other community groups that will help provide trees of local provenance for future local tree planting schemes (a decision is expected in January 2026 on funding); • Tree cover in Cranbrook is increasing through development phases – significant quantities of trees will be planted within 78 Ha of SANG (first phase in Reserved Matters planning at the moment). Cranbrook TC have a tree planting programme in Cranbrook Country Park this winter (with 3,500 trees planted last winter). • We transferred £25k of S106 funding to Saving Devon’s Treescapes to enable them to source match funding for tree planting across Devon, and specifically 3,000 trees in Poltimore/Broadclyst parishes which will be planted on 2-3 sites this winter. • We are planting c1,600 trees (in hedgerows/scrub, plus some orchard trees) over next 12-18 months. These are supplied from the Broadclyst nursery. Countryside’s Nature Reserves Ranger has
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			<p>organised a volunteer tree planting day on 17th December 2025 and all Councillors would be welcome to join in this activity. There will be further opportunities in the new year. In addition Percy Wakley Woods, near Cranbrook, will become our new 5.4Ha woodland SANG within which we will be investing in enhanced management of the woods.</p> <ul style="list-style-type: none"> • National Trust Killerton planted circa 70,000 trees last winter, and have a similar number planned for this winter. Their target is 1million trees by 2030 (they have planted circa 250,000 to date). Their Three Rivers Landscape Recovery project will deliver significant areas of landscape restoration including tree and hedgerow planting which will significantly contribute to the Strategy's 30% Tree Canopy Cover target and the Clyst Valley Regional Park programme has significant tree planting targets to achieve within its masterplan. • Alongside key partners such as the National Trust there are other landowners such as Clinton Devon Estates who have developed their Heaths to Sea Landscape Recovery schemes and the Luppitt Landscape Recovery scheme which all have significant planting schemes in their 80 year vision that will again move our canopy cover target in the right direction. • EDDC's SANG strategy for 100Ha of Strategic SANG, plus SANG on major development sites, create opportunities for significant tree planting.
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			<ul style="list-style-type: none"> • Exmouth TC have mentioned to our CEE Service that their Rotary Club are looking for sites for more micro-forests which we will be looking to help support and set up once more details are known. • In terms of our management of hedges and woodlands we have recently developed a Seaton Wetland hedgerow management plan and there is a programme of traditional hedge laying training identified within it led by the Countryside team to ensure we are managing our hedgerow network for wildlife as we are doing our woodland Local Nature Reserves at Holyford Woods and Knapp Copse. <p>The Council's internal teams have made steady progress on several key actions in the Strategy over the past four months, as shown above. However, it is extremely important to reiterate that it is only through active collaboration with partners and local communities that we can meet our 30% Tree Canopy Cover target by 2034. The launch of our Tree Champion scheme is our first significant step to making our communities more resilient when it comes to identifying land for planting and then looking after their newly created woodland.</p>
3	Cllr Mike Goodman	<p>Question to Leader of Council</p> <p>In March in this chamber the Leader proposed and voted for the 5-4-1 unitary solution for East Devon. In November he worked on and proposed a 9 1 1 solution for Devon, this proposed three unitaries Plymouth, Torbay and the rest of Devon. When the</p>	<p>Leader of Council</p> <p>I am very glad to take the opportunity provided by Cllr Goodman to address the matter of LGR, which sits in the wider context of his role as Chair of the Devon Conservatives Mike Goodman Devon Area. Cllr Goodman has offered implied criticism of my conduct which he has been aware I have been</p>

		<p>Devon County Council Cabinet voted Cllr Arnott surprisingly having proposed the motion abstained. This is confusing, can Council and residents be told what the Leader believes is the right solution for East Devon.</p>	<p>unable to answer until after submission. Devon authority changes need to be clear and coherent Sidmouth Herald. It is worth noting that at no time has he attempted to discuss this with me.</p> <ol style="list-style-type: none"> 1. The context in which Local Government Reorganisation (LGR) sits is worth recalling. Although Devolution and Strategic Mayoral Authorities were in the July 2024 Labour manifesto, LGR was not. As late as the Local Government Association Conference in Harrogate in October 2024, ministers were denying rumours that LGR would be attempted. 2. In December 2024, all councils were written to be MHCLG to say they would be required to prepare outline plans for LGR by March. 3. Cllr Goodman's Conservative County administration (he has been Devon chair since January), instead of doing substantial preparatory work, at first attempted in February to cancel the May 2025 County elections which they feared they would lose. (They went on to do so, down from over 40/60 members to 7.) They wanted to turn Devon & Torbay into a single mega-unitary, even though this had explicit dissent from Torbay, which would give cover to their cancelling democracy. 4. This outrageous attempt to rob the people of Devon of the right to vote and to earn themselves a further
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			<p>year, perhaps two, of unelected power was denied them by the government. The legacy problem they had thus created is that they had not worked up any credible proposal from Devon CC for the end of March.</p> <p>5. For the calendar year of 2024, East Devon held the chair of the Devon Districts' Forum. I was able to have many discussions which made a number of risk factors in devising a response from EDDC obvious to me. i) The likely attempt, soon proven, that the Conservatives at DCC would attempt to cancel elections ii) on the basis of conversations and common understanding, that Labour Exeter were likely to come up with a Unitary plan which would hugely disadvantage the people of both East Devon and wider Devon, and that they had the ear of the Labour government iii) that Conservative Torbay's wish was always primarily to stay as a Unitary. This was a febrile set of circumstances in which politically the two traditional parties of power were likely to favour self-interest.</p> <p>6. This was unacceptable. The chair of the DDF passed to West Devon in January 2025, and I was happy to work with Districts' Leaders and CEOs in the context of the above to devise a plan based not on self-interest but in the public interest.</p>
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			<p>The idea emerged of a) respecting Plymouth's current status b) of 4 councils combining into a new unitary, being South Hams, Teignbridge, Torbay and West Devon c) of 5 councils combining into a second new unitary, being East Devon, Exeter, Mid Devon, North Devon and Torridge</p> <p>7. This was devised in good faith, meeting the population numbers seemingly required and having many other strengths. The obvious concern in the 4:5:1 was that Torbay were not very committed to the 4 (ultimately, they did not support it) and that Exeter were wholly uncommitted to the 5 (ultimately, they too did not support the 4:5:1)</p> <p>8. In April 2025, the government responded to the various draft submissions, stating that they required full and final ideas by the end of November 2025</p> <p>9. In May 2025, County elections were held. The Conservatives lost control (now 7/60) and Reform are 16/60 with no prospect of an administration. In a scenario very nearly mirroring the Democratic Alliance at East Devon, the Liberal Democrats took control of County with NOC but with good relations with the Greens and Independents.</p> <p>10. Given my own experience in LGR matters in Devon and as a leader for half a decade, the County Leader asked me to step</p>
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			<p>into the void of the LGR PH at County. This provided me with no conflict of interest, although of course care must be taken. It was known that EDDC would continue to develop the Council instruction to explore 4:5:1.</p> <p>11. On being re-elected Leader at EDDC for a sixth term in May 2025, I announced that a new Deputy Leader John Loudoun would lead in internal and external discussions around developing 4:5:1. This has been immaculately observed and I give personal thanks to John and our officers for their excellent work.</p> <p>12. Unfortunately, on taking up my role in late May, just six months ago with submission looming, it soon became apparent that County had been left without any political direction of travel at all by the outgoing Conservatives. My ask of their officers was to look at 4:5:1 as an option, and also to look at a single Unitary respecting the existing Unitaries of Plymouth and Torbay. This ask arose from evidence presented at County of a sincerely perceived risk of disaggregating children's and adults' services into two.</p> <p>13. While the evidence was being assessed at both the Districts and at County, I am proud that I worked very hard to try and make up for the</p>
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			<p>dreadful democratic deficit looming through the abolition of the Districts by developing the structural and policy concepts for Neighbourhood Area Committees. My intention was and remains that these should be put in place under any future option chosen by the government.</p> <p>14. By September 2025, it was becoming clear that in all good faith the Districts, under advice from KPMG and others continued to favour 4:5:1. Meanwhile, the County, itself using sound internal and external advice, favoured 9:1:1. The most fundamental difference in opinions was around interpretation of shared data re social services. There is nothing wrong with such a difference of view which may have arisen from each idea engaging with the data stressing alternative fundamentals. There is nothing awry in this, and it has been common in LGR across England.</p> <p>15. We then entered the period where submission decisions would need to be made across all Devon authorities. Cllr Goodman errs when he said I “proposed” the idea of 9:1:1 from the County perspective. That was the Leader seconded by another member of Cabinet. I abstained at both councils. I was content to explain the idea of 9:1:1, however, and the people of East Devon and Devon had every right to</p>
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			<p>hear and consider its merits and demerits. Anyone paying attention would have seen my repeated public statements that ONLY 4:5:1 and 9:1:1 observed the key exam question which was that any proposal was required to consider and offer proof that it could work for ALL the authority areas across Devon. I spoke in praise of both proposals only last Friday at DCC Full Council, and have done so consistently including in meetings with DALC and others.</p> <p>16. The suspected proposals from Labour authorities duly came to pass - for a hugely expanded Plymouth (which is at least an experienced unitary), a hugely expanded Exeter (a city council whose proposed boundary expansions make little sense) and in Labour's joint submission, an expanded Torbay – which Torbay doesn't want. The rest of us in Labour's vision are put in the obviously non-viable "Rural & Coastal"</p> <p>17. To answer Cllr Goodman's question. Despite his attempts to personalise this in council and in the press, I am proud that the two councils I have been elected to have acted impeccably in the last six months to devise proposals which consider the common good of all Devonians, and that we have done so in a situation where both the Conservatives and Labour</p>
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			<p>have pursued “I’m alright, Jack” policies and proposals.</p> <p>18. As he knows, the Secretary of State will now consider which proposals will go to stakeholder consultation in the new year. In my view, it is to be hoped that the SoS has the independence of mind to include both 4:5:1 and 9:1:1 as options. I am pleased that both have been put forward.</p>
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Follow up questions.

Question 2 Councillor Goodman asked whether residents could be made aware of the programme of tree planting that was taking place and that Council receive regular updates. In response the Portfolio Holder for Environment – Nature and Climate confirmed that they would discuss with officers how residents and councillors could be updated on the progress with the delivery of the tree strategy.

Question 3 Councillor Goodman asked the Leader what they believed was the best solution for East Devon. The Leader of Council responded that his written answer gave a comprehensive reply and that he felt that the best option for all Council in Devon was that submissions had been put forward for the 4-5-1 and 9-1-1 and it would be for the Secretary of State to determine the outcome.

80 **Reports from the Cabinet and the Council's Committees and questions on those reports**

The minutes from the following meetings were noted:

- Cabinet – 29 October & 26 November (Extraordinary) 2025
- Licensing and Enforcement Committee – 8 October & 19 November 2025
- Licensing and Enforcement Sub Committee – 8 October 2025
- Planning Committee – 21 October & 18 November 2025
- Strategic Planning Committee – 25 November 2025
- Cranbrook Placemaking Group – October 2025
- Scrutiny Committee – 2 October 2025
- Overview Committee – 30 September 2025
- Audit & Governance Committee – 20 November 2025
- South & East Devon Habitat Regulations Executive Committee – 30 October 2025
- Standards Committee – 20 November 2025
- Placemaking in Exmouth Town & Seafront Group – 20 October 2025
- LATCo Shareholders Committee – 29 October & 19 November 2025
- Poverty Working Panel – 24 November 2025

81 **Cranbrook and Surrounding Development Areas Community Governance Review - Draft Recommendations**

The Council considered a report following a recent consultation relating to the parish governance arrangements in Cranbrook and surrounding area. A summary of all of the submissions was submitted.

The draft recommendations included the following:

1. That land to the south of Cranbrook Parish be transferred from Clyst Honiton Parish to Cranbrook Parish.
2. That an area of land which extends along the London Road between Court Royal and Green Marsh Road be transferred from Rockbeare Parish to Cranbrook Parish.
3. That an area of land to the south east of Cranbrook, centred on Gribble Lane and lying between London Road and Rewe Lane be transferred from Rockbeare Parish to Cranbrook Parish.
4. That an area of land to the east of Cranbrook Parish, primarily to the west of Cobden Lane, be transferred from Whimble Parish to Cranbrook Parish.
5. That an area of land to the east of Station Road (and north of London Road) be transferred from Broadclyst Parish to Cranbrook Parish.
6. That the total number of Councillors who should serve Cranbrook Town Council remain at the current number of 12.
7. That Cranbrook Town Council should not be divided into wards

Council supported the draft recommendations which would be subject to a second consultation period between January 2026 and March 2026, following which a report will be brought to Full Council for approval of final recommendations in June 2026.

Councillor Sarah Jackson proposed the recommendations which having been seconded by Councillor Alasdair Bruce were carried by a majority show of hands.

RESOLVED:

That Council agrees:

1. That the proposals set out in Appendix 1 be adopted by the Council as Draft Recommendations for the purposes of the Community Governance Review.
2. That, save as set out in the Draft Recommendations, the existing Cranbrook Town Council and adjacent parishes of Broadclyst, Clyst Honiton, Rockbeare and Whimble names, boundaries, council size, groupings, and other parish governance arrangements in respect of those parishes, remain unchanged.
3. That the Draft Recommendations be published for consultation purposes from January 2026 to March 2026 inclusive.
4. That the results of the consultation be reported to Full Council in June 2026.

82 Recommendation from Licensing & Enforcement Committee - Licensing Act 2003 Statement of Licensing Policy 2026 - 2031

Council considered recommendations from the Licensing & Enforcement Committee on 19 November 2025 relating to the Statement of Licensing Policy 2026 – 2031.

Council noted that the policy had been updated to reflect the most up to date statutory Licensing Act 2003 Section 182 Guidance and updated references to the East Devon District Council's Public Health Strategic Plan 2024-2027, The Council Plan for 2024-2028, the Surveillance Camera Code of Conduct Guidance 2021 and East Devon District Council's current demographic information.

The Chair moved the recommendation which was carried by a majority show of hands.

RESOLVED:

That the Licensing Act 2003 Statement of Licensing Policy, be adopted by Council for the period of 7 January 2026 to 6 January 2031.

83 **Recommendation from Cabinet - Leisure Strategy - Addendum**

The Portfolio Holder for Culture, Leisure, Sport and Tourism a report following the approval of the Council's Leisure Strategy (2021 - 2031) which contained within it, a recommendation for the facility mix for the leisure centre in Cranbrook. It was noted that given the scale of the project at Cranbrook, this had now been updated with an addendum to reflect the latest population and leisure industry guidelines.

Council welcomed the addendum that ensured that the Leisure Strategy reflected the latest population and leisure industry guidelines and inform the Cranbrook and Marlcombe projects.

Councillor Nick Hookway proposed the recommendation which having been seconded by Councillor Yehudi Levine was carried by a majority show of hands.

RESOLVED:

That Council endorse the Addendum to the Leisure Strategy.

84 **Recommendation from Constitution Working Group - Part 3 Officer Scheme of Delegation**

The Chair of the Constitution Working Group presented a report setting out proposed changes to Part 3 Officer Scheme of Delegation.

It was noted that the main changes to the scheme of delegation had been made to reflect changes in job titles and recent restructuring in the directorates.

Councillor Sarah Jackson proposed the recommendation which having been seconded by Councillor Marianne Rixson was carried by a majority show of hands.

RESOLVED:

That Council:

1. Approves the Officer Scheme of Delegation – Part 3, to be included in the Council's Constitution.
2. Delegates authority to the Monitoring Officer in consultation with the Portfolio Holder for Communications and Democracy to make any minor drafting changes to the Officer Scheme of Delegation – Part 3, prior to publication on the Council's website.

85 **Recommendation from Constitution Working Group - Part 5 - Codes & Protocols: Council's Petition Scheme**

The Chair of the Constitution Working Group presented a report setting out some changes to Part 5 Codes & Protocols: Council's Petition Scheme. It was noted that the scheme had been updated to reflect that members of the public would soon be able to submit petitions electronically via the Council's website.

Councillor Sarah Jackson proposed the recommendation which having been seconded by Councillor Anne Hall was carried by a majority show of hands.

RESOLVED:

That Council

1. Approves Part 5 Codes and Protocols – Councils Petition Scheme, to be included in the Council's Constitution.
2. Delegates authority to the Monitoring Officer in consultation with the Portfolio Holder for Communications and Democracy to make any minor drafting changes to Part 5 Codes and Protocols – Councils Petition Scheme, prior to publication on the Council's website.

86 **Recommendations from the Independent Remuneration Panel**

Council received a report setting out recommendations from the Independent Remuneration Panel following their review of special responsibility allowances awarded to the Vice Chair of the Strategic Planning Committee.

The recommendations proposed that the Vice Chair of the Strategic Planning Committee should receive a Special Responsibility Allowance, based on 50% of the SRA awarded to the Chair of the Licensing and Enforcement Committee, amounting to £1,810.42 to be backdated to 1 June 2025. The Panel also proposed some minor changes to the Scheme of Allowances to reflect the recommendations agreed at full Council in July 2025.

Councillor Todd Olive proposed the recommendations which having been seconded by Councillor John Loudoun were carried by a majority show of hands.

RESOLVED:

1. That Council approve that the Vice Chair of the Strategic Planning Committee SRA is paid at 50% of the Licensing and Enforcement Committee Chairs allowance (£1,810.42). To be backdated to 1 June 2025.
2. That Council agree to give delegated authority to the Monitoring Officer to make minor changes to the Scheme of Delegation to reflect the range of railcards available and adopts the same approach for council and parish members as that applied to employees, for Family Friendly Policies (incorporating maternity, paternity, shared parental and adoption leave).

87 **Broadband in East Devon**

The Portfolio Holder for Economy and Assets presented a report following a motion on notice in February 2025. Council noted that a Rural Broadband Survey had been undertaken to gather evidence of poor connectivity across the district. The survey revealed widespread dissatisfaction with broadband speed, reliability, and infrastructure, particularly among the most rural businesses and communities.

Council supported the outcomes from the report which included writing a letter to the Telecoms Minister and East Devon's MPs, to reiterate the serious impacts of broadband 'not-spots' in the district.

Councillor Paul Hayward proposed the recommendations which having been seconded by Councillor Alasdair Bruce were carried by a majority show of hands.

RESOLVED:

That Council:

1. Acknowledge the results of the Rural Broadband Survey.

2. Request the Portfolio Holder for Assets and Economy write to the Minister for Telecoms and East Devon's Members of Parliament to reiterate the serious impacts of broadband 'not-spots' in the district, factoring in members' feedback on the Survey.
3. Request the Leader to invite other local authorities, public and industry bodies in Devon to a joint initiative exploring how superfast fibre rollouts can be further accelerated.
4. Request the Leader write to the Leader at Devon County Council, Cabinet Member for Rural Affairs, and the Programme Director of Connecting Devon & Somerset, inviting them to offer an urgent briefing to this Council regarding efforts to bring superfast broadband to all our residents.

88 **Motion on Notice - Motion for the Ocean**

Councillor John Heath seconded by Councillor Aurora Bailey and supported by Councillors Geoff Jung, Tim Dumper, Paula Fernley, Olly Davey, Brian Bailey, Charlotte Fitzgerald, Alasdair Bruce, and Marianne Rixon submitted a Motion on Notice.

It is the UN Ocean Decade, and the tide is turning on Ocean neglect. Our Ocean and climate are in a state of emergency, and whilst many local authorities have already declared a climate emergency, the Ocean is still missing from many of our climate action plans. By supporting this evidence-based Motion, based on Dr Pamela Buchan's pioneering research on marine citizenship, we can help local and national governments take action to improve Ocean health.

A model 'Ocean Recovery Declaration' – or Motion for the Ocean – seeks to help ALL local governments recognise that the world's Ocean is a fundamental part of climate regulation and that it must be considered as part of an effective climate emergency response. It is vital to ensure that local Councils commit to supporting a more ecologically healthy sea and to rethink how Ocean is taken into account in planning and decision-making at local level.

Many councils up and down the country have supported this important motion. They are too numerous to mention, and I believe that EDDC should add its name to the list. The councils that have so far affiliated to the motion are listed under Motion for the Ocean [Motion-for-the-Ocean-coastal-councils.pdf](#).

Council supported the motion and **RESOLVED:** That this Council support Devon County Council colleagues in protecting our Oceans, and will work in conjunction with all signatories to play our continued part in improving our seas and oceans.

89 **Appointment of representatives to the Standards Committee**

Council received a report setting out recommendations from the Standards Committee seeking the appointment of Independent Representatives, Independent Persons and Town and Parish Representatives to the Standards Committee.

Council noted that following a recruitment process successful candidates had been identified to serve on the Standards Committee.

Council welcomed the appointments and the Chair of Council moved the recommendations which were carried by a majority show of hands.

RESOLVED:

That Council approve the appointment of:

1. Mr Steve Jupp and Mr Philip Wilde as co-opted non-voting Independent Members on the Standards Committee for a term of 4 years, or until local government reorganisation, whichever is sooner;
2. Cllr Chris Lockyer of Sidmouth Town Council and Cllr Francis Pullman of Westhill Parish Council as co-opted non-voting Town/Parish Representatives on the Standards Committee for a term of 4 years, or until local government reorganisation, whichever is sooner;
3. Mr Martin Goscombe and Mr Pat Coulter as Independent Persons for a term of 4 years, or until local government reorganisation, whichever is sooner.

Attendance List

Councillors present:

P Arnott	P Fernley	Y Levine
A Bailey	C Fitzgerald	J Loudoun
B Bailey	M Goodman	D Mackinder
J Bailey	A Hall	M Martin
I Barlow	M Hall	T Olive
K Blakey	S Hawkins	H Riddell
C Brown	P Hayward	M Rixson
A Bruce	J Heath	E Rylance
I Chubb	N Hookway	S Westerman
B Collins	S Hughes	D Wilson
R Collins	S Jackson	E Wragg
O Davey	R Jefferies	
P Faithfull	F King	

Officers in attendance:

James Brown, New Community Officer, Development Management
Simon Davey, Director of Finance
Tracy Hendren, Chief Executive
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)
Andrew Melhuish, Democratic Services Manager

Councillor apologies:

K Bloxham
J Brown
C Burhop
M Chapman
T Dumper
S Gazzard
M Hartnell
M Howe
B Ingham
V Johns
G Jung
D Ledger
C Nicholas
J O'Leary

H Parr
S Smith
J Whibley

Chair

Date:



Report to: **Council**

Date of Meeting 25 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Questions on Notice

Report summary:

The constitution provides that members of Council may ask: the Chair, the Leader or a Portfolio Holder Member of the Cabinet; or the Chair of any Committee or Sub Committee a question on any matter in relation to which the Council has powers or duties or which affects the district.

A member may only ask a question if either:

(a) they have given at least 3 working days' notice in writing of the question to the Chief Executive; or

(b) the question relates to urgent matters, they have the consent of the Chair to whom the question is to be put and the content of the question is given to the Chief Executive by noon on the day of the meeting.

In response to a question on notice an answer may take the form of:

(a) A direct oral answer;

(b) Where the desired information is in a publication of the Council or other published work, a reference to that publication; or

(c) Where the reply cannot conveniently be given orally, a written answer circulated later to the questioner.

In accordance with the Constitution three questions on notice have been received and they are set out in the report with the responses.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

To note the responses to the questions on notice.

Reason for recommendation:

In accordance with the Council's Constitution Rules Part 4, 9.2 Questions on notice at full Council; 9.3 Notice of questions.

Question	Question from	Question	Response
1	Cllr Mike Goodman	<p>Question to Portfolio Holder for Finance</p> <p>Having been part of the overview and scrutiny looking at this year's budget, to help the public to understand the scale of the financial challenges facing EDDC. Could the portfolio holder for Finance explain the consequences for EDDC if LGR did not happen in 2027 for years 2028 and 2029.</p>	<p>Portfolio Holder for Finance</p> <p>This Council's future budget position beyond 2026/27 was given in the draft budget report to Cabinet on 7th January 2026. This gave an estimated budget deficit in 2027/28 of £2.8m and, if LGR was not implemented as planned in April 2028, then a further deficit of £4m in 2028/29.</p> <p>Since then, two factors have changed those numbers:</p> <ol style="list-style-type: none"> 1. Overview, Scrutiny and Cabinet are recommending to Council in the 2026/27 budget additional expenditure of £0.3m (special items). These items are recurring costs and add to the estimated budget deficit going forward. 2. The Final Local Government Finance Settlement published on 9th February has resulted in a further reduction in our funding compared with the Provisional Settlement by £1.2m for 2027/28 and 2028/29. <p>Taking these changes gives us a revised estimated budget deficit in 2027/28 of £4.3m and in 2028/29 £5.5m.</p> <p>Again, as outlined in the 7th January Budget Report aligned reserves against these deficits are remaining sums in the order of £5.3m. Therefore, allowing the Council to retain existing services and budget spends for the one year remaining in accordance with the existing government timetable. If extended to 2028/29, we would need to find savings in the order of £4.5m requiring a significant</p>

			<p>reduction in service spending to be implemented for 2028/29.</p> <p>These are high level estimates, and a revised Medium Term Financial Strategy will be presented for Members consideration in July 2026 when more certainty is likely on LGR. This Council has an excellent record of planning and meeting budgetary challenges, however the changes to the government funding formula has had a significant effect on our finances to a degree not seen in recent years.</p>
2	Cllr Mike Goodman	<p>Question to Leader of Council</p> <p>Can the Leader explain why he is calling for the postponement of LGR in Devon, and does he realise the financial and service impact on East Devon District Council this could have.</p>	<p>Leader of Council</p> <ul style="list-style-type: none"> • I thank Cllr Goodman for his question. At East Devon I have consistently thanked our officers and the PH Cllr Loudoun, and all lead members and officers across Devon, for their work in meeting the demands of government re LGR. I have also signalled that we would enter a “political” phase. We now have. • LGR was not included in Labour’s July 2024 manifesto, while Devolution through Strategic Mayoral Authorities or Foundation Level was. • Unfortunately for political reasons the then Secretary of State at MHCLG decided to force complete local government reorganisation onto the agenda. • We can be proud that as members and officers we have repeatedly met government’s tight deadlines for i) initial submissions ii) final submissions. The sheer scale of work this has

			<p>taken cannot be overstated</p> <ul style="list-style-type: none">• Throughout that period, MHCLG has repeatedly changed guidance eg around population numbers for new unitaries. At first, 500k or over, but then a loophole for Labour run city areas of 300k or more.• It also became clear through engagement with central government that their insistence on breaking up the current district/county structures was not about savings or efficiency. Baroness Taylor confirmed that the Treasury does not expect that. It is about a political wish to dismantle “Shire County” authorities which they fear are a traditional Conservative party powerbase.• For many in local government, the final straw in what has always appeared a hurried, under-resourced and ill-considered project for LGR, was the cancellation of local elections, followed by their reinstatement after the Electoral Commission stated that there was no legal basis for cancellation. Trust in due process is at an all-time low.• It is worth noting in passing that in early 2025 the then Conservative Devon County was also unsuccessful, as Exeter has been this year, in having elections cancelled in their political self-interest.• The first authority to express its outrage last
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			<p>week was the Conservative run Norfolk County Council. They have stated that they will no longer co-operate with LGR.</p> <ul style="list-style-type: none">• This was followed at the end of the week by Labour Basildon making the same pledge, which brings into question whether wider Essex too can deliver.• It is clear that the LGR project has lost the confidence of most of the LG sector. In particular, the current timelines do not include sufficient time for Boundary Commission reviews and consultations.• Moreover, every district in Devon is involved in its own major projects which members were elected and officers employed to deliver. The resource burden and distraction has been immense since the end of 2024 when the government first brought LGR onto the agenda.• Due consultations continue as is appropriate and government promises a choice in July• On all prior evidence and experience of this process, even though it is becoming obvious that May 2027 is neither realistic nor in the interest of good local government in Devon, if there is to be a delay it will be left to the eleventh hour, perhaps in the Autumn, to announce it.• Leaders are discussing this week at a political level if there is consensus to write to MHCLG a) supporting ongoing rationalisation of services across Devon especially
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			<p>through future shared services b) acknowledging the possibilities of a Strategic Mayoral Authority as per the manifesto, and the possibility of delivering that through the Combined County Authority if Plymouth join the CCA c) that in the leaders' assessment, the timescales are not realistic, and request that the SoS decide as soon as possible if there is to be a delay.</p> <ul style="list-style-type: none"> • Regarding our own medium-term financial plan, the PH for Finance has provided the answer at an earlier question. In the event the SoS was minded to postpone by a year, it is likely that provision would be made tbc • At all times, it is the responsibility of the Devon council administrations to seek certainty on behalf of the public, the staff and officers, and in the interests of democracy.
3	Cllr Mike Goodman	<p>Question to Leader of Council</p> <p>In February 2025 the leader proposed a motion regarding the condition of our highways, this included a number of suggestions and some members that our roads were poor. Since then we have had ten months of the Lib Dems in power does the Leader believe our roads have improved.</p> <p>Motions Report.2.Highways.pdf</p>	<p>Leader of Council</p> <p>I thank Cllr Goodman for his constructive question. Clearly, during the ten months that the Liberal Democrats have been in power, the Highways team has been operating under a budget set by the previous (Conservative) administration . This has presented a number of challenges, not least because there was historically a reluctance to invest more capital or revenue funding into the department. This, coupled with poor central government funding, has seen a situation of</p>

			<p>unmanaged decline develop over some years. Despite the clear and obvious fiscal challenges presented, some progress has been made. The pothole trial (which saw non-safety defects repaired at the same time as reported safety defects within a defined area) was run in two divisions and was generally held to be a success – the scheme will be extended across a number of divisions in the finer months this year, which will include at least one East Devon Division. The road warden scheme, which has over 120 parishes as active users, is being extended through the Community Protocol Scheme, which gives town and parish councils better access to service delivery on projects they (the Town or Parish) wish to expedite and are happy to finance.</p> <p>At our recent budget meeting, the Liberal Democrat Administration, supported by all the other main parties, agreed an extra of 5.7% across the Climate Change, Environment and transport Department as a whole and an extra £19million specifically for highways this year, (£4million for revenue spending, £15 million capital) with an extra £10 million capital each year for the next 4 years. As such, it might be a fairer test to repeat this question in 12 months time, at which point the administration at DCC will have had the opportunity to prove their budget.</p>
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Report to: **Council**

Date of Meeting 25 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Reports from the Cabinet and the Council's Committees and questions on those reports

Report summary:

To receive reports from the Cabinet and the Council's Committees and receive any questions on those reports from meetings between 24 November 2025 and 17 February 2026.

Recommendations from Cabinet and the Council's Committees are set out as separate agenda items and contained in the agenda pack.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

To note the reports from Cabinet and the Council's Committees and the responses to any questions raised.

Reason for recommendation:

In accordance with the Council's Constitution.

Officer: Andrew Melhuish (Democratic Services Manager) – andrew.melhuish@eastdevon.gov.uk

Portfolio(s) (check which apply):

- Environment - Operations
- Environment – Nature & Climate
- Council, Corporate Co-ordination and External Engagement
- Communications and Democracy
- Economy and Assets
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

Report in full

The minutes from the following meetings are included:

Cabinet – 3 December 2025, 7 January and 4 February 2026
Licensing and Enforcement Sub Committee – 28 January 2026
Planning Committee – 16 December 2025 and 9 February 2026
Strategic Planning Committee – 6 January 2026
Cranbrook Placemaking Group – 8 December 2025 and 2 February 2026
Scrutiny Committee – 12 January and 14 January 2026
Overview Committee – 22 January 2026
Audit & Governance Committee – 29 January 2026
LATCo Shareholder Committee – 4 February 2026
Personnel Committee – 28 January 2026
Leisure Strategy Delivery Forum – 13 January 2026
Exmouth Beach Management Steering Group – 28 November 2025
Arts & Culture Forum – 26 November 2025
Asset Management Forum – 19 January 2026

Financial implications:

None.

Legal implications:

None.

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 3 December 2025

Attendance list at end of document

The meeting started at 6.05 pm and ended at 9.18 pm

107 **Minutes of the previous meeting**

The minutes of the previous meetings of Cabinet held on 29 October 2025 were agreed.

108 **Declarations of interest**

109 **Public speaking**

Sandra Ward spoke on the item Public Spaces Protection Orders Approval Review. She stated she lived in Kilminster and that treating people fairly must be ensured legally by EDDC so as not to breach the 2010 Equality Act. She felt this had not been used when applying the PSPO on the Kilminster Playing Fields. She said that there had been no consideration for having one area of levelled access for people with disabilities or mobility issues when walking their dogs. She was concerned that the residents vote to allow dogs off lead had not been considered. Residents could make use of the field every day. She asked for due diligence in treating people fairly when this item was considered.

Martin Huscroft spoke on the item Public Spaces Protection Orders Approval Review. He stated that Kilminster Cricket Club had been playing cricket here since 1906 and that the club was the main contributor for the running costs of the playing fields and pavilion. The playing field was used by the primary school, village residents and young people alongside the Cricket club using it for training, coaching and matches. Many villages were club members and supporters. Since the introduction of the Dogs on Leads PSPO in 2023 the incidents of dog fouling had significantly reduced, the free running of dogs was the main contributor to the dog fouling. He stated that as a club they had legal responsibilities for the health and safety of all cricketers to ensure safeguarding. Dogs on leads would not encroach on the club's activities on the field but dogs off leads could chase balls as well as players. He thanked Kilminster Parish Council and primary school for their support in this matter and EDDC's environmental health team for their recommendations to keep the current controls in place.

John Lavender, Chair of the Kilminster Playing Fields Committee spoke on the item Public Spaces Protection Orders Approval Review. He stated the Committee had governance responsibilities for the playing field. For safeguarding reasons, the committee opposed the dogs off leads proposal. He believed the new proposal failed the safeguarding test and that all protections should be applied throughout the day and not just at certain times of the day. Activities on the field can co-exist dogs walking on leads but not when off lead. He stated the Kilminster Playing Fields Committee supported these proposals for dogs being kept on leads.

Yvette Turner spoke on the item Public Spaces Protection Orders Approval Review. She represented the Kilminster Dog Walking Group and was a resident of Kilminster. She stated that PSPOs must be proportionate and avoid blanket bans. A dog on lead rule would affect many elderly and disabled residents who can access the field safely and essential for their mobility, mental health and independence. She felt the residents

compromise backed by the Kennel Club was more proportionate than the PSPO proposals.

Cllr Arnold Dare represented Kilmington Parish Council and spoke on the item Public Spaces Protection Orders Approval Review. He stated 3 parish councillors sat on the Kilmington playing Fields Committee to ensure their views were represented. Dog access on the playing field had been considered thoroughly across many council meetings. The field was used all year round by the primary school which had no green space of its own. A full public meeting was held to listen to residents' views. The majority agreed to dog walkers being allowed to use the field providing the dogs stayed on leads, to help safeguard residents, children and visitors. The Parish Council support the presented PSPO to maintain the dog on leads requirements.

110 **Matters of urgency**

There is one late item recommended by officers - agenda item 10: Minutes of the Budget Setting and Capital Allocations Panel held on 1 December 2025.

111 **Confidential/exempt item(s)**

112 **Minutes of the Cranbrook Placemaking Group held on 6 October 2025**

Members noted the minutes and recommendations of the Cranbrook Placemaking Group held on 6 October 2025.

Minute 30: Community Development

To support the approach set out in the report to reestablish the Wellbeing Cranbrook programme and the creation of the Community Wellbeing & Activity Organiser and Community Connector roles.

Minute 31: Stewardship of Suitable Alternative Natural Green Space

1. To approve the preferred approach for the order of priority for the appointment of the 'Responsible Organisation' for adoption and future management of Suitable Alternative Natural Greenspace (SANG) in the expansion phases of Cranbrook (in line with other public green spaces and community assets), as follows:

- i. Cranbrook Town Council in the first instance (subject to Governance Review in relation to the area currently within the Whimple Parish).
- ii. The District Council (or future Unitary Authority).
- iii. An appropriate public body, charitable trust or CIC that is suitable for the management of SANG (e.g. Land Trust/English Estates), in consultation with Cranbrook Town Council.

2. To approve the following proposed selection criteria, which are set out as the Council's expected consistent approach when (in conjunction with developers) determining who should be the Responsible Organisation for each phase and in future S106 agreements.

- i. An appropriate constituted organisation in public ownership with capacity and suitability to manage SANG in perpetuity.
- ii. A suitable financial plan to ensure in perpetuity funding, which takes a cautious/low risk approach to investment.
- iii. A clear approach to public accountability to ensure that future management of the SANG can respond to community issues/concerns.

iv. That management costs for SANG in each phase of Cranbrook are based on an approved detailed landscape plans, specification, SANG management plan and a cost schedule which sets out the areas/features being delivered within the SANG and the estimated timescale for their capital replacement (and costs thereof).

v. Consideration of how added value will be achieved (e.g. wider public health and wellbeing, education, sustainability and biodiversity benefits).

vi. How the organisation will contribute to achieving a consistent management of SANG within Cranbrook.

vii. Agree to delegate authority to the New Community Manager and Green Infrastructure Project Manager to prepare a model of an outline specification and management plan which sets out the approach and requirements for SANG Management in Cranbrook.

3. Agree to delegate authority to the New Community Manager and Green Infrastructure Project Manager to prepare a model of an outline specification and management plan which sets out the approach and requirements for SANG Management in Cranbrook.

113 **Minutes of Placemaking in Exmouth Town and Seafront Group held on 20 October 2025**

Members noted the minutes of the Placemaking in Exmouth Town and Seafront Group held on 20 October 2025.

Cllr Aurora Bailey asked about the pedestrian crossing and signage coming into Exmouth. She also asked about getting a pedestrian crossing laid in the Strand opposite the Powder Monkey and requested that this be considered by the Group as she was concerned about public safety.

114 **Minutes of Overview Committee held on 30 September 2025**

Members noted the minutes and recommendations of the Overview Committee held on 30 September 2025.

Minute 50 Public Spaces Protection Orders consultation

1. That the evidence supports the ongoing need for public space protection orders in relation to the control of dogs, seashores and promenades and anti-social behaviour and consumption of intoxicating substances.

2. That Cabinet discharge the three Public Spaces Protection Orders from 2023 in March 2026.

3. That Cabinet approves three new East Devon Public Spaces Protection Orders for 2026 as attached to the report, with the exception of the PSPO for Exmouth seafront which the Overview Committee recommends should remain as it currently stands and that further consultation should be undertaken, if necessary, with a view to extending and clearly defining the areas where dogs are either permitted or prohibited.

115 **Minutes of the Budget Setting and Capital Allocations Panel held on 1 December 2025**

Members noted the minutes and recommendations of the Budget Setting and Capital Allocations Panel held on 1 December 2025.

Minute 12 - Capital Bids considered

1. That the following bids be included in the Capital Programme:
 - a. Bridge Health and Safety Repair works £85k for 2026/27
 - b. Coastal Maintenance Works district wide £120k for 2026/27
 - c. Fluvial Maintenance district wide £90k for 2026/27
 - d. Cliff fencing relocation in Budleigh Salterton and Sidmouth £50k for 2026/27
 - e. Replacement of Play Provision at Thomas Close Play Area, Exmouth £150k for 2026/27
 - f. Muga resurfacing at Foxhill Playing Field, Axminster £50k for 2026/27
 - g. Replacement of play provision at St Malo Close Play Area, Exmouth £50k for 2026/27
 - h. Beer Outfall Relocation Works £50k for 2026/27
 - i. Resurfacing of car park at Victory Hall, Broadclyst £20k for 2026/27
 - j. Refurbishment of Play Area at Uplyme £60k for 2026/27
 - k. Camperdown Depot essential improvements £67k for 2026/27
 - l. Installation of LED screen to replace projector in Council Chamber, Blackdown House £57k for 2026/27 subject to review of the cost and alternative options for display that meets the requirement of users of the Chamber
 - m. Recycling and Waste Fleet Replacement (35 vehicles) £444k for 2026/27, £3790k for 2027/28, £1701k for 2028/29
 - n. Materials Recovery Facility (MRF) and Depot Enhancements, Unit 42 Greendale Business Park £50k for 2026/27
 - o. Ocean Remedial Cladding Works, Exmouth £55.5k for 2026/27
 - p. Stage Lift Replacement, Exmouth Pavilion £40k for 2026/27
 - q. Bell Works, Jubilee Clock Tower, Seaton £40k for 2026/27
 - r. Air Handling Unit (AHU) Replacement, Sidmouth Leisure Centre £91.5k for 2026/27
 - s. Whimple Playground refurbishment £76k for 2026/27
 - t. Demolition of Brook Road Car Park Public Piolets and creation of car parking spaces, Budleigh Salterton £32k for 2026/27

2. That the following proposed bids put forward for inclusion are not supported at this time:
 - a. Replacement of railings on Sidmouth Promenade £189k for 2026/27
 - b. Replacement of Steamer Steps at Budleigh Salterton £250k for 2026/27
 - c. Play Park consolidation study £20k for 2026/27
 - d. Demolition of Jarvis Close Car Park Public Toilets, and creation of car parking spaces, Exmouth £34k for 2026/27
 - e. Toilet refurbishment at Exmouth Pavilion £168.5k for 2026/27
 - f. Boiler replacement at Exmouth Leisure Centre £265k for 2026/27
 - g. Lift replacement, Exmouth Town Hall £53.5k for 2026/27
 - h. Camperdown Depot Roof replacement £92.5k for 2026/27
 - i. Tracked Access Platform £95k for 2026/27

116 Cranbrook Stewardship

The Green Infrastructure Project Manager presented the report which set out the proposed approach to the management of 78Ha of Suitable Alternative Natural

Greenspace (SANG) which would be delivered across the four Cranbrook expansion areas.

It was proposed that the preferred approach for the appointment of the 'Responsible Organisation' for adoption and future management of SANG in these expansion phases of Cranbrook was agreed with the Developers, in accordance with an order of priority which aligned with other public open spaces and community assets within Cranbrook. The Cranbrook Placemaking Group supported this approach.

RESOLVED that Cabinet:

1. Approve the preferred approach for the order of priority for the appointment of the 'Responsible Organisation' for adoption and future management of Suitable Alternative Natural Greenspace (SANG) in the expansion phases of Cranbrook (in line with other public green spaces and community assets) as follows:
 - i. The relevant Town/Parish Council in the first instance (subject to the outcome of the Governance Review in relation to the area of Cranbrook currently within adjoining Parishes),
 - ii. the District Council (or future Unitary authority),
 - iii. an appropriate public body, charitable trust or CIC that is suitable for the management of SANG (e.g. Land Trust/English Estates).

2. Approve the following proposed selection criteria, which are set out as the Council's expected and consistent approach when (in conjunction with developers) determining who should be the Responsible Organisation for each phase and in future s106 agreements:
 - i. An appropriate constituted organisation in public ownership with capacity and suitability to manage SANG in-perpetuity.
 - ii. A suitable financial plan to ensure in-perpetuity funding, which takes a cautious/low risk approach to investment.
 - iii. A clear approach to public accountability to ensure that future management of the SANG can respond to community issues/concerns.
 - iv. That management costs for SANG in each phase of Cranbrook are based on approved detailed landscape plans, specification, SANG management plan, and a cost schedule which sets out the areas/features being delivered within the SANG and the estimated timescale for their capital replacement (and costs thereof).
 - v. Consideration of how added value will be achieved (e.g. wider public health and wellbeing, education, sustainability and biodiversity benefits).
 - vi. How the organisation will contribute to achieving a consistent management of SANG within Cranbrook.

3. Delegate authority to the Assistant Director Planning Strategy and Development Management, in consultation with Cranbrook Town Council and the relevant Portfolio Holders, to prepare a model outline specification and management plan which sets out the approach and requirements for SANG Management in Cranbrook.

REASON:

To ensure that Council's preferred approach for the appointment of a Responsible Organisation for the management of SANG in the expansion phases at Cranbrook, was consistent (across the different phases); financially sustainable; supports wider health, wellbeing and environmental benefits; and supported an effective approach to community stewardship of both the SANG and wider community assets.

Sue Wakley-Stoyle stated that the woods were gifted to the Woodland Trust in 1991 by her late uncle Percy Wakley. She asked that the legacy of her uncle (who's ashes are buried in the woods) was maintained and care and attention was given to any excavation. She asked if a plaque could be placed in the woods to commemorate her late uncle and if this area could still be referred to by his name.

The Appropriate Assessment for the final 1137 homes at Cranbrook concluded that there was a requirement for an additional 15.2ha of Suitable Alternative Natural Greenspace (SANG) to mitigate the impact of the houses. Only 1097 homes would actually be provided, reducing the requirement to 14.4ha. Clyst Meadows Country Park would provide 10.24Ha of SANG, meeting part of this requirement, but leaving a balance of 4.16Ha which would need to be met to fully mitigate the early phases of Cranbrook.

Percy Wakley Woods was a 5.4 Ha woodland owned by the Woodland Trust, located within the Grange phase of Cranbrook. Without external support or long-term management funding, the Woodland Trust did not have the capacity to absorb the additional management required to meet visitor pressures likely to arise as neighbouring housing and SANG were delivered. The Woodland Trust had offered to lease the woods for a peppercorn rent to the Council, in order that it could be enhanced and managed as SANG and integrated with adjacent proposed SANG areas.

A series of access improvements were proposed in 2 phases. An investment and additional funding reserve would provide in-perpetuity (minimum 80 years) to meet annual maintenance costs and capital replacement costs when required. The total budget was £880,000, which could be funded through s106 agreements relating to Habitat Regulations mitigation at Cranbrook.

The Council's Countryside Team would implement enhancements and manage the woodlands until adjacent SANG areas were completed. At this stage the Council would seek to transfer the lease of and management of the woods, with funding to secure in-perpetuity management, to the Responsible Organisation who were managing the adjacent areas, to provide a consistent and efficient management approach.

RESOLVED that Cabinet:

1. Delegates authority to the Assistant Director – Countryside, Environment & Ecology in consultation with the Assistant Director Place Assets and Leisure, Director of Finance and Director of Governance, in consultation with the relevant Portfolio Holders, to agree and finalise the lease of Percy Wakley Woods from the Woodland Trust subject to the completion of appropriate legal documentation.
2. Notes the intention to sub-let Percy Wakley Woods to the future Responsible Organisation, to provide a continuous management regime for SANG land at the Grange, Cranbrook, and delegates authority to the Assistant Director – Countryside, Environment & Ecology, in consultation with the Assistant Director Place Assets and Leisure, Director of Finance and Director of Governance, in consultation with the relevant Portfolio Holders, to agree management arrangements, transfer of funding to ensure in-perpetuity management of the woods and finalise the sub-tenancy arrangements subject to the completion of appropriate legal documentation.
3. Approves the budget of £502,000 from allocated s106 funding to fund Phase 1 - site improvement works and creation of a £300,000 investment to fund the in-perpetuity management of the woods, with a further budget of £378,000 (for phase 2) to fund further site improvement works to connect Percy Wakley Woods to adjacent areas of SANG at

the Grange, Cranbrook as they are delivered on site and provide additional funding to support in-perpetuity management of the woods.

4. Delegates authority to the Assistant Director – Countryside, Environment & Ecology, in consultation with the relevant Portfolio Holders, to enter into appropriate contracts to deliver site improvement works within the agreed budget in accordance with the Council's contract standing orders and financial regulations.
5. Delegates authority to the Assistant Director – Countryside, Environment & Ecology, in consultation with Director of Finance, Director of Governance, and the Assistant Director Planning Strategy & Development Management, in consultation with the relevant Portfolio Holders, to finalise the arrangements for the SANG, including site enhancements, operational management arrangements and creation of an investment for the in - perpetuity management of the site.

REASON:

Delivery of Suitable Alternative Natural Greenspace (SANG) at Percy Wakley Woods was necessary to ensure the Council met statutory requirements when permitting housing through the Local Plan; this included addressing the current SANG deficit for Cranbrook to secure compliance with the Habitat Regulations and s106 agreements.

118 **In Perpetuity Funding for Management of Clyst Meadows SANG**

Cabinet received an update on the management funding for Clyst Meadows Countryside Park (10Ha Suitable Alternative Natural Greenspace (SANG)), at Station Road, Broadclyst which sat within the wider Clyst Valley Regional Park. Estimated costs for future SANG delivery to mitigate the impact of residential allocations in the emerging Local Plan were provided. The delivery of Clyst Meadows would ensure that the planning authority was able to meet its statutory duty to preserve the integrity of nearby internationally designated habitat sites.

The total budget for delivery of the site works at Clyst Meadows was £1.63M (excluding land purchase and management costs). This was funded through CIL contributions, s106 agreements and £200k from the capital programme. A further £200k of UK SPF funding was also allocated for delivery of the shared cycle path.

Advice from an Independent Financial Advisor and CCLA Investment Management indicated that an appropriate low-risk investment to secure in-perpetuity funding would be £1.1M (to be funded from CIL).

RESOLVED that Cabinet:

1. Approves the creation of an investment fund of £1.1m, funded from CIL, to secure the in-perpetuity funding for the management of Clyst Meadows.
2. Delegates authority to the Assistant Director Planning Strategy and Development Management, Finance Director, Place Director and Director Governance, in consultation with the relevant Portfolio Holders, to set up and arrange for the management of this fund.

REASON:

The Council as the competent authority, had a legal responsibility to ensure that SANG was provided and managed in-perpetuity as part of the Mitigation Strategy for the SE Devon Internationally Protected Habitats. The delivery and in-perpetuity management of Clyst Meadows SANG was one of the mitigation measures identified through the Habitat Regulations Assessment process, ensuring the Council met its legislative requirements when permitting housing development through the Local Plan.

119 **Exmouth Beach Management Plan Update**

The existing Exmouth Beach Management Plan (BMP) was produced in 2015 and set out how the Exmouth coastal defences were to be monitored and maintained in line with the long-term strategic approach. Since 2015 there had been several developments including updates to sea level rise and climate change guidance, and seawall failures at Exmouth. As a result, the BMP needed to be reviewed and updated.

A key focus of the BMP update was to critically review and re-appraise the long-term strategic approach to sustainably managing the present and future risks of coastal flooding and erosion over the next 100 years, to secure the long-term future of Exmouth seafront for future generations to enjoy in the way that many people do so today. Three leading options for the future management of coastal flood and erosion risk along the Exmouth BMP had been identified. Alongside that ongoing monitoring and maintenance activity, the BMP update also set out the forward programme and actions for EDDC to progress the leading.

Cabinet thanked Alan Frampton for his work in reviewing and updating this Plan.

RESOLVED that Cabinet:

- 1) adopt the Exmouth BMP Update and support the leading options set-out in the adaptive pathway approach as the basis for managing the Exmouth BMP frontage in the short, medium and long-term.
- 2) That Cabinet support recommending that progressing this project, including preparatory work by South West Flood & Coastal, is promoted as a priority for the successor authority following Local Government Reorganisation to commence in 2028/29.
- 3) In the meantime, Cabinet support South West Flood & Coastal in progressing preparatory studies below £100k, utilising the remaining budget previously approved by Cabinet for development of the BMP on 2 October 2024 of £140k rather than returning the underspend to the general pot as proposed in that previous paper.

REASON:

Adopting the updated BMP and strategic approach it set out would enable preparatory work to commence in the coming years by South West Flood & Coastal. With aim of commencing work to develop a business case for the local or national options from 2028/29 in order to provide long-term sustainable management of coastal flood and erosion risk to Exmouth.

120 **Leisure Strategy - Addendum**

The Council's Leisure Strategy (2021 - 2031) was approved in October 2022 and contained a recommendation for the facility mix for the leisure centre in Cranbrook. Given the scale of the project at Cranbrook, this had now been updated with an addendum to reflect the latest population and leisure industry guidelines. The Leisure Delivery Forum on 16th September 2025 received the Leisure Addendum and asked Cabinet to recommend to Full Council, to endorse this update to the Leisure Strategy (2021 - 2031).

RECOMMENDED to Council:

That the Addendum to the Leisure Strategy be endorsed.

REASON:

The Leisure Strategy's purpose was to help the Council make informed strategic decisions on its leisure facilities. The addendum ensured that the Leisure Strategy reflected the latest population and leisure industry guidelines and informed the Cranbrook and Marlcombe projects.

121 **East Devon Public Spaces Protection Orders Approval Review**

The Assistant Director – Environmental Health introduced the report and provided a presentation which highlighted key points. The Council currently has three PSPOs in place covering dog control, seashores and promenades, and anti-social behaviour dating back to 2023. The Council had carried out a review of these PSPOs to ensure that the three-year review period was met and to assess if the controls were still required and if so whether they needed to be amended. This included public consultation. It was recommended that the evidence supported the ongoing use of PSPOs but changes to existing controls required three new orders. These PSPOs were subject to enforcement which could be handled by Dog Wardens, Enforcement Officers and the Police.

During discussion the following points were made:

- The need for clarification to some of the wording in the EIA
- That disabled people were exempt from the dog control and seashores and promenades orders.

The Portfolio Holder Environment – Operations wished to thank Matt Blythe and his team for their hard efforts in producing this challenging review being proposed.

RESOLVED that Cabinet:

1. Agree the evidence supports the ongoing need for public space protection orders in relation to the control of dogs, seashores and promenades and anti-social behaviour and consumption of intoxicating substances.
2. Discharge the three Public Spaces Protection Orders from 2023.
3. Approves three new East Devon Public Spaces Protection Orders for 2026.
4. Approve to change the length of a short lead to up to 2 metres when dog walking on a pavement.

REASON:

To ensure that suitable Public Space Protection Orders were in place.

122 **Response to the Woodbury Parish Neighbourhood Plan Submission**

Woodbury Parish Council (as 'Qualifying Body') had formally submitted their proposed Neighbourhood Plan for the parish of Woodbury to the District Council (as Local Planning Authority). The purpose of the report was to formally agree the response by the Council to the submission. The Neighbourhood Planning (General) Regulations 2012 (Regulation 16) required the Council to formally consult on the Plan for a minimum of 6 weeks.

The Portfolio Holder Environment – Operations thanked Ed Freeman and his team for working with Woodbury Neighbourhood Plan team in getting to this submission stage.

RESOLVED that Cabinet:

- (1) Note the formal submission of this first neighbourhood plan for the parish of Woodbury and congratulate the producers of the plan on reaching this milestone.

- (2) Agree that the proposed representation set out at paragraph 1.22 and Annex 1 in the report is made in response to the consultation.

REASON:

To ensure that the view of the District Council was formally recorded and informs the consideration of the Neighbourhood Plan by the independent Examiner.

123 **Mutters Moor, Sidmouth - New Managed Car Park**

The Portfolio Holder Finance introduced this report which proposed that EDDC support the Pebblebed Heaths Conservation Trust in introducing car parking charges at a currently free site on the outskirts of Sidmouth. If agreed, this would be the second site that EDDC managed on behalf of this landowner.

RESOLVED that Cabinet:

- (1) Approves the addition of Mutters Moor Car Park to the EDDC Off- Street Civil Enforcement Parking Order 2008 which will allow for car parking charges to be introduced and for EDDC to manage the site on behalf of the landowner.
- (2) That an identical model of commercial terms to those already in effect at Otter Estuary Nature Reserve is agreed for EDDC's ongoing management of the new car park. This will see EDDC receive a 20% share of all income for the site, with the landowner covering all administrative and setup costs associated with the creation and management of the site.

REASON:

EDDC already managed Otter Estuary Nature Reserve Car Park in Budleigh Salterton on behalf of the Pebblebed Heaths Conservation Trust, and the landowner had asked if the Council could support them in introducing a similar charging scheme at Mutters Moor, Sidmouth. The basis for introducing charging at the site was to support the Trust in achieving its charitable aims and ensure the long-term viability of the site. By supporting the landowner, the Council further improved its working relationship and could manage and enforce the site as it did with other sites. This ensured a fair and transparent enforcement regime for motorists, which would not have any control over if the landowner opted for a private enforcement company to manage the site. EDDC would receive a 20% share of all income from the site, this was calculated once the agreed administrative fees had been paid by the landowner.

124 **Wellbeing Cranbrook**

The report stated that the Cranbrook Placemaking Group had considered two reports on how best to reinvigorate the Wellbeing Cranbrook programme. This report followed up on the recommendations from the Group to Cabinet regarding the funding and hosting of key roles. The potential to develop a civic collaboration agreement was also put forward to develop a framework to support the social development of Cranbrook over the longer term.

RESOLVED that Cabinet;

1. Supports re-establishing the Wellbeing Cranbrook programme.
2. Supports the creation of the Community Wellbeing & Activity Organiser and Community Connector roles and for these to be hosted by Cranbrook Town Council and funded through a combination of utilising the earmarked reserve and the balance of the Move More Cranbrook budget.

3. Supports exploring the development of a civic agreement with key partners to provide a framework to support ongoing community development

REASON:

To help to reactivate the Wellbeing Cranbrook programme to ensure that the benefits of being within the Sport England Place Partnership programme were realised including the promotion of physical activity. To ensure that strong social foundations were established for the Cranbrook new community alongside its ongoing physical development.

125 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RESOLVED that Cabinet:

That under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set page 7 Cabinet 29 October 2025 out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

126 **Bridge and Structure Inspections 2025**

The amended recommendation was agreed.

Attendance List

Present:

Portfolio Holders

P Arnott	Leader of the Council
S Hawkins	Portfolio Holder Finance
P Hayward	Portfolio Holder Assets and Economy
N Hookway	Portfolio Holder Culture, Leisure, Sport and Tourism
S Jackson	Portfolio Holder Communications and Democracy
G Jung	Portfolio Holder Environment - Operations
D Ledger	Portfolio Holder Sustainable Homes & Communities
J Loudoun	Deputy Leader & Portfolio Holder Corporate, Council & External Engagement
T Olive	Portfolio Holder Place, Infrastructure & Strategic Planning

Cabinet apologies:

R Jefferies	Portfolio Holder Environment - Nature & Climate
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Also present (for some or all the meeting)

Councillor Aurora Bailey
Councillor Brian Bailey
Councillor Ian Barlow
Councillor Kevin Blakey
Councillor Kim Bloxham
Councillor Colin Brown
Councillor Jenny Brown
Councillor Roy Collins
Councillor Peter Faithfull

Councillor Paula Fernley
Councillor Steve Gazzard
Councillor Sophie Richards

Also present:

Officers:

Melanie Wellman, Director of Governance (Monitoring Officer)
Amanda Coombes, Democratic Services Officer
Tom Buxton-Smith, Engineering Projects Manager
Richard Easthope, Parking Services Manager
Mike O'Mahony, Senior Leisure Officer
Paul Osborne, Green Infrastructure Project Officer
Scott Cumming, Project Civil Engineer
Thea Billeter, Cranbrook New Community Manager
Matthew Blythe, Assistant Director Environmental Health
Tim Child, Assistant Director Place, Assets & Leisure
Simon Davey, Director of Finance
Alan Frampton
Ed Freeman, Assistant Director Planning Strategy and Development Services
Tracy Hendren, Chief Executive
Charles Plowden, Assistant Director Countryside and Leisure

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 7 January 2026

Attendance list at end of document

The meeting started at 6.01 pm and ended at 7.15 pm

127 Minutes of the previous meetings

The minutes of the previous meetings from Cabinet held on 26 November 2025 and 3 December 2025 were agreed.

128 Declarations of interest

Min 138. Devolution and Local Government Reorganisation.
Councillor Nick Hookway, Affects Non-registerable Interest, has been given a dispensation as a Devon County Councillor.

Min 138. Devolution and Local Government Reorganisation.
Councillor Paul Arnott, Affects Non-registerable Interest, has been given a dispensation as a Devon County Councillor involved in LGR.

Min 138. Devolution and Local Government Reorganisation.
Councillor Paul Hayward, Affects Non-registerable Interest, has been given a dispensation as a Devon County Councillor.

Min 138. Devolution and Local Government Reorganisation.
Councillor Richard Jefferies, Affects Non-registerable Interest, has been given a dispensation as a Devon County Councillor.

129 Public speaking

There were no members of the public wishing to speak.

130 Matters of urgency

There were none.

131 Confidential/exempt item(s)

There was one item dealt with in this way recorded at Minute 141.

132 Minutes of Housing Review Board held on 13 November 2025

The minutes were discussed confidentially in Part B of the meeting, they are recorded at Minute 141.

133 Minutes of Recycling and Waste Partnership Board held on 12 November 2025

Members noted the minutes of the Recycling and Waste Partnership Board held on 12 November 2025.

134 **Minutes of Poverty Working Panel held on 24 November 2025**

Members noted the Minutes of the Poverty Working Panel held on 24 November 2025.

135 **Minutes of Arts and Culture Forum held on 26 November 2025**

Members noted the Minutes and recommendations of the Arts and Culture Forum held on 26 November 2025.

Minute 8 East Devon Cultural Strategy progress and budget request (this was discussed under Minute 137 Draft Revenue and Capital Budgets 2026/27)

**Minute 9 Thelma Hulbert Gallery update,
RESOLVED THAT CABINET**

Note and support a funding bid to the Arts Council to support the Thelma Hulbert Gallery to:

- Enrich the Exhibition Programme by delivering an ambitious engagement programme that benefits the wider East Devon community — including local schools and our expanding Youth Network.
- Develop the Youth Network into a region-wide platform that extends beyond the gallery, engaging young people who may not otherwise have access to creative opportunities — such as those with school-related anxiety and young people leaving care.
- Reframe opportunities for young people by introducing live projects and creative briefs designed to build skills, confidence, and pathways into the creative industries.
- Expand internship opportunities through partnerships with Exeter College and support for care leavers.
- Continue to focus on the climate emergency by developing Climate Conversations into a Climate Symposium – a day to carve out space and time to inspire creatives to protect and enhance the natural environment through their creative practice, share expertise and network in a participatory, supportive and solutions focused event of interactive workshops and talks.

136 **Council Tax Base 2026/2027**

The Assistant Director for Revenues, Benefits & Customer Services presented the report which set out the tax base for 2026/2027 and included the breakdown for each parish, expressed in terms of Band D equivalent properties on which the council tax would be based. This was an important component in the Council's budget setting process for 2026/2027.

RESOLVED that Cabinet:

1. Agreed the approval of the tax base for 2026/2027 at 65,733.46 Band D equivalent properties.
2. Agreed the amount for each parish as detailed under section 3 of the report.

REASON:

The calculation of the tax base was prescribed in regulations and was a legal requirement. The council tax base was defined as the number of Band D equivalent

properties in a local authority's area. The tax base was necessary to calculate council tax for a given area.

137 **Draft Revenue and Capital Budgets 2026/27**

The Director of Finance and Portfolio Holder Finance presented the draft revenue and capital budgets for 2026/27 for initial approval by the Cabinet before consideration by a joint meeting of the Overview and Scrutiny Committees and the Housing Review Board. Recommendations from these meetings would be presented back to Cabinet on 4 February 2026 when members would finalise budget proposals to recommend to Council.

Members noted Minute 8, and the recommendation of the Arts and Culture Forum held on 26 November 2025.

Minute 8 East Devon Cultural Strategy progress and budget request

that Cabinet approve the request of an internal budget of £37,500 to continue the successful delivery of the Cultural Strategy in 2026/27 as part of the budget-setting process.

RESOLVED:

That the draft revenue and capital estimates including the associated fees and charges schedule are initially approved before forwarding to a joint meeting of the Overview and Scrutiny Committees and Housing Review Board for consideration. Cabinet would then consider recommendations from these Committees before making their final recommendation to Council on the 4 February 2026.

REASON:

There was a requirement to set a balanced budget and a Council Tax for 2026/27.

138 **Devolution and Local Government Reorganisation**

The Director of Place updated members following the submission of the full proposal for the 4-5-1 model of local government reorganisation in Devon to the Secretary of State in November 2025. This included a summary of the other proposals that were submitted alongside this model. He went on to consider the next stages in terms of the consultation and decision-making process and the transition to implementation planning. Finally, the update provided in relation to devolution proposals and the strategic importance of moving to a Mayoral model.

RESOLVED that Cabinet;

- Notes the next steps in relation to proposals for local government reorganisation and the potential establishment of a mayoral strategic authority.
- Further to the letter of 25 July 2025 signed by this and the other ten Devon councils jointly expressing an interest in future Devon devolution opportunities, agrees to liaise with the other Devon Districts, the County Council and Plymouth City and Torbay Councils with the intention of reinvigorating the Team Devon partnership.
- Receives further reports as the proposals evolve and key stages are reached.

REASON:

To ensure that Cabinet was fully informed of the progression of proposals relating to both local government reorganisation and devolution.

139 **Forward Plan**

Members noted the contents of the forward plan for key decisions for the period 1st January 2026 to 30th April 2026.

140 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RESOLVED that Cabinet:

That under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set page 7 Cabinet 29 October 2025 out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

141 **Minutes of Housing Review Board held on 13 November 2025**

Cllr Aurora Bailey and Cllr Brian Bailey left the meeting before the start of this item.

Members noted the Minutes and recommendations of the Housing Review Board held on 13 November 2025.

Attendance List

Present:

Portfolio Holders

P Arnott	Leader of the Council
S Hawkins	Portfolio Holder Finance
P Hayward	Portfolio Holder Assets and Economy
N Hookway	Portfolio Holder Culture, Leisure, Sport and Tourism
S Jackson	Portfolio Holder Communications and Democracy
G Jung	Portfolio Holder Environment - Operations
D Ledger	Portfolio Holder Sustainable Homes & Communities
J Loudoun	Deputy Leader & Portfolio Holder Corporate, Council & External Engagement
T Olive	Portfolio Holder Place, Infrastructure & Strategic Planning
R Jefferies	Portfolio Holder Environment - Nature & Climate

Also present (for some or all the meeting)

Councillor Aurora Bailey
Councillor Brian Bailey
Councillor Christopher Burhop
Councillor Roy Collins
Councillor Peter Faithfull
Councillor Mike Goodman

Also present:

Officers:

Melanie Wellman, Director of Governance (Monitoring Officer)

Amanda Coombes, Democratic Services Officer
Simon Davey, Director of Finance
Tracy Hendren, Chief Executive
Libby Jarrett, Assistant Director Revenues, Benefits, Corporate Customer Access, Fraud & Compliance
Andrew King, Assistant Director for Housing (Regulated Services)
Tom Winters, Interim Economic Development Manager
Andrew Wood, Director of Place

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cabinet held at Council Chamber, Blackdown House, Honiton on 4 February 2026

Attendance list at end of document

The meeting started at 6.00 pm and ended at 8.16 pm

142 Minutes of the previous meeting

The minutes of the previous meeting from Cabinet held on 7 January 2026 were agreed.

143 Declarations of interest

Min 157. Exmouth Town Hall.

Councillor Nick Hookway, Other Registerable Interest, Member of Exmouth Town Council and DCC Councillor.

Min 158. Cranbrook Leisure, Health and Wellbeing Campus - Neighbourhood Health Centre - Section 2.

Councillor Paul Hayward, Affects Non-registerable Interest, has family connections in Cranbrook as well as working for the NHS.

Min 159. Focussed Programme of Community Asset Transfers.

Councillor Paul Hayward, Affects Non-registerable Interest, Employee of local town council.

Min 159. Focussed Programme of Community Asset Transfers.

Councillor Sarah Jackson, Affects Non-registerable Interest, Member of a local town council.

144 Public speaking

There were no members of the public wishing to speak.

145 Matters of urgency

There were none.

146 Confidential/exempt item(s)

There were three items dealt with in this way recorded at Minutes 157-159.

147 Minutes of Cranbrook Placemaking Group held on 8 December 2025

Members noted the minutes of the Cranbrook Placemaking Group held on 8 December 2025.

148 Minutes of Scrutiny Committee held on 12 January 2026

Members noted the minutes of the Scrutiny Committee held on 12 January 2026.

149 Minutes of the joint budget meeting of the Scrutiny Committee and

Overview Committee held on 14 January 2026

Members noted the Minutes and approved the recommendations of the Scrutiny Committee and Overview Committee held on 14 January 2026.

Minutes 42 - 46 Draft Directorate Plans 2026 - 2028

That Cabinet approves the Directorate Plans for 2026 – 2028 for the Place, Housing & Health, Finance and Governance Directorates.

Minute 47 Draft Revenue and Capital Budgets 2026 - 2027

1. That the Play Park Consolidation Study at a cost of £20,000 be included in the budget.
2. That the Cultural Strategy Delivery at a cost of £37,500 and the Tourism Strategy Delivery at a cost of £30,000 be included in the budget.
3. That the CVC service by Devon Communities Together - £63,000 be included in the budget.
4. That the amounts of £118,000 and £34,000 to cover Streetscene operational staff pressures be included in the budget.
5. That the draft revenue and capital budgets for 2026 – 2027, including the associated fees and charges schedule, be approved.

150 **Minutes of Leisure Strategy Delivery Forum held on 13 January 2026**

Members noted the Minutes of the Leisure Strategy Delivery Forum held on 13 January 2026.

Minute 38 Leisure Project update

To note the contents of this update

151 **Minutes of Housing Review Board held on 22 January 2026**

Members noted the Minutes and approved the recommendations of the Housing Review Board held on 22 January 2026.

Minute 92 Draft Housing Revenue Account and Capital Budget report 2026-27

That the draft revenue and capital estimates as recommended by the Housing Review Board were approved.

Minute 94 Income Management Policy

That the proposed updated income management policy was approved.

Minute 95 Possession of Council Homes and Garages Policy

That Cabinet approve the proposed updated possession of council homes and garages policy was approved.

Minute 96 Mutual Exchange Policy

That Cabinet approved the updated mutual exchange policy was approved.

152 **Council Tax Reduction Scheme for 2026/27**

This report sought Members' consideration and approval of the Council Tax Reduction Scheme (CTR) for 2026/27, which recommended it remained un-changed from the 2025/26 scheme. The reason for this was that the current scheme continued to support

low-income households who were still finding the current economic situation challenging, in the most cost-effective way.

The intention was to carry out a review of the CTR working age scheme for 2027/28 due to the removal of the two-child cap the government announced in the Autumn Budget (19 November 2025), and the need to start to consider aligning the working age scheme with neighbouring Devon authorities in readiness for Local Government Reorganisation (LGR). Any proposed changes to the scheme would be consulted on before a final draft policy was brought to Members for consideration and approval.

RESOLVED that Cabinet;

1. Fully considered the Equality Impact Assessment in relation to the scheme.

RECOMMENDED to Council:

2. that the Council Tax Reduction Scheme for working age residents is approved for 2026/27.

REASON:

The council was required by law to decide whether to revise or replace its CTR scheme each year. The proposal was that the scheme remains unchanged from 2025/26 as the current economic climate remains difficult for those on low incomes. Leaving the scheme as it was, would ensure that those households on the lowest income and therefore falling into Income band 1 would continue to receive 100% support towards their Council Tax charge.

153 **Revenue and Capital Budgets 2026/27**

Cabinet initially supported the draft Revenue and Capital Budgets for 2026/27 at its meeting on 7 January 2026. A joint meeting of the Overview and Scrutiny Committees reviewed draft Directorate Plans and the draft budget on 14 January, and the Housing Review Board considered the Housing Revenue Account budget on 22 January.

The Overview and Scrutiny Committees recommended the approval of the Directorate Plans as presented and the draft 2026/27 budget with no amendments to the main budget, but a further recommendation on the inclusion of special item bids totalling £302,500. These had now been added to the draft budget in line with those recommendations. The Housing Review Board recommended no amendment to the draft Housing Revenue Account budget.

RECOMMENDED to Council;

1. To propose the Net Expenditure Revenue General Fund Budget for 2026/27 of £28.096m (including £302,500 additional special item bids identified in 2.2 of this report) requiring £1.174m to be met from the MTFP Risk Reserve.
2. A Council Tax increase is approved of £5.14 a year giving a Band D council tax of £176.92 a year for 2026/27.
3. That the Housing Revenue Account Estimates with a net budget of nil (total expenditure met by income) is approved with a 4.8% increase on Council dwellings rents.
4. That the Net Capital Budget totalling £16.779m for 2026/27 is approved

RESOLVED that Cabinet;

5. Approve the Directorate Plans

REASON:

There was a requirement for the Council to set a balanced budget for both the General Fund and Housing Revenue Account and to set a Council Tax for 2026/27.

154 **Appointment of Specialist Support in Relation to Local Government Reorganisation**

Approval was sought to appoint specialist advisers in relation to supporting the development of the 'Reimagining Devon' proposals for local government reorganisations including initial preparatory work to support implementation. This work was being commissioned as part of the Council's role in providing programme management support for these proposals. The costs would be met equally between the seven District and Borough Councils promoting this option.

RESOLVED that Cabinet;

1. Approves the appointment of specialist advisers on behalf of the constituent Councils progressing the 4-5-1 model of local government reorganisation.
2. Delegates authority to the Director of Place in consultation with the Director of Governance and the Portfolio Holder for Council, Corporate and External Engagement to conclude the associated legal agreement.

REASON:

To ensure that the 4-5-1 model of local government reorganisation continued to be developed in the most robust way possible and to support initial implementation planning.

155 **Annual programme of Committee meetings 2026/2027**

To consider the calendar of meetings for the Council's 2026/2027 civic year.

RECOMMENDED to Council;

To refer the Annual Programme of committee meetings for East Devon District Council for 2026 – 2027 to the annual meeting of the Council.

RESOLVED that Cabinet;

- Agree that the Annual Council Meeting for East Devon District Council is held on Wednesday 13 May 2026 at 6.00pm.
- To acknowledge the implications set out in the report for making changes to the annual programme and to ensure such changes are kept to a minimum.

REASON:

To ensure the Council had an annual programme of meetings in order to carry out its functions. To minimise impacts on staff resources, room availability, councillor commitments and statutory requirements.

156 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RESOLVED that Cabinet:

That under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set page 7 Cabinet 29 October 2025 out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

157 **Exmouth Town Hall**

RESOLVED: that the recommendations as set out in the report were agreed.

158 **Cranbrook Leisure, Health and Wellbeing Campus - Neighbourhood Health Centre - Section 2**

RESOLVED: that the recommendations as set out in the report were agreed.

159 **Focussed Programme of Community Asset Transfers**

RESOLVED: that the amended recommendations as set out in the report were agreed.

Attendance List

Present:

Portfolio Holders

P Arnott	Leader of the Council
S Hawkins	Portfolio Holder Finance
P Hayward	Portfolio Holder Assets and Economy
N Hookway	Portfolio Holder Culture, Leisure, Sport and Tourism
S Jackson	Portfolio Holder Communications and Democracy
G Jung	Portfolio Holder Environment - Operations
D Ledger	Portfolio Holder Sustainable Homes & Communities
J Loudoun	Deputy Leader & Portfolio Holder Corporate, Council & External Engagement
T Olive	Portfolio Holder Place, Infrastructure & Strategic Planning
R Jefferies	Portfolio Holder Environment - Nature & Climate

Also present (for some or all the meeting)

Councillor Ian Barlow
Councillor Kevin Blakey
Councillor Roy Collins
Councillor Peter Faithfull
Councillor Mike Goodman
Councillor Marianne Rixson

Also present:

Officers:

Amanda Coombes, Democratic Services Officer
Melanie Wellman, Director of Governance (Monitoring Officer)
Tim Child, Assistant Director Place, Assets & Leisure
Sharon Church, Benefits Manager
Simon Davey, Director of Finance
Naomi Harnett, Corporate Lead (Interim) – Major Projects & Programmes
Tracy Hendren, Chief Executive

Catrin Stark, Director of Housing and Health
John Symes, Finance Manager
Andrew Wood, Director of Place

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Licensing and Enforcement Sub Committee held Online via the Teams app on 28 January 2026

Attendance list at end of document

The meeting started at 9.30 am and ended at 10.41 am

24 Minutes of the previous meeting

The minutes of the previous meeting held on 8 October 2025 were agreed as a true record.

25 Declarations of interest

Minute 28. Application for the grant of a new premises licence for the supply of alcohol to be consumed OFF the premises at Stranger Tides Brew Co., The Store/The Workshop, Little Bicton Place, Exmouth EX8 2SS.

Councillor Olly Davey, Personal, Councillor is a member of The Campaign for Real Ale [CAMRA] who had submitted a response to the application.

26 Matters of urgency

There were no matters of urgency.

27 Confidential/exempt items

There were no confidential or exempt items.

28 Application for the grant of a new premises licence for the supply of alcohol to be consumed OFF the premises at Stranger Tides Brew Co., The Store/The Workshop, Little Bicton Place, Exmouth EX8 2SS

The Chair thanked everyone for attending the meeting online due to recent severe weather conditions making travelling difficult.

The meeting was a hearing under the Licensing Act 2003.

The Chair introduced the members of the Sub Committee and the Officers present.

The Sub Committee's Legal Advisor, Giles Salter, outlined the procedure for the meeting.

The Sub Committee considered the application for the grant of a new premises licence for the supply of alcohol to be consumed OFF the premises at Stranger Tides Brew Co., The Store/The Workshop, Little Bicton Place, Exmouth EX8 2SS.

The applicant, present and entitled to make representations, was Mr Connor Hawkins, accompanied by Mr Mike Prudence.

Also present, and entitled to make representations were Mrs Jane Urquhart, Mr Steve Murray and Mr Paul Turner.

The Licensing Manager summarised the application and made the following points regarding the report:

- The premises was on a narrow street with parking restrictions and street views had been included with the report;
- Clarification on parking restrictions had been received from Devon County Council since the report was published; loading was permitted and stationary vehicles should not cause an obstruction;
- A letter from the Local Planning Authority had been included at Appendix D regarding planning permission and use class for the property;
- The agreed position reached with the Police was included at Appendix E of the report;
- The applicant had attempted mediation and correspondence was included at Appendix I.

Responses to questions for the Licensing Manager from Councillors included the following points:

- The applicant had acknowledged the concerns regarding parking raised in the representations and had addressed this issue in the letter included at Appendix I;
- The Highways Authority could be asked to provide further clarification on parking restrictions if needed.

There were no questions for the Licensing Manager from the applicant or from the interested persons.

The applicant, Mr Hawkins, made his case for the application and highlighted the following:

- A letter of support from local residents, with 18 signatures, had been received by the applicant;
- A nano brewery required the smallest level of brewing kit and the brewing of small batch, high quality artisan beer would be done by hand with as many components sourced as locally as possible;
- The focus of the business was off sales and online sales, including local outlets;
- The applicant, with 8 years of brewing experience, was unable to take on the cost of a retail premises;
- The premises at Little Bicton Court was too small to accommodate future growth and the applicant would move should the business grow and require more space;
- The applicant had contacted the nearby school, and no reply had been received;
- It was noted that there was no legal minimum distance between a school and a premises producing or selling alcohol;
- The hours applied for also needed to include the applicant's time for making deliveries;
- The premises would not be a shop, but customers could collect in person;
- No drinking would be permitted on site and CCTV would be in operation both inside and outside the premises;
- Parents picking up children from the nearby school frequently caused obstructions in the road;
- The business would mainly focus on trade customers.

Councillors put questions to the applicant and the applicant's responses included the following:

- Regarding the likely number of deliveries and collections to the premises, the applicant was happy to move boxes to and from nearby Rolle Street in order to minimise any disruption due to loading and unloading;
- Should any issues occur with odour from the brewing process, the applicant could install a condensing chimney;
- The applicant anticipated that the main delivery day to local trade outlets would be a Friday. Collections for online sales would be booked in for one day a week. Delivery of ingredients would be approximately once every two months;

- A local farmer would take waste from the business which would either be collected or delivered by the applicant;
- The applicant would not charge for local deliveries and there would be no incentive for customers to collect from the premises;
- The large wooden door opened inwards so did not cause an obstruction on the street outside;
- There would be minimal noise from the process;
- Waste from the business would be recycled or reused wherever possible;
- The applicant had met with residents from the flats next door who would contact him in the event of an issue with odour or noise;
- The legal advisor clarified that obstructing the road could be lawful, provided that it was for a reasonable time and was not excessive or done with intent.

The interested persons put questions to the applicant. Questions and the responses included the following points:

- An interested person highlighted a case which was considered and refused by the Secretary of State regarding the use of a class E premises for a nano brewery. The interested person queried whether the Local Planning Authority had been aware of the case;
- The legal advisor advised that a premises could be licensed whether or not planning permission was in place as these were separate processes;
- The applicant was applying for longer hours under the licence so as to include local delivery times and to future proof himself as he grew the business;
- The licensed hours referred to the times of day when the sale is appropriated to the contract. The licensed hours cover the picking, packing and distribution from the premises which holds a premises licence.

The interested persons made their case.

Mrs Urquhart's objections to the application included the following points:

- An ambulance was often parked in the layby on Little Bicton Court;
- The road was inappropriate for the business due to being narrow and with garage doors opening onto it;
- The parking restrictions were already being misused;
- Other roads would be more suitable for a light industrial premises and the applicant had chosen the wrong road due to the difficulties already discussed.

In response to questions from Councillors and from the applicant, Mrs Urquhart reiterated that the road was inappropriate for a business producing and selling alcohol due to the long hours and with no guarantee that delivery vehicles would park in nearby Rolle Street. There was a risk that alcohol would be consumed outside the premises.

The applicant noted that a licence would not be necessary for a business such as a greengrocers.

The legal advisor advised that the applicant was under obligation to prevent the consumption of alcohol immediately outside the premises, but that this reduced further from the premises when it would become a matter for the Police. A licence review could be sought in the event of issues arising.

Mr Turner expressed support for Mrs Urquhart's objections and strongly objected to the application on the grounds that the location was completely unsuitable for this type of business. A review of the licence could be undertaken, but only if problems were already being experienced.

Mr Murray was of the view that the number and frequency of deliveries would not be a problem. It would be unlikely that customers would consume beer immediately outside the premises as bottle conditioned beer had to settle for 24 hours before consumption. Local people would either be able to collect or have free local delivery.

There were no questions from Councillors or the applicant for Mr Turner and Mr Murray.

The applicant made his closing statement and thanked everyone for participating and discussing the application. Artisan beer had a different customer base from mass produced, cheaper products. The applicant's product was small scale and more expensive. The application was supported by the owner of the building.

The Chair thanked everyone for attending given the short notice of changing the meeting to online due to the weather conditions. In response to a question from the Chair, those participating confirmed that they had no further questions or points to raise.

The Chair advised that the Sub Committee's decision would be notified to all within five working days.

Attendance List

Councillors present:

- I Barlow
- K Bloxham (Chair)
- O Davey (Vice-Chair for this meeting)

Councillors also present (for some or all the meeting)

None

Officers in attendance:

- Sarah Jenkins, Democratic Services Officer
- Phillippa Norsworthy, Licensing Manager
- Giles Salter, Solicitor
- Zoe Jones, Licensing Officer
- Lucy Maxwell, Licensing Officer

Councillor apologies:

- Cllr Steve Gazzard (reserve member)

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Planning Committee held at Council Chamber, Blackdown House, Honiton on 16 December 2025

Attendance list at end of document

The meeting started at 10.04 am and ended at 12.55 pm

55 Minutes of the previous meeting

The minutes of the Planning Committee meeting held on 18 November 2025 were confirmed as a true record.

56 Declarations of interest

There were no declarations of interest.

57 Matters of urgency

There were no matters of urgency.

58 Confidential/exempt item(s)

There was one confidential item recorded under minute 64.

59 Planning appeal statistics

The Committee noted the appeal statistics report and received brief updates on two appeals. The first related to planning application 24/2067/MFUL for the installation of 50MW battery units on land to the west of Wareham Road, Scouse Farm, Axminster. This was originally scheduled as a joint inquiry with application 24/0096/MFUL for a Battery Energy System (BESS) on land just south of Hazelhurst, Raymonds Hill, Axminster. However, as the application 24/2067/MFUL was withdrawn, it is just the appeal in respect of application 24/0096/MFUL which will now be heard at the public inquiry next year.

The second appeal related to planning application 24/1278/FUL for the construction of a new dwelling and associated landscaping at land adjacent Upper Spilsby, Exeter Road, Ottery St Mary. The Inspector allowed this appeal on the basis that the dwelling was of exceptional quality and met policy criteria for isolated homes in the countryside.

The Development Manager also noted that, although not indicated in the report, the appeal for planning application 25/0128/FUL for 30 EV charging points and associated battery farm at Greendale Business Park would also be heard by inquiry next year.

60 21/2045/FUL (Other) TALE VALE

Applicant:
C/O Agent

Location:
Land north of The Shrubbery, Escot Park, Ottery St Mary

Proposal:

Change of use from agricultural land to outdoor leisure pursuits and associated operational development.

RESOLVED:

Approved in accordance with officer recommendation subject to an amendment to Condition 3 to read as follows:

- With regard to the clay shooting activities, or any other shooting activities permitted by this permission, the following shall apply:
 - a. The mean Shot Noise Level (SNL) must not exceed a maximum A-weighted sound pressure level of 55dB(A), when measured or determined at the boundary of any noise sensitive property during a continuous measurement period of 30 minutes.

For information, the SNL will be obtained by using the 25 loudest shot level readings taken within the continuous measurement period (30 minutes) using the maximum A-weighted sound pressure level caused by the firing of the shot. Any measurements and calculations shall be carried out in accordance with the CIEH 'Clay Target Shooting: Guidance on the Control of Noise'.

- b. The use of the clay target shooting hereby permitted shall be carried out only between the following hours:
 - Monday to Saturdays: 10:00hrs to 16:30hrs
 - Sundays or any Public or Bank Holidays: 10:00hrs to 14:30hrs
- c. Only the firing of 410 gauge, subsonic cartridges is permitted within the site unless otherwise agreed in writing by the Local Planning Authority.
- d. No more than two people may simultaneously fire shots (for the avoidance of doubt, this number does not relate to the overall group size, only to the number of people who can fire a shot at the same time) within the application site.

(Reason – To ensure that the noise produced by shooting activities on the site is not harmful to the amenity of local residents, the setting of near-by listed buildings or to the rural setting of the site, and to accord with the provisions of Strategies 46 (Landscape Conservation and AONB's) and 49 (The Historic Environment) and Policies D1 (Design and Local Distinctiveness), EN8 (Significance of Heritage Assets and their Setting) and EN14 (Control of the adopted East Devon Local Plan 2013-2031) of the adopted East Devon Local Plan 2013-2031), in addition to guidance contained within the National Planning Policy Framework 2024).

61

25/1942/PIP (Other) WOODBURY & LYMPSTONE

Applicant:

Mr John Guyan.

Location:

Land south of Orchard Cottage, Exmouth Road, Exton.

Proposal:

Permission in principle for demolition of garage and construction of one dwelling.

RESOLVED:

1. The Appropriate Assessment be adopted.
2. Approved in accordance with officer recommendation.

62 **25/2039/LBC (Other) WOODBURY & LYMPSTONE**

Applicant:

Mrs J Young.

Location:

Jasmine Cottage, The Strand, Lymington, Exmouth, EX8 5JR.

Proposal:

Replace existing passageway roof and install three rooflights; construct wall at end of passageway and insert one window on north elevation; removal of partition walls in utility and construct new partition wall and door opening to create wet room; create new level floor across the passageway; install double doors in existing opening between dining and lounge to create bedroom.

RESOLVED:

Approved with conditions in accordance with officer recommendation.

63 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

The Committee agreed that under Section 100(A)(4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt and private information (as set out against the Part B agenda item), is likely to be disclosed and on balance the public interest is in discussing the item in private session (Part B).

64 **Verbal update regarding Planning Appeal to Members**

The Development Manager and Planning Solicitor provided the Committee with an update to an ongoing appeal.

Attendance List

Councillors present:

B Bailey
I Barlow
K Bloxham
C Brown
B Collins
O Davey (Chair)
S Gazzard
J Heath
M Howe
S Hughes
Y Levine
S Smith
E Wragg (Vice-Chair)

Councillors also present (for some or all the meeting)

R Collins
P Faithfull
G Jung

Officers in attendance:

Wendy Harris, Democratic Services Officer
Damian Hunter, Planning Solicitor
Wendy Ormsby, Development Manager

Councillor apologies:

S Chamberlain

Chairman

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of CommitteeName held at MeetingLocation on MeetingDate

Attendance list at end of document

The meeting started at MeetingActualStartTime and ended at MeetingActualFinishTime

Attendance List

Councillors present:

MembersUsrTyp(C)PresentAttendcommentShortRolesRows

Councillors also present (for some or all the meeting)

GuestInattendanceAttendCommentShortRows

Officers in attendance:

OfficerInattendanceAttendcommentTitleRows

Councillor apologies:

MembersUsrTyp(C)ApologiesAttendcommentShortRows

Chairman

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Strategic Planning Committee held at Council Chamber, Blackdown House, Honiton on 6 January 2026

Attendance list at end of document

The meeting started at 10.04 am and ended at 12.28 pm

36 Minutes of the previous meeting

The minutes of the previous meeting held on 25 November 2025 were confirmed as a true record.

37 Declarations of interest

Minute 41. Future of Neighbourhood Planning Support.
Councillor Brian Bailey, Affects Non-registerable Interest, Exmouth Town Councillor and had been involved with the development of Exmouth's Neighbourhood Plan.

Minute 41. Future of Neighbourhood Planning Support.
Councillor Peter Faithfull, Affects Non-registerable Interest, Ottery St Mary Town Councillor.

38 Public speaking

Thomas Shillitoe addressed the Committee concerning the Regulation 19 Local Plan, stating that in his view the Plan was neither sound nor legally compliant and runs the risk that substantial changes are needed at examination. He referred to a breach of the Regulations, noting that the consultation had been substantially altered since its publication. Mr Shillitoe spoke about Exmo_20 and urged the Committee to take immediate steps to remove the development at the upper section and proposed that the surplus allocation of 563 housing allocations be utilised instead. He expressed concern regarding what he perceived as the Committee's compliant approach and urged Members to ensure that the opportunity presented by the 563 surplus housing allocations was not wasted.

John Hamill expressed serious concerns regarding decisions made by Committee which he believed compromised the credibility, legality and soundness of the Local Plan. He cited key issues including the absence of a complete air quality mitigation strategy, inconsistencies within the Habitats Regulations Assessment (HRA) and flaws in the site selection methodology. Mr Hamill emphasised that the Regulation 19 stage should be evidence-led, justified and consistent; however, instead his view is that the evidence was being shaped to fit predetermined outcomes describing this as outcome-driven planning. He highlighted several fundamental problems including procedural failures, questions over the soundness of the Plan, a lack of public trust and significant legal risks. He urged the Committee to acknowledge these failings and to have the courage to change these before the Inspector rejects the Local Plan.

Nigel Humphrey addressed the Committee regarding public engagement in the Regulation 19 process and raised three key points:

1. Following the initial consultation, the public were advised that individual responses to questions would not be provided; however the sustainability appraisal report

included over 30 pages of the Council's responses to all comments received. He stated that the public should be informed of these responses.

2. Specific questions raised at the previous meeting were not adequately answered. An email reiterating these questions, along with an additional query, was sent to the Chair in early December and copied to all Committee Members. To date no response has been received.
3. He questioned what steps the Council would take to engage with the public and encourage comments on the proposed new community. The Assistant Director – Planning Strategy and Development Services had advised that 1,100 comments on site Exmo_20 was not unusual for a large development; however only four comments have been received regarding the new community, which is expected to comprise over 10,000 dwellings.

Mr Humphrey advised the Committee that the Council must demonstrate a genuine and comprehensive commitment to engaging with and listening to the public. He added that providing responses to his questions would be appreciated.

Stuart Lees, referred to the Regulation 19 consultation and expressed concern about the pressure on already overstretched local infrastructure, as well as findings from the Water Cycle Study which identified significant issues with water treatment and pollution in the River Otter. He asked what measures would be taken to address these problems, requested local face-to-face meetings, and sought clarification on whether planning would be paused until South West Water resolve the water-related issues.

Francis Whiteley spoke in relation to Minute 43 – Proposed response to consultation on the evolving Local Plan for Torbay and questioned East Devon District Council's responses which questioned the validity of Torbay's current standard method numbers. He suggested that housing numbers should be discounted to take account of the National Landscape. He noted that the Torbay Plan proposes to provide for a lower figure because of the National Landscape there and yet East Devon has not taken this approach. He noted that the National Planning Policy Framework (NPPF) standard method requires the minimum number of houses whereas he believed East Devon were seeking to maximise housing numbers. He said that this would have knock on impacts for housing delivery across the wider area.

Councillor Roy Collins spoke on the balance between tree planting and food production. He noted that while the UK has planted many trees to support environmental goals, this has coincided with a reduction in domestic food production, leading to increased imports from countries where forests are being cleared to grow food. He stated that this approach is counterproductive for global climate change, as producing food locally would cause far less environmental harm than clearing vast areas of rainforests to meet demand. Councillor Collins highlighted concerns regarding East Devon and urged the Committee to reconsider the use of sites containing agricultural land. He emphasised that converting these areas into housing or employment sites would diminish future food production capacity, which is essential for generations to come.

The Assistant Director – Planning Strategy and Development Services responded, noting:

- All feedback on the Local Plan must be submitted through the ongoing consultation process.
- Further communications will be issued as there are still several weeks remaining, reminding the Committee that this consultation addresses comments raised in previous rounds.

- Anyone who previously commented on the consultation has been contacted regarding the current consultation.
- Face-to-face meetings were held during the Regulation 18 consultation in 202, however, as the Local Plan is now at a later stage, such meetings are not considered appropriate.
- The Local Plan includes policies preventing the delivery of new homes unless there is sufficient waster water capacity to accommodatethe additional flows.
- He disagreed with Mr Whiteley's comments on National Landscape and housing figures, explaining that while Torbay proposes to not meet its housing need, East Devon's Plan does meet its requirement – even though 58% of the district is designated National Landscape.

39 **Matters of urgency**

There were no matters of urgency to discuss.

40 **Confidential/exempt item(s)**

There were no confidential or exempt items to discuss.

41 **Future of Neighbourhood Planning Support**

The Assistant Director - Strategic Planning and Development Services presented the report to the Committee outlining the future of neighbourhood planning support. He noted that East Devon has historically been proactive in providing officer support to local communities.

However, the Government's decision to withdraw the national support programme, which previously offered grants of up to £10,000 coincides with the anticipated depletion of the Council's own neighbourhood planning reserve by 2026/27. This creates a significant challenge in meeting East Devon's statutory duty to provide advice, guidance and support for neighbourhood planning.

The Assistant Director - Strategic Planning and Development Services emphasised the importance of continuing support, while recognising limited resources and proposed prioritising officer time on reviewing and updating of existing neighbourhood plans alongside sharing resources, digital tools and providing training. The Committee were advised that, to help 're-launch' neighbouring planning, officers will hold a half-day in-person event in the first quarter of 2026.

The Assistant Director - Strategic Planning and Development Services invited the Committee's views on how best to ensure neighbourhood planning remains viable and delivers robust plans.

Questions from the Committee included:

- Further clarification was sought on the effectiveness of sharing resources and whether officer support would be available for revising plans. The Committee noted that support and guidance would be provided by the dedicated Neighbourhood Planning Officer and parishes would continue to be invited to attend webinars and in-person events to help understand what would be required.
- Guidance was requested on what budget parishes should allocate for plan updates, noting that smaller parishes may face challenges in setting aside

sufficient funds. The Assistant Director - Strategic Planning and Development Services advised contacting the Neighbourhood Planning Officer as costs depend on the size of the community and its objectives.

- There is a need to inform parish councils about the challenges facing the district council and, with the potential for a Devon-wide Local Plan in the future, the importance of having neighbourhood plans is now greater.
- It was suggested that the first recommendation was too weak and should be reconsidered.

Committee debate included:

- The importance of neighbourhood plans and continued funding for parish councils was highlighted, noting the high costs for smaller rural communities. While acknowledging East Devon District Council's budget constraints, it was suggested that some financial support should be provided.
- It was suggested that the government may be seeking to reduce local influence on planning policy, indicating a broader move toward centralisation.
- Support was expressed for the recommendations as written as it was suggested that costs for neighbourhood plans could be passed on to council tax payers.
- Support was expressed for neighbourhood plans as it brings people together about local issues.
- It was noted that councillors need more information on the role and benefits of neighbourhood plans, and how they can use their position to promote them.
- Support was expressed for providing a dedicated funding envelope to cover costs associated with neighbourhood plans.
- It was suggested that a report at the next meeting on how many parishes require funding would help assess cost implications. The Chair clarified that, due to time constraints, the report would need to go to Cabinet or Overview and Scrutiny instead.
- It was noted that, when funding neighbourhood plans, consideration should be given to the fact that town and parish councils can set their own precepts without limit.
- Support was expressed to providing funding to town and parish councils, but it was noted they should cover the majority of the cost themselves as it will benefit them directly.

Councillor Jess Bailey proposed a further two recommendations, seconded by Councillor Brian Bailey.

To read as follows:

4. The Committee recommends the development of a grant scheme to provide financial support for the development of neighbourhood plans and requests a report back to the next Strategic Planning Committee.
5. The Committee recommends to the Cabinet that an appropriate budgetary provision is made for the new grant scheme for the financial year 2026/27.

The Committee were supportive of the additional recommendations.

RESOLVED:

1. That the changed context for neighbourhood planning in the light of the Government Spending Review with the cessation of access to grants and funding technical support for communities be noted and that the Chair be recommended to write to MHCLG to formally register this Council's disappointment with the

decision and urge reconsideration and/or consultation on an alternative support arrangement.

2. That the 2026/27 budget be noted and prepared on the basis of a continuation of current neighbourhood planning support offered to communities in East Devon despite this impacting on the general fund.
3. To receive an annual report on neighbourhood planning activity for information, noting that reports for decision need to continue to be taken to Cabinet until such time as the constitution is reviewed.
4. The development of a grant scheme to provide financial support for the development of neighbourhood plans be recommended and a report be taken back to Strategic Planning Committee.
5. The Committee recommends to the Cabinet that an appropriate budgetary provision is made for the new grant scheme for the financial year 2026/27.

RECOMMENDATION TO CABINET:

The Committee recommends to the Cabinet that an appropriate budgetary provision is made for the new grant scheme for the financial year 2026/27.

42

Employment Land Review 2024-25

The report provided an annual summary of employment land provision in East Devon to the year ending 31 March 2025 seeing 16 employment developments completed amounting to 5.76 hectares based on the assessment of the following use classes:

- B2: General Industrial
- B8: Storage and Distribution
- E(g) i) Offices to carry out operation and administrative functions
 - ii) Research and development of products and processes
 - iii) Industrial processes
- Sui Generis or other uses that occupy employment sites that do not fall into B/E(g) category, but which are similar in nature.

The Assistant Director – Planning Strategy and Development Services highlighted the following specific issues in the East Devon Employment Land Review report:

- Page 157 – Outline planning application (22/2781/MOUT) for 130 dwellings to the east of Harepath Road, Seaton.
Clarification: Approved in principle, subject to a Section 106 Agreement
- The employment land at Newcourt Barton on Clyst Road, Clyst St Mary is not included in the report and should be added to sites where additional work is required in Appendix 1F.

The Assistant Director – Planning Strategy and Development Services advised that, in light of these and any further issues that may arise, an additional recommendation should be included to grant him delegated authority, in consultation with the Chair, to make the necessary amendments to Appendix 1F.

Questions raised by Committee Members included:

- Clarification was sought on whether farm diversification was addressed in the report. The Assistant Director – Planning Strategy and Development Services acknowledged these types of diversification are difficult to identify and would require councillors' local knowledge.
- A question was raised about the weight of the villages plan compared to the new Local Plan; The Committee noted that the villages plan will be phased out as the Local Plan is phased in.

- Concerns were expressed about the report's accuracy, noting missing information.
- It was noted that Rockbeare Quarry and Blackhill Quarry were not included in the list.

RESOLVED:

1. The information set out in the Employment Land Review 2024/25 be noted and published on the Council's website.
2. That delegated authority be given to the Assistant Director – Planning Strategy and Development Services in consultation with the Chair to add additional sites and issues to appendix 1F of the report.

43 **Proposed response to consultation on the evolving Local Plan for Torbay**

The Committee considered a report seeking endorsement of the Council's proposed responses to Torbay Council's Regulation 18 draft consultation. Members were advised that, although Torbay is not a neighbouring authority, its Local Plan refers to a duty of co-operation from wider Devon authorities as the Plan does not meet its housing need. It was therefore considered important for this Council to respond, highlighting concerns about the inappropriateness of accommodating any of Torbay's unmet housing need within East Devon, given the geographical separation between the two areas.

Questions and comments raised by Committee Members included:

- Whether any other authorities that neighbour Torbay Council have responded in a similar manner. The Assistant Director – Planning Strategy and Development Services was unable to confirm but advised that this Council was not alone in its concerns and noted Teignbridge District Council, a neighbouring council was in its final stages of adopting its Plan.
- Whether Torbay Council had undertaken a call for sites. It was understood that a call for sites had been carried out, but insufficient sites were identified.
- A suggestion that the recommendation lacked sufficient robustness.
- While sympathy was expressed for Torbay Council's significant challenges in meeting its housing need, support was given for the proposed responses, noting that this Council also faces its own housing pressures.

RESOLVED:

That the Council respond to the Torbay Council Local Plan consultation (using the text set out in the committee report) to ensure that the views and concerns of East Devon District Council around their policy position in respect of housing provision are appropriately heard and taken into account.

44 **Infrastructure Funding Statement**

The Assistant Director – Planning Strategy and Development Services presented a report seeking approval for the publication and submission to government of the 2024/25 Annual Structure Funding Statement setting out monies received from Community Infrastructure Levies and Section 106 agreements during the year.

Key points highlighted included:

- 8 S106 agreements were signed securing £4.96m in financial contributions and 415 affordable dwellings.
- A total of £1.622m was collected in financial contributions.

- £734,000 was spent on community infrastructure including Exmouth Rugby Club and Pinhoe Surgery.

In response to Members noting that some parishes were missing from the Neighbourhood CIL summary, the Assistant Director – Planning Strategy and Development Services requested that delegated authority, in consultation with the Chair, to amend the list accordingly.

RESOLVED:

1. That the contents of this report and the requirements to provide an Annual Infrastructure Funding Statement be noted.
2. That the publication and submission to government of the 2024/25 Annual Funding Statement based on the information detailed in the report be approved and delegated authority be given to the Assistant Director – Planning Strategy and Development Services, in consultation with the Chair to amend the Neighbourhood CIL summary list.

Attendance List

Councillors present:

J Bailey
K Blakey
O Davey
P Faithfull
C Fitzgerald
M Howe (Vice-Chair)
B Ingham
G Jung
T Olive (Chair)
H Parr
B Bailey

Councillors also present (for some or all the meeting)

A Bailey
R Collins

Officers in attendance:

Ed Freeman, Assistant Director Planning Strategy and Development Services
Damian Hunter, Planning Solicitor
Wendy Harris, Democratic Services Officer

Councillor apologies:

P Fernley
Y Levine

Chairman

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cranbrook Placemaking Group held at Conference Room, Younghayes Centre, Cranbrook on 8 December 2025

Attendance list at end of document

The meeting started at 9.30 am and ended at 10.55 am

39 Minutes of the previous meeting

The minutes of the previous meeting held on 6 October 2025 were agreed as a correct record.

40 Declarations of Interest

There were no declarations of interest.

41 Public speaking

There were no members of the public present.

42 Matters of urgency

There were no matters of urgency.

43 Confidential/exempt items

There were no confidential or exempt items.

44 Briefing Note: Devon County Council London Road footway/cycleway improvements

Chris Burridge-Barney, Devon County Council's Transportation Planning Officer presented the briefing note on Phase 1 of the London Road footway/cycleway improvements and gave a brief update, accompanied by engineering design plans, illustrating the proposed locations of the 3.5m wide shared footway and cycleway paths, designed in accordance with the government's Cycle Infrastructure Design Guidance. It was noted that segregated paths would not be included in the scheme, as the additional width needed for the 5m wide path would significantly increase third party land requirements and would increase the need to remove hedgerows and trees.

Before construction, the scheme will undergo independent Road Safety Audits to review safety for all users and refine design. Stakeholder feedback, including measures to prevent vehicle access to paths, would be considered and further engagement with EDDC, Cranbrook Town Council and affected landowners will be planned, along with a wider public consultation on the proposals.

The group discussed the proposed improvements, and it was requested that Rockbeare Parish Council should be included in all further engagement. It was noted that since the design plans had been developed an agreement had been reached for the redevelopment of Tillhouse Cottage, including securing a path to the front of the site and

the expansion areas fronting London Road would have segregated cycle route due to sufficient land either side to allow this.

Councillor Blakey noted the proposal for a T-junction at Ingrams, despite the town council's preference for a mini roundabout and asked whether DCC supported the use of mini roundabouts on London Road. The Transportation Planning Officer explained this would depend on anticipated traffic volumes, with larger developments typically requiring a roundabout. The Cranbrook Town Council Clerk raised concerns about traffic issues during specific times of the day at the Station Road T-junction and the Cranbrook New Community Manager confirmed there would be an opportunity to improve this junction as part of the Bluehayes development.

In response to a query on funding and stakeholder liaison timescales, the Transportation Planning Officer advised that the design stage would take up most of the next financial year, with construction planned for 2028/29, and confirmed he was happy to engage with stakeholders throughout this period. Funding will come from secured CIL and S106 contributions, with further S106 monies expected to help progress and prioritise future sections.

RESOLVED:

That the update be noted.

45

Mechanism for the allocation and spending of Category 4 Infrastructure Payments

The Group received an update from the Cranbrook New Community Manager on the mechanism and preferences in areas relating to the allocation and spending of category 4 infrastructure contributions that the Group had previously considered.

The Cranbrook New Community Manager referred to the list of infrastructure projects worth over £30m and stated that because funding was not anticipated to begin being received until the 2028/29 financial year, the council would need to seek to use forward funding agreements on a case-by-case basis to maintain financial stability for all parties. The Group noted that a paper was being prepared for submission to Homes England to seek a forward funding package for the category 4 items and other infrastructure needs for Cranbrook.

Feedback on the draft process highlighted several key areas for improvement:

- Clarity on information required: The need to clearly specify the exact information required from Devon County Council was emphasised.
- Decision-Making Criteria: A request for transparency regarding the criteria used for allocating funds.
- Funding Round Duration: It was suggested that funding rounds remain open for a minimum of 8 weeks, rather than the proposed 6 weeks. This extension to 8 weeks should also apply to any potential extra rounds for urgent projects.

Regarding the timeline for discussion and agreement, it was confirmed that the proposed criteria could be presented at the February meeting and the Strategic Planning Committee in March 2026 for approval followed by Cabinet.

RESOLVED:

That the document setting out a mechanism and principles for the allocation and spend of category 4 infrastructure contributions be endorsed subject to the funding rounds to be

open for a minimum period of 8 weeks and a detailed criteria for Category 4 infrastructure bids to be reported to the Placemaking Group prior to reporting of this matter to Strategic Planning Committee and Cabinet.

46 **Health Provision at Cranbrook**

The Cranbrook New Community Manager presented the paper received from NHS Devon ICB updating the Group about the short-term and long-term plans for the existing primary care (GP) provision currently delivered at the Cranbrook Medical Practice.

Despite an expansion in 2021 the surgery is still too small for the population of Cranbrook residents and the NHS Devon ICB decided there was an immediate need to explore a short-term solution and would look at using the car park to provide a temporary modular solution however this would result in there being no residual parking on the site. The next meeting with the stakeholders and Cranbrook Town Council will take place on 6 January 2026 to progress this option.

The construction of a larger premises is planned for the long-term solution which would include a wellbeing service. NHS Devon have produced a programme of works aimed at securing funding and discussions are ongoing about the delivery options. Discussions are also ongoing with NHS England and EDDC regarding identifying appropriate funding of £400k to progress the Short Form Business Case for the long-term solution.

The Town Council Clerk noted the project was based on a population of 20,000 and questioned whether the figure should be near to 22,000. The Cranbrook New Community Manager acknowledged the figure was indeed higher and explained this was the figure provided by NHS Devon ICB.

RESOLVED:

That the update be noted.

47 **Community Governance Review**

The Group received a verbal update on the progress with the Community Governance Review which looked at the current parish governance arrangements for Cranbrook and surrounding area.

It was noted that a report will be presented to Council on Wednesday, 10 December, setting out recommendations to include the following five areas within the Cranbrook parish:

- Treasbeare Expansion Area,
- Bluehayes Expansion Area (sections not already within Cranbrook parish),
- Properties on the northern side of London Road currently within Rockbeare parish
- Grange Expansion Area
- Cobdens (sections not already within Cranbrook parish)

A further public consultation will take place in the early 2026 with the outcomes reported back to Full Council in June 2026.

Councillor Gent stated that this represented the most logical solution for Cranbrook.

RESOLVED:

That the verbal update be noted.

48 **Forward Plan**

The Group received the forward plan.

RESOLVED:

The forward plan be noted subject to receiving a report on the criteria for category 4 infrastructure payments, and a general update on the expansion areas on 2 February 2026 and to move the Town Centre delivery plan and programme governance to 13 April 2026.

49 **Implementation Plan**

The Group received an Implementation Plan outlining the list of projects scheduled for delivery.

The Group noted positive progress: an architecturally-led multi-disciplinary design team has been appointed to develop plans for the leisure centre and associated car park. An outline planning application for the leisure centre, county facilities and car parking is expected to be submitted in August 2026. This application is anticipated to include the blue light land located to the west of the site.

The blue light land is intended for Fire Brigade use, however, if not required, it may be repurposed for workshop or small business units.

The Group also received an update on Cranbox which included:

- Weekly time is dedicated to support the transfer of TC2 land to the council. A meeting is hoped to take place this week between all parties to resolve outstanding matters and enable completion.
- The Preconstruction Services Agreement Contract has been awarded, and EDDC now has an employed agent. Progress to the next stage depends on the TC2 land transfer.
- A licence needs to be arranged for the strip of land located between TC2 boundaries and the existing Tillhouse Road.
- A meeting with the Town Council is scheduled next week to discuss the Cranbox transfer.
- Consideration of the planning application is ongoing.

RESOLVED:

That the Implementation Plan be noted.

Attendance List

Councillors present:

K Blakey (EDDC)

T Olive (EDDC)

V Wright (CTC)

H Gent (DCC)

Officers in attendance:

Thea Billeter, Cranbrook New Community Manager
Ed Freeman, Assistant Director Planning Strategy and Development Services
Wendy Harris, Democratic Services Officer, EDDC
Nicola Wison, Principal Planning Officer, DCC
Chris Burrige-Barney, Transportation Planning Officer, DCC
Janine Gardner, Clerk to Cranbrook Town Council
Alexandra Robinson, Deputy Clerk to Cranbrook Town Council

Councillor apologies:

K Bloxham
S Hawkins

Officer apologies:

A Wood

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Cranbrook Placemaking Group held at Conference Room, Younghayes Centre, Cranbrook on 2 February 2026

Attendance list at end of document

The meeting started at 9.30 am and ended at 10.52 am

50 Minutes of the previous meeting

The minutes of the previous meeting held on 8 December 2025 were agreed as a correct record.

51 Apologies

See list at end of the minutes.

52 Declarations of Interest

There were no declarations of interest.

53 Public speaking

There were no members of the public present.

54 Matters of urgency

There were no matters of urgency.

55 Confidential/exempt items

There was one item of confidential/exempt business, minute no.62 refers.

56 Discussion with New Community Partners

The Group expressed their disappointment that representatives from the Cranbrook New Community Partners (the Consortium) were not present at the meeting and that progress on issues raised in October 2025 remained unresolved.

The Group requested that the following items were forwarded to the Consortium:

- Issues with the persimmon and Wimpey developments where roads had yet to be completed and there were a number of raised ironworks around the road network which had led to a number of accidents involving local residents.
- Recent storms had led to a number of properties being flooded, including at Blackmore Lane (Cavanah Homes).
- Bus stops on grass verges causing difficulties for bus passengers.
- Court Royal – lack of a safe crossing place
- Basin 2C – remedial works required and concerns raised around Basin 2B following the recent storms.

The Group requested that the Portfolio Holder for Inward Investment and Strategic Planning and the Director for Place send an email to the Consortium expressing their disappointment that no representatives from the Consortium had attended the meeting.

57 **Category 4 Infrastructure Contributions - assessment criteria**

The Group received a report from the Corporate Lead for New Communities relating to the mechanism for the allocation of category 4 infrastructure which included a draft set of assessment criteria for bids made for that funding.

The Group noted that funding bid requests would be assessed against the following criteria:

- Eligibility check
- Need
- Value for money
- Deliverability

To support the assessment of funding bids a scoring template would be used requiring assessors to award a score out of 25 for each of the four categories.

The Group supported the criteria and scoring mechanism for category 4 infrastructure funding bids and that the Strategic Planning Committee should be invited to consider the criteria and scoring mechanism.

RESOLVED:

That the set of criteria for the assessment of category 4 infrastructure funding bids and together with the previously endorsed mechanism and principles for the allocation and spending of category 4 contributions is endorsed.

RECOMMENDATION TO STRATEGIC PLANNING COMMITTEE:

To recommend Cabinet approve the set of criteria for the assessment of category 4 infrastructure funding bids.

58 **Cranbrook Town Centre Projects**

The Corporate Lead for Placemaking and Major Projects and Corporate Lead for New Communities presented a report giving an update on ongoing projects within Cranbrook town centre, including a number of land transfers together with the commercial project of Cranbrook and the health and leisure campus.

The Group noted the following:

Land Transfers:

- Land parcel TC1 is in the process of transfer from the New Community partners to Devon County Council.
- Adjacent to TC1 is land parcel TC2 which represents the remaining land north of Tillhouse Road and south of the Country Park. This land is due for transfer to East Devon District Council. The site is in part expected to accommodate The Tillhouse building for Cranbrook Town Council, together with Cranbox (discussed below) and therefore there

will need to be an onward transfer of part of the site to the Town Council once the precise boundaries of the transfer have been established.

- The New Community partners have made an offer to transfer land parcel TC4b to Devon County Council, in line with their existing legal obligations.
- Land parcel TC4c will also be due for offer to East Devon District Council and once transferred will mean that the council will own all the remaining TC4 land parcels.

Town Centre Masterplan and Delivery Strategy

A masterplan narrative was endorsed by the council in October 2024, identifying high level principles for the development of the town centre and locations for key uses. Since then, projects for the health and leisure campus have been established and this report gives further information about that. This has altered the location of these uses from that previously identified, in part due to a change in the facilities mix, to ensure that the swimming facilities are sized to account for the proposed new town of Marlcombe.

As part of wider work being undertaken by the council to explore how the new town of Marlcombe can be developed alongside and complementary to Cranbrook and the Enterprise Zone sites, AHR architects have been appointed to develop the next stage of masterplan. This work is in the early stages of development and will engage officers and members of the three local authorities in its production. A high-level delivery strategy will also be produced alongside the more detailed masterplan.

Health and Leisure campus

A project team, led by AHR Architects, had been appointed following a competitive tender exercise undertaken in Autumn 2025. The team would be working towards the planning application submission stage and would work with Sport England on the proposals.

The Group received an overview of the proposals for the health and leisure campus and were advised that the proposals would be subject to a public consultation exercise, including a survey on Common Place and a public consultation event on 11 February (at the Cranberry Farm Pub from 2pm until 8pm).

Cranbox

The Cranbox project continued to advance according to a revised programme. Western Buildings, the modular provider, has initiated detailed design activities under the Pre Construction Services Agreement.

A planning application for the delivery of Cranbox on land parcel TC2 was currently under review by the council.

At present, the project remains aligned with the revised programme. Finalisation of the building design is expected by the end of February, with on-site works scheduled to commence in early April 2026 with project completion targeted for the end of September 2026.

Upon completion, ownership and management of the building and land will be transferred to Cranbrook Town Council. Occupation of the units is anticipated in Q3/Q4 of 2026/27.

Monthly progress meetings are being held with representatives from CTC. These meetings serve both to provide project updates and to facilitate CTC's involvement in the

detailed design process, ensuring the building meets operational management requirements.

RESOLVED:

To note the progress being made on the delivery of Cranbrook town centre.

59 **Implementation Plan**

The Group received an updated Implementation Plan outlining the list of projects scheduled for delivery.

The Group noted the ongoing progress with the projects and requested that an update on the provision of SEND education was provided at the next meeting from Devon County Council, including timescales and funding for this provision.

RESOLVED:

That the Implementation Plan be noted.

60 **Forward Plan**

The Group received and noted the current forward plan.

RESOLVED:

That the forward plan be noted.

61 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RESOLVED:

That the press and public be excluded from the meeting under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, of the description set out on the agenda, is likely to be disclosed and on balance the public interest is in discussing this item in private session (Part B).

62 **Update on Cranbrook Expansion Areas**

The Group received a report from the Corporate Lead for New Communities on the progress being made to determine planning applications within the Cranbrook expansion areas.

RESOLVED:

That the update on the status of the constituent areas of the Cranbrook expansion areas and the progress made with each of the planning applications and permissions within the Cranbrook expansion areas is noted.

Attendance List

Councillors present:

K Blakey

K Bloxham

T Olive

Councillors also present (for some or all the meeting)

Officers in attendance:

Naomi Harnett, Corporate Lead (Interim) – Major Projects & Programmes

Nicola Wilson

Andrew Wood, Director of Place

Councillor apologies:

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Scrutiny Committee held at Council Chamber, Blackdown House, Honiton on 12 January 2026

Attendance list at end of document

The meeting started at 5.00 pm and ended at 5.57 pm

29 Minutes of the previous meeting

The minutes of the previous meeting held on 2 October 2025 were agreed and signed as a true record.

30 Declarations of interest

There were no declarations of interest.

31 Public speaking

No members of the public had registered to speak.

32 Matters of urgency

There were no matters of urgency.

33 Confidential/exempt item(s)

There were no confidential or exempt items.

34 Decisions made by Cabinet called in by Members for scrutiny in accordance with the Overview and Scrutiny Procedure Rules

There was one item to consider which was dealt with at minute 35.

35 Call In request: Cabinet decision 3 December 2025 - In perpetuity funding for management of Clyst Meadows SANG - Cabinet minute 118

In accordance with the Council's Constitution, a valid call-in request had been received in respect of a Cabinet decision taken on 3 December 2025: In perpetuity funding for the management of Clyst Meadows SANG.

On 3 December 2025 it was resolved that Cabinet:

1. Approves the creation of an investment fund of £1.1m, funding from CIL, to secure the in perpetuity funding for the management of Clyst Meadows.
2. Delegates the authority to the Assistant Director Planning Strategy and Development Management, Finance Director, Place Director and Director of Governance, in consultation with the relevant Portfolio Holders, to set up and arrange for the management of this fund.

A call-in request was received on 9 December 2025, signed by five Councillors, including the Chair of the Scrutiny Committee, Cllr Mike Goodman, and Cllrs Ian Barlow, Colin Brown, Brian Bailey and Aurora Bailey.

The call-in was requested on the following grounds:

- The Cabinet debate was split, with two members voting for and two against the proposal, and the Chair using a casting vote to approve the decision.
- Concerns were raised that spending this money does not represent good value for EDDC.
- The item was initially considered by the Community Infrastructure Levy (CIL) working group, where a request for £2m was rejected. The revised request of £1.1m is still considered an expensive way to use capital sums to finance a park.
- There are other more urgent infrastructure projects that could benefit from this funding.

The Green Infrastructure Project Manager, Paul Osborne, provided a brief summary of the costs of maintaining the SANG in perpetuity and the investment options available. There was concern that there may not be sufficient CIL monies available to meet future costs and Officers had therefore recommended the approach as set out in the report to Cabinet on 3 December 2025. The recommended fund, CCLA Investment Management, was used by 245 local authorities nationally and had a fund value of approximately £1bn.

It was noted that further infrastructure projects, funded by CIL monies and including SANG delivery, would be brought forward and a Strategic SANG Delivery Strategy 2026 – 2040 was in course of preparation jointly with Teignbridge District Council and Exeter City Council. A report would be brought to the Overview Committee and the Strategic Planning Committee in the spring. Currently £2.1m CIL remained unallocated, which would be reduced to £1m should the Cabinet decision stand.

Officers' recommendation remained that the in perpetuity funding remained the best option, carrying the lowest risk for the Council.

The Chair briefly outlined the previous decisions made by Cabinet and the CIL working group with respect to this matter.

Discussion, questions and Councillors' views expressed included the following points:

- It was vital to guarantee funding for the SANG for 80 years and to ensure that Natural England procedures are followed;
- A reduction in development would see a corresponding reduction in CIL receipts;
- The proposed investment of £1.1m could be better spent on more important infrastructure and the costs of maintaining the SANG could be funded, as are other projects, through annual CIL drawdown;
- Concern was expressed that investing in commercial property was risky and that the initial cost of investing in the proposed fund was expensive. Alternative investment funds were available and there was no guarantee of the returns shown in the financial modelling;
- The CCLA fund was well known to local authorities and had a good track record;
- It was emphasised that the Clyst Meadows SANG project would proceed and the only issue in question was the method of providing future funding;
- Noted that the financial modelling was only as good as the estimated figures used;
- It was difficult to balance the arguments for the alternative methods of funding the project and the view was expressed that the Committee should agree with Officers' recommendations;
- Concern was expressed that there could be huge changes over the lifetime of the proposed investment which meant a high level of uncertainty regarding relying on a steady performance over 80 years;

- Concern was expressed that SANGS are being treated individually with their own ring-fenced additional pot of money. Managing multiple SANGS on the same basis could enable money to be moved between projects;
- Not spending the proposed £1.1m now would not have a significant impact on the need for funding for currently identified infrastructure projects;
- The view was expressed that the matter would be best discussed by full Council to obtain a wider number of Councillors' views;
- The view was expressed that the decision should be referred back to Cabinet to reconsider.

It was proposed and seconded that the decision not be referred back to Cabinet and that therefore the decision made by Cabinet on 3 December 2025 should stand.

RESOLVED

That the decision made by Cabinet on 3 December 2025 with regard to the in perpetuity funding for the management of Clyst Meadows SANG stands.

Attendance List

Councillors present:

K Blakey
P Fernley
M Goodman (Chair)
Y Levine
D Mackinder (Vice-Chair)

Councillors also present (for some or all the meeting)

C Burhop
R Collins
G Jung
T Olive

Officers in attendance:

Ed Freeman, Assistant Director Planning Strategy and Development Services
Tracy Hendren, Chief Executive
Sarah Jenkins, Democratic Services Officer
Paul Osborne, Green Infrastructure Project Officer
Charles Plowden, Assistant Director Countryside and Leisure
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)
Andrew Wood, Director of Place

Councillor apologies:

I Barlow
J Brown
A Bruce
B Collins
O Davey

A Hall
M Hall
V Johns
J Whibley

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the joint budget meeting of Scrutiny Committee and Overview Committee held at Council Chamber, Blackdown House, Honiton on 14 January 2026

Attendance list at end of document

The meeting started at 10.00 am and ended at 2.15 pm

36 Minutes of the previous meeting

The minutes of the previous joint meetings held 10 December 2024 and 15 January 2025 were agreed.

37 Declarations of interest

There were no declarations of interest.

38 Public speaking

No members of the public had registered to speak.

39 Matters of urgency

There were no matters of urgency.

40 Confidential/exempt item(s)

There were no confidential/exempt items.

41 Decisions made by Cabinet called in by Members for scrutiny in accordance with the Overview and Scrutiny Procedure Rules

There were none.

42 Draft Directorate Plans 2026- 2028

The Chief Executive introduced this item and advised that Directorate Plans were being presented for a two year period, or until Local Government Reorganisation [LGR] whichever was soonest. The Plans would be kept under review alongside the resource provision and budget. The Council was ambitious in its plans for the next two years and had considered its priorities carefully.

With regard to reporting and monitoring, it was agreed to update the Plans as to how and where this would be undertaken.

43 Place

The Director of Place presented the Directorate Plan for 2026 – 2028 and summarised the composition of the Directorate which brought together 4 key service areas and

included 7 Portfolio areas. The Director highlighted challenging areas of risk and time-bound projects which had to be delivered, and which stretched both capacity and capability across several Directorates.

Questions, clarification and responses included the following points:

- Regarding cutting back on the de-carbonisation of swimming pool heating, the Director of Place would provide further information regarding the likely impact of this;
- Work had been undertaken in the summer of 2025 regarding the vacancy level in Streetscene and how this could be reduced. There was uncertainty for all staff around LGR, however, particular issues for Streetscene staff were around pay and conditions and recruitment processes;
- Work was on-going regarding the funding mix for the Cranbrook Leisure Centre, various Beach Management Schemes and the District Heating Scheme;
- Regarding the Climate Change Strategy and Action Plan, it was proposed to run Councillor workshops going forwards to update members;
- The Playing Pitch Strategy was in need of updating which is currently underway and progressing well;
- The Tree, Hedge and Woodland Strategy had recently been adopted and it was vital to work with partners to ensure delivery;
- Regarding targets for determining planning applications, it was noted that performance was monitored carefully due to nationally set targets;
- It was noted that the Directorate Plan does not include a specific metric around planning enforcement. This could be added to the Plan but would have to be in a way which was meaningful.

The Chair thanked the Director of Place and Officers for the excellent Plan and noted the challenges and the work involved within the Directorate.

44 **Housing & Health**

The Director of Housing & Health presented the Housing & Health Directorate Plan for 2026 – 2028 and highlighted key pieces of work with their associated challenges and opportunities. It was planned to start conversations with other Devon housing stock holding local authorities regarding LGR. Training for staff on trauma informed approaches would be undertaken shortly.

Questions, clarification and responses included the following points:

- With regard to the relationship with town and parish councils, the Emergency Planning Officer was continuing to build the community resilience network and liaise with local councils regarding emergency planning;
- Turn around times for void and re-let properties had improved over the past year;
- Regarding the Exmouth pilot for anti-social behaviour wardens, the Office of the Police and Crime Commissioner provided funding for previous financial years, and it was not clear yet whether funding would be available for the next financial year;
- Timescales for reviewing fees and charges do not always fit with dates for financial years such as a review of Licensing fees and charges which is on-going.

The Chair thanked the Director for their report and noted the amount of work to be undertaken within the Directorate.

45 **Finance**

The Director of Finance presented the Finance Directorate Plan for 2026 – 2028 and highlighted the work undertaken on the Poverty Strategy and the visit from the DWP for the pilot of the Place Based work, and the work being undertaken on e-notifications for

local residents. Conversations were on-going with other local authorities regarding integrating finance systems for LGR.

Questions, clarification and responses included the following points:

- With regard to empty homes, these are now charged the full amount, or more, for council tax and there is now a reduced risk of individuals claiming an incorrect reduction;
- Across Devon each District Council sets its own council tax support scheme and these will need to be considered as part of LGR. Council housing rents are set at national level in terms of the framework of annual increases;
- Regarding the Customer Charter and the increasing digitization of services, concern was expressed that some residents do not have access to digital communication. The Council has always provided alternative means of contact for residents and this will be reflected in the Customer Charter;
- It was noted that a small element of council tax would not be collected each year which was included in the budget as a reduced percentage;
- All organisations had to consider how to reach residents who do not use digital means of communication. The Customer Charter was person-centred to meet the needs of individuals and Ward Members were encouraged to work with individual Council tenants to ensure that their needs were understood;
- The Poverty Working Group was moving into a monitoring phase and it was proposed to report on the continuing anti-poverty work on an annual basis via the appropriate Committee.

The Chair thanked the Director of Finance for the report.

46 **Governance**

The Director of Governance presented the Governance Directorate Plan for 2026 – 2028. The Director provided an overview of the new structure of the Directorate and appointments to key posts, including the new procurement function and corporate oversight of projects, programmes and strategies. This will result in the management structure within the Directorate being fully populated. It was noted that LGR would have considerable impact on the Directorate. Key projects would have to be prioritised depending on resources available.

Questions, clarification and responses included the following points:

- Training for town and parish councils was on-going and wider work on engagement was in course of preparation;
- The revised report template was ready and Officers would be trained in its use imminently;
- The People Strategy had launched recently and a report would be brought to the next Personnel Committee.

The Chair thanked all Directors for their reports and for their work.

The Deputy Leader and Portfolio Holder Council, Corporate and External Engagement also thanked the Executive Leadership Team and Officers for their Directorate Plans and presentations.

RECOMMENDATION TO CABINET:

That Cabinet approves the Directorate Plans for 2026 – 2028 for the Place, Housing & Health, Finance and Governance Directorates.

47 **Draft Revenue and Capital Budgets 2026 - 2027**

Cllr Anne Hall took the Chair for this item.

The Director of Finance gave a presentation on the draft budget covering key areas.

The budget process and timeline was outlined, with Council set to approve the final budget on 25 February 2026. LGR and the Fairer Funding review were highlighted as key factors impacting the budget.

Questions, clarification and responses included the following points:

- Concern was expressed as to the level of the Council's debt and whether the Council could meet its obligations should LGR be delayed or not go ahead. It was noted that the Council was obliged to evidence that debt could be afforded;
- With regard to figures for net interest, it was noted that interest receipts were predicted to drop due to lower interest rates and lower levels of cash held by the Council in investments. Interest payable would also drop due to lower interest rates and the removal of some capital projects from the programme;
- Regarding the new town, Marlcombe, it was noted that an assertive, upfront approach was needed and that this would come with a significant funding requirement;
- The outturn report at the end of the financial year would provide detailed information on the level of various reserves;
- Regarding the reactive and preventative maintenance of trees, it was confirmed that there was budget provision, however, the Director of Place would look into this further. The Portfolio Holder for Environment – Operations advised that trained staff were in place although an unforeseen event, such as a serious storm, could place the service under pressure;
- It was noted that there was a significant increase in staff costs in the General Fund FTE increases. Increases in the homelessness team and digital team were due to staff moving onto permanent contracts and it was agreed that further description in the Budget Book would be helpful;
- It was noted that movement of staff and teams between services had impacted figures in the Budget Book;
- It was confirmed that there was budget for the train station toilets in Exmouth to remain open;
- It was noted and commended that fees and charges included an increase in line with inflation.

Appendix 1 – Draft Revenue Budget 2026 – 2027 – Special Items

The Committees considered the Special Items set out at Appendix 1 [page 59] of the report.

1. Play Park Consolidation Study - £20,000

The intent behind the study was to provide a complete understanding of the legal obligations regarding the provision of play parks, including in respect of S.106 agreements. The study would also assist with understanding implementation planning moving forwards into LGR.

RECOMMENDATION TO CABINET:

That the Play Park Consolidation Study at a cost of £20,000 be included in the budget.

2. Cultural Strategy Delivery - £37,500
3. Tourism Strategy Delivery - £30,000

Activity had previously been funded through the UKSPF [UK Shared Prosperity Fund] which would be coming to an end after the current financial year. Work had been undertaken to clarify which elements of the activities should continue in the next financial year.

The Portfolio Holder for Culture, Leisure, Sport and Tourism noted that the Culture Strategy and the Tourism Strategy had been developed to complement each other and both supported the local economy.

RECOMMENDATION TO CABINET:

That the Cultural Strategy Delivery at a cost of £37,500 and the Tourism Strategy Delivery at a cost of £30,000 be included in the budget.

4. CVC service by Devon Communities Together - £60,000 and £3,000 for Devon Connect platform

This had also been funded through the UKSPF funding and provided significant help throughout the District.

RECOMMENDATION TO CABINET:

That the CVC service by Devon Communities Together - £63,000 be included in the budget.

5 and 6. Streetscene Operational Staff pressures - £118,000 and £34,000

This request reflected the need for additional capacity within the Streetscene service due to growth in the District, particularly in the west end of East Devon, and seasonal fluctuations in the summer months.

The Portfolio Holder Environment – Operations noted that the budget for Streetscene had not increased in line with development in recent years.

RECOMMENDATION TO CABINET:

That the amounts of £118,000 and £34,000 to cover Streetscene operational staff pressures be included in the budget.

7. LATCo client side manager - £60,340

The Director of Finance advised that this item had been withdrawn.

The above agreed items would now be incorporated into the draft budget going forwards for agreement by Cabinet.

RECOMMENDATION TO CABINET:

That the draft revenue and capital budgets for 2026 – 2027, including the associated fees and charges schedule, be approved.

Attendance List

Councillors present:

K Blakey
P Fernley
M Goodman (Chair)
A Hall (Chair)
V Johns
Y Levine
D Mackinder
A Bailey
B Bailey
K Bloxham
R Collins
T Dumper
J Heath
D Wilson

Councillors also present (for some or all the meeting)

N Hookway
G Jung
J Loudoun
T Olive
P Faithfull
P Hayward
S Jackson

Officers in attendance:

Simon Davey, Director of Finance
Tracy Hendren, Chief Executive
Sarah James, Democratic Services Officer
Sarah Jenkins, Democratic Services Officer
Catrin Stark, Director of Housing and Health
Melanie Wellman, Director of Governance (Monitoring Officer)
Andrew Wood, Director of Place
Matthew Blythe, Assistant Director Environmental Health
Andrew King, Assistant Director for Housing (Regulated Services)
Gemma Roberts, Assistant Director for People and Performance
Emma Congerton, Assistant Director Statutory Housing
John Symes, Finance Manager
Tom Winters, Interim Economic Development Manager

Councillor apologies:

I Barlow
J Brown

A Bruce
B Collins
O Davey
M Hall
J Whibley
M Hartnell

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Overview Committee held at Council Chamber, Blackdown House, Honiton on 22 January 2026

Attendance list at end of document

The meeting started at 6.00 pm and ended at 7.06 pm

53 Minutes of the previous meeting held on 30 September 2025

The minutes of the previous meeting were agreed as a true and accurate record.

54 Declarations of interest

There were none.

55 Public Speaking

No members of the public had registered to speak.

56 Matters of urgency

There were no matters of urgency.

57 Confidential/exempt item(s)

There were no confidential/exempt items.

58 Landscape Recovery Programmes in East Devon

The Assistant Director – Countryside, Environment & Ecology introduced this report which informed members of the existence and value of three Landscape Recovery Programmes in East Devon - Three Rivers (National Trust, Killerton); Luppitt Landscape Partnership (Luppitt Valley, Blackdown Hills); and Clinton Devon Estate's (Heaths to Sea, Lower Otter), which aligned with a number of Council plans and objectives.

The report provided details of the Heaths to Sea and Luppitt Projects and requested in-principle support for their objectives.

The Assistant Director introduced and welcomed Ms Beth Humphrey and Ms Kendal Archer of Clinton Devon Estates and Mr Gavin Saunders of Luppitt Landscape Partnership who delivered presentations to the Committee and answered questions.

Discussion and clarification included the following points:

- A reason for delivering landscape recovery is the hope that the activities being carried out will help to improve the health of the River Otter over the next 20 years.
- Clinton Devon Estates has committed to an Environmental Management Plan as part of their agreement with the Environment Agency, and a Ranger carries out monitoring across the Lower Otter Estuary looking at a range of species, along with ongoing monitoring through Citizen Science to ensure that the estuary is a healthy environment and habitat.
- The goal is to have a joined up landscape scale approach which would need Defra backing and funding; however, there are different sections of the project that could be

continued in isolation if Defra funding is withdrawn and other funding is sought elsewhere on a smaller scale.

- Approximately 98% of the land within the project area is owned by Clinton Devon Estates; not all of it is managed by Clinton Devon Estates and there are different management partners on the National Nature Reserve. Additionally, there are two individual land owners who are not connected to the National Nature Reserve and who are part of the project.
- One of the good features of this scheme compared with previous schemes is that Defra requires that a baseline of data is put in place in order that change can be measured over time.
- Luppitt Landscape Partnership is looking to consolidate and improve existing open access on the commons.
- Clinton Devon Estates has a dedicated website for their project – www.heathstosea.com – which is the starting point for their public engagement. They also use the Clinton Devon Estates and Pebblebed Heaths Conservation Trust social media as well as local parish newsletters and posters, to keep the public informed.

The Overview Committee noted the report and supported the nature recovery ambitions of the Heaths to Sea and Luppitt Landscape Partnership (LLP) Landscape Recovery Projects (with the caveat that where required planning and other approvals would need to be secured).

The Chair thanked the representatives of Clinton Devon Estates and Luppitt Landscape Partnership for their attendance and contribution.

59 **Work Programme 2025 - 2026**

Members received and noted the Overview Committee's Work Programme for 2025-2026. It was noted that a proposal submitted by Cllr Charlotte FitzGerald for the Committee's consideration was currently being progressed offline by officers in consultation with Cllr FitzGerald.

Attendance List

Councillors present:

B Collins
R Collins
A Hall (Chair)
M Hall
M Hartnell
Y Levine
D Mackinder

Councillors also present (for some or all the meeting)

R Jefferies
G Jung

Officers in attendance:

Sarah James, Democratic Services Officer
Charles Plowden, Assistant Director Countryside and Leisure
Anita Williams, Principal Solicitor (Deputy Monitoring Officer)
Simon Davey, Director of Finance

Councillor apologies:

- A Bailey
- B Bailey
- K Bloxham
- T Dumper
- P Fernley
- J Heath
- D Wilson

Chair:

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Audit and Governance Committee held at Council Chamber, Blackdown House on 29 January 2026

Attendance list at end of document

The meeting started at 2.35 pm and ended at 4.25 pm

35 Minutes of the previous meeting

The minutes of the Audit and Governance Committee held on 20 November 2025 were confirmed as a true record.

36 Declarations on interest

There were none given.

37 Public speaking

There were no members of the public wishing to speak.

38 Matters of urgency

There were none.

39 Confidential/exempt item(s)

There were none.

40 Audit Findings report 2024/25

The External Auditors (Grant Thornton) presented to the Committee the Audit Findings report 2024/25.

Considering the previous years' backstop position, the aspiration for 2024/25 was to undertake a full in year audit and seek to regain as much assurance on closing balances on 31 March 2025, recognising the limitations of the prior year opening balances qualification. The Draft 2024/25 financial statements were published ahead of the end of June 2025 deadline. The full post-statements audit commenced in late September 2025 and as of 26 January 2026 the in-year audit was well progressed.

The Chair and Director of Finance wished to thank The Finance Manager and his team for their hard work and effort in getting the Council to an almost completed Audit. They thanked Grant Thornton for their support in getting to this position of having a disclaimed audit opinion and set of accounts.

The Leader of the Council wished to thank the Committee Chair; Cllr Chris Burhop, for driving this forward over the past year.

RESOLVED:

That the Audit Findings report 2024/25 be noted.

41 **Revised Interim Auditors Annual Report (VFM) 2024/25**

The report summarised all the work undertaken for EDDC during 2024/25 as the appointed external auditor. The core element of the report was the commentary on the value for money (VfM) arrangements. In summary, the work had identified a continued positive direction of travel during 2024/25 with the Council making further progress since last year in strengthening VfM arrangements. Whilst stakeholders could take assurance from these improvements further work was required to develop fully effective arrangements.

It was agreed that this report was to be included on the Full Council agenda on 25th February 2026.

RESOLVED:

That the Revised Interim Auditors Annual Report (VfM) 2024/25 be noted.

42 **Statement of Accounts Annual Government Statement 2024/25**

The Council's Statement of Accounts for 2024/25 had been audited and was available to the Audit & Governance Committee for approval. A report was contained on the Agenda from the Council's external auditors Grant Thornton detailing the work carried out and audit conclusion. Members were asked to note the letter of representation to Grant Thornton in respect of the financial statements for the year ended 31 March 2025.

RESOLVED:

1. To adopt the 2024/25 Statement of Accounts and delegated authority is given to the Chair of Audit & Governance and the Finance Director (CFO/S151) to sign when all matters concluded.
2. That the letter of representation be approved and signed by the Chair of Audit & Governance and the Finance Director (CFO/S151).

REASON:

There was a legal requirement for the Council to approve the Council's Statement of Accounts, the Council had delegated this function to the Audit & Governance Committee.

43 **Annual report of Fraud & Compliance Work 2024-25 and Delivery Plan update**

The report presented covered the following:

- Actions and outcomes for work on fraud, error and compliance in the 2024-25 financial year.
- An update on the delivery plan that sits under the Fraud, Corruption and Compliance Strategy 2024-2028 that was approved at the Audit and Governance meeting in March 2024.

RESOLVED:

1. That the Audit and Governance Committee approve the continuation of the Fraud, Error, and Compliance Team's proactive and reactive work for the upcoming financial year, as outlined in this report, and that the Single Person Discount (SPD) review be repeated in three years, subject to input from Devon County Council (DCC).
2. That the Committee approve the annual review and reporting for the Delivery Plan as part of the Corporate Fraud, Corruption and Compliance Strategy 2024–2028.

3. That delegated authority be granted to the Assistant Director responsible for Fraud, Error and Compliance to update the Delivery Plan throughout the year in response to changes in legislation, emerging fraud risks, or auditor recommendations. These updates will be made in consultation with the Director of Finance and the Director of Governance.

44 **Information Governance Board Annual report**

The report provided an update on the work of the Information Governance Board that was set up by the Audit and Governance Committee to have oversight of information governance across the Council. It was important that the Committee received a yearly update on the work of the Committee.

During discussion it was agreed that the minutes from the Information Governance Board be included on future Audit and Governance Committee agendas, with any Part B minutes to be discussed under Part B.

RESOLVED:

That the Committee note the annual report.

45 **Audit and Governance Forward Plan**

Audit and Governance Committee Forward Plan items to be considered at the next committee included:

- Annual Audit Plan 2026/27 and Review of Internal Audit Charter
- Internal Audit Plan Progress
- External Audit Committee update
- Risk Policy update
- Financial Monitoring report update 2025/26 and Treasury Position Review
- Accounting Policies Approval
- Financial Monitoring report update 2025/26
- External Audit Accounts 2024/25 verbal update
- Information Governance Board updates

Attendance List

Councillors present:

C Burhop (Chair)

R Collins

O Davey (Vice-Chair)

C Fitzgerald

M Goodman

F King

Councillors also present (for some or all the meeting)

P Arnott

Officers in attendance:

Amanda Coombes, Democratic Services Officer

Peter Barber, Grant Thornton

Simon Davey, Director of Finance

Tracy Hendren, Chief Executive
Libby Jarrett, Assistant Director Revenues, Benefits, Corporate Customer Access, Fraud & Compliance
John Symes, Finance Manager
Gail Turner-Radcliffe, Grant Thornton
Melanie Wellman, Director of Governance (Monitoring Officer)
Dan Retter, Corporate Fraud and Compliance Officer

Councillor apologies:

I Barlow
C Brown
Y Levine

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of LATCo Shareholder Committee held at Council Chamber, Blackdown House, Heathpark Industrial Estate, Honiton EX14 1EJ on 4 February 2026

Attendance list at end of document

The meeting started at 8.25 pm and ended at 9.15 pm

22 Minutes of the previous meeting

The minutes of the meeting held on 19 November 2025 were confirmed as a true record.

23 Declarations of interest

There were none.

24 Public speaking

No members of the public had registered to speak.

25 Matters of urgency

There were no matters of urgency.

26 Confidential/exempt item(s)

There were no confidential/exempt items.

27 Governance update

The Streetscene Project Manager's report updated the Committee on activities relating to governance of the Company and sought agreement to key elements, specifically for controlling the LATCo through updating the Articles of Association and approving the Shareholder Agreement.

East Devon Environmental Services Ltd (the LATCo) was formally registered as a company in November 2025 and was starting operations to prepare for the handover of service delivery in July 2026. It was currently governed by model Articles of Association, and the Council controlled the company through its Shareholder Committee, which was a sub-committee of Cabinet. Extensive legal support had been provided by Bevan Brittan to support creation of the company and ensure effective governance and operating arrangements. The proposed Shareholder Agreement and the updated Articles had been produced by Bevan Brittan, working in conjunction with officers and members of the Shareholder Committee.

The Shareholder Agreement was a key document for governance and control of the company. It set out the framework for how the Council would exert its control as the sole owner of the company and strategic arrangements for how the company would operate. The document reflected the governance arrangements agreed by Cabinet in July 2025 and feedback from the review process had been incorporated into the final version. It was noted that the Shareholder Committee had authority to approve the Shareholder

Agreement and to agree future changes. It was a key function of the Shareholder Committee to monitor the Company's performance and the Shareholder Agreement set out the framework for this to happen.

The Articles of Association set out the basic structure and governance arrangements for the Company, which were built on the Shareholder Agreement. This included the structure of the Board, the role of Director and the issuing of shares. The Company was registered using template Articles of Association, which enabled its formal creation but must be updated to reflect requirements in the Shareholder Agreement and wider governance needs. Bevan Brittan had developed fully formed Articles which had been reviewed by the Monitoring Officer and officers within the Place Directorate.

Bevan Brittan had been instructed to produce proposals for the terms of reference for the Committee. These set out its purpose, functions and operating arrangements, to ensure it undertook the Council's role as owner of the Company in an effective manner. The Director – Governance updated the Committee that advice from the Company Secretary was that she be granted delegated responsibility to sign a written resolution on behalf of the Company to adopt the Articles of Association.

The Vice Chair had submitted a number of questions related to the reports in advance of the meeting. Full responses had been developed by the LATCo Project Team and reviewed by the Council's Monitoring Officer. These were attached as Appendix A to the minutes.

The Vice Chair requested clarification on the definition of days in section 9.3 of the Articles of Association, which he felt should be consistent and specific. It was agreed to replace 'seven calendar days' with 'five business days'.

The LATCo Shareholder Committee agreed that the definition of Observer in section 1.1 of the Shareholder Agreement should be amended to include 'observers have speaking rights at Board meetings but cannot vote on proposals'.

Following discussion of the Terms of Reference it was agreed that wording be amended under the competency heading to read that 'All members of the Shareholder Committee and Cabinet members attending as reserves must: (a) undertake mandatory training in the relevant law and procedures which relate to the Committee's work'. This replaced the previous wording which stated that members must 'have undertaken' training.

RESOLVED:

1. that the Shareholder Committee (SHC) review and agree:
 - a. the updated Articles of Association
 - b. the Shareholder Agreement
2. that the Shareholder Committee to review the proposed Terms of Reference and
 - a. endorse them and propose their consideration by the Constitutional Working Group as changes to the Council's Constitution.
 - b. agrees to operate within the Terms of Reference until such time as the Constitution is amended to regularise the activities of the Committee.
3. that the Shareholder Committee delegates authority to the Director – Governance to sign a written resolution on behalf of the Company to adopt the Articles of Association.

28 **Recruitment of Directors for East Devon Environmental Services Ltd**

The Streetscene Project Manager's report outlined proposed arrangements for constituting and operating the Board of Directors for East Devon Environmental Services Ltd. The report explained that the company was formally created and registered at Companies House in November 2025 and had subsequently been renamed as East Devon Environmental Services Limited. Two senior officers from the Council had been appointed as Company Directors, enabling it to be registered and to operate. It was intended that these appointments were a short-term measure while long-term arrangements for the Company Board were agreed and recruitment took place. Governance arrangements outlined in previous Cabinet reports created a Company Board of Directors consisting of the Managing Director, a Finance Director and three Non-Executive Directors.

It was noted that the Managing Director had been recruited and was due to start work on 16 February 2026. The role was as both a staff member and a Director. It was intended that the Monitoring Officer would formally register the postholder as a Director of the LATCo within 15 days of commencing their appointment.

There had been extensive discussion among stakeholders about roles within the Board and how to ensure it operated effectively. The report addressed and the Committee considered the roles of the Chair of the Board, the Finance Director and how the Company Secretary function would be delivered. It was noted that Association for Public Service Excellence (APSE) were supporting administrative arrangements for the Board and had been instructed to develop role profiles for the Chair and other Non-Executive Directors (included in the report).

The role of the Chair of the Board was set out in the report and discussed by the Committee. It was proposed to delay the appointment of the Finance Director and that alternative arrangements be made for financial scrutiny. A finance business partner or manager would be recruited into the LATCo staff. The role of executive Finance Director would be retained as a role on the Board which could be appointed at a future time by a recommendation of the Board of Directors to the Shareholder Committee.

Although there was no legal duty for a Company to have a designated Secretary it was felt that the functions of this role were integral to effective governance and compliance. In November 2025 the Shareholder Committee agreed to source specialist skills from APSE to carry out this role during the set up and initial trading period. APSE would act in an advisory capacity to the Board throughout 2026 and would train and support a member of the Board or Company's management team to take on the role. It was recommended that decisions on the long-term arrangements for Company Secretary functions were delayed until later in 2026, allowing time for the company and its Board to operate for a period. This would help to ensure that the Shareholder Committee made good decisions based on local circumstances.

The report explained the current structure of the Board was a Managing Director, a Finance Director and up to three Non-Executive Directors (NEDs). Pausing the recruitment of a Finance Director would leave four active positions on the Board, creating circumstances where voting or key decisions had potential to be tied, requiring the Chair's casting vote to be used. Therefore, it was recommended that a fourth NED was created and that the Shareholder Committee appoints to this role. This would add

additional capacity and experience to the Board and would also support effective decision making.

The roles profiles, criteria for appointment and the recruitment process for the NEDs and the Chair were set out in the report. It was best practice for LATCo Company Directors to have full independence from the Council, reflecting their legal duties to always act in the best interests of the Company. Although the objectives and interests of the Company were usually aligned with the Council, this was achieved through other governance arrangements, in particular by the Shareholder Committee. Therefore, the appointment of Directors should ensure that they were able to act independently and apply good judgement in all circumstances. Appointments and removal of Directors were controlled by the Shareholder Committee so it was essential that members of the Committee were involved throughout the selection process.

Clarification was provided in the meeting that the Chair of the Board was also an NED. It was also clarified that NEDs were office holders under company law, not employees. It was noted that Directors were treated as employees for the purposes of taxes on income, but not for employment rights legislation. Suitable contracts would be drawn up by Fitzgerald HR, ensuring that the NEDs were treated appropriately for both employment law and taxation on income.

The Shareholder Committee agreed that the recruitment panel should comprise of the Chair, Vice Chair and Portfolio Holder – Environment Operations. The Project Manager suggested that a SHC meeting be held immediately after the NED interviews so that the Shareholder Committee could review and ratify the decision. The Committee discussed the balance of the Board and the importance of recruiting the right people, which should reflect the nature of the community.

RESOLVED: that

1. the Shareholder Committee (SHC) approve that a Chair for the Board is selected and appointed as outlined within the body of the report.
2. the SHC agree that the Monitoring Officer arranges for the Managing Director to be appointed as a Director of the LATCo within 15 working days of them commencing their appointment.
3. the SHC agree that selection and appointment of a member of staff to the role of Executive Finance Director is paused for the reasons set out in the report and that the role remains unfilled on the Board until such time as the Shareholder Committee resolve to fill the vacancy.
4. an additional Non-Executive Director (NED) post is created, increasing the total available positions to four. When appointing NEDs, at least one should have extensive experience of strategic financial oversight and corporate legal and financial compliance, with specific responsibilities for strategic financial governance and compliance.
5. the SHC delegate responsibility to the Director of Place, in conjunction with the SHC Chair, to implement the proposals for recruitment of Non-Executive Directors, as set out in the report. Three members of the Shareholder Committee will form a panel to conduct the selection process and will make recommendations to the Committee for suitable arrangements.

29 **Project update**

The Shareholder Committee received a presentation from the Project Manager, Streetscene. He reminded members of project management structures and updated

them on the current position; the company had been created, the Shareholder Committee was operational, and temporary Directors and a Managing Director had been appointed. Project management structures were operating effectively and work was progressing across key workstreams.

Key risks of the project were:

- Achieving fleet maintenance contract procurement in timescale (the fleet needed to have its own contract in place).
- Establishing workplace pension provider in time for Managing Director arrival (need to procure a pension provider).
- Project cost overrun due to workstreams not identified and reliance on external advice to augment internal skills and capacity.
- Delays in recruiting key staff to the LATCo.

These risks were all being managed effectively.

The next steps were:

- Application for Fleet Operator's Licence (started).
- Implement procurement strategy for fleet maintenance.
- Develop detailed plan for delivery of Company financial arrangements.
- Onboard Managing Director and develop plan for full management team structure. The Managing Director was commencing on 16 February 2026 and an interim finance business partner was starting on 9 February.

The Project Manager, Streetscene updated the Committee on the IT, HR, fleet planning, communications, SUEZ demobilisation, and the company set up and governance workstreams, which were all on target. IT costs were likely to be below budget, whereas HR costs could over run due to the extended scope to include payroll and recruitment, but was currently delivering effectively. The finance workstream was at risk, but was now being reported as improving; the development of a plan for the finance workstream was critical to ensure effective delivery. Company branding was being worked on by an external communications agency and proposals would be presented to the Shareholder Committee.

The Committee noted the draft structure of East Devon Environmental Services Ltd. This would need to be reviewed once the Managing Director was in place. Any changes to the proposal would need to be agreed by the company's owner.

Plan B had completed a review of project management arrangements and effectiveness. Key areas to address were finance workstream, procurement of new supplier contracts and more robust arrangements for SUEZ demobilisation. It was noted that these had recently been addressed and further focus was needed. Members questioned why external assurance had been commissioned and the Chief Executive explained that the Council did not currently have the specific inhouse expertise for a programme review of a LATCo so critical friend assurance was sought.

The Portfolio Holder - Environment Operational updated the Shareholder Committee on SUEZ contract performance. He was pleased to report that the Christmas collection period went well and the teams had worked very hard during the recent floods. The Committee agreed that SUEZ provided a fantastic service. The Project Manager reassured the Shareholder Committee that communications with SUEZ staff were ongoing, both formally under TUPE and informally by EDDC staff. They were committed to ensuring that SUEZ staff would have the same terms of employment and were valued.

On behalf of the LATCo Shareholder Committee the Chair thanked the Project Manager for his presentation and the project update was noted.

30 **Appendix A - questions submitted relating to reports considered by the Committee on 4 February 2026**

Attendance List

Councillors present:

P Arnott
S Hawkins
G Jung
J Loudoun
T Olive

Councillors also present (for some or all the meeting)

R Collins
P Faithfull

Officers in attendance:

Simon Davey, Director of Finance
Tracy Hendren, Chief Executive
David Robertson, Project Manager Recycling and Waste
Alethea Thompson, Democratic Services Officer
Melanie Wellman, Director of Governance (Monitoring Officer)
Andrew Wood, Director of Place

Councillor apologies:

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Housing Review Board held at Council Chamber, Blackdown House, Honiton, EX14 1EJ on 22 January 2026

Attendance list at end of document

The meeting started at 10.00 am and ended at 12.00 pm

85 Minutes of the previous meeting

The minutes of the meeting held on 13 November 2025 were agreed.

86 Apologies

In the absence of the Chair who had given her apologies, the Vice Chair Simon Smith was in the Chair and it was agreed that Councillor Chris Burhop would act as Vice Chair for the meeting.

87 Declarations of interest

3. Declarations of interest.

Councillor Aurora Bailey, Affects Non-registerable Interest, She was a Council housing tenant..

88 Public speaking

There were no members of the public registered to speak.

89 Matters of urgency

There were none.

90 Confidential/exempt item(s)

There were no confidential/exempt items.

91 Housing Review Board forward plan

The Assistant Director – Housing Regulated Services presented the forward plan and advised members that the forward plan acted as a reminder of agenda items to come forward to future meetings.

The Board noted that the forward plan had been derived from previous meetings and requests, as well as the housing service plan. Service Managers were currently reviewing realistic time frames against each topic.

Members were reminded that they could add further reports and topics for discussion to the next forward plan by either informing the Assistant Director or the Democratic Services Officer.

RESOLVED:

To note the Housing Review Board forward plan.

92 **Draft Housing Revenue Account Revenue and Capital Budget report 2026-27**

The Finance Manager's report presented to the Board the draft revenue and capital budgets for 2026/27 relating to the Housing Revenue Account (HRA). Recommendations from the meeting would be presented back to Cabinet on 4 February 2026 to finalise the 2026/27 budget proposals to recommend to Council.

The HRA recorded expenditure and income on running the Council's housing stock and related services and facilities which were provided primarily for the benefit of the Council's own tenants. The HRA was a ring-fenced account within the General Fund, with strict legal and accounting rules to maintain separation from the General Fund. The HRA must always remain in surplus, and this needed to be considered when setting each year's budget and future planning. The Finance Manager's report explained what was considered as capital and revenue and that the Council was allowed to borrow to fund capital expenditure, but not revenue without specifically required central government permission.

The key revenue budget areas and general spending categories set by the Chartered Institute for Public Financial Accountability (CIPFA), and a brief summary of what was included in each was set out in the report:

- Income.
- Repairs and maintenance.
- Supervision and management.
- Other expenditure/special services.
- Capital charges.

The HRA was currently considered to be stable but continued to face, significant financial pressure in the medium to longer term. These pressures were being seen in other stock holding local authorities and arose from a range of factors including:

- A high stock investment requirement.
- Increased consumer and regulatory standards including new legal duties relating to damp and mould.
- General inflation.
- Net zero expectations.
- Disrepair claims.
- Complaint resolution.
- High void and decant costs.

In recognition of this the Council had developed a strategic plan to address the immediate pressures and ensure a long-term sustainable business model was in place to ensure it could provide safe, warm and regulatory compliant homes.

A financial sustainability / efficiency plan was in place to address and respond to the short-term financial pressures facing the HRA. This plan set out a range of measures to increase income and deliver savings over the next 5 years and included recommendations from the Chartered Institute of Public Finance & Accountancy (CIPFA), who undertook a health check of the HRA in 2024/25.

Savills, a market leading property consultancy, had also undertaken a business plan and options review. This led to the development of a 30-year Business Plan Financial Model which underpinned immediate and longer-term budget setting decisions. This model

underpinned budget setting for 2026/27 and would form the basis of a formally published 30-year Business Plan in 2026.

An Asset Management Strategy was also under development and would outline investment priorities over the medium term. This would reflect the findings of the stock condition survey completed in 2025 and would outline how the Council would effectively manage its assets ensuring investment was targeted and efficient.

Overall HRA income was expected to be £140k above the Business Plan target. The majority of the increase arose from a planned increase in service charge income. Total HRA costs were budgeted to be around £518k below the Business Plan target. The majority of saving in the current year derived from a reduction in repairs expenditure from improved contract management. The overall 2026/27 budget achieved a net positive position of + £658k above the Business Plan target.

The proposed capital budget priorities for 2026/27 had been influenced and informed by the stock condition survey and Business Plan review and included:

- Addressing category 1 and 2 hazards.
- Tackling damp and mould.
- Continuing to ensure regulatory compliance.
- Increasing the number of Decent Homes.
- Reduced responsive repairs through planned investment programmes.
- Addressing major repair works.
- Reducing void turnover times.
- Development and acquisition of new affordable homes.

The proposed capital programme amounted to a significant investment in the Council's housing stock. The investment would result in a substantial level of additional borrowing and an increase in the overall HRA debt burden. The servicing of the debt would be met from within the HRA revenue budget and therefore create further pressure on revenue in future years. The additional interest expense burden would be offset by efficiencies, savings, income generation and strategic asset disposals.

The Director – Finance informed the Board that the budget for 2026/27 presented a good picture, but there continued to be future pressures and investment requirements of the housing stock doing forward. It was noted that the information contained in the report was compared to the 2025/26 budget, not the actual current position of the 2025/26 budget. The Director – Finance reported that internal monitoring indicated that the budget was on target, with a capital underspend currently. This would need to be monitored in terms of delivery of the capital programme.

The HRA business plan would be presented to the next meeting of the Housing Review Board and a workshop session would be run for members in advance. The 30 year business plan would come alongside the asset management strategy.

RECOMMENDED: that the draft revenue and capital estimates are approved by the Housing Review Board and recommended to Cabinet to finalise the 2026/27 budget proposals.

'How we manage pre-court action and evictions in rentals'

The Housing Review Board received a presentation from the Rental Manager on how the rental team managed rent and service charge collections. The aim was to balance the collection of rent with the sustainment of tenancies, whilst ensuring the service was:

- Accountable.
- Fair.
- Efficient.
- Effective.
- Empathetic throughout the processes.

The rental team did not wait until the customer was already in debt before they started taking action. There were a number of recovery stages which were outlined to the Board and the Rental Manager also explained the process and steps involved in taking legal action. The possible legal outcomes were suspended possession order, adjournment on terms, outright possession order, possession forthwith or in 7/14 days, or the legal action is thrown out.

The Rental Manager gave the Board a case study of a recent customer saved from eviction through joint working with Rental and Options. Since 1 April 2025, working with Homemaker had prevented four homeless cases and saved customers £135,872.12 in debt. The rental team had made financial gains for customers of £15,050.29.

In summary, the Rental Manager explained that early intervention was used to try to sustain tenancies and avoid legal action. A well-defined rent recovery process helped maintain fairness and consistency across customer interactions. Balancing compliance with compassion supported customers facing financial challenges. Eviction was only used after persistent non-payment, and after multiple interventions to try to resolve the arrears had failed. Every customer was treated as an individual, with individual circumstances.

The Rental Manager was thanked by the Board for her presentation which set out how caring the Council's processes were. There was a robust system in place with the aim of having as few evictions as possible. In response to a question, she reported that there had been no evictions over the last year for rent purposes. There had been a few evictions over the last few months related to anti-social behaviour issues, persistent non-payers and property left empty.

On behalf of the Board, the Vice Chair in the Chair thanked the Rentals Manager and stated that the Council had a holistic resilience approach, with a lot of due diligence and several layers of protection for tenants.

94 **Income Management Policy**

The Rental Manager's report updated the Housing Review Board on how the Council's rental team dealt with the collection of rent and service charges. It outlined how customers in financial difficulties were supported, with both internal finance resilience team referrals and external sources of support which were free for customers to use. There were no legislative or material changes, but the previous policy was out of date, and the wording, grammar and formatting had been updated in consultation with the Tenant and Leaseholder Panel in June 2025.

The aim of the policy was to create a rent payment culture, thereby ensuring that rent and charges were collected quickly and effectively, whilst also offering help and support to tenants/licensees if needed or requested in matters relating to financial inclusion and the ability to manage their money.

RECOMMENDED: that Cabinet approve the proposed updated income management policy.

95 **Possession of council homes and garages policy**

The Rental Manager's report updated the Housing Review Board on how the Council's rental team dealt with the possession of council houses and garages. It established guidelines for the recovery of any Council property created by a breach of tenancy/licence, whilst supporting customers in matters relating to financial/social inclusion. There were no legislative or material changes, but the previous policy was out of date, and the wording, grammar and formatting had been updated in consultation with the Tenant and Leaseholder Panel in June 2025.

The policy outlined the Council's rental team's approach to the possession of Council dwellings and garages, after a breach of tenancy through non-payment of rent/service charges. The aim of the policy was to create a rent payment culture, thereby ensuring that rent and charges were collected quickly and effectively, whilst also offering help and support to tenants/licensees if needed or requested in matters relating to financial inclusion and the ability to manage their money effectively. It was emphasised that eviction was only used as a last resort.

It was noted that garages were not supposed to be used for storing anything other than a vehicle, which included mobility aids. The Assistant Director – Regulated Services reported that there were a number of work streams going into the review of garages, which would form part of the Asset Management Strategy and the Build and Buy scheme.

RECOMMENDED: that Cabinet approve the proposed updated possession of council homes and garages policy.

96 **Mutual exchange policy**

The Housing Solutions Manager's report presented the mutual exchange policy. This had been reviewed and updated to incorporate relevant changes in practice, outlining EDDC's approach to managing mutual exchange requests. EDDC was keen to promote mutual exchanges as a way of encouraging and promoting tenant mobility. Residents had been consulted through the Resident and Leaseholder Panel, with no changes to the policy content required.

In response to a question the Housing Solutions Manager reported that there had been 31 mutual exchanges in 2023/24, 56 in 2024/25 and 40 so far in 2025/26. Tenants could request to mutual exchange or be downsized. There were financial incentives for downsizing, as previously agreed by the Housing Review Board.

RECOMMENDED: that Cabinet approve the updated mutual exchange policy.

97 **Tenancy services - performance report 2025-26 quarter 3**

The Housing Review Board were presented with key performance indicators (KPIs) for quarter 3 of 2025/26 for tenancy services. The Tenancy Services Manager (Regulated Services) gave a presentation which summarised performance actions being taken to improve performance in rentals, estate management and sheltered housing functions within tenancy services.

100.19% of rent was collected in quarter 3, above the target of 98%. The rental collection figure was over 100% as rent was also collected for former tenancies, therefore counting towards income for that period. The rentals team demonstrated high performance with low tenant rent arrears and were within the top 25% of landlords nationally and the Tenancy Services Manager congratulated the Rental Manager and her team.

It was noted that there was a significant decrease in the number of Anti Social Behaviour (ASB) cases reported in quarter 3 compared to previous quarters. There were no evictions for quarter 3 of 2025/26, although there were court proceedings in progress due to rent arrears and ASB which could lead to evictions in the coming months. 42.36% of estate inspections had been completed in the first half of the six month cycle.

Tenancy visits were a joint objective for the Estate Management and Sheltered Housing teams. The purpose of visits was to not only offer support to tenants, but also to identify any tenancy management issues, wellbeing/safeguarding concerns and issues of disrepair. The estates team were on target to complete visits to general needs tenants. The estate management team were nearing full staff capacity and it was anticipated that the number of tenancy visits to general purpose properties would increase as a result. The target for sheltered housing tenants to be visited every year was 100%. So far 60.42% visits had been undertaken in 2025/26. Sheltered housing managers would be taking a more proactive approach to ensure that Mobile Support Officers were undertaking their tenancy visits. It was noted that initial findings indicated that visits had been taking place, but not recorded on the systems. Improvements were required in new tenant visits to be completed within 10 weeks of the tenancy start date. There were 18 new tenant visits outstanding across general needs and sheltered housing. Managers would be regularly monitoring team and individual performance to drive improvements in this area. The Tenancy Services Manager outlined other areas of improvement that was anticipated through the successful recruitment of outstanding posts in the estate management team.

The Tenancy Services Manager informed the Board that the Communities Team had provided seven Community Festive Hubs across the district, giving 210 hot Christmas meals to tenants. Activities included balloon modelling and Christmas crafts, decorating community spaces and carol singing. Colleagues from Devon Communities Together also attended the festive hubs to provide advice on staying warm and safe during the colder months and supported residents with practical guidance at a crucial time. In addition, mobile support officers arranged a carol service, lunch and festive quiz for 30 residents at Palmer House.

In response to a question, it was reported that tenant scrutiny/consultation fed into strategy and policy processes.

RESOLVED: that the housing performance report – tenancy services quarter 3 (2025/2026) is noted.

98 **Housing complaints - performance report 2025-26 quarter 3**

The Housing Performance Lead's report provided the Board with details on housing related complaints performance, and details of the ongoing complaints improvement action plan. The Board noted that there had been a continued trend of improvement in response times throughout the year. 74 % of stage one complaints were processed

within target timescales during quarter 3, with 92% of stage two complaints responded to within target timescales. The approach to complaint handling was continuously being reviewed, with processes and communication channels streamlined to ensure that tenants were receiving the best service possible. The slight decline in stage two complaints received was an initial indication of successful focus on resolving complaints in full at stage one of the complaints process.

It was noted that data was not included in the figures until a complaint was closed, therefore overdue and ongoing cases were not included in the data set. A review of how data was calculated would be undertaken to provide a more accurate picture moving forward.

The Housing Performance Lead's report highlighted two complex cases which had been resolved during the quarter. It was noted that support continued to be received from the Housing Complaints Panel and a mechanism was being developed to record compliments received.

The Director – Housing and Health congratulated the Housing Performance Lead and her team who had worked incredibly hard. Some cases had been extremely challenging and a reduction in complaints coming through was now being seen. This was a result of whole collective of teams of people working very hard and proactively. It was agreed that communication with tenants was key.

RESOLVED: that the Housing Review Board note the content of the report outlining the quarter 3 performance for housing-related complaints.

99 **Property and Assets - performance report 2025-26 quarter 3**

The Housing Review Board were presented with the performance headlines for property and assets in quarter three 2025/26:

- There was continuous improvement in tenant satisfaction with time taken to complete repairs – 68% in quarter three.
- 61% of tenants felt their home was well maintained, up from 55% in the same period last year.
- The number of repairs calls received were on a continuous downward trend, with missed calls at almost zero. The introductory recorded message was longer, which meant that the length of time taken to answer calls had increased.
- The average number of days to relet a home was 58 at the end of quarter two, but this rose to 141 days in quarter three due to three long term voids being let in the period.
- Compliance was in a strong position. There had been a delay in one asbestos management survey, and the outstanding electrical checks were due to no access.

It was noted that anything over two months was classed as a long term void and that there were currently 34 properties in this category. However, this only equated to 0.8% of the entire housing stock. The Assistant Director – Tenancy Services explained how long-term voids were managed and the finances and budget involved. Some previously neglected properties required significant levels of investment and therefore disposal would be considered.

The Board were given case studies of a fire damaged property, a major adaptation, and refurbishment at Trumps Court.

Questions were raised about the process for requesting an adaptation, the number of major adaptations undertaken and keeping district councillors up to date with plans for

properties. It was suggested that the councillor enquiry form was the most appropriate way for a councillor to enquiry about and respond to constituent enquiries in relation to vacant properties.

Positive feedback was given by a tenant Board member on a recent successful repair and the Director – Housing & Health replied that the service should be more forthcoming with the compliments it received.

RESOLVED: that the housing performance report – property and assets, quarter 3 (2025/2026) is noted.

Attendance List

Board members present:

Sid Forde, Tenant
Wang Tian, Independent Community Representative
Rosemary Dale, Tenant
Councillor Christopher Burhop (Vice-Chair)
Councillor Melanie Martin
Councillor Simon Smith (Chair)
Sara Clarke, Independent Community Representative
Rob Robinson, Tenants
Councillor Tim Dumper
Councillor Helen Parr
Councillor Roy Collins

Councillors also present (for some or all the meeting)

A Bailey
B Bailey
D Ledger
S Westerman
J Heath
P Arnott

Officers in attendance:

Simon Davey, Director of Finance
Darren Hicks, Tenancy Services Manager (Regulated Services)
Sarah James, Democratic Services Officer
Andrew King, Assistant Director for Housing (Regulated Services)
Andi Loosemore, Rental Manager
Andrew Mitchell, Housing Solutions Service Manager
Giles Salter, Solicitor
Catrin Stark, Director of Housing and Health
John Symes, Finance Manager
Alethea Thompson, Democratic Services Officer
Tanya Traylen, Housing Performance Lead

Apologies:

Rachel Browne, Tenant
Councillor Sarah Chamberlain
Councillor Mike Goodman

Councillor Steve Gazzard (non committee member)
Councillor Ian Barlow (non committee member)
Tracy Hendren, Chief Executive

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Personnel Committee held at Council Chamber, Blackdown House, Honiton on 28 January 2026

Attendance list at end of document

The meeting started at 10.00 am and ended at 11.02 am

12 Minutes of the previous meeting

The minutes of the meeting held on 10th September 2025 were confirmed as a correct record.

13 Declarations of interest

None.

14 Public speaking

None.

15 Matters of urgency

None.

16 Confidential/exempt item(s)

None.

17 People data

The Assistant Director – People and Performance presented her report, highlighting the following from the People Data set out to end of November 2025.

- Workforce size: Headcount increased from 556 to 565 and FTE from 519.35 to 529.34, bringing staffing close to the budgeted FTE of 565.4 and strengthening operational capacity for the final quarter. Of these, market supplements had been applied to 10 posts, totalling 22 employees in receipt of a supplement (up by 1 compared to the previous report).
- Vacancy administration changes were ongoing to improve alignment between HR and Finance systems; figures will change once reconciliation work is complete.
- Vacancies had increased slightly from 66 to 67, with 29 posts currently being actively recruited and 14 offers made. The average time to fill vacancies was 57.28 days, improving from 59.12 and well below the LGA benchmark of around 100 days.
- Combined turnover: 8.55% year to date, projected at 12.82% (below LGA average of 13.5%). 48 leavers to end of November, of which 81.2% voluntary and 27.1% career moves.
- Phased returns from sickness absence had been removed from reporting to improve benchmarking accuracy.
- Projected year-end absence: 10.60 days lost per FTE (improved from July forecast of 11.42, but above target of 8.5 and 2024/25 outturn of 10.28).

- Work-related stress remains the leading cause of long-term absence.
- Ongoing actions include wellbeing support, management training, complex case management, and enhanced mandatory stress-related training

Questions and comments from the committee included:

- Whilst recognising why removing phased return data helped give a clearer picture to the data, care must be taken to monitor any impact should there be a large number of employees in this phase at any one time;
- Members were reminded that phased return to work usually happened up to a maximum of a six week period and was carefully managed between the manager and HR professionals, handled consistently across the authority;
- Members were assured that succession planning was taken into consideration as part of the process of service planning, and the impact on smaller teams was taken into account;
- Long term sickness data had been separated out into the report as requested by the committee; however it was not possible to benchmark this with other authorities or the CIPD as that data was for all absences;
- Welcoming the 5.71 days lost per FTE per annum as a positive indicator, as that was well below the LGA expectation of approximately 8 – 9 days per employee;
- Reported stress absences were recorded where possible into a work/personal split, and both managers and HR business partners worked with the employee to help understand the reasons behind the absence to work on solutions to help that individual return to work.

The Committee noted the report.

18 **People Strategy update**

The Assistant Director – People and Performance presented her report on the newly launched People Strategy, with an update on progress made.

As a reminder to Members, the report set out the basis of the strategy following extensive staff engagement. The strategy was launched on 25 November 2025, and sets out ambitions under three themes:

Connect (belonging, engagement, leadership and accountability),
Grow (development, capability building and future readiness), and
Thrive (wellbeing, inclusion, resilience and readiness for change).

The launch was supported by a virtual all-staff briefing led by the Chief Executive and Assistant Director - People and Performance, alongside management floor walks, depot visits, and informal “Coffee, Cake & Connect” sessions to encourage dialogue and feedback.

The People Focused strategy provides stability and reassurance during LGR, reinforcing organisational commitment to staff and supporting wellbeing, engagement and change management during a period of uncertainty.

Progress since the launch includes:

- Weekly staff newsletter rebranded as *One Team East Devon*, aligned to the strategy themes.
- Continued development of the staff hub, with strong engagement (390 views on the People Focused page).
- Volunteers sought for staff-led groups under Connect and Thrive.

- Publication of the supporting action plan, *Focusing on Action*.
- Ongoing communication and follow-up on staff survey actions.
- Change and Resilience workshops piloted, with wider rollout planned for 2026.

Next steps covered:

- Establishing staff-led engagement groups and develop a Communication and Engagement Plan
- Launch a mentoring programme, review recruitment and induction processes, and create a Managers Hub.
- Develop an Equality, Diversity and Inclusion training programme, refresh one-to-one and performance reviews, and roll out Change and Resilience workshops.

Questions and comments from Committee members included:

- Senior staff undertaking floor walks were a positive approach;
- Refreshed people strategy was timely to help staff cope with the approaching changes brought by local government reform;
- One Team East Devon ethos helped break down silo working.

RESOLVED that the Personnel Committee

1. noted the successful launch of the People Strategy – People Focused.
2. endorsed the ongoing implementation of the strategy and key actions.
3. supported continued engagement and communication to embed the strategy across the organisation.

19 **Staff survey update**

The Assistant Director – People and Performance advised the Committee of the 60% response rate to the staff survey. To address anonymity concerns, respondents were only asked to identify their directorate. Independent analysis was supported by People Insights.

The headline results were:

- Overall engagement score: 63%.
- Strengths identified:
 - Strong teamwork (84% agree teams work well together).
 - High levels of manager support (79%).
 - Positive work–life balance and flexibility (72%).
 - Majority find work meaningful and fulfilling (75%).
- Areas for improvement:
 - Leadership visibility and communication (34% agree leaders are visible and approachable; 39% feel feedback is acted upon).
 - Workload and capacity (54% feel workload is manageable).
 - Bullying and harassment: 27% reported witnessing incidents in the past 12 months, although 65% feel confident raising concerns.

Actions taken and underway included:

- Ongoing communication with staff, including publication of full results, infographics and “you said, we did/will” updates, with clear links to the People Strategy and action plan.
- Survey results reviewed in depth at SLT away days, informing leadership priorities and commitments.

- The People Strategy (*People Focused*) launched, with a live action plan demonstrating how staff feedback has shaped priorities and actions, including the introduction of staff-led feedback groups.
- Leadership commitments introduced for each People Strategy theme, supported by individual SLT people pledges published on the staff hub. Progress is now a standing SLT agenda item.
- Directorate-specific actions identified, with each directorate agreeing three priority areas based on their survey feedback.
- Mandatory training review underway, including increased frequency of bullying and harassment training (from three to two years) and the introduction of preventing sexual harassment training in November 2025.
- Workload and capacity addressed through Cabinet-led prioritisation, Directorate Plans identifying work to stop or pause, and ongoing review of resourcing pressures.

The committee were advised that the next steps would be:

- Delivery of actions will be monitored through the People Strategy (*People Focused*) and the *Focusing on Action* plan, with defined measures for each theme.
- Regular progress reporting to SLT and updates to Personnel Committee.
- Further targeted surveys planned, alongside a commitment to annual staff surveys, to track progress over time, particularly in the context of Local Government Reorganisation.
- Acknowledgement that culture change will take time, requiring sustained focus, consistency and clear long-term outcomes.

Questions and comments from the Committee included:

- Praise for the work achieved by a largely new senior management team in a short space of time;
- Wellbeing resources were being pulled together to be in once place for ease of access for all staff;
- Care not to generate survey fatigue;
- Councillors should be viewed as a resource for ideas whilst mindful of not impacting on operational decisions; such suggestions should go via the relevant Portfolio Holder or through the Councillor Enquiry form.

The Committee noted the report.

20 **Corporate Health and Safety Policy update**

The Assistant Director – Environmental Health provided a report to the committee, which set out that the Council has had a Corporate Health and Safety Policy in place for many years. While the Chief Executive signs an updated policy statement annually, the core policy format dates from 2004 and was last fully reviewed in 2017. As a result, it no longer fully reflected organisational changes or developments in health and safety practice.

These updates were:

- Reflecting the current organisational structure.
- Wording revised and clarified.
- Responsibilities of Members explicitly clarified.

There were no questions from the Committee, therefore it was

RESOLVED that revised Corporate Health and Safety Policy be approved.

Attendance List

Councillors present:

E Rylance (Chair)
J Loudoun (Vice-Chair)
P Arnott
K Blakey
T Dumper
J Heath
Y Levine
E Wragg

Councillors also present (for some or all the meeting)

Officers in attendance:

Matthew Blythe, Assistant Director Environmental Health
Debbie Meakin, Democratic Services Officer
Gemma Roberts, Assistant Director for People and Performance
Melanie Wellman, Director Governance (virtual)

Councillor apologies:

A Bailey
B Bailey
V Bonetta
J Brown
N Hookway
S Jackson

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Leisure Strategy Delivery Forum held at Online on 13 January 2026

Attendance list at end of document

The meeting started at 6.30 pm and ended at 8.11 pm

29 Minutes of the previous meeting held on 16 September 2025

The minutes of the previous meeting were noted as a true and accurate record.

30 Declarations of interest

Minutes 34 – 39. Councillor Mike Goodman, Councillor sits on the management committee of Sidmouth Cricket Club.

31 Public Speaking

No members of the public had registered to speak at the meeting.

32 Matters of urgency

There were no matters or urgency.

33 Confidential/exempt item(s)

There were two confidential/exempt items (minutes 38 and 39 refer).

34 LED Facilities and Activities update January 2026

The LED Chief Operating Officer presented this report which provided an update on recent activities, highlighting both positive community initiatives and challenges such as increased competition and shifting user trends.

The Forum noted the report.

35 LED KPI Dashboard November 2025

The Forum received and noted key details of the performance of LED Community Leisure for November 2025. Members briefly discussed attendance trends, site-specific impacts and the effects of competition.

36 Cranbrook Leisure Centre update

The Leisure Manager provided an update on the progress of the Cranbrook Leisure Centre scheme by the project team including the appointment of design consultants, engagement with Sport England, and plans for a public consultation in February.

The Forum noted the report.

37 **Playing Pitch Strategy update**

The Leisure Manager presented an update on the draft Playing Pitch Strategy outlining the methodology, key findings, collaboration with local councils, and next steps for consultation with a view to finalising the Strategy and Action Plan by end March 2026. He thanked consultants Strategic Leisure for their work on the project.

Discussion included the following points:

- Auxiliary facilities such as changing rooms are part of the assessment process and, working with national governing bodies, the strategic plan will provide evidence of need which will support clubs to access grant funding.
- It is important to get the Strategy agreed and protect the facilities required to influence and inform the delivery of the Local Plan.
- The Strategy will become a key archive to hand over to the new organisation following Local Government Reorganisation, identifying what the challenges, opportunities and assets are, and ensuring there is an accurate record all in one place.

The Forum asked officers to consult with Parish and Town Councils on the draft key principles set out in the report along with the Playing Pitch and Outdoor Sports Strategy Executive Summary and Action Plan and return to Committee with feedback and final edition for endorsement.

The meeting went into private session.

38 **Leisure Project update**

The Leisure Manager introduced this update report and Rachel Fowler of Strategic Leisure delivered a presentation to Forum members.

Members discussed the content and asked direct questions.

RECOMMENDED to Cabinet: to note the contents of this update.

39 **Flamingo Pool verbal update**

The Forum received a verbal update on Flamingo Pool as part of the Leisure Project update (minute 38 refers).

Attendance List

Councillors present:

P Arnott
K Bloxham
M Goodman
S Hawkins (Chair)
N Hookway
G Jung
F King
J Loudoun
S Smith

Councillors also present (for some or all the meeting)

R Collins
P Faithfull
M Hall
S Jackson

Officers in attendance:

Mike O'Mahony, Senior Leisure Officer
Tim Child, Assistant Director Place, Assets & Leisure
Sarah James, Democratic Services Officer
Andrew Wood, Director of Place

Councillor apologies:

P Hayward

Representatives of LED Community Leisure in attendance:

Richard Purchase, Chairman of LED Board
Olly Swayne, LED Chief Executive
Matt Wright, LED Chief Operating Officer

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of CommitteeName held at MeetingLocation on MeetingDate

Attendance list at end of document

The meeting started at MeetingActualStartTime and ended at MeetingActualFinishTime

Attendance List

AllUsrTyp(CX)PresentAttendcommentShortRolesRows

GuestInattendanceAttendCommentShortRows

Officers in attendance:

OfficerInattendanceAttendcommentTitleRows

Apologies:

MembersUsrTyp(CX)ApologiesAttendcommentShortRows

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Arts and Culture Forum held at Online on 26 November 2025

Attendance list at end of document

The meeting started at 10.05 am and ended at 12.30 pm

1 Public speaking

There were no members of the public registered to speak.

2 Minutes of the previous meeting

The minutes of the meeting held on 16 April 2025 were agreed.

3 Declarations of interest

4 & 6. Declarations of interest.

Councillor Ian Barlow, Affects Non-registerable Interest, He was a Director of Sidmouth School of Arts, which had received Arts Council England funding.

4. Declarations of interest.

Councillor Nick Hookway, Affects Non-registerable Interest, He was a Devon County Councillor and an Exmouth Town Councillor.

4 & 6. Declarations of interest.

Councillor Olly Davey, Affects Non-registerable Interest, He was an Exmouth Town Councillor and the town council had received Arts Council England funding.

4. Declarations of interest.

Councillor Sarah Jackson, Affects Non-registerable Interest, Her employer ran an arts and culture venue.

4. Declarations of interest.

Councillor Vicky Johns, Affects Non-registerable Interest, She worked for the South West Academy of Fine and Applied Arts, and was the Mayor of Ottery Saint Mary.

4 Arts Council England presentation

The Chair welcomed Simon Jutton, Senior Relationship Manager, Arts Council England to the meeting. He explained that Arts Council England was the national development agency for creativity and culture. It was an arm's-length body accountable to the Department for Digital, Culture, Media and Sport (DCMS) and was the distributor of National Lottery funds. It had nine offices, with its headquarters in Manchester and the South West Office in Bristol. The total income for 2024/25 was £843 million, which was split between Grant In Aid (£580 million) and Lottery receipts (£263 million).

Application decisions were based on the Arts Council ten-year strategy, 'Let's Create:

- The vision was that by 2030 England would be a place where everyone had the chance to unlock their own creativity, and have access to a wide range of high quality cultural experiences.
- It was built around three outcomes:

- Creative People.
- Cultural Communities.
- A Creative and Cultural Country.
- It was also built around four investment principles:
 - Ambition and quality.
 - Inclusion and relevance.
 - Dynamism.
 - Environmental responsibility.

Simon explained that the outcomes were about everyday creativity; how culture connected and operated within communities and in partnership with the professional sector, including internationally.

Arts Council work involved advocacy, investment and development.

During 2024/25 Arts Council England (ACE) invested £74 million in arts culture in southwest England:

- National Portfolio Organisations – about £36.6 million.
- Arts Council National Lottery Project Grants – about £12.4 million a year.
- Music Education Hubs – about £12.9 million.
- Strategic Funds - £11 million in 2024/25, but could vary enormously.

Development wise ACE offered expertise, advice and strategic interventions. The South West team held 22 artform and thematic specialisms, from dance to philanthropy, from international work to creative health. To support development in the cultural sector ACE offered a range of funding pots.

In terms of advocacy ACE offered:

- Intrinsic value.
- Economy.
- Health.
- Education.

Simon was thanked for his presentation and answered questions on the ACE application process, future funding for local authorities and support given by ACE to other councils that had gone through Local Government Reorganisation and Devolution in relation to culture.

5 **Villages in Action presentation**

The Forum received a presentation from Mair George, Creative Director, Villages in Action detailing the work of Villages in Action (VIA) and how this related to the East Devon Cultural Strategy. The presentation outlined the success of VIA and the performances that were taking place in East Devon.

Since the last meeting of the Arts and Culture Forum Villages in Action had been successful in securing its fourth consecutive Arts Council England National Lottery project grant to continue to develop the Agri Culture network and activities across rural Devon. Agri Culture started on 1 October 2025 and was a multi-faceted project focussing on four main areas:

- Live performances.
- Active participation workshops and sessions.
- Organisational development.
- Local artist and creative practitioner support.

East Devon was a key area for Villages in Action and with the uplift received from EDDC an East Devon Connector had been recruited. VIA were focussing on connectivity, working collectively and collaboratively, sharing best practice and exploring the potential for joint funding bids over the next six months.

As part of the present performance programme VIA had supported local artists at various stages of their career development and at different stages of their performance development. Various examples were given to the Forum. Feedback from audiences was that people appreciated the work of VIA, rural communities recognised the uniqueness of VIA and enjoyed the intimacy and connection that its activity cultivated.

A network connector event was held in East Devon in October with 13 potential community curators and partners, along with local creative. They represented a diverse mix of spaces and perspectives. It was an opportunity to discover what people wanted for their communities and to find out what motivated the people 'that do' in those communities. A consistent thread was community, well-being and inclusion, as well as affordability. VIA's bespoke model was adapted for differing communities and venues.

Following the presentation, questions were asked about the income from ticket sales, how artists and venues were found, and how connections were made.

On behalf of the Forum the Chair thanked the VIA Creative Director for her presentation.

6 **Museums Development South West presentation**

Jo Cairns, Museum Development Officer for Museum Development South West (MDSW) gave the Forum some background to MDSW. They were a team of museum and heritage development specialists working with the museum and heritage sector in the South West to effect positive, lasting change and deliver public value. MDSW received 53% of its funding from Arts Council England.

£360,000 was invested annually into nine Museum Development Officers (MDOs). 47% of this investment was secured from 18 local authorities across the South West. Local place-based MDOs were essential for the delivery of effective sector development providing:

- Responsive 1-2-1 development support.
- Facilitated access to specialist technical support.
- Understanding the role museums play within local communities.
- Trusted relationships – providing continuity.
- Connect, network and collaborate.
- Vital and informed advocates.

MDSW worked in partnership with EDDC with funding provided through the Shared Prosperity Fund. There were six accredited museums receiving support (A La Ronde, Allhallows Museum, Axminster Heritage Centre, Sidmouth Museum, Fairlynch Museum and Arts Centre, Killerton House) and there were four others not yet accredited, but still receiving support due to funding from EDDC (Axe Valley Heritage Museum, Exmouth Museum, Ottery St Mary Heritage Museum, Whimble Heritage Centre). Priority museums were museums that were accredited through the Arts Council England accreditation programme (Allhallows Museum, Axminster Heritage Centre, Fairlynch Museum and Arts Centre and Sidmouth Museum). Arts Council funding was received by MDSW for accredited museums. The accreditation scheme run by Arts Council England

ensured that museums were adhering to a certain standard. Being accredited showed that a museum was working to a particular standard and opened up opportunities for grants as a lot of funding was only open to accredited museums.

All the priority museums were accessing development support (target 60%), with 50% of the priority museums accessing three or more different development support opportunities. Eight of the ten (80%) museums and heritage organisations in the area were engaged in MDSW development support.

Projects delivered so far in 2025/26 included:

- £2,000 investment in Exmouth Museum and Axe Valley Heritage Museum participating in 'Reducing the Risks: Hazards in Collections' programme funded by National Lottery Heritage Fund.
- MDSW Collaborative Capacity Builder Grant Funding was enabling three museums (Axe Valley Heritage Museum, Exmouth Museum and Whimble Heritage Centre) to take part in a Volunteer Leaders Wellbeing Day at Dartington Hall.
- Axminster Heritage Centre had participated in the MDSW Organisational Health Check Programme.
- Ongoing support for Exmouth Museum to strengthen their governance by converting to a Charitable Incorporated Organisation.

The Museum Development Officer explained that in 2024/25 EDDC received a 247% return on its investment from MDSW. It received:

- £9,900 in local Museum Development Officer support.
- £2,850 specialist and technical services in conservation, collection care and volunteering development, including ongoing support to Exmouth in Volunteering Fit for the Future programme.
- £400 access to technical accreditation advice by three museum organisations.
- £720 training with 12 delegates from 5 museums.

On behalf of the Forum the Chair thanked the Museum Development Officer for her presentation.

7 **Screen Devon presentation**

The Chair welcomed Claire Horrocks, Manager of Screen Devon to the meeting. Claire explained that she worked 2.5 days a week and a Film Officer was employed for 4 days a week. Screen Devon had established strategic partnerships and industry connections over the past year, both locally and nationally. Because work was service-based, the most significant investment was in its people – the Manager and Film Officer. This ensured that funding directly supported high-quality, evidence-based delivery rather than administrative overheads.

Screen Devon was approaching its first year of activity and the 2025-26 Impact Report was about to be published.

2025 priorities were:

1. Attract more productions to Devon by promoting desirable filming locations.
2. Boost the economy by driving investment towards local crew and suppliers.
3. Highlight Devon's potential as a film-friendly location.
4. Support and develop local talent.
5. Track and report on the economic impact of film and TV in Devon.
6. Collaborate with Southwest and national partners.

- Promote sustainability by developing clear, actionable policies and create a dedicated resource centre for productions whilst looking at neighbouring areas for inspiration.

The headline impact and outcomes across Devon were:

- £9,000,000 projected production spend in 2025-26 (260% increase on 2024/25 and 190% above the projected 2025/26 forecast).
- 1000 web visits per month.
- 254 filming days, 126 prep days and 44 strike days.
- Social media reach increased by over 3000% from July-November.
- 13 local productions supported.
- 19 events hosted/attended by Screen Devon.

As Devon's regional screen agency, Screen Devon had implemented core film office services, opening potential for a streamlined and professional offer for incoming productions, including:

- Production support.
- Location database and scouting.
- Local authority film office network.
- Supplier directory.

Screen Devon were supporting local crew by providing direct guidance, promoting local talent to incoming productions, sharing opportunities, and acting as a key connection point between crew, productions and regional partners. The aim was to ensure that local professionals were visible, informed and ready for work. 120 crew were now registered and 50 crew opportunities were shared. Screen Devon aimed to understand Devon's crew and skill gaps, and to further develop skills.

Screen Devon were seeking a 12-month funding commitment of £10,000 for 2026/27 from each local authority to ensure continuity, attract major productions and deliver measurable economic and cultural benefits for the county. This would:

- Formalise Screen Devon's Screen Agency function.
- Develop the local crew pipeline.
- Enhance economic data capture and reporting.
- Scale services sustainably.
- Support Screen Devon in achieving sustainable long-term results, allowing it to work to an in-depth strategy, plan effectively and build on the new connections made during 2025, leading to more resilience and evolution.

On behalf of the Forum the Chair thanked Claire for her fantastic presentation and again emphasised the importance of networking and developing relationships and connections.

8 **East Devon Cultural Strategy progress and budget request**

The Cultural Producer's report provided the Forum with a summary of progress made on the East Devon Cultural Strategy and set out a request for an internal budget to continue delivering cultural activity. The UK Shared Prosperity Fund (UKSPF) programme funded by central Government would end in March 2026, with no replacement likely to benefit East Devon. Without future funding, there was a high risk that the momentum which had been generated in the delivery of the Cultural Strategy would stall.

The East Devon Cultural Strategy (2022 – 2031) was made up of 31 potential work programmes. Four years (and almost half-way) into delivery of the strategy six of the 31 programmes had been completed, 23 had made good progress and only two were yet to be started. The Cultural Programme had been allocated £37,985 this financial year

through the UKSPF and to date had overachieved on targets, with good value for money observed. As the continued delivery of the Cultural Strategy and the Tourism Strategy was a corporate priority, it was felt that there was a strong strategic case for providing a rolling budget for this.

The Cultural Producer outlined some of the themes of the strategy currently in progress and successes so far. There had been particular focus on the theme of 'strengthen and support the people that do', delivering 23 training sessions to the Arts and Culture East Devon (ACED) network since 2023, recognising volunteers through an annual ACED volunteer of the year award, and highlighting over 80 volunteering opportunities on the ACED website. Another theme that had made significant progress was Cultural Tourism, with the creation of the East Devon Cultural Map.

In terms of the theme 'creative enterprise and skills', the ACED mentoring programme was set up last year and six young people to date had gone through the programme, which provided pathways to employment and increased capacity of the local cultural sector. In terms of 'protecting and enhancing the natural environment through culture' the THG hosted regular climate conversation events and through the Carbon Action Fund (funded through the UKSPF) grants had been given for decarbonisation equipment to cultural venues. Finally in terms of 'connectivity' the Cultural Producer explained that she had co-ordinated nine ACED network meetings at rotating venues across the district.

The culture budget request was:

- Arts and Culture East Devon network: £2,500
- Creative East Devon fund: £20,000
- Villages in Action: £5,000
- Screen Devon: £10,000

This would be in addition to the existing internal Arts Development budget of £14,000 (£10,000 for Villages in Action and £4,000 for Museums Development South West). It was also hoped to accommodate a minor uplift of support for Museums Development South West of 8.8% (£4,355) in 2026/27 and 4.6% (£4,530) in 2027/28. It was noted that the culture budget request sat alongside a tourism budget request in order to continue delivery on the tourism strategy, which was integral to cultural strategy delivery. It was felt that small rolling budgets for culture and tourism should be regarded as investments to help secure additional income whilst protecting the existing revenues already generated.

The Cultural Producer was thanked for her informative report.

RECOMMENDED: that Cabinet approve the request of an internal budget of £37,500 to continue the successful delivery of the Cultural Strategy in 2026/27 as part of the budget-setting process.

9 **Thelma Hulbert Gallery update**

The Gallery Manager and Curator gave the Forum a summary of the Thelma Hulbert Gallery (THG) activity for 2025. The theme for 2025 was 'community and place'. The aim was to strengthen ties with both the local and artistic communities through the following initiatives:

- Encouraging emerging artists.
- Collaborating with local artists and photographers.
- Bringing renowned artists to a rural setting.
- Continuing climate-focused exhibitions.

- Embedding equality, diversity and inclusion (EDI) and accessibility into programming and delivery.

The Gallery Manager and Curator explained that the current Arts Council England project grant funding of £29,000 to support delivery for 18 months was coming to an end in March 2026. Just under £30,000 was being requested from the Arts Council to ensure the continuation and growth of the Youth Network and engagement programme that enriched the THG exhibition and wider programme. The support would also enable the gallery to maintain its vital focus on key priorities such as:

- Equality, Diversity and Inclusion.
- Addressing the climate emergency.
- Supporting emerging artists.
- Bringing renowned artists to the rural community.

The current Arts Council funding had seen the gallery interact with over 1,500 people across seven different locations and 50 different events, including schools workshops, community events and gallery workshops.

The Gallery Manager and Curator also outlined to the Forum THG achievements during 2025:

- Refurbishment and refresh from January to March 2025.
- Ashish Ghadiali exhibition – featured three high-profile films focusing on climate and racial justice.
- James Ravillious – An English Eye – this solo exhibition achieved the highest visitor attendance in ten years (3,270), with 42% of the visitors new to the gallery. It was the most viewed exhibition online, with 3,200 website visits to the home page (double the average).
- THG Open 2025 – there were over 460 entries for this biennial exhibition, with 104 artists selected. Sales increased by 50%, rising from £4,387.25 in 2023 to £6,582.46 in 2025.
- CAMP (Contemporary Art Membership Platform) – an exciting and dynamic network of artists based in Devon and Cornwall.
- Present Makers – a record-breaking 90 entries were received and 70 artists selected.

Engagement with the THG had been high with social media success and during the summer over 790 people visited THG's offsite and gallery activities. THG sold out of the five days of Summer Art Week activities for 11- to 17-year-olds.

Oh behalf of the Forum, the Chair thanked the Gallery Manager and Curator for her fascinating report and congratulated her on the success of the Gallery and increase in figures.

RECOMMENDED: that Cabinet note and support a funding bid to the Arts Council to support the Thelma Hulbert Gallery to:

- Enrich the Exhibition Programme by delivering an ambitious engagement programme that benefits the wider East Devon community — including local schools and our expanding Youth Network.
- Develop the Youth Network into a region-wide platform that extends beyond the gallery, engaging young people who may not otherwise have access to creative opportunities — such as those with school-related anxiety and young people leaving care.
- Reframe opportunities for young people by introducing live projects and creative briefs designed to build skills, confidence, and pathways into the creative industries.
- Expand internship opportunities through partnerships with Exeter College and support for care leavers.
- Continue to focus on the climate emergency by developing Climate Conversations into a Climate Symposium – a day to carve out space and time to inspire creatives to protect

and enhance the natural environment through their creative practice, share expertise and network in a participatory, supportive and solutions focused event of interactive workshops and talks.

Attendance List

EDDC Councillors present:

O Davey
P Fernley
N Hookway
V Johns
I Barlow
S Gazzard
P Faithfull
S Jackson

Town Representatives

S Gazzard, Exmouth Town Council
I Barlow, Sidmouth Town Council

Officers in attendance:

Graham Whitlock, Theatre and Arts Centre Manager (Manor Pavilion Theatre)
Gemma Girvan, Gallery Manager and Curator
Mark Barrow, Interim Director Place
Caitlin Davey, Events Officer
Sarah Elghady, Cultural Producer
Sarah Jenkins, Democratic Services Officer
Geri Panteva, Senior Economic Development Officer
Chloe Woodman, Assistant Director - Communications, Digital Services and Engagement
Alethea Thompson, Democratic Services Officer

Also Present

Cllr R Collins
Jo Cairns, Museums Development South West
Claire Horrocks, Screen Devon
Mair George, Villages in Action
Wendy Van Der Plank, Villages in Action
Simon Jutton, Arts Council England

Apologies:

C Buchan, Cranbrook Town Council
M Hall

Chair

Date:

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Asset Management Forum held at online on 19 January 2026

Attendance list at end of document

The meeting started at 9.30 am and ended at 10.20 am

18 Notes from the previous meeting held on 29 September 2025

The minutes from the previous meeting were confirmed as a correct record.

19 Declarations of interest

Minutes 23,24 & 26

Councillor Paul Hayward, Affects Non-registerable Interest; employed as Clerk to Axminster Town Council; and Devon County Councillor

Minute 23

Councillor Olly Davey; Affects Non-registerable Interest; Member of Exmouth Town Council;

Minute 23 and 24

Councillor Nick Hookway; Affects Non-registerable Interest: Member of Exmouth Town Council

20 Public speaking

None.

21 Matters of urgency

None.

22 Confidential/exempt item(s)

There was one item dealt with this way, set out under minute 26.

23 Placemaking & Major Projects team update

The report set out updates on the work carried out by the Placemaking and Major Projects team. Highlighted to the Forum were:

Exmouth Placemaking Plan

- Final draft reviewed in September 2025, focused on deliverable projects.
- Public consultation held November–December 2025; feedback currently under review.
- Feedback to be shared with the PETS group imminently.
- Target adoption in Spring 2026.
- Adoption sought jointly by East Devon District Council, Exmouth Town Council, and Devon County Council.
- Report expected to progress to Cabinet in April.

Stalled Employment Sites

- Multidisciplinary team established to progress sites.
- Cloakham Lawns, Axminster:
 - Land transfer progressing; target completion Spring 2026.
 - Planning application preparation underway; submission targeted for Summer 2026.
- Harepath Road, Seaton:
 - Site being marketed by Vickery Holman.
 - Offers currently being reviewed.
- Colyford Road site, Seaton:
 - Delivery options under review; update to be provided once finalised.
- Hayne Lane site, Honiton:
 - Valuation underway to support sale negotiations.

Cranbrook Scheme

- Delays experienced due to slow progress on land transfer.
- Legal work on land transfer now largely resolved; transfer expected in February [current year].
- Planning application already submitted and pending consideration, with decision anticipated by end of the month.
- Pre-Construction Services Agreement commenced at the beginning of the month.
- Construction cannot begin until land ownership is secured.
- Completion anticipated in Autumn 2026[current year].
- Funding timescales have been extended by agreement to reflect land transfer delays. In response to questions from Members, clarification was provided that funding is not adversely affected due to the agreed extensions and commencement of construction can start when the land transfer has occurred.

The Forum noted the report.

24 **Estates team update**

The report before the Forum highlighted aspects of the work of the Estates team, including community asset transfers, lease events, rental income, and capital receipts.

Community Asset Transfers

- Update provided on ongoing work by the Estates team in collaboration with Members.
- Work builds on the Stewardship Report approved by Cabinet in July.
- Good engagement reported with town councils.
- A cross-party Portfolio Holder Working Group has been established.
- A Project Initiation Document (PID) has been prepared to support programme delivery through to Local Government Reorganisation.
- A Part B Cabinet report is in preparation, setting out the post-programme approach and next steps.
- Resource requirements highlighted as critical to success, including capacity within the team, as well as Legal Services, Street Scene and Finance.

Lease Events and Rental Income

- Members noted that rental uplift varies year-on-year depending on lease events.
- Officers agreed it would be helpful to provide clearer context in future reports, including percentage increases and source of uplifts.

Capital Receipts

- Capital receipts total in excess of £270,000 for the financial year to date.

Redgates Employment Units (Exmouth)

- Three units successfully let; the fourth remains under marketing with viewings scheduled.

The Forum noted the report.

25 **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

26 **Lease events report**

The Forum noted the upcoming lease events due.

Attendance List

Councillors present:

P Arnott
P Hayward (Chair)
G Jung

Councillors also present (for some or all the meeting)

I Barlow
R Collins
O Davey
N Hookway

Officers in attendance:

Tim Child, Assistant Director Place, Assets & Leisure
Naomi Harnett, Corporate Lead (Interim) – Major Projects & Programmes
Debbie Meakin, Democratic Services Officer

Councillor apologies:

T Olive
S Hawkins

Chairman

Date:

Report to: Council



Date of Meeting 25 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Final Auditor's Annual Report (year ending 31 March 2025)

Report summary:

This report sets out the Audit & Governance Committee recommendation to Council arising from their consideration of the final Auditor's Annual Report for the year ending 31 March 2025 on 29 January 2026.

Note: The references in this report to Paper A relate to the relevant report considered by the Audit & Governance Committee with recommendations for Full Council to consider and are appended to this report for reference.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

- 1. That Council notes the final Auditors Annual Report (VfM) 2024/2025**

Reason for recommendation:

This report sets out a summary of the work undertaken by Grant Thornton for East Devon District Council during 2024/2025 as the appointed external auditor.

Officer: Andrew Melhuish, Democratic Services Manager (andrew.melhuish@eastdevon.gov.uk)

East Devon District Council

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Final Auditor's Annual Report
Year ending 31 March 2025

11 February 2026



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The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for East Devon District Council during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the Council are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014

We also consider the Annual Governance Statement and undertake work relating to the Whole of Government Accounts consolidation exercise.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of a local authority has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State. They may also issue:

- Statutory recommendations to the full Council which must be considered publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures, which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. The NAO has consulted on and updated the Code to align it to accounts backstop legislation. The new Code requires auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year, and for the audited body to publish the AAR thereafter. This new deadline requirement is introduced from November 2025.

Local government – context

Local government has remained under significant pressure in 2024/25

National

Past



Funding Not Meeting Need

The sector has seen prolonged funding reductions whilst demand and demographic pressures for key statutory services has increased; and has managed a period of high inflation and economic uncertainty.



Workforce and Governance Challenges

Recruitment and retention challenges in many service areas have placed pressure on governance. Recent years have seen a rise in the instance of auditors issuing statutory recommendations.

Present



Financial Sustainability

Many councils continue to face significant financial challenges, including housing revenue account pressures. There are an increasing number of councils in receipt of Exceptional Financial Support from the government.



External Audit Backlog

Councils, their auditors and other key stakeholders continue to manage and reset the backlog of annual accounts, to provide the necessary assurance on local government finances.

Future



Funding Reform

The UK government plans to reform the system of funding for local government and introduce multi-annual settlements. The state of national public finances means that overall funding pressures are likely to continue for many councils.



Reorganisation and Devolution

Many councils in England will be impacted by reorganisation and / or devolution, creating capacity and other challenges in meeting business as usual service delivery.

Local

East Devon District Council (the Council) is a district council with a population of around 148,000 residents. Recent data indicates that the population is expected to increase by 19,992 (13%) by 2031. East Devon is a largely rural area but also has market and coastal towns, including the new community of Cranbrook. The population of East Devon has an older age profile with an average age of 51.3 years compared to the national average of 40.4 years. This trend is set to grow with the 65+ age range forecast to increase more than any other age range, growing from 30.1% of the population in 2017 to 32.5% by 2027. An ageing population impacts on the provision of public services, health care, housing, the labour market and economic growth within the local area.

It is within this context that we set out our commentary on the Council’s value for money arrangements in 2024/25.

02 Executive Summary

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Executive Summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the Council’s arrangements is set out below. Further detail can be found on the following pages.

In summary, our work has identified a continued positive direction of travel during 2024/25 with the Council making further progress since last year in strengthening VFM arrangements. Whilst stakeholders can take assurance from these improvements further work is required to develop fully effective arrangements.

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Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	R Significant weakness in relation to the financial health of the Housing Revenue Account (HRA). One key recommendation and three improvement recommendations raised.	One risk of significant weakness identified in relation to the financial health of the Housing Revenue Account.	R The HRA budget for 2024/25 was rebased in July 2024 due to unanticipated overspends in the prior year. This has resulted in further deterioration in reserves and balances at 31 March 2025. Whilst good progress has been made as confirmed in the 2024/25 outturn position, reserves are low, so this remains a significant weakness for 2024/25.
Governance	R Significant weakness identified in relation to accounts preparation and the audit process. One key recommendation and five improvement recommendations raised.	One risk of significant weakness identified in relation to accounts preparation and audit.	A The Draft 2024/25 financial statements were produced ahead of the end of June 2025 deadline. Our audit of the 2024/25 statements indicates a stepped change in the Council’s commitment and ability to produce materially accurate statements and support the challenging audit process. Whilst a qualification remains and more work is required to regain full assurance this is an important first step.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified. Four improvement recommendations raised in relation to improving economy, efficiency and effectiveness.	One risk of significant weakness identified in relation to standards of service provision for housing.	A There has been no General Fund key performance indicator data shared with any committee since December 2023. A new key performance indicator reporting system is in the process of being upgraded. We raise one improvement recommendation around the introduction of the new system.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendation(s) made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the Council's arrangements in respect of value for money.



Financial sustainability

The Council recorded a small underspend (£0.712 million) against budget on the General Fund for 2024/25 and has further strengthened General Fund balances in year.

The Council has proactively taken steps to return the Housing Revenue Account (HRA) to financial sustainability as 2024/25 progressed. This included rebasing the 2024/25 HRA budget in July 2024. Other actions include making changes to staffing; rolling out training; engaging for the preparation of an Asset Management Strategy; and preparing to move to a planned rolling programme of maintenance to reduce dependency on reactive repairs work.

Whilst the revised HRA budget was achieved, reserves have been further depleted during 2024/25 and this area remains a significant weakness.

The Council is currently restructuring to create a Project Office that can oversee savings delivery corporately.



Governance

Relationships between officers and members appear to be working well, facilitating decision making. For example, complaints that the Standards Committee received updates on fell from 33 in November 2023 to 9 in January 2025.

Our audit of the 2024/25 statements indicates a stepped change in the Council's commitment and ability to produce materially accurate statements and support the challenging audit process. Whilst a qualification remains and more work is required to regain full assurance this is an important first step.

There are other positive findings around governance: The Local Government Association carried out a review of progress with previous recommended actions in November 2024 and was able to report that 89% of all previous recommendations around governance, scrutiny and standards have now been implemented by the Council.

However, Management should be prompted to respond in a timely fashion to internal audit recommendations.



Improving economy, efficiency and effectiveness

There has been no General Fund key performance indicator data shared with any committee since December 2023. We are aware that progress against the Council's action plan has been shared instead; and that the key performance indicator reporting system is in the process of being upgraded. The new upgraded system will need time to be fully embedded.

A new partnerships policy was adopted in November 2024.

Internal Audit have indicated that almost all recommendations on electrical safety in the housing stock have been actioned by the Council.

During a strategic review of leisure, the Council identified that break clause arrangements in one thirty-year contract needed clearer wording. An amendment was agreed with the contract partner to bring wording inline with best practice. We see this as an example of the Council being vigilant in its approach to contract management.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the Council’s financial statements and sets out whether we have used any of the other powers available to us as the Council’s auditors.

Auditor’s responsibility

2024/25 outcome

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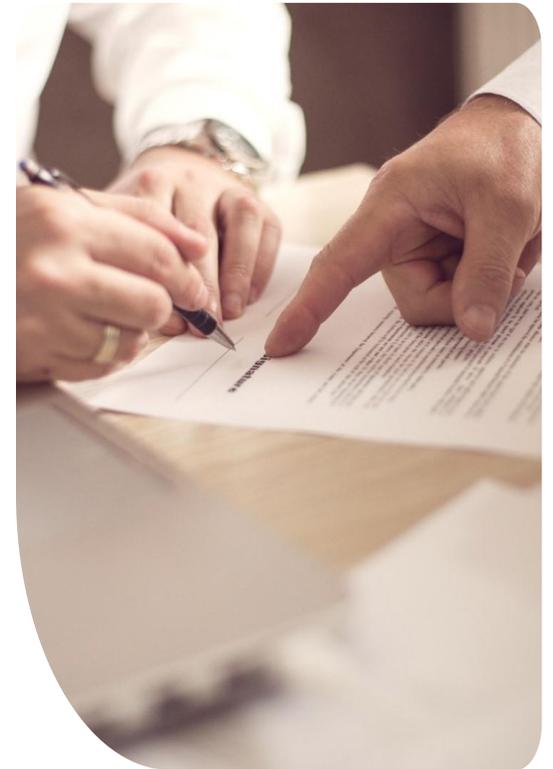
Opinion on the Financial Statements

The Council published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline. Our audit of the 2024/25 statements indicates a stepped change in the Council’s commitment and ability to produce materially accurate statements and support the challenging audit process. The audit this year has not been without challenges but whilst our proposed opinion for 2024/25 remains qualified and the Property Plant and Equipment issues arising this year will be reflected in this qualification, Assurance can be taken that the Council is moving forward and is now much better placed to regain full audit assurance in future years.

As a result of the prior years backstops we were unable to form an opinion on the financial statements for 2024/25 and issued a modified, disclaimer opinion on the 2024/25 financial statements on 11 February 2026.

Use of auditor’s powers

We did not exercise our statutory powers.



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the Council's financial statements, and whether we have used any of the other powers available to us as the Council's auditors.

Audit opinion on the financial statements

The Council published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline. Our full post-statements audit commenced in late September 2025 and as at 19 January 2026 our in-year audit is well progressed.

Our audit of the 2024/25 statements indicates a stepped change in the Council's commitment and ability to produce materially accurate statements and support the challenging audit process.

Whilst lots of progress has been made in our Property Plant and Equipment (PPE) testing, our work this year continues to identify issues that individually and cumulatively are indicative of material error. The main areas of concern relate to the valuation of your leisure facilities, play areas and your depreciation charges. Given the backstop from prior year, it was never going to be possible to regain full assurance over PPE in 2024/25 but a key action for 2025/26 will be for the Council to prioritise these areas to ensure they are correctly valued going forward.

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Grant Thornton provides an independent opinion on whether the Council's financial statements:

- give a true and fair view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2024/25
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

We will conduct our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

Our findings are set out in our Audit Findings report that was presented to the Audit & Governance Committee at the end of January 2026. A final version of this report was issued alongside our auditor's opinion on 11 February 2026.

Other reporting requirements

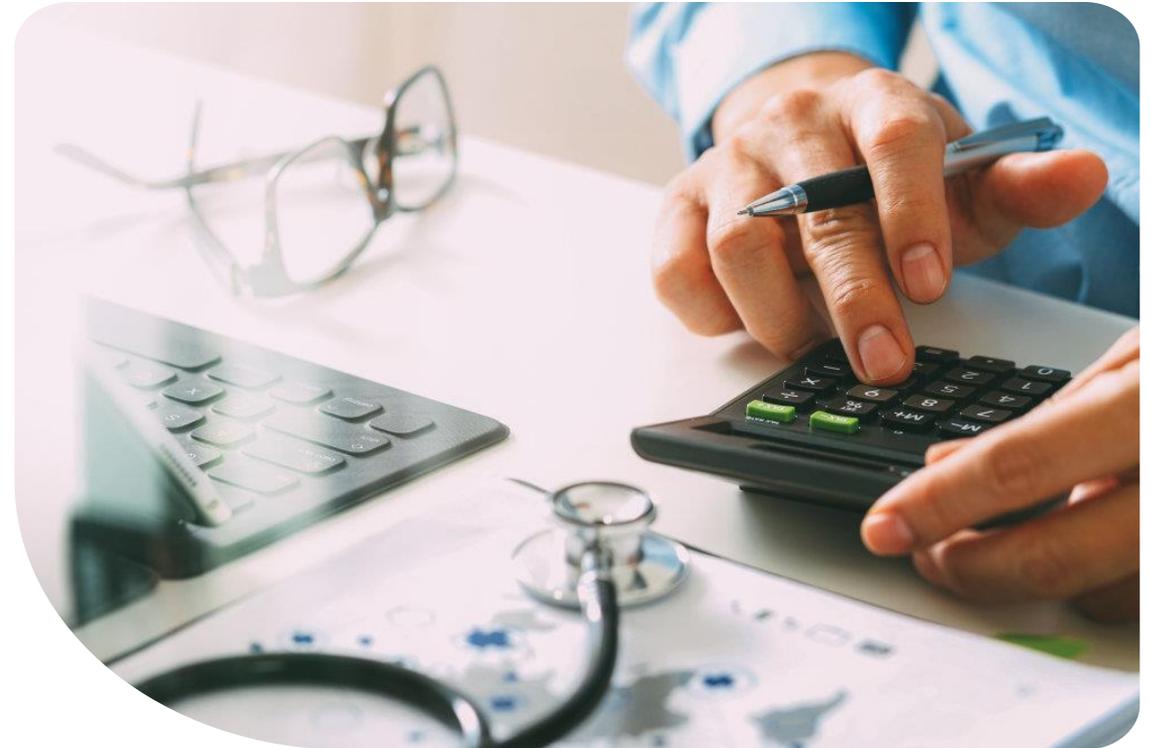
Annual Governance Statement

Under the Code of Audit Practice published by the National Audit Office we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting, or is misleading or inconsistent with the information of which we are aware from our audit.

We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our work is now complete in this area and there are no issues that we have identified in respect of compliance with the Code.

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04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All Councils are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Councils report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

page 152



Financial sustainability

Arrangements for ensuring the Council can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the Council makes appropriate decisions in the right way. This includes arrangements for budget setting and budget management, risk management, and making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the Council delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

page 153

identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The Council incurred a small underspend (£0.712 million) against budget on the General Fund for 2024/25 and has further strengthened General Fund balances in year. The General Fund Balance stood at £4.8 million at the end of 2024/25. This is at the upper end of the General Fund’s preferred minimum prudent amount.

For the HRA, we reported a significant weakness in arrangements for financial sustainability in 2023/24 due to significant, unplanned overspends that adversely affected reserves and balances. Unplanned overspends on repairs and maintenance in 2023/24 involved commitments that had to be honoured in 2024/25 and as a result the Council proactively rebased the 2024/25 budget in July 2024. This impacted on the Council's ability to finance the HRA capital programme and resulted in an increase in HRA borrowings and a reduction in HRA reserves by the end of the year.

The Council was proactive during 2024/25 in taking steps to return the HRA to financial sustainability as the year progressed. This included making changes to staffing; rolling out training; engaging for the preparation of an Asset Management Strategy; and preparing to move to a planned rolling programme of maintenance to reduce dependency on reactive repairs work. However, it will take time for these measures to take full effect. Whilst the revised HRA budget was achieved for 2024/25, the overall reduction in reserves and increase in borrowing still needs time to be addressed, as can be seen on page 16 of this report.

R

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them (continued)

As the table below shows, HRA reserves fell in 2024/25 and HRA borrowings increased. We note that the Council had assessed the minimum prudent amount on the HRA reserve to be £3.1 million (or £2.1 million after allowing for headroom). By the end of 2024/25, the balance stood at £1.764 million – and had therefore fallen below the Council’s minimum prudent amount. We further note that it was only after the end of the year that an up-to-date Stock Condition Report for the HRA was available to officers to inform future budgeting for the HRA.

	31 March 2024 £	31 March 2025 £	Direction of travel
HRA General Reserve	3,100,000	1,764,000	↓
HRA Earmarked Reserves	982,995	162,194	↓
Right to Buy/ Capital Receipts Reserve	6,096,493	5,703,470	↓
HRA Borrowing	87,212,823	92,515,479	↓

R

page 154

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability (continued)

Significant weakness identified in relation to financial sustainability

Key Finding: Unplanned overspends on repairs and maintenance in 2023/24 involved commitments that had to be honoured in 2024/25 and as a result HRA reserves and balances have fallen further during the year and HRA borrowings have increased. There are steps already underway to rebuild financial sustainability, but it will take time for these to embed into normal business practice and for full financial turnaround to be achieved. In the meantime, a new Stock Condition Report became available shortly after the end of 2024/25 and needs to be taken into account in future planning.

Evidence: HRA financial reports; discussion with officers.

Impact: Reduced financial sustainability in the HRA. The HRA General Reserve is currently lower than its assessed minimum prudent amount.

Key recommendation 1

KR1:

Steps taken so far to rebuild sustainability in the HRA should be advanced, reflecting the outcome of the recent Stock Condition Report and should be embedded into business practice. This should include planning into the medium term to ensure deemed minimum balances are reinstated. The Council estimates that it will take a number of years to recover the HRA financial position which should include reserves and balances back at prudent levels and in year expenditure not exceeding income.

Financial sustainability – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

page 156

plans to bridge its funding gaps and identify achievable savings

The Council's plans for Transformation are contained within its Financial Sustainability Model. Savings have traditionally been driven by service reviews carried out by individual services. However, the Council is currently restructuring to create a Project Office that can oversee savings more corporately. In specific areas, for example around leisure, there have been workshops during the year to involve members in future decisions around efficiency.

The latest ten-year medium term financial plan indicates that budget gaps after ten years could be met with service cuts. In the run up to potential re-organisation, it will be important that current opportunities for efficiency now continue to be actively explored and promoted. This is already occurring. For example, the Council has undertaken good work around increasing efficiency in the future leisure contract, regardless of the fact it will run after local government reorganisation is expected. This is proactive and a good example to follow in other areas of the Council's business as the wider changes to the political landscape of Devon are agreed.

G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities	Planned spend is consistent with the Council's corporate priorities. Prior year overspends on the Housing Revenue Account are being addressed through the budget process; changes to team members; and updated training for team members so that they are clear on which spend is or is not legally required.	G
ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system	<p>The Medium-Term Financial Plan is consistent with other corporate plans.</p> <p>On the capital programme, month 9 data showed that there had been significant slippage in the planned General Fund capital spend (from a budget of £35 million to a forecast of £22 million). Affected areas included spend through the Economy and Regeneration directorate (£4.7 million) and through Street Scene (£8 million). We note that within the Economy and Regeneration team, there were difficulties in identifying projects to proceed with that met the required funding criteria. Within Street Scene, there were examples of new part funding from other sources being identified in the year. Overall, the information provided to Cabinet was granular and oversight over the programme was good.</p> <p>The capital programme for 2025/26 anticipates the overall value of the capital programme increasing back to around £31 million.</p>	G

page 157

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the Council:

Commentary on arrangements

Rating

identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans

Financial risks are monitored and shared with the Audit and Governance Committee via the corporate risk register. The most recent corporate risk register included two financial risks: One around sufficiency of resources to deliver corporate resources, and one around the Housing Revenue Account Balance. The Corporate Risk Register records planned mitigations. We note that the Council assessed the Housing Revenue Account Balance risk as RED both before and after mitigation. Given that by the end of 2024/25 the Housing Revenue Account Balance is forecast to stand at £1.776 million whereas the minimum prudent amount even without allowing for headroom stands at £2.1 million, the decision to record this risk as RED/ RED on the register seems reasonable.

G

page 158

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

page 159

monitors and assesses risk and how the Council gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Council used a SPAR.net system for collecting, assessing and managing risk during 2024/25. The Council's Risk Management Policy states that the risk register will be shared bi-annually with the Audit and Governance Committee. For 2024/25 it was only shared once - in January 2025. However, progress on a project to replace the current system was shared twice in the year (September 2024 and January 2025). There were risk training and workshop events through the year for directors, assistant directors and corporate managers. Furthermore, officers inform us that a new risk and performance management system went live on 3rd April 2025. As an interim, before the system went live, details were recorded on spreadsheets, with all data being held and monitored there.

The Internal Audit service is provided by the South-West Audit Partnership, and the relationship works well. We note however that there have been some delays by the Council in implementing Internal Audit recommendations. For 2024/25, there were 123 open recommendations to address by the end of Quarter 3. There is work across the Council to introduce better dashboard reporting once a new risk and performance management system is introduced. Stronger prompting to management to action internal audit recommendations should be explored as part of this work. By year end, Internal Audit reported that 40% of their recommendations had been actioned.

A

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: For 2024/25, there were 123 open recommendations to address by the end of Quarter 3. There is work across the Council to introduce better dashboard reporting once a new risk and performance management system is introduced. Stronger prompting to management to action internal audit recommendations should be explored as part of this work.

Evidence: Internal audit progress reports and discussion with officers.

Impact: Slow implementation of internal audit recommendations increases risk of control weakness becoming significant.

page 160

Improvement Recommendation 1

IR1: Management should be prompted to respond in a timely fashion to internal audit recommendations.



Governance – commentary on arrangements

We considered how the Council: [Commentary on arrangements](#)

Rating

<p>approaches and carries out its annual budget setting process</p>	<p>Notwithstanding the overall budget underspend by year end on the General Fund, we note that there were some areas of variance through the year. For example, at the end of month 9, areas reporting variances against budget of between 10% and 35% included corporate business services; economy and regeneration; strategic development and partnerships; sustainable homes; and finance. At year end , two areas were reporting variances of 20% against budget – finance; and sustainable homes and communities. The Council has asked Internal Audit to carry out a review of variances causes, with a view to strengthening budget setting arrangements in the future.</p> <p>We note that for the Housing Revenue Account, a new Stock Condition Report and thirty-year business plan will be available for the 2026/27 budget setting process.</p>	<p>G</p>
<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The Council has not had an audited set of financial statements since 2020/21 and production of the draft accounts was often late, this resulted in a significant weakness in this area in the prior year. The Council published its draft 2024/25 financial statements ahead of the 30 June 2025 deadline.</p> <p>Our audit of the 2024/25 statements indicated a stepped change in the Council’s commitment and ability to produce materially accurate statements and support the challenging audit process.</p> <p>Whilst lots of progress has been made in our Property Plant and Equipment (PPE) testing, our work this year continues to identify issues that individually and cumulatively are indicative of material error. The main areas of concern relate to the valuation of your leisure facilities, play areas and your depreciation charges. Given the backstop from prior year, it was never going to be possible to regain full assurance over PPE in 2024/25 but a key action for 2025/26 will be for the Council to prioritise these areas to ensure they are correctly valued going forward.</p> <p>We note that Cabinet received regular budget and treasury monitoring data throughout 2024/25. We note that by the end of 2024/25, the General Fund had made total loans of some £15.8 million to the Housing Revenue Account to minimise the need for new external borrowing at a time of raised interest rates.</p>	<p>A</p>

page 161

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee

There are positive findings around governance:

- The Local Government Association carried out a review of progress with previous recommended actions in November 2024 and was able to report that 89% of all previous recommendations around governance, scrutiny and standards have now been implemented by the Council;
- A new Chief Executive Officer was appointed to the Council in May 2024 (the role previously having been shared by three key officers). Senior officers and members have worked well together on exploring budget improvements;
- East Devon District Council (EDDC) is one of eight councils in Devon to have submitted a joint proposal to the government for reorganisation. The EDDC leader and senior officers played a key role in co-ordinating the work for this proposal with the other Councils involved; and
- The Audit and Governance Committee meets regularly; has access to appropriate training; and has approved the recruitment of two new independent members (the first of whom took up post at the end of 2024/25).

G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the Council:

Commentary on arrangements

Rating

monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour

There are arrangements for compliance with legislative and regulatory standards rest on the Constitution; the Monitoring Officer; and Contract Procedure rules.

There are arrangements in place for complaints to be made against members where necessary. However, we are pleased to note that the number of complaints being dealt with by the Standards Committee is much lower now (9 updated in January 2025) than was the case in previous years (33 updated in November 2023), which suggests that most relationships are working well.

We note that the Constitution was in the process of being updated at the time we completed our work.

G

page 163

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness – commentary on arrangements

We considered how the Council:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	There has been no General Fund key performance indicator data shared with any committee since December 2023. We are aware that progress against the Council's action plan has been shared instead; and that the key performance indicator reporting system is in the process of being upgraded. The new upgraded system will need time to be fully embedded.	A
evaluates the services it provides to assess performance and identify areas for improvement	The Council has responded well and at pace to recommendations made by Centre for Governance and Scrutiny and the LGA Peer Review. Internal Audit reported in July 2025 that almost all issues raised by the Regulator for Social Housing on electrical safety have now been addressed.	G
ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives	The Council has effective arrangements for partnership working in place. A new Partnerships Policy was introduced in November 2024, and this includes defined arrangements for monitoring and review of partnership working. The Council is proactive in making sure that strategic partnerships remain fit for purpose. For example, it commissioned a strategic review of the Science Park partnership in 2024/25 and is now engaged in reviewing best future arrangements for waste and leisure partnerships.	G
commissions or procures services, assessing whether it is realising the expected benefits	Budgetary approval has been granted for the recruitment of a new in-house procurement officer. Updating and streamlining arrangements will be part of the new officer's remit. During a strategic review of leisure, the Council identified that break clause arrangements in one thirty-year contract needed clearer wording. An amendment was agreed with the contract partner to bring wording inline with best practice. We see this as an example of the Council being vigilant in its approach to contract management.	G

page 164

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Improving economy, efficiency and effectiveness (continued)

Area for Improvement identified: identifying and delivering recurrent savings

Key Finding: There has been no General Fund key performance indicator data shared with any committee since December 2023. However, we are aware that the key performance indicator reporting system is being upgraded.

Evidence: Reports to committees; discussion with officers.

Impact: Gap in performance reporting to members.

page 165

Improvement Recommendation 2

IR2: The new upgraded key performance indicator system needs to be embedded within the business and used in 2025/26.



05 Summary of Value for Money Recommendations raised in 2024/25

Key recommendation raised in 2024/25

page 167

	Recommendation	Relates to	Management Actions
KR1	<p>Steps taken so far to rebuild sustainability in the HRA should be advanced, reflecting the outcome of the recent Stock Condition Report and should be embedded into business practice. This should include planning into the medium term to ensure deemed minimum balances are reinstated. The Council estimates that it will take a number of years to recover the HRA financial position which should include reserves and balances back at prudent levels and in year expenditure not exceeding income.</p>	<p>Financial sustainability (page 17)</p>	<p>Actions: Good progress has been made, and a suite of regular reports are presented to the Housing Review Board to evidence progress against the financial position, stock condition updates, and the business plan which includes financial sustainability measures and evidence.</p> <p>Responsible Officer: Director for Housing and Health; and Director for Finance.</p> <p>Due Date: Ongoing, latest position reported 1st July 2025.</p>

Improvement recommendations raised in 2024/25

page 168

	Recommendation	Relates to	Management Actions
IR1	Management should be prompted to respond in a timely fashion to internal audit recommendations.	Governance (page 22)	<p>Actions: Actions already taken with improved organisational awareness, reporting and responsibility. Latest report to Audit and Governance Committee 24th July 2025 showed a continuing improved position with 49 actions closed since last reported. This will be kept under review by SLT.</p> <p>Responsible Officer: SLT</p> <p>Due Date: Ongoing, with quarterly reporting to the Audit and Governance Committee.</p>
IR2	The new upgraded key performance indicator system needs to be embedded within the business and used in 2025/26.	EEE (page 27)	<p>Actions: There is currently a live project being implemented. There have been difficulties with the supplier which has delayed progress and the Council is currently reviewing its options moving forward.</p> <p>Responsible Officer: Director for Governance.</p> <p>Due Date: March 2026.</p>

page 169

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

page 170

Prior Recommendation	Raised	Progress	Current status	Further action
<p>KR1 The Council needs to review all assumptions and models used in developing the 2024/25 budget to ensure it has an accurate and robust base budget. The Council also needs to update and agree a sustainable HRA business plan as a matter of urgency and ensure that prudent levels of HRA reserves are maintained over the medium term by mitigating the impact of annual deficits on reserves. That plan should reflect the maintenance requirements of the housing stock condition survey, decarbonisation programme and other financial pressures.</p>	2023/24	<p>Unplanned overspends on repairs and maintenance in 2023/24 involved commitments that had to be honoured in 2024/25 and as a result HRA reserves have fallen in value and HRA borrowings have increased in value. There are steps already underway to rebuild financial sustainability, but it will take time for these to embed into normal business practice and achieve the financial turnaround hoped for. We raise a new key recommendation for 2024/25.</p>	Superseded	<p>N/A. We raise a new key recommendation on page 17 of this report.</p>
<p>KR2 The Council should ensure that the annual draft accounts together with associated working papers are published in accordance with the national timetable.</p>	2023/24	<p>Accounts for 2021/22, 2022/23 and 2023/24 were all backstopped. There had been issues with the timelines of accounts preparation. The Council created a new post to support faster closing on draft accounts preparation for 2024/25. Recruitment to that post is ongoing.</p> <p>A draft statement of accounts for 2024-25 has been published. We will conclude our judgements on whether the Council is able to fully support the audit process later in the year, once the post-statements audit is in progress.</p>	<p>Please see page 9.</p>	<p>Assurance can be taken that the Council is moving forward and is now much better placed to regain full audit assurance in future years. Further work will be required in 2025/26 to continue this recovery.</p>

07 Appendices

page 171

Appendix A: Responsibilities of the Council

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Council's Chief Finance Officer is responsible for preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom. In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Council's ability to continue as a going concern and use the going concern basis of accounting unless there is an intention by government that the services provided by the Council will no longer be provided.

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the Council’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment

As part of our planning, we assess our knowledge of the Council’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements, we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

 **A range of different recommendations can be raised by the Council’s auditors as follows:**

Statutory recommendations – recommendations to the Council under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the Council where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the Council’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Executive or full Council
Interviews and discussions with key stakeholders	External review such as by the LGA, CIPFA, or Local Government Ombudsman
Progress with implementing recommendations	Regulatory inspections such as from Ofsted and CQC
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

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Appendix C: Follow up of 2023/24 improvement recommendations

Prior Recommendation	Raised	Progress	Current position	Further action
<p>IR1</p> <p>The Council should take corrective action to avoid the significant in-year cost of service variations against budget experienced in 2023/24. Where such variations are identified the Council should set out more clearly the longer-term impacts of those variances including its reasoning for how those impacts have been assessed.</p>	2023/24	Internal Audit has been engaged to review budget setting arrangements with a view to reducing future variances.	Closed	N/A
<p>IR2</p> <p>The Council’s financial planning arrangements should be further strengthened by ensuring that the newly emerging financial risks associated with the new waste and recycling contract and payments to the Leisure Services contractor LED are managed appropriately.</p>	2023/24	<p>Proposals for new service delivery models for the waste contract are ongoing, and members are sited on developments.</p> <p>For the leisure contract, the Council is in discussion with its contract partner.</p>	Closed	N/A

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Appendix C: Follow up of 2023/24 improvement recommendations

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	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The Council should ensure that the new Asset Management Plan is in place prior to the 2025/26 budget planning round.	2023/24	Work is ongoing to develop General Fund and Housing Revenue Account Asset Management Strategies.	Closed	N/A
IR5	The Council should fully implement the recommendations from the LGA Peer Challenge and the CFGS governance review.	2023/24	LGA Peer Reviewers concluded in November 2024 that 89% of recommended Actions had been implemented. This included recommendations around the Scrutiny Function which had been made by the Centre for Governance and Scrutiny.	Closed	N/A
IR5	The Council should consider changes to further enhance its risk management arrangements	2023/24	A project has been ongoing throughout 2024/25 to introduce a new risk management system from April 2025. Officers inform us that the new system is now live.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

page 176

	Prior Recommendation	Raised	Progress	Current position	Further action
IR6	An annual Counter Fraud Plan should be presented to Audit and Governance Committee annually for approval and an annual counter fraud report should be presented to Audit and Governance Committee to provide detail of the activities and outcomes of counter fraud work.	2023/24	A Counter Fraud Plan and Delivery Report was shared with the Audit and Governance Committee in November 2024. An arrangement has been agreed for annual presentation thereafter.	Closed	N/A
IR7	The Council should consider including the following mandated sections into committee reports - equalities, public health, safeguarding, climate change, HR, property , crime and disorder, procurement and risk.	2023/24	Current templates include equalities and climate impacts and some limited information around financial and legal impacts. A new template has been developed and is about to go live.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

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	Prior Recommendation	Raised	Progress	Current position	Further action
IR8	The Council should ensure the continued effectiveness of the Audit and Governance Committee by conducting a self-assessment exercise, in line with the Chartered Institute of Public Finance and Accounting’s (CIPFA) methodology.	2023/24	The Audit and Governance Committee shared the results of a self assessment exercise they had undertaken in November 2024. Arrangements are now being implemented for an annual report; annual evaluation; the recruitment of independent members; and introducing independent meetings with the auditors.	Closed	N/A
IR9	The Council need to embed the improvements in performance management recommended in our 2022/23 Auditors Annual Report and the 2023/24 internal audit report on performance management . The Council should endeavour to report performance information to members in a timely fashion	2023/24	A new key performance indicator system is being developed. Action plan progress has ben shared with committee in the meantime.	Superseded. We raise a new improvement recommendation for 2024/25.	N/A. We raise a new improvement recommendation on page 27 of this report.

Appendix C: Follow up of 2023/24 improvement recommendations

page 178

	Prior Recommendation	Raised	Progress	Current position	Further action
IR10	An update report is presented to Housing Review Board to update them on progress against agreed improvements in complaint handling in the Housing department	2023/24	Quarterly key performance indicator data shared with the Housing Review Board includes data on overall satisfaction with complaints handling.	Closed	N/A
IR11	The Council should embed the recommendation of the internal audit report on strategic partnerships issued during 2023/24.	2023/24	A new partnerships policy was adopted in November 2024. The Council is taking a proactive and strategic approach towards partnerships in the science park, waste and leisure areas.	Closed	N/A

Appendix C: Follow up of 2023/24 improvement recommendations

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Prior Recommendation	Raised	Progress	Current position	Further action
<p>We would recommend that the Council should place a focus on the following:</p> <p>ensure that any enhancements to procurement and contact management arrangements are completed in line with required timescales to meet the requirements of the 2023 Procurement Act and embedded as business as usual.</p> <p>report periodically (at least annually) to members at a public meeting, such as Audit and Governance Committee the number and extent of waivers and exemptions.</p>	2023/24	<p>Budgetary approval has been granted for the recruitment of a new in-house procurement officer. Updating and streamlining arrangements will be part of the new officer's remit.</p>	Closed	N/A



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Report to: Council

Date of Meeting 25th February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Capital Strategy 2026/27 and Treasury Management Strategy 2026/27 (incorporating Minimum Revenue Provision Policy Statement and Annual Investment Strategy)

Report summary:

Capital Strategy 2026/27

Appended is the Capital Strategy 2026/27 to 2029/30 for Council to consider and adopt, this forms part of the annual budget setting process.

In summary:

- The Capital Strategy provides a single framework for how the Council plans, prioritises and manages capital expenditure, financing and investment activity, in line with CIPFA's (Chartered Institute of Public Finance & Accountancy) Prudential and Treasury Management Codes.
- It sets out how capital decisions support the Council Plan, deliver statutory obligations, and ensure investment is affordable, prudent and sustainable over the long term.
- Capital expenditure is governed through a structured gateway-based appraisal process, with schemes prioritised according to statutory need, risk, value for money, corporate priorities, and availability of external funding.
- The Strategy maintains a prudent under-borrowed position, with full assessment of the Minimum Revenue Provision (MRP) and revenue implications of capital schemes to protect the Medium Term Financial Strategy.
- Key programme priorities include the Affordable Housing *Build and Buy Plan* (supported by up to £60m of prudential borrowing), LATCo mobilisation, SANG funding requirements, and future large-scale developments including Marlcombe.
- Budget monitoring and strengthened governance through SLT and the Budget Setting & Capital Allocations Panel ensure robust oversight of delivery, risks, and financial performance.
- Risk management is embedded throughout, with medium and large projects required to maintain active risk registers and align with the corporate risk framework.
- The Strategy confirms that the Council has the necessary governance, skills and financial controls to deliver a sustainable, well-managed capital programme that supports long-term service and community outcomes

Treasury Management Strategy 2026/27

Appended is the Treasury Management Strategy 2026/27 (incorporating Minimum Revenue Provision Policy Statement and Annual Investment Strategy) for Council to consider and adopt.

CIPFA produces a Code of Practice for treasury management for Public Services, a key recommendation of the Code is for annual Treasury Management Strategy to be adopted by Council. There is also a requirement to set prudential indicators relating to all treasury activities that the authority will undertake in the forthcoming financial year.

In summary:

This report presents the **Treasury Management Strategy Statement (TMSS)**, **Minimum Revenue Provision (MRP) Policy**, and **Annual Investment Strategy (AIS)** for **2026/27**, prepared in line with **CIPFA's 2021 Codes** and statutory guidance.

- The Authority's **capital expenditure and prudential indicators** demonstrate that the proposed programme remains **affordable, sustainable and prudent**, with the Capital Financing Requirement (CFR) staying within statutory limits.
- The **MRP Policy** continues to apply the **Asset Life (Annuity) Method** for unsupported borrowing, with no MRP required for HRA assets where prudent provision is already made through depreciation charges.
- The Authority continues to operate in the main an **under-borrowed position**, using internal cash to delay external borrowing while longer-term interest rates remain elevated. Borrowing decisions will remain responsive to market movements, avoiding borrowing in advance of need.
- Investment priorities remain **security, liquidity and yield**. The Authority will maintain a diversified portfolio using high-quality counterparties and retain a set limit on non-specified investments.
- Interest rate forecasts indicate a **gradual decline in Bank Rate during 2026**, with PWLB rates expected to fall modestly but remain sensitive to inflation and economic conditions.
- Governance continues to be strengthened, with enhanced **training requirements** for members and officers and ongoing use of professional advice from the Authority's treasury advisors.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

Council adopts:

- 1) **The Capital Strategy 2026/27 – 2029/30**
- 2) **Treasury Management Strategy including the Prudential Indicators for 2026/27**
- 3) **Council approves the Minimum Revenue Provision Policy Statement for 2026/27**
- 4) **Council approves the Annual Investment Strategy, creditworthiness criteria and updated list of counterparties**

Reason for recommendation:

The Council is required to adopt formally a Treasury Management Strategy and set prudential indicators before the beginning of the new financial year. In order to comply with good practice there is a requirement for the Council to have in place an adopted Capital Strategy.

Officer: Principal Accountant Melissa.Muir@eastdevon.gov.uk ; John Symes, Finance Manager, John.Symes@eastdevon.gov.uk

Portfolio(s) (check which apply):

- Assets and Economy
- Communications and Democracy
- Council, Corporate and External Engagement
- Culture, Leisure, Sport and Tourism
- Environment - Nature and Climate
- Environment - Operational
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; The Council would fail to comply with CIPFA recommended “best practice” for treasury management.

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

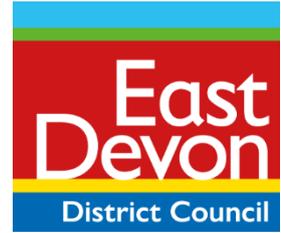
- A supported and engaged community
- Carbon neutrality and ecological recovery
- Resilient economy that supports local business
- Financially secure and improving quality of services

Financial implications:

Contained within the report

Legal implications:

As indicated in the accompanying report, the Treasury Management Strategy must be prepared in line with the statutory framework and related guidance, and the finance team has confirmed that this has been done. Otherwise, there are no legal implications requiring comment.



Capital Strategy 2026/27 – 2029/30

January 2026

Contents

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Purpose

- 1.1 This document draws together various adopted strategies and agreed process of the Council that govern how the Council manages capital expenditure and investment decisions. The Capital Strategy brings these areas together in one overarching document.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code introduced the requirement for local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability. This Council's practices meet these outcomes and it's useful to set these out in one place to demonstrate this.
- 1.3 The Capital Strategy is a key document, it provides a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the delivery of desired outcomes. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for approval and monitoring of capital expenditure.
- 1.4 Decisions made this year on capital and treasury management will have financial consequences for the Council for many years to come. They are therefore subject to both a national regulatory framework and a local policy framework, summarised in this report.
- 1.5 The Capital Strategy document covers the period from 2026/27 to 2029/30 and will be reviewed annually by Full Council prior to each financial year.

Capital Expenditure

- 2.1 Capital expenditure is incurred on the acquisition or creation of assets, or expenditure that enhances or adds to the life or value of an existing fixed asset. Fixed assets are tangible or intangible assets that yield benefits to the Council generally for a period of more than one year, e.g. land, buildings, vehicles. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs, premise running costs and supplies and services.
- 2.2 The capital programme is the authority's plan of capital works for future years, including details on the funding of the schemes. Included are the projects such as the purchase of land and buildings, the construction of new buildings, major maintenance that enhance assets, design and project management fees related to projects and the acquisition of vehicles and other items of equipment. Also included could be service and commercial investments if they relate to a purchase of an asset. The Council has an adopted de minimis level of £20,000 for expenditure to be classified as capital.

- 2.3 The Council's capital programme is approved as part of the annual budget setting process. Further budgeted capital expenditure and the capital financing of this is detailed within the treasury management strategy statement.

Revenue Budget Implications

- 3.1 Any capital expenditure that is not immediately paid for through a revenue or capital resource leads to a capital financing need or gap, which will increase the Council's total Capital Financing Requirement (CFR). The CFR is a measure of the Council's underlying need to borrow to finance the total historic outstanding capital programme.
- 3.2 The medium term strategy is prudently maintaining an under-borrowed position, meaning that as a temporary measure the Council is using its own cash supporting reserves, balances and cash-flows rather than fully funding the CFR with external borrowing. This position will need to be reviewed in line with investment returns and counterparty risks.
- 3.3 Where a capital project increases the CFR or financing gap then a minimum revenue provision (MRP) must be made to reduce the borrowing amount over the life of the asset. The MRP and the interest payable on the borrowing (annual cost of borrowing) are charged to the revenue account each year and this will therefore impact on the Council's revenue budget and on-going medium term financial plan budget gap.
- 3.4 As part of the capital bids process any revenue implications of new capital programme items are captured. These details are readily available and highlighted if material otherwise all direct revenue implications are contained to the already available revenue funding. The main revenue budget implications for the Medium Term Financial Plan are highlighted to be the cost of financing additional works. It has been reported to members that broadly that for every £100k included, the impact of costs in the MTFP is £10k for 40 years.
- 3.5 The following table highlights this impact on the revenue budget for the General Fund:

Capital Financing Requirement					
	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
General	23,544	41,462	38,457	49,973	51,227
Service loans to third parties	2,693	1,614	1,454	597	423
Other loans to third parties	467	467	467	467	467
Service investments	1,190	1,183	1,176	1,169	1,162
Other Investments	2,595	2,548	2,500	2,450	2,399
Projects for yield	0	0	0	0	0
CFR General Fund	30,489	47,274	44,054	54,656	55,678
CFR HRA	92,604	101,865	116,492	124,384	131,828
Total CFR	123,093	149,139	160,546	179,040	187,506
Movement in CFR	11,836	26,046	11,407	18,494	8,466
Net financing need for the year/ (surplus receipts)	14,153	28,264	13,020	20,884	10,303
Less MRP/VRP and other financing movements*	(2,317)	(2,218)	(1,613)	(2,389)	(1,839)

* MRP= Minimum Revenue Provision. VRP= Voluntary Revenue Provision. Other financing movements will include any PFI/ finance lease annual principal amounts

- 3.6 The related prudential affordability indicator can be found in the treasury management strategy.

Treasury Management Investments

- 4.1 Treasury Management investment activity covers those investments which arise from the organisation's cash flows and debt management activity and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
- 4.2 Treasury Management investments need to ensure that the **security and liquidity of funds are placed ahead of the investment return**. The management of associated risk is set out in the Council's Treasury Management Strategy.
- 4.3 The CIPFA Treasury Management Code recognises that organisations may make investments for policy reasons outside of normal treasury management activity. These may include service investments to deliver key objectives. The management of associated risk for these investments is set out in the Council's Place and Prosperity Framework.

Links to other corporate strategies, plans and financial Governance documents

- 5.1 The Council Plan sets out the Council's ambitions and priorities with agreed outcomes which guide its work. These aims, priorities and objectives are in turn reflected in Directorate Plans.
- 5.2 To support the delivery of the Council Plan and Directorate Plans a number of key strategies/policies are in place; Financial Strategy which contains The Medium-Term Financial Model, Capital Strategy, Asset Management Plan, Treasury Management Strategy.
- 5.3 There are adopted documents which govern and put in place financial controls to ensure proper financial management, these are linked to this Capital Strategy, namely:
 - Treasury Management Strategy – This Strategy is approved annually and follows the Treasury Management Code published by CIPFA to govern treasury activities defined as: *The management of the organisations borrowing, investments and cash flows, its banking, money market and capital market transactions.*
 - The Prudential Code – The adoption of the Code is approved annually and follows the latest best practice as published by CIPFA to help ensure that the capital expenditure plans of the Council are affordable, prudent and sustainable.
 - Capital bid process – These govern the way the Council will allocate capital resources, appraise and monitor the delivery of those projects.
 - Housing Build & Buy – Housing Investment and Delivery Plan - the purpose of the plan is to maximise the use of our assets, address housing need by adding to the Council own housing stock to support the Council's strategic objective of having a supported and engaged community that have the right homes in the right places and with the appropriate infrastructure.
- 5.4 The operation of all these strategies and plans are underpinned by the Council's constitution, in particular the Contract Standing Orders and Financial Regulations.
- 5.5 Capital resources should be directed to those programmes and projects that optimise the achievement of corporate aims. The following processes are designed to ensure this:

Capital Programme Setting Process

- 6.1 The preparation of the draft Capital Budget is directed by the Budget Setting and Capital Allocations Panel who meet specifically in November/December each year to consider scheme proposals. The Panel considers funding resources available, the capital appraisal process and each scheme proposal. Recommendations are made from this Panel to Cabinet who consider all aspects of the annual Revenue and Capital Budget to make recommendations to Council. Draft proposals are also presented to Joint Scrutiny and Overview Committee for consideration and recommendations.
- 6.2 The capital appraisal process is used to build a capital programme aimed at delivering the Council's stated priorities and ensuring schemes meet set gateways:
- Gateway 1 fully financed – external grants pay fully for the project, or revenue savings pay back capital investment inside 5 years
 - Gateway 2 statutory obligation – we have to do it by law
 - Gateway 3 contractual obligation – we have to abide by our contractual agreements
 - Gateway 4 critical business interruption – a major part of the Council's services would not be able to function

Each scheme is considered against a set criteria such as how the project meets the Council Plan, its carbon impact, the risk involved, any part funding, invest to save and service provision. If gateways are passed then the project is approved subject to there being sufficient funds, scoring is considered to give priority against limited resources.

For each scheme proposed an Initial Project Proposal Form is completed as governed in capital bid process.

- 6.3 This process governs for the formation of the Council's Capital Programme and how capital expenditure is approved. Two area of capital expenditure differ to this process:
- ICT Projects proposed by Strata (Jointly owned IT company who proved ICT support to the Council) this falls to the Strata Scrutiny and Executive Committees to consider and make recommendations to Cabinet.

- Community Infrastructure Levy supported schemes are considered and governed and recommended to Council by the Strategic Planning Committee.

Looking Ahead

- 7.1 East Devon District Council's future capital investment will be shaped by both statutory obligations and strategic ambitions, with a focus on maintaining and enhancing local assets and services. However, consideration has to be given to Local Government Reorganisation and the likely event of a successor authority being in place from April 2028.
- 7.2 The Council's capital programme will continue to support essential projects such as the **Affordable Housing Programme – The Build and Buy Plan** which will support the Council's ambitions for increasing the supply of high-quality, affordable homes.
- 7.3 The Financing Strategy underpins the Council's Build and Buy Plan, enabling a programme of new-build delivery and strategic property acquisitions with up to £60 million of prudential borrowing to deliver 500 homes over the next five years. This borrowing capacity provides the financial headroom required to progress schemes that enhance the HRA's long-term sustainability, meet housing need, and contribute to wider estate regeneration objectives. All capital financing decisions will be taken on a scheme-by-scheme basis, ensuring that each proposal is subject to robust appraisal and governance. Schemes will only proceed where they are demonstrably affordable and viable when tested against the Business Plan Financial Model, and where they align fully with the parameters and risk tolerances set out within the Capital Financing Strategy. This framework ensures that borrowing is responsibly managed, that investment contributes positively to the overall performance of the HRA, and that the Build and Buy programme progresses in a financially sustainable and strategically coherent manner.

The Build and Buy Plan is appended at Appendix 1.

An important factor yet to be determined is the HRA business plan and housing asset strategy with the associated capital programme and financing. This will be considered in 2026/27.

- 7.4 The Council is developing a **LATCo (Local Authority Trading Company)** to deliver initially Recycling and Refuse. In setting up the new LATCo the Council is incurring mobilisation costs, In the current year we are estimating costs associated with mobilisation of £641k and a further £314k in 2026/27. Funding of this qualifying expenditure will be by the application of the "flexible use of

capital receipts” through receipt from qualifying assets i.e. the capital receipts available will be used to fund 2025/26 and 2026/27 expenditure.

- 7.5 Future Strategic **SANG** delivery and maintenance costs: the authority has agreed to the creation of an investment fund to support the future cashflow requirements of maintenance costs, in perpetuity, and securing future delivery and management of the specific SANG.
- 7.6 The **Marlcombe development** represents a significant future capital requirement, with investment anticipated in infrastructure, housing, and community facilities to support sustainable growth.
- 7.7 All capital schemes, including the new LATCO and the Marlcombe new town, will be carefully prioritised to ensure affordability and alignment with the Council’s long-term financial sustainability, with a continued emphasis on maximising external funding and partnership opportunities.

Monitoring of the Capital Programme

- 8.1 Once the detailed capital programmes has been approved by Members, the financial spend is monitored on a monthly basis. Monitoring is reported through to Cabinet in the Budget Monitoring reports.
- 8.2 Additional governance is in place for key project and these are monitored through the Budget Setting and Capital Allocations Panel with minutes presented to Cabinet:

Requirement	Project Type		
	Small	Medium	Large
Monthly Monitoring Reports covering; budget, time, milestones, risk register.	Optional – presented Assistant Director/Director	Yes – presented to SLT Project Board (mthly)	Yes – presented to SLT project board (mthly) & BSCAP (qtrly)
Post Project Evaluation Document.	No	Yes – presented to SLT Project Board	Yes – Presented to SLT Project Board & BSCAP

- 8.3 The Council has invested in a Programmes and Strategies corporate resource with the intention the above arrangements and process will be changed and enhanced in 2026/27.

Service/Commercial Investments

- 9.1 The Authority may undertake two distinct types of investment; treasury management investments and service/ commercial investments.
- 9.2 Service or commercial investments are those investments made outside of the day to day treasury management activity which could be either made in support of service provision, for example economic regeneration or commercial whereby the investments have been undertaken purely for the purpose of generating financial returns.
- 9.3 There is a regulatory and statutory recognition that investments may be made for policy reasons outside their treasury management activity. To ensure that all investment decisions are made in a structured and informed manner with due consideration to both the risks and rewards stemming from that decision, the CIPFA Treasury Management Code covers both types of investment.
- 9.4 The Authority has service investments and zero commercial investments.
- 9.5 The implications on Council borrowing linked to any future investments will need to be factored into the Council's Prudential Indicator calculations.
- 9.6 The revised Prudential Code makes clear that local authorities must not borrow to invest primarily for financial returns.

Funding Strategy and Capital Policies

This section sets out the policies of the Council in relation to funding capital expenditure and investment.

10.1 **External Funding**

Services must seek to maximise external funding wherever possible to support capital schemes. This can be in the form of grants and contributions from outside bodies including central government. The capital appraisal processes significantly favours projects that attract external funding.

Prior to submitting bids for grant funding, an assessment of the risk of a contract price increase, associated with market conditions or abnormal building plan demands attached to some grants, must be completed to estimate the likelihood of additional funding being needed.

In respect of match funding bids then the relevant service must fully identify the necessary match funding resources from either within existing budgets or

schemes need to be submitted as part of the normal capital appraisal process if additional funding is being sought.

10.2 Capital Receipts

A capital receipt is an amount of money exceeding £10,000 which is received from the sale of an asset. They cannot be spent on revenue items under normal conditions. Repayments of capital grants, loans and investments also generate capital receipts.

Capital receipts are pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by the regulations. The Council has deemed that Housing Revenue Account (HRA) generated capital receipts are used to support HRA capital expenditure only.

10.3 Revenue Funding

Services may use their revenue budgets to fund capital expenditure, this may be via earmarked reserves. The Council will consider any corporate funding of capital from revenue as outlined in the annual budget report.

The Director for the Service and the Finance Director (CFO/S151) will take an overview and decide the most appropriate way of funding the service areas. In doing that the Finance Director (CFO/S151) will take account of the strategy regarding the levels of general and earmarked reserves.

10.4 Prudential Borrowing

Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so the Council needs to ensure it can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing. The Council's Minimum Revenue Provision Policy sets out a prudent approach to the amount set aside for the repayment of debt.

Capital projects that cannot be funded from any other source can be funded from Prudential Borrowing. The Council must be able to afford the borrowing repayment and interest charges on the loan from existing revenue budgets or the Council must see this as their key priority for the budget process and to be factored into the Financial Plan and medium term financial plan calculations accordingly.

The Finance Director (CFO/S151) will make an assessment of the overall prudence, affordability and sustainability of the total borrowing requested. The impact of this borrowing will be reported in the Treasury Management

Strategy alongside the Prudential Indicators required by CIPFA's Prudential Code for Capital Finance.

The view of the Finance Director (CFO/S151) will be fed into the corporate bidding process and inform the Budget Setting and Capital Allocation Panel so that, should the borrowing levels be unaffordable or not prudent, then the schemes will be prioritised against the available funding from borrowing using the corporate prioritisation system.

The Finance Director (CFO/S151) will also determine whether the borrowing should be from internal resources or whether to enter into external borrowing.

10.5 **Leasing**

Directors may enter into finance leasing agreements to fund capital expenditure however, a full option appraisal and comparison of other funding sources must be made and the Finance Director (CFO/S151) is required to be consulted to ensure that leasing provides the best value for money method of funding the scheme.

Under the Prudential Code finance leasing agreements are counted against the overall borrowing levels when looking at the prudence of the authority's borrowing.

Procurement and Value for Money

11.1 The Council uses Devon Procurement Services, processes have been defined and guidance and training is available to officers through this Procurement Team which ensures officers can evidence they are seeking to achieve value for money in procurement.

11.2 It is essential that all procurement activities comply with prevailing regulations and best practice. Guidance on this can be sought from the Procurement Team. Procurement activities must comply with the Council's Contract Standing Orders and Financial Regulations.

Partnerships and Relationships with other Organisations

12.1 Capital planning will be undertaken within the context of the Council Plan and wherever possible and subject to the usual risk assessments services should look to expand the number of capital schemes which are completed on a partnership basis and continually look for areas where joint projects can be implemented. This principle is taken into account in the capital appraisal

process with higher priority given to such schemes. This becomes even more relevant with Local Government Reorganisation.

Management Framework

- 13.1 The governance structure of the Council has the Executive Leadership Team that takes a strategic and group view on the capital programme and investments. This Strategy outlines the key roles and responsibilities of member groups and committees in this process.

Performance Management

- 14.1 Clear measurable outcomes are developed for each capital scheme in the Project Initiation Document (PID). After the scheme has been completed, services should check if outcomes have been achieved.

Risk Management

- 15.1 Risk is the threat that an event or action will adversely affect the Council's ability to achieve its desired outcomes and to execute its strategies successfully.
- 15.2 Risk management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of managing them and/or responding to them. It is both a means of minimising the costs and disruption to the organisation caused by undesired events and of ensuring that staff understand and appreciate the element of risk in all their activities.
- 15.3 The aim is to reduce the frequency of adverse risk events occurring (where possible), minimise the severity of their consequences if they do occur, or to consider whether risk can be transferred to other parties. Project Managers for medium and large capital projects are required to maintain and report on their individual project risk register, highlighting any risks which are deemed after mitigation to be medium to high.
- 15.4 It is important to identify the appetite for risk by each scheme and for the capital programme, especially when investing in capital assets held primarily for financial returns. Under the CIPFA Prudential Code these are defined as investments and so the key principle applies of control of risk and optimising returns consistent with the level of risk.
- 15.5 The Council accepts there will be a certain amount of risk inherent in delivering the desired outcomes of the Council Plan. The Council seeks to keep the risk of capital projects to a low level whilst making the most of opportunities for improvement. Where greater risks are identified as necessary to achieve desired outcomes, the Council seeks to mitigate or manage those risks to a tolerable level. All key risks identified as part of the capital planning process are considered for inclusion in the corporate risk register and all medium and large projects are identified in the Council

Performance Management System with a rag rating against current risk assessment, although this process is currently under review.

- 15.6 The risks with any long-term strategy is the unknown or unexpected events which will require large scale capital investment. Whilst the Treasury Management Strategy has sufficient headroom within its borrowing limits to deal with such situation, the impact of the borrowing costs are much harder to be protected against.

Knowledge and Skills

- 16.1 The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council will use the services of other specialists and consultants as necessary. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Other Considerations

- 17.1 Capital Schemes must comply with legislation, such as the Disability Discrimination Act, the General Data Protection Regulations (GDPR), building regulations etc.



Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual
Investment Strategy

2026/27

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Key Considerations

2021 revised CIPFA Treasury Management Code and Prudential Code – changes which will impact on future TMSS/AIS reports and the risk management framework.

CIPFA published the revised Codes on 20th December 2021 and stated that revisions need to be included in the reporting framework from the 2023/24 financial year. This Authority, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

The revised Treasury Management Code required all investments and investment income to be attributed to one of the following three purposes: -

Treasury management

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

Service delivery

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

Commercial return

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

The revised Treasury Management Code requires an authority to implement the following: -

- 1. Adopt a liability benchmark treasury indicator** to support the financing risk management of the capital financing requirement; this is to be shown in chart form for a minimum of 10 years, with material differences between the liability benchmark and actual loans to be explained.
- 2. Long-term treasury investments**, (including pooled funds), are to be classed as commercial investments unless justified by a cash flow business case.
- 3. Pooled funds** are to be included in the indicator for principal sums maturing in years beyond the initial budget year.
- 4. Amendment to the knowledge and skills register** for officers and members involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each authority.
- 5. Reporting to members is to be done quarterly.** Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring.

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6. **Environmental, social and governance (ESG)** issues to be addressed within an authority's treasury management policies and practices (TMP1).

The main requirements of the Prudential Code relating to service and commercial investments are: -

1. The risks associated with service and commercial investments should be proportionate to their financial capacity – i.e. that plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.
2. An authority must not borrow to invest for the primary purpose of commercial return.
3. It is not prudent for local authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority, and where any commercial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
4. An annual review should be conducted to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt.
5. A prudential indicator is required for the net income from commercial and service investments as a proportion of the net revenue stream.
6. Create new Investment Management Practices to manage risks associated with non-treasury investments, (similar to the current Treasury Management Practices).

An authority's Capital Strategy or Annual Investment Strategy should include: -

1. The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence.
2. An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (i.e., whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
3. Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed.
4. Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments).
5. Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them will need to be periodically re-evaluated to inform the authority's overall strategy).
6. State compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return.

As this TMSS and AIS deals solely with treasury management investments, the categories of service delivery and commercial investments should be addressed as part of the Capital Strategy report.

However, as investments in commercial property have implications for cash balances managed by the treasury team, it will be for each authority to determine whether to add a high level summary of the impact that commercial investments have, or may have, if it is planned to liquidate such investments within the three year time horizon of this report, (or a longer time horizon if that is felt appropriate).

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1.1 Background

The Authority is required to operate a balanced revenue budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

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1.2.2 Treasury Management Reporting

The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Full Council. This role is undertaken by Cabinet.

Quarterly reports – In addition to the three major reports detailed above, quarterly reporting (end of June/end of December) has also been required. However, these additional reports do not have to be reported to Full Council/Board but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

1.3 Treasury Management Strategy for 2026/27

The strategy for 2026/27 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management issues

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Authority
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy; and
- the policy on use of external service providers

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These elements cover the requirements of the Local Government Act 2003, MHCLG Investment Guidance, MHCLG MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Members undertook training on the 20th November 2025. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by Financial Services Team. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Democratic Services Team.

1.5 Treasury Management Consultants

The Authority uses MUFG Corporate Markets as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

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It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The scope of investments within the Authority's operations will include conventional treasury investments, (the placing of residual cash from the Authority's functions) and may include non-treasury investments. Non-treasury investments require specialist advisers, and the Authority will seek to appoint suitable specialist advisers in relation to such activity, as and when required.

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2. THE CAPITAL PRUDENTIAL INDICATORS 2026/27 – 2028/29

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

These indicators help show the effect of the financing and borrowing strategy that the Authority plans to adopt over the next three financial years (as a minimum).

The indicators also act as an early warning system, to flag up if the Authority decides to set capital programmes without the necessary finances to fund them.

2.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

The gross capital expenditure estimate for 2028/29 for the Housing Revenue Account (HRA) capital programme has been added for 2027/28 and 2028/29 based on the working version of the HRA Business Plan, amounts may need to be amended and this Statement represented to Council once the Plan has been considered and adopted. Consideration may also be required in relation to Local Government Reorganisation (LGR). The Strategy will be represented to Council for adoption when updated for these details.

Gross Capital expenditure to be incurred (Actual and Estimated)					
	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Non-HRA	15,084	32,009	7,273	14,264	4,100
HRA	13,109	13,443	18,214	10,270	9,822
Total	28,192	45,452	25,487	24,534	13,922

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of Capital Expenditure					
	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Total Capital Expenditure	28,192	45,452	25,487	24,534	13,922
Capital receipts	(2,718)	(2,494)	(456)	(456)	(456)
Capital grants and other contributions	(6,277)	(12,694)	(8,691)	(1,084)	(1,052)
Direct revenue contributions	(3,208)	(2,000)	(2,110)	(2,110)	(2,110)
Use of earmarked reserves	(1,836)	0	(1,210)	0	0
Financed in year	(14,039)	(17,188)	(12,467)	(3,650)	(3,618)
Net financing need for the year/ (surplus receipts)	14,153	28,264	13,020	20,884	10,303

2.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life and so charges the economic consumption of capital assets as they are used.

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The CFR includes any other long-term liabilities (e.g., PFI schemes, leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. East Devon has no such schemes.

The Authority is asked to approve the CFR projections below:

Capital Financing Requirement					
	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
General	23,544	41,462	38,457	49,973	51,227
Service loans to third parties	2,693	1,614	1,454	597	423
Other loans to third parties	467	467	467	467	467
Service investments	1,190	1,183	1,176	1,169	1,162
Other Investments	2,595	2,548	2,500	2,450	2,399
Projects for yield	0	0	0	0	0
CFR General Fund	30,489	47,274	44,054	54,656	55,678
CFR HRA	92,604	101,865	116,492	124,384	131,828
Total CFR	123,093	149,139	160,546	179,040	187,506
Movement in CFR	11,836	26,046	11,407	18,494	8,466
Net financing need for the year/ (surplus receipts)	14,153	28,264	13,020	20,884	10,303
Less MRP/VRP and other financing movements*	(2,317)	(2,218)	(1,613)	(2,389)	(1,839)

* MRP = Minimum Revenue Provision. VRP = Voluntary Revenue Provision. Other financing movements will include any PFI/ finance lease annual principal amounts

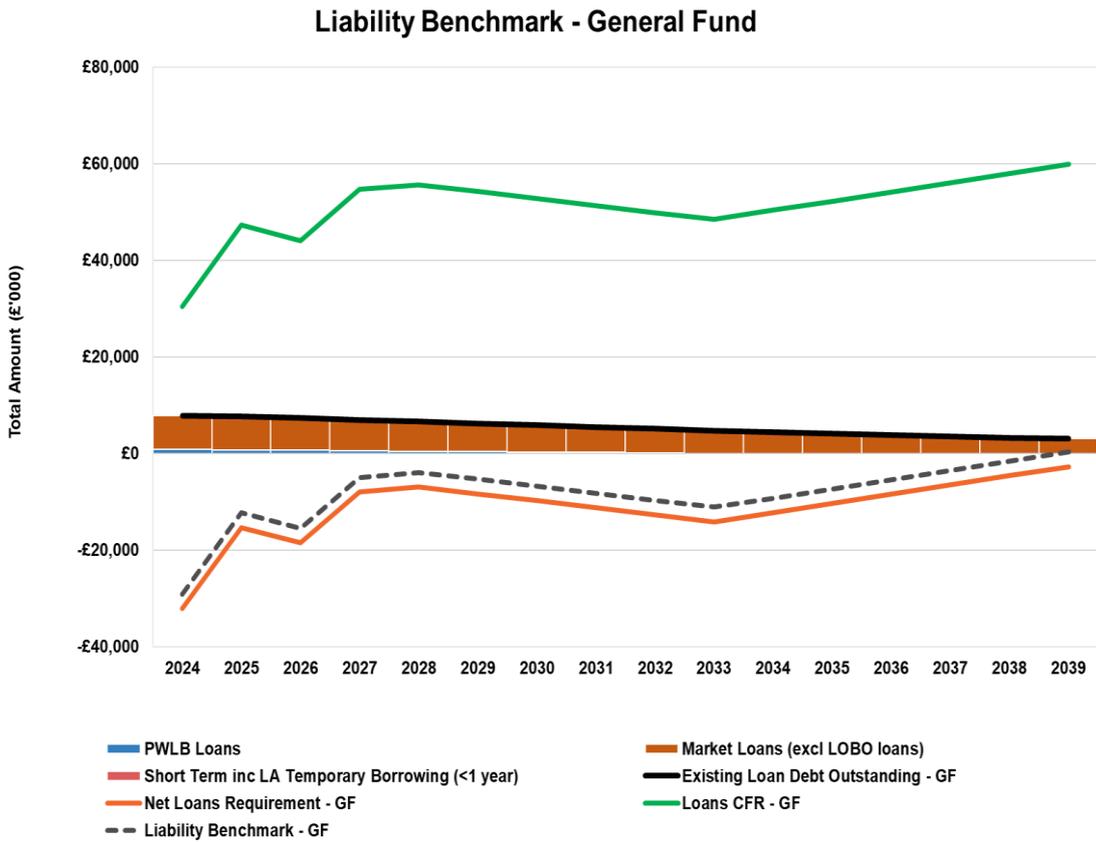
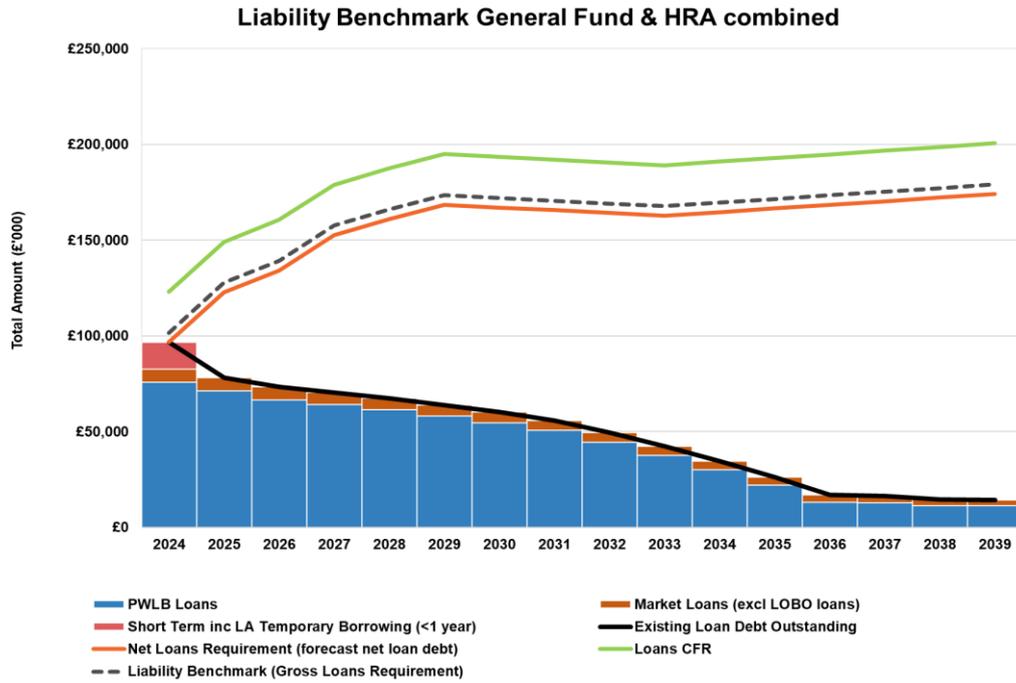
2.3 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark (LB) for the forthcoming financial year and the following two financial years, as a minimum.

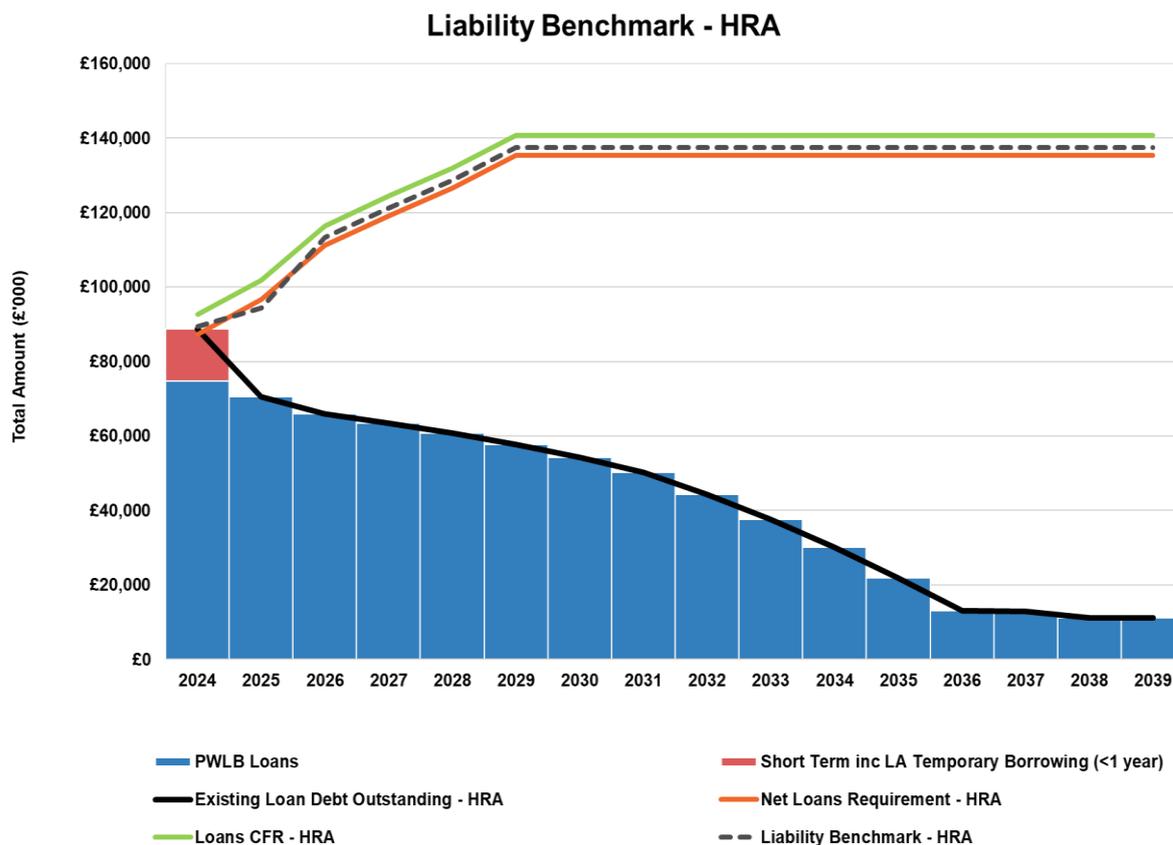
There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

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2.4 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute. The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The Authority is recommended to approve the following MRP Statement:

From 1 April 2008 for all unsupported borrowing, the MRP policy will be:

- Asset life method (annuity)**

Regulation 27(3) allows a local authority to charge MRP in the financial year following the one in which capital expenditure financed by debt was incurred.

Capital expenditure financed by borrowing in 2025/26 will not be subject to an MRP charge until 2026/27, or in the financial year following the one in which the asset becomes available for use.

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

The Authority has determined that MRP is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing

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Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made.

MRP in respect of assets acquired under Finance Leases or PFI, (or applicable leases where a right-of use asset is on balance sheet), will be charged at an amount equal to the principal element of the annual repayment.

For capital expenditure on loans to third parties, (all of which are non-commercial), where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP. Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments

Under the MRP guidance, charges made in excess of the statutory MRP can be made and are known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

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3. BORROWING

The capital expenditure plans provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

3.1 Current Portfolio Position

The overall treasury management portfolio as at 31 March 2025 and for the position as at 31 December 2025 is shown below for both borrowing and investments.

TREASURY PORTFOLIO					
	actual	actual	current	current	
	31.3.25	31.3.25	31.12.25	31.12.25	
Treasury investments	£000	%	£000	%	
banks	0	0%	0	0%	
building societies	0	0%	0	0%	
local authorities	0	0%	0	0%	
DMADF (H.M.Treasury)	12,600	24%	17,800	31%	
money market funds	9,000	17%	7,850	14%	
Total managed in house	21,600	41%	25,650	45%	
Money Market funds *	30,979	59%	31,103	55%	
property funds	0	0%	0	0%	
Total managed externally	30,979	59%	31,103	55%	
Total treasury investments	52,579	100%	56,753	100%	
Treasury external borrowing					
local authorities	0	0%	0	0%	
PWLB	-85,278	91%	-86,299	91%	
Triple Point Heat Networks Investment	-7,076	8%	-7,076	7%	
Finance Lease	-1,323	1%	-1,323	1%	
Total external borrowing	-93,677	100%	-94,698	100%	
Net treasury investments / (borrowing)	-41,098		-37,944		
* Market Value					

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The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Gross External Debt					
	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Borrowing at 1 April*	101,307	115,661	148,710	160,308	179,132
OLTL at 1 April*	0	0	0	0	0
External Debt at 1 April	101,307	115,661	148,710	160,308	179,132
Expected change in borrowing	14,354	33,049	11,598	18,824	8,211
Expected change in OLTL**	0	0	0	0	0
External Debt at 31 March	115,661	148,710	160,308	179,132	187,343
Capital Financing Requirement	123,093	149,139	160,546	179,040	187,506
Under/ (over) borrowing	7,432	429	238	(92)	163

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. An additional £4.0m, (increased from £2.0m), has been included to allow for potential increases in debt that might result from accounting changes following the implementation of IFRS 16 Leases on 1 April 2024: (other long-term liabilities).

Operational Boundary						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Debt	101,307	115,662	148,710	160,307	179,132	187,343
Other long term liabilities	4,000	4,000	4,000	4,000	4,000	4,000
	105,307	119,662	152,710	164,307	183,132	191,343

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit:

Authorised Limit Overall						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
Debt	101,307	115,662	148,710	160,307	179,132	187,343
Headroom	3,493	5,000	5,000	5,000	5,000	5,000
Other long term liabilities	4,000	4,000	4,000	4,000	4,000	4,000
	108,800	124,662	157,710	169,307	188,132	196,343

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The authorised limit includes an additional amount as headroom for unanticipated cash movements, including those due to slippage.

Within the above, headroom for the General Fund is set at £3.0m, and an additional £4.0m, has been included to allow for potential increases in debt that might result from accounting changes following the implementation of IFRS 16 Leases on 1 April 2024: (other long term liabilities). From 2024/25 headroom of £2.0m has been added for the HRA. This internal limit is currently:

HRA Authorised Limit						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
HRA Debt	87,351	88,793	101,585	116,211	124,104	131,548
HRA headroom	493	2,000	2,000	2,000	2,000	2,000
	87,844	90,793	103,585	118,211	126,104	133,548

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3.3 Prospects for Interest Rates

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

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

Additional notes by MUFG Corporate Markets on this forecast table: -

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.

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- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB borrowing	Current borrowing rates as at 22.12.25 p.m. %	Target borrowing rate now (end of Q4 2027) %	Target borrowing rate previous (end of Q4 2027) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70
25 years	6.01	5.30	5.30
50 years	5.78	5.10	5.10

Borrowing advice: Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now %	Previously %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad-hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

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3.4 Borrowing Strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if further rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

3.5 Policy on Borrowing in Advance of Need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated, and that the Authority can ensure the security of such funds.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than the expected increase in borrowing need (CFR) over the three-year planning period; and
- The Authority would not look to borrow more than 12 months in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate. If rescheduling is to be undertaken, it will be reported to the Cabinet, at the earliest meeting following its action.

3.7 Financial Institutions as a Source of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, and sometimes out of forward dates where the objective is to avoid a "cost of carry" or to achieve refinancing certainty over the next few years).

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Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

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4 ANNUAL INVESTMENT STRATEGY

4.1 Investment Policy – Management of Risk

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Authority's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

The above guidance from MHCLG and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix 5.4 under the categories of 'specified' and 'non-specified' investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

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5. **Non-specified and loan investment limits.** The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of £20m.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. **Transaction limits** are set for each type of investment in 4.2.
8. This Authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
10. This Authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the override to **31.3.29** was agreed by Government but only for those pooled investments made before 1st April 2024.

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness Policy

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that: -

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Full Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high

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quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by MUFG Corporate Markets, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing.

The Authority manages the majority of its internal investments via money market funds and a range of banks and building societies in line with the creditworthiness criteria referred to below. Additionally the Authority has opened a Debt Management Deposit Account Facility with the UK Government's Debt Management Office.

In order to address the need for flexibility, and to ensure the spread of risk, access to an investment portal has been arranged which allows officers to review and potentially transact directly with a small range of money market funds. All money market funds considered suitable with reference to the creditworthiness criteria will be approved for use by the Director of Finance before an account is opened. The Authority currently has access to three money market funds; if appropriate operationally, consideration will be given to opening additional money market funds in the future.

Use of additional information other than credit ratings. Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Authority's counterparty list are as follows (these will cover both specified and non-specified investments).

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Creditworthiness Criteria		
	Criteria	Maximum Money and/ or % Investment Limit
External (Long Term) Investment Fund		
Pooled Investment Schemes (e.g., bond funds)	AAA long-term rating backed up with lowest volatility (V1/S1)	60% of External Fund total
Alternative Investment Funds e.g., property funds	The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using. Appropriate due diligence will also be carried out before investment of this type is undertaken.	£10m
Cash Flow/ Internal Investments		
Deposit Building Societies	With over £5 Billion in total assets	£3m
Deposit Building Societies	With over £1 Billion in total assets	£2m
Deposit with UK incorporated banks	Minimum F1, A1 or P1 short term backed up by A long term credit rating	£2m
Deposit with banks incorporated outside the UK but entitled to accept deposits in the UK	Minimum F1+, A1+ or P1+ short term backed up by AA- long term credit rating	£2m
Money Market Funds	AAA	£3m
UK Local, Police & Fire Authorities		£3m
UK Government Treasury Bills/ Gilts/ Debt Management Deposit Facility		No limit
Corporate Bonds	AAA and less than one year duration	£2m
<i>The "deposits" referred to in the above table relate either to cash, floating rate notes or certificates of deposit.</i>		

The Authority will not invest in subsidiaries that do not have a credit rating in their own right and a separate FSA licence from the parent company.

In the event of a downgrade resulting in a counterparty or investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.

Any changes in counterparty ratings or other criteria that put the counterparty below the minimum criteria whilst the Authority holds a deposit will be brought to the attention of the Director of Finance and the Portfolio Holder for Finance immediately, with an appropriate response decided on a case-by-case basis.

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It is recommended that Cabinet approves the creditworthiness criteria above.

The proposed criteria for specified and non-specified investments are shown in Appendix 5.4 for approval.

4.3 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cashflow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that rates can be expected to fall throughout 2026, but only if the CPI measure of inflation maintains a downwards trend towards the Bank of England's 2% target. Rates may be cut quicker than expected if the economy stagnates.

Accordingly, while most cash balances are required in order to manage the ups and downs of cashflow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations.

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to fall to a low of 3.25% in 2026.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year were updated on 22 December 2025 and are as follows: -

<i>Average earnings in each year</i>	<i>Now</i> %	<i>Previously</i> %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

Caution must be exercised in respect of all interest rate forecasts.

For its cashflow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits in order to benefit from the compounding of interest.

Investment treasury indicator and limit –

This limit is set with regard to the Authority's liquidity requirements and to reduce the need for early sale of an investment. The Authority is asked to confirm approval that only external investments, (i.e., those managed by external fund managers), can be invested for over 365 days. Currently the Authority has £31.103m in investments with external fund managers. Although these investments have been held continuously for over 365 days, in practice, the Authority has been free to access the funds on quarter days without loss of income or access the funds with 3 days' notice, if necessary, through investment Performance / Risk Benchmarking.

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This Authority will use an investment benchmark to assess the investment performance of its investment portfolio of 7 day SONIA (*Sterling Overnight Index Average*).

4.4 End of Year Investment Report

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

4.5 External Fund Managers

The Authority currently has the following amounts invested:

External Funds				
		Fitch International Fund Quality Rating	Fitch Fund Market Sensitivity Rating	Total Investment (market Value at 31.12.25)
Pooled Investment vehicles, OECS				£000
Royal London Asset Management - Short Term Fixed Income		AAAf	S1	15,616
Payden & Rygel - Sterling Reserve Fund		AAAf	S1	15,487

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5 APPENDICES

5.1 Prudential and treasury indicators

5.2 Interest rate forecasts

5.3 Economic background

5.4 Treasury management practice 1 – credit and counterparty risk management

5.5 The treasury management role of the section 151 officer

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5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2026/27 – 2028/29

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

5.1.1 Capital Expenditure

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts: -

Gross Capital expenditure to be incurred (Actual and Estimated)					
	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Non-HRA	15,084	32,009	7,273	14,264	4,100
HRA	13109	13,443	18,214	10,270	9,822
Total	28,192	45,452	25,487	24,534	13,922

5.1.2 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators: -

a. Ratio of Financing Costs to Net Revenue Stream

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

Ratio of financing costs to net revenue stream						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	£000	%	%	%	%	%
General Fund	2.07%	4.29%	6.98%	18.19%	16.10%	18.98%
HRA	22.54%	22.69%	23.38%	24.45%	27.85%	29.57%

The estimates of financing costs include current commitments and the proposals in this budget report.

b. Ratio of net income from investments as proportion of net revenue stream

Non HRA Ratio of net income from investments as proportion of net revenue stream						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Service delivery	1.16%	2.25%	0.27%	1.31%	2.36%	3.39%
Internally managed treasury deposits	6.42%	5.09%	2.22%	2.67%	2.28%	2.21%
Externally managed pooled money market funds	6.14%	5.22%	5.07%	6.08%	5.20%	5.04%
Investment property	0.74%	0.87%	0.61%	0.94%	0.85%	0.82%
Other commercial returns	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Non HRA Ratio of net income from investments as proportion of net revenue stream						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%	%
Internally managed treasury deposits	3.10%	2.01%	1.08%	0.92%	0.87%	0.87%

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c. HRA ratios

HRA ratio of debt to revenues						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000
HRA debt	87,351	88,793	101,585	116,211	124,104	131,548
HRA revenues	19,708	21,501	21,854	23,034	23,034	23,034
	%	%	%	%	%	%
Ratio of debt to revenues	443.23%	412.97%	464.83%	504.52%	538.79%	571.10%

HRA ratio of debt to revenues						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Estimate	Estimate	Estimate	Estimate
HRA debt	£87,351,000	£88,793,000	£101,585,000	£116,211,000	£124,104,000	£131,548,000
Number of HRA properties	4,131	4,133	4,125	4,122	4,119	4,116
Debt per dwelling	£21,145	£21,484	£24,627	£28,193	£30,130	£31,960

5.1.3 Maturity Structure of Borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Authority's exposure to large, fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Authority is asked to approve the following treasury indicators and limits: -

Maturity structure of fixed interest rate borrowing 2026/27		
	Lower	Upper
Under 12 months	0%	20%
12 months to 2 years	0%	20%
2 years to 5 years	0%	20%
5 years to 10 years	0%	25%
10 years to 20 years	0%	35%
20 years to 30 years	0%	20%
30 years to 40 years	0%	20%
40 years to 50 years	0%	25%

5.2 INTEREST RATE FORECASTS 2026-2029

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

Please note, PWLB forecasts are based on PWLB certainty rates.

5.3 ECONOMIC BACKGROUND (to 23 December 2025)

Additional notes by MUFG on this forecast table: -

- The first half of 2025/26 saw:
 - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
 - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
 - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
 - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December).
 - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 - 2028 is currently forecast by the Office for Budget Responsibility to be in the region of 1.5%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was only 0.1% q/q.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but headwinds are gathering.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.

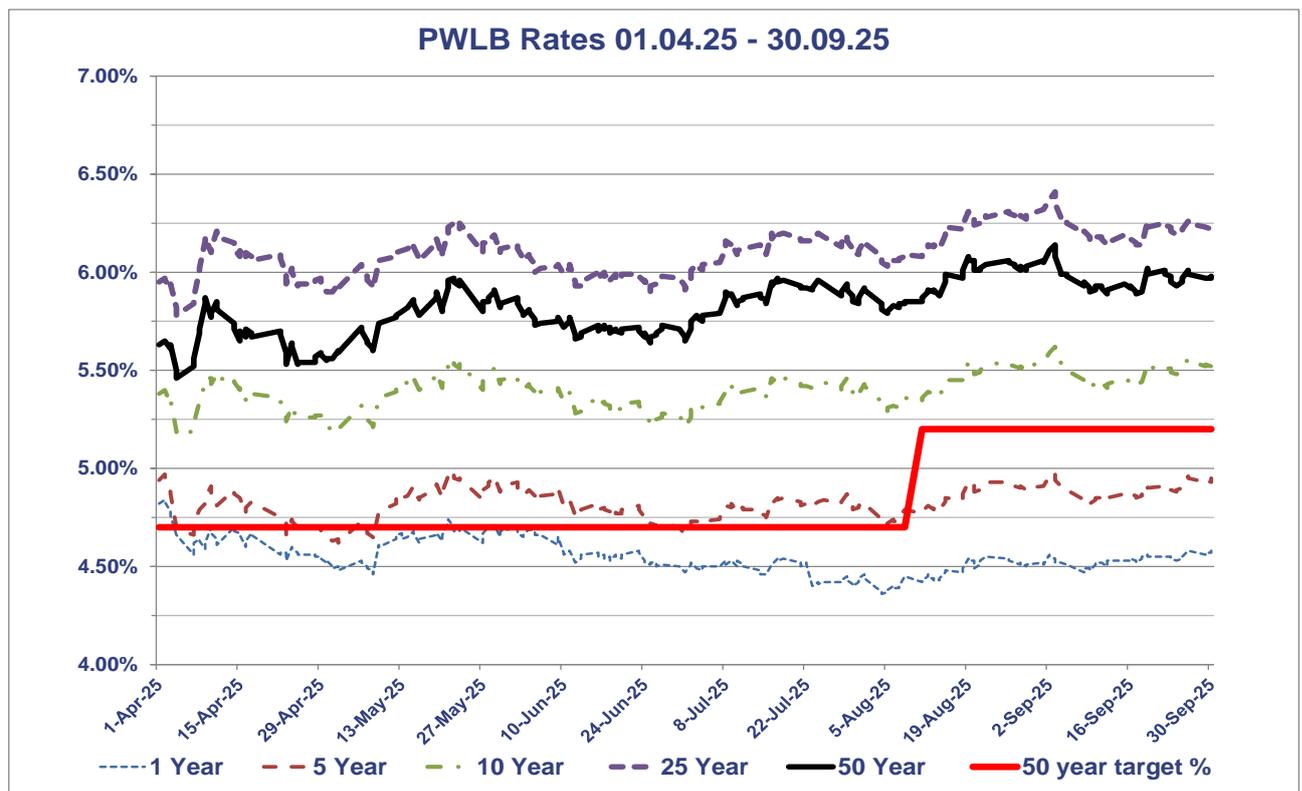
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- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nearly all the months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September (still at that level in November). The rate for the private sector has slipped just below 4% as the year end approaches.
- CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation fell to 4.4%. Nonetheless, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by late December had fallen back again to a little over 4.50%.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900. By late December, the index had clung on to most of those gains standing at 9,870 on 23 December.

MPC meetings: 8 May, 19 June, 7 August, 18 September, 6 November, 18 December 2025

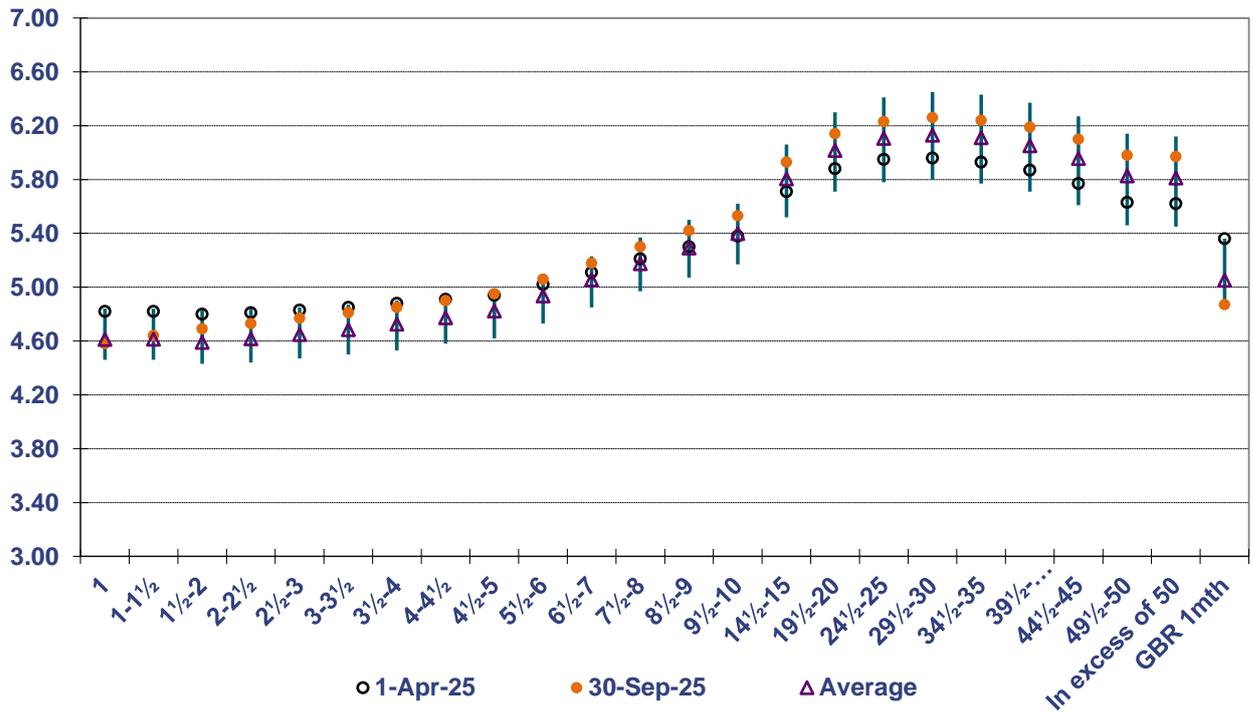
- There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

PWLB RATES 01.04.25 - 30.09.25



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PWLB Certainty Rate Variations 01.04.25 to 30.09.25



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 30.09.25

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
30/09/2025	4.58%	4.95%	5.53%	6.23%	5.98%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.55%	4.82%	5.40%	6.11%	5.83%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

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5.4 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The MHCLG issued Investment Guidance and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds, which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently and that priority is given to security and liquidity before yield. In order to facilitate this objective, the guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Authority will apply its principles to all investment activity.

In accordance with the Code, the Director of Finance has produced treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Authority will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

Strategy guidelines – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Authority has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments that would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills, or a Gilt with less than one year to maturity).
- Investments in Banks incorporated in the UK with a credit rating by Standard and Poor, Moody's and / or Fitch rating agencies of at least A/F1, A1 or P1, with a limit of £2m on the amount invested.
- Investments in Banks incorporated outside of the UK but entitled to accept deposits in the UK, per the Bank of England Prudential Regulation Authority list of banks, with a credit

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rating by Standard and Poor's, Moody's and / or Fitch rating agencies of at least AA-/F1+/A1+/P1, with a limit of £2m on the amount invested.

- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by Standard and Poor's, Moody's and/ or Fitch rating agencies of AAA for Constant Net Asset Value (CNAV) funds and Low Volatility Net Asset Value (LVNAV) funds and AAA V1/S1 for Variable Net Asset Values (VNAV). *
- Internal Investments up to 9 months up to agreed limits, in UK Building Societies with an asset basis of over £1 billion and rated by Standard and Poor's, Moody's and / or Fitch rating agencies. (*Non-rated UK Building Societies fall into the non-specified investments category*).
- Corporate bonds rated AAA of less than one-year duration.
- UK Local, Police and Fire Authorities with a limit of £3m on the amount invested with each.

Non-Specified Investments are any other type of investment, (i.e., not defined as specified above), (but required by the Authority to be in sterling). (*Note: the operation of some building societies does not require a credit rating, although in every other respect the security of the society would match similarly sized societies with ratings. The Authority may make investments up to 9 months up to agreed limits in non-rated Building Societies with an asset basis of over £1 billion*).

The Authority amended its strategy in the 2018/19 Treasury Management Strategy Document to include Alternative Investment Instruments, such as Property Funds, in the Non-Specified Investment category. The use of these Alternative Investment Instruments can be deemed capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any such fund it may consider using. Appropriate due diligence will also be carried out before investment of this type is undertaken.

The Authority limits non-specified treasury investments, (excluding in building societies), to £20m of the value of its investment portfolio at the point of investment, with the maximum amount invested being in line with criteria outlined above.

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Internal Counterparty list 2025/26 as at 10 December 2025

(Time limit 365 days unless specifically stated)

Internal Counterparty List 2025-26		Updated:	10.12.25
Building Societies - INVESTMENTS UP TO 9 MONTHS ONLY PERMITTED FOR BUILDING SOCIETIES			
Criteria: Top 20 UK Building Society with over £1 Billion in total assets. If over £5 Billion then can invest £3 Million. Note that only £20m can be invested in "non specified" investments. Building societies that are unrated count as non-specified).			
	Total Assets £'000	Assets > £1 Billion	Max Investment £
SPECIFIED Building Societies (i.e the building society is rated by Fitch, Moody & Standard and Poor)			
1 Nationwide Building Society	279,140,000	YES	3,000,000
2 Yorkshire Building Society	78,325,000	YES	3,000,000
3 Coventry Building Society	63,142,000	YES	3,000,000
4 Skipton Building Society	36,628,000	YES	3,000,000
5 Leeds Building Society	31,682,000	YES	3,000,000
6 Principality Building Society	13,914,000	YES	3,000,000
NON SPECIFIED Building Societies (i.e the building society is not rated by Fitch, Moody & Standard and Poor) - the maximum amount that can be invested in non-specified investments per TMSS, including other non building society investments, is £20m. NB see W Brom and Nottingham are rated only by Moodys so for these purposes have been included in non specified investments).			
7 Newcastle Building Society	6,552,000	YES	3,000,000
8 West Bromwich Building Society	6,417,000	YES	3,000,000
9 Nottingham Building Society	5,238,000	YES	3,000,000
10 Cumberland Building Society	3,324,000	YES	2,000,000
11 National Counties (Family) Building Society	2,631,000	YES	2,000,000
12 Progressive Building Society	2,085,000	YES	2,000,000
13 Cambridge Building Society	2,006,000	YES	2,000,000
14 Monmouthshire Building Society	1,719,000	YES	2,000,000
15 Newbury Building Society	1,650,000	YES	2,000,000
16 Saffron Building Society	1,477,000	YES	2,000,000
17 Furness	1,395,000	YES	2,000,000
18 Leek United Building Society	1,365,000	YES	2,000,000
Money Market Funds			
Money Market funds with an AAAMf credit rating by at least one agency.			
CCLA - Public Sector Deposit Fund	AAAMmf		3,000,000
Goldmann Sachs - Sterling Liquid Reserve Fund	AAAMmf		3,000,000
Morgan Stanley Sterling Liquidity Fund	AAAMmf		3,000,000

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Banks			
UK or Irish bank with presence in UK and a short term Fitch rating of F1 or higher.			
	Short Term Fitch Rating	LongTerm Fitch Rating	Max Investment £
UK High Street Banks (MUST HAVE MINIMUM SHORT TERM FITCH CREDIT RATING OF AT LEAST F1)			
Lloyds Banking Group			
Lloyds RFB	F1+	AA-	2,000,000
Lloyds Bank Corporate Markets Plc (NRFB)	F1+	AA-	2,000,000
Bank of Scotland RFB	F1+	AA-	2,000,000
Others			
Barclays Bank UK plc RFB	F1	A+	2,000,000
Barclays Bank PLC (NRFB)	F1	A+	2,000,000
Goldman Sachs International Bank	F1	AA	2,000,000
Handelsbanken Plc	F1+	AA	2,000,000
HSBC UK Bank Plc (RFB)	F1+	AA-	2,000,000
HSBC Bank PLC (NRFB)	F1+	AA-	2,000,000
National Bank of Kuwait (International) PLC	F1	AA-	2,000,000
National Westminster Bank PLC (RFB)	F1+	AA-	2,000,000
NatWest Markets Plc (NRFB)	F1+	AA-	2,000,000
Santander Financial Services PLC (NRFB)	F1	A+	2,000,000
Santander UK PLC	F1	A+	2,000,000
Standard Chartered Bank	F1	AA-	2,000,000
The Royal Bank of Scotland Plc (RFB)	F1+	AA-	2,000,000
	Short Term Fitch Rating	LongTerm Fitch Rating	Max Investment £
Non UK Banks (MUST HAVE MINIMUM CREDIT RATING OF AT LEAST AA-/F1)			
Abu Dhabi (U.A.E)			
First Abu Dhabi Bank PJSC	F1+	AA-	0
Australia			
Australia and New Zealand Banking Group Ltd	F1+	AA-	0
Commonwealth Bank of Australia	F1+	AA-	0
National Australia Bank Ltd	F1+	AA-	0
Westpac Banking Corporation	F1+	AA-	0
Canada			
Bank of Montreal	F1+	AA-	0
Bank of Nova Scotia	F1+	AA-	0
Canadian Imperial Bank of Commerce	F1+	AA-	0
Royal Bank of Canada	F1+	AA-	0
Toronto Dominion Bank	F1+	AA-	0
Finland			
Nordea Bank Abp	F1+	AA-	0
Germany			
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	F1+	AA-	0
Netherlands			
ING Bank N.V.	F1+	AA-	0
Singapore			
DBS Bank Ltd	F1+	AA-	0
Oversea Chinese Banking Corporation Ltd	F1+	AA-	0
United Overseas Bank Ltd	F1+	AA-	0
Sweden			
Svenska Handelsbanken AB	F1+	AA-	0
Switzerland			
U.S.A			
Bank of America N.A.	F1+	AA	0
Bank of New York Mellon, The	F1+	AA	0
JPMorgan Chase Bank N.A.	F1+	AA	0
Wells Fargo Bank NA	F1+	AA-	0
UK Local, Police and Fire Authorities			3,000,000
UK Debt Management Office, Debt Management Deposit Facility Account			Unlimited

5.5 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;

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- recommending the appointment of external service providers.

The above is a list of specific responsibilities of the S151 officer in the Treasury Management Code. However, implicit in the recent changes in both codes, is a major extension of the functions of this role, especially in respect of non-financial investments, (which CIPFA has defined as being part of treasury management). The following are examples of the major extension in the functions of this role: -

- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments, and treasury management, with a long-term timeframe.
- ensuring that the Capital Strategy is prudent, sustainable, affordable, and prudent in the long term and provides value for money.
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- ensuring that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources.
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
- creation of Treasury Management Practices which specifically deal with how non-treasury investments will be carried out and managed, to include the following: -
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
 - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Report to: Council

Date of Meeting 25 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Revenue and Capital Budgets and Council Tax Resolution 2026/27

Report summary:

The purpose of this report is to agree the Cabinet recommendations on the Revenue and Capital Budgets 2026/27 (Minute Number 153) on the 4th February 2026 which gives the Council Tax requirement for this Council of £11,629,564 resulting in a Council Tax Band D amount of £176.92. This is an increase of 2.99%, within the threshold stipulated by government before triggering a council tax referendum.

The Budget report to Cabinet on 4th February 2026 can be found here: [Revenue and Capital Budgets 2026-27.pdf](#) this report contains links to the detailed Revenue and Capital Budget report to Cabinet on the 7th January 2026.

Agreeing Cabinet recommendations on the 2026/27 budget enables Council to set the Council Tax for 2026/27 through the resolution set out in this report.

Although not effecting the final budget being recommended there has been a change in Government policy between the publication of the Provisional Local Government Finance Settlement on 17th December 2025 and the Final Settlement on the 9th February 2026. This made a material financial change, which is unprecedented as councils finalise budgets based on the Provisional Settlement due to timings of full councils and the need to set the Council Tax. There is normally only a small variation, if any, between the provisional and final settlement.

The change in the final settlement relates to business rates income with detrimental funding implications mainly for district councils including East Devon. The change effects the assumed business rate income retained by authorities and how this is treated in establishing the base income for 2025/26 to which any protection grant is calculated in 2026/27 to compensate councils for falls in funding. The changed basis for this calculation is a policy change and at a point in the budget preparation timetable that councils cannot accommodate.

The possibility of this change was brought to our attention by the District Council's Network (DCN) on the Thursday the 5th February with the Final Settlement to be announced on Monday the 9th February. The implication for this Council was a reduction in funding of £1m compared with the Provisional Settlement and that included within the Council's 2026/27 budget. With the support of DCN this Council through the Finance Portfolio Holder wrote to our MPs to highlight this intolerable position.

The Council's Director of Finance was invited to a call with MHCLG along with other Council's adversely effected on the Monday the 9th February, a few hours before the Final Settlement announcement in Parliament. The call confirmed this change in the Final Settlement, but those Council's adversely effected would receive a "one off adjustment support grant" so no council would be worse off in funding from that given in the Provisional Settlement. For us this is a grant of £1m.

With the inclusion of this grant funding the level government funding remains the same in our 2026/27 budget, and the budget is unaltered as recommended from Cabinet to Council. Currently this additional grant is stated as a one off payment for 2026/27 so this reduction in funding if not

mitigated in future years will affect our budget estimates for 2027/28 onwards. This will be picked up in our revised Medium Term Financial Strategy to be considered in July by members when the outcome of Local Government Reorganisation is clearer.

In accordance with Section 25 of the Local Government Act 2003 the Chief Financial Officer (Director of Finance) has reported to the authority on the robustness of the 2026/27 budgets and is satisfied with the adequacy of the proposed financial reserves.

The 2026/27 budget recommended by Cabinet is balanced with expenditure matched by available income.

There is a legal requirement for the Council to set a budget and associated Council Tax; the process for Council Tax Billing starts the day after the Council meeting to meet the necessary deadlines (bill printing, dispatch and appropriate direct debit notifications etc). The obligation to make a lawful budget each year is shared equally by each Member.

The Council Tax setting process is that all preceptors (Devon County Council, Police and Crime Commissioner for Devon and Cornwall, Devon & Somerset Fire & Rescue Authority and town and parish councils) will set their budgets and relevant council tax requirement and then this Council, as the billing authority, will formally set the Council Tax for the area to include all amounts to be collected. This report sets out the details of this Council's Council Tax requirement and the precepts for other bodies.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

To approve the Cabinet recommendations on the Revenue and Capital Budgets 2026/27 (Minute Number 153) on the 4th February 2026 which gives the Council Tax requirement for this Council of £11,629,564 resulting in a Council Tax Band D amount of £176.92 and to approve the formal Council Tax Resolution set out at Appendix A

Reason for recommendation:

The Council as a billing authority is required to set the Council Tax for 2026/27.

Officer: Simon Davey – Director of Finance S151 sdavey@eastdevon.gov.uk

Portfolio(s) (check which apply):

- Assets and Economy
- Communications and Democracy
- Council, Corporate and External Engagement
- Culture, Leisure, Sport and Tourism
- Environment - Nature and Climate
- Environment - Operational
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

If choosing High or Medium level outline the equality considerations here, which should include any particular adverse impact on people with protected characteristics and actions to mitigate these. Link to an equalities impact assessment form using the [equalities form template](#).

Climate change Low Impact

Risk: Low Risk; Click here to enter text on risk considerations relating to your report.

Links to background information Click here to enter links to background information; appendices online; and previous reports. These must link to an electronic document. Do not include any confidential or exempt information.

Link to [Council Plan](#)

Priorities (check which apply)

- A supported and engaged community
 - Carbon neutrality and ecological recovery
 - Resilient economy that supports local business
 - Financially secure and improving quality of services
-

Report in full

1. East Devon District Council's Budget 2026/27

- 1.1 In agreeing to the Cabinet recommendations on the Revenue and Capital Budgets 2026/27 (Minute Number 153) on the 4th February 2026 this gives the Council Tax requirement for this Council of £11,629,564 resulting in a Council Tax Band D amount of £176.92. This is an increase of 2.99%, within the threshold stipulated by government before triggering a council tax referendum.
- 1.2 The Budget report to Cabinet on 4th February 2026 can be found here: [Agenda for Cabinet on Wednesday, 7th January, 2026, 6.00 pm - East Devon](#) this report contains links to the detailed Revenue and Capital Budget report to Cabinet on the 7th January 2026.
- 1.3 Although not effecting the final budget recommendations there has been a change in Government policy on the formula for funding Councils that has occurred between the publication of the Provisional Local Government Finance Settlement on 17th December 2025 and the Final Settlement on the 9th February 2026. This was a material financial change, and unprecedented as councils finalise budgets based on the Provisional Settlement due to timings of full councils and the need to set the Council Tax. There is normally only a small variation, if any, between the provisional and final settlement. The Councils budget proposals are based on the Provisional Settlement.
- 1.4 The change in the final settlement relates to business rates income with detrimental funding implications mainly for district councils including East Devon. The change effects the assumed business rate income retained by authorities and how this is treated in establishing the base income for 2025/26 to which protection grant is calculated in 2026/27 to compensate councils in part for falls in funding. The changed basis for this calculation is a policy change and at a point in the budget preparation timetable that councils cannot accommodate.

- 1.5 The possibility of this change was brought to our attention by the District Council's Network (DCN) on the Thursday the 5th February with the Final Settlement to be announced on Monday the 9th February. The implication for this Council was a reduction in funding of £1m compared with the Provisional Settlement and the Government funding included within the Council's 2026/27 budget. With the support of DCN this Council through the Finance Portfolio Holder wrote to our MPs to highlight this intolerable position.
- 1.6 The Council's Director of Finance was invited to a call with MHCLG along with other Council's adversely effected on the Monday the 9th February a few hours before the Final Settlement announcement in Parliament. The call confirmed the change would be made in the Final Settlement, but those Council's adversely effected would receive a "one off adjustment support grant" so no council is worse off in funding from that given in the Provisional Settlement in recognition of the implications. For us this is a grant of £1m.
- 1.7 With the inclusion of this grant funding the level government funding remains the same in our 2026/27 budget, and the budget is unaltered as recommended from Cabinet to Council. Currently this additional grant is stated as a one off payment for 2026/27 so this reduction in funding if not mitigated in future years will affect our budget estimates for 2027/28 onwards. This will be picked up in our revised Medium Term Financial Strategy to be considered in July by members when the outcome of Local Government Reorganisation is clearer.

2 Council Tax Resolution 2026/27

- 2.1 The precept levels of other precepting bodies are detailed below.

It should be noted the amounts below for Devon County Council are provisional as they don't meet to set their budget and precept until the 24th February. Should the amounts change then Council will be updated.

- **Town & Parish Councils**

The Town & Parish Council Precepts for 2026/27 are detailed in Schedule 1 and total £7,525,996.48. The increase in the average Band D Council Tax for Town and Parish councils is 19.91% and results in an average Band D Council Tax figure of £114.49 for 2026/27.

- **Devon County Council**

Devon County Council set their precept at £124,313,147.55. This results in a Band D Council Tax of £1,891.17. This is a total increase of 4.99%.

- **Police and Crime Commissioner for Devon and Cornwall**

Police and Crime Commissioner for Devon and Cornwall set their precept at £19,930,385.07. This results in a Band D Council Tax of £303.20, being a 5.20% increase on the previous year.

- **Devon & Somerset Fire & Rescue Authority**

Devon & Somerset Fire & Rescue Authority set their precept at £7,209,645.89. This results in a Band D Council Tax of £109.68, being a 4.78% increase on the previous year.

- 2.2 This Council's calculations are set out in the formal Council Tax Resolution in Appendix A. This follows Cabinet's recommendation to Council on the 2026/27 budget.

2.3 This recommendation is reflected in the formal Council Tax Resolution at Appendix A and the total Band D Council Tax will be as follows:

COUNCIL TAX LEVIES	2025/2026	2026/2027	Variation
	£	£	%
East Devon District Council	171.78	176.92	2.99%
Parish & Town Councils (Average)	95.48	114.49	19.91%
Sub Total	267.26	291.41	-
Devon County Council	1,801.26*	1,891.17*	4.99%
Police and Crime Commissioner for Devon and Cornwall	288.20	303.20	5.20%
Devon & Somerset Fire & Rescue Authority	104.68	109.68	4.78%
TOTALS	£2,461.40	£2,595.46	5.45%

* This increase of 4.99% includes a charge for adult social care services representing 2% of the increase.

Financial implications:

This report sets the Council's Council Tax requirement for 2026/27 which is derived from its Budget Requirement as recommended by Cabinet on 4th February 2026

Legal implications:

The legal position is detailed in the report and no further comment is required

The Council is recommended to resolve as follows:

1. It be noted that on 7th January 2026 Cabinet (minute reference 136 refers) calculated the Council Tax Base 2026/27.
 - (a) for the whole Council area as 65,733.46 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates as detailed in Schedule 1 attached.
2. As a preliminary step, calculate that the Council Tax requirement for the Council's own purposes for 2026/27 (excluding Parish precepts) is £11,629,564.
3. That the following amounts be calculated for the year 2026/27 in accordance with Sections 30 to 36 of the Act:
 - (a) £116,541,203.51 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £97,385,643.03 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £19,155,560.48 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £291.41 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £7,525,996.48 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Schedule 1).
 - (f) £176.92 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
 - (g) The amounts stated in column 5 of the schedule 1 attached given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area specified in column 1 of Schedule 1 divided in each case by the amount at 1(a) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council tax for the year for dwellings in those parts of its area set out in column 1 of Schedule 1 to which one or more special items relate.

(h) The amounts set out in Schedule 2 attached given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2026/27 Devon County Council, Police and Crime Commissioner for Devon and Cornwall and Devon and Somerset Fire and Rescue Authority have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands	Precepting Authority		
	Devon County Council	Police & Crime Com for Devon & Cornwall	Devon & Somerset Fire & Rescue
A	£1,260.78	£202.13	£73.12
B	£1,470.91	£235.82	£85.31
C	£1,681.04	£269.51	£97.49
<u>D</u>	<u>£1,891.17</u>	<u>£303.20</u>	<u>£109.68</u>
E	£2,311.43	£370.58	£134.05
F	£2,731.69	£437.96	£158.43
G	£3,151.95	£505.33	£182.80
H	£3,782.34	£606.40	£219.36

5. That, having calculated the aggregate in each case of the amounts at 3 (h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts set out in Schedule 3 attached as the amounts of council tax for the year 2026/27 for each of the categories of dwellings shown in Schedule 3.

6 The Council has determined that its relevant basic amount of Council Tax for 2026/27 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2026/27 is excessive and therefore the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

SCHEDULE 1 2026/27					
Parish	Parish Precept	Tax Base	Basic Parish Tax	Basic Tax Parish + EDDC	Basic Tax + DCC +
					Fire Authority + Police & Crime Comm D&C
	£		£	£	£
All Saints	17,600.00	270.67	65.02	241.94	2,545.99
Awiscombe	7,000.00	249.22	28.09	205.01	2,509.06
Axminster	555,335.00	2947.55	188.41	365.33	2,669.38
Axmouthe	12,959.46	267.36	48.47	225.39	2,529.44
Aylesbeare	18,140.00	274.31	66.13	243.05	2,547.10
Beer	41,746.00	771.81	54.09	231.01	2,535.06
Bishops Clyst	56,485.78	624.51	90.45	267.37	2,571.42
Bramford Speke	8,750.00	158.81	55.10	232.02	2,536.07
Branscombe	18,495.00	392.37	47.14	224.06	2,528.11
Broadclyst	465,752.00	3153.53	147.69	324.61	2,628.66
Broadhembury	9,064.00	342.87	26.44	203.36	2,507.41
Buckerell	5,525.00	122.21	45.21	222.13	2,526.18
Budleigh Salterton	257,764.00	2998.34	85.97	262.89	2,566.94
Chardstock	57,210.00	433.01	132.12	309.04	2,613.09
Clyst Honiton	18,000.00	116.98	153.87	330.79	2,634.84
Clyst Hydon	4,180.00	135.04	30.95	207.87	2,511.92
Clyst St George	10,420.00	395.22	26.37	203.29	2,507.34
Clyst St Lawrence	-	50.76	0.00	176.92	2,480.97
Colaton Raleigh	12,625.00	328.11	38.48	215.40	2,519.45
Colyford	21,053.82	449.74	46.81	223.73	2,527.78
Colyton	67,700.00	1094.13	61.88	238.80	2,542.85
Combe Raleigh	2,000.00	112.10	17.84	194.76	2,498.81
Combpyne-Rousdon	5,428.00	221.28	24.53	201.45	2,505.50
Cotleigh	3,600.00	106.54	33.79	210.71	2,514.76
Cranbrook	705,969.44	2757.37	256.03	432.95	2,737.00
Dalwood	7,950.00	221.59	35.88	212.80	2,516.85
Dunkeswell	45,000.00	616.58	72.98	249.90	2,553.95
E.Budleigh/Bicton	31,921.00	535.52	59.61	236.53	2,540.58
Exmouth	1,337,783.00	13891.35	96.30	273.22	2,577.27
Farringdon	10,933.00	154.63	70.70	247.62	2,551.67
Farway	3,250.00	138.07	23.54	200.46	2,504.51
Feniton	36,500.00	687.85	53.06	229.98	2,534.03
Gittisham	11,145.79	488.40	22.82	199.74	2,503.79
Hawkchurch	11,000.00	287.83	38.22	215.14	2,519.19
Honiton	1,000,645.00	4110.63	243.43	420.35	2,724.40
Huxham	-	47.42	0.00	176.92	2,480.97
Kilmington	24,000.00	407.94	58.83	235.75	2,539.80
Luppitt	15,000.00	229.00	65.50	242.42	2,546.47
Lympstone	60,000.00	961.16	62.42	239.34	2,543.39
Membury	11,070.00	299.72	36.93	213.85	2,517.90
Monkton	4,900.00	80.99	60.50	237.42	2,541.47
Musbury	12,000.00	260.00	46.15	223.07	2,527.12
Netherexe	-	26.00	0.00	176.92	2,480.97
Newton Popleford	93,000.00	995.85	93.39	270.31	2,574.36
Northleigh	3,000.00	87.59	34.25	211.17	2,515.22
Offwell	9,474.00	193.56	48.95	225.87	2,529.92
Otterton	15,298.10	332.50	46.01	222.93	2,526.98
Ottery St Mary	447,029.00	3010.72	148.48	325.40	2,629.45
Payhembury	15,598.00	342.90	45.49	222.41	2,526.46
Plymtree	5,355.00	262.09	20.43	197.35	2,501.40
Poltimore	7,500.00	140.11	53.53	230.45	2,534.50
Rewe	12,082.00	200.50	60.26	237.18	2,541.23
Rockbeare	44,940.00	388.73	115.61	292.53	2,596.58
Seaton	619,638.00	3497.94	177.14	354.06	2,658.11
Sheldon	1,500.00	89.98	16.67	193.59	2,497.64
Shute	10,000.00	308.34	32.43	209.35	2,513.40
Sidmouth	826,153.00	7419.66	111.35	288.27	2,592.32
Southleigh	2,000.00	121.80	16.42	193.34	2,497.39
Stockland	18,883.62	349.05	54.10	231.02	2,535.07
Stoke Canon	11,000.00	252.36	43.59	220.51	2,524.56
Talaton	9,300.00	251.55	36.97	213.89	2,517.94
Uplyme	65,528.00	936.77	69.95	246.87	2,550.92
Upton Pyne	14,000.00	341.24	41.03	217.95	2,522.00
Upton Pyne	10,803.47	232.93	46.38	223.30	2,527.35
West Hill	56,875.00	1162.82	48.91	225.83	2,529.88
Whimble	30,347.00	737.26	41.16	218.08	2,522.13
Widworthy	7,500.00	138.55	54.13	231.05	2,535.10
Woodbury	174,715.00	1480.33	118.02	294.94	2,598.99
Yarcombe	8,577.00	239.81	35.77	212.69	2,516.74
	7,525,996.48				

SCHEDULE 2 2026/27								
EAST DEVON DISTRICT COUNCIL INCLUDING SPECIAL ITEMS (Town and Parish tax)								
Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
All Saints	161.30	188.17	215.06	241.94	295.71	349.47	403.24	483.88
Awliscombe	136.68	159.45	182.23	205.01	250.57	296.12	341.69	410.02
Axminster	243.56	284.14	324.74	365.33	446.52	527.70	608.89	730.66
Axmouthe	150.26	175.30	200.34	225.39	275.48	325.56	375.65	450.78
Aylesbeare	162.04	189.03	216.04	243.05	297.07	351.07	405.09	486.10
Beer	154.01	179.67	205.34	231.01	282.35	333.68	385.02	462.02
Bishops Clyst	178.25	207.95	237.66	267.37	326.79	386.20	445.62	534.74
Brampford Speke	154.68	180.46	206.24	232.02	283.58	335.14	386.70	464.04
Branscombe	149.38	174.26	199.16	224.06	273.86	323.64	373.44	448.12
Broadclyst	216.41	252.47	288.54	324.61	396.75	468.88	541.02	649.22
Broadhembury	135.58	158.16	180.76	203.36	248.56	293.74	338.94	406.72
Buckerell	148.09	172.76	197.45	222.13	271.50	320.85	370.22	444.26
Budleigh Salterton	175.26	204.47	233.68	262.89	321.31	379.73	438.15	525.78
Chardstock	206.03	240.36	274.70	309.04	377.72	446.39	515.07	618.08
Clyst Honiton	220.53	257.28	294.03	330.79	404.30	477.81	551.32	661.58
Clyst Hydon	138.58	161.67	184.77	207.87	254.07	300.26	346.45	415.74
Clyst St George	135.53	158.11	180.70	203.29	248.47	293.64	338.82	406.58
Clyst St Lawrence	117.95	137.60	157.26	176.92	216.24	255.55	294.87	353.84
Colaton Raleigh	143.60	167.53	191.46	215.40	263.27	311.13	359.00	430.80
Colyford	149.16	174.01	198.87	223.73	273.45	323.16	372.89	447.46
Colyton	159.20	185.73	212.26	238.80	291.87	344.93	398.00	477.60
Combe Raleigh	129.84	151.48	173.12	194.76	238.04	281.32	324.60	389.52
Combpyne-Rousdon	134.30	156.68	179.06	201.45	246.22	290.98	335.75	402.90
Cotleigh	140.48	163.88	187.30	210.71	257.54	304.36	351.19	421.42
Cranbrook	288.64	336.73	384.84	432.95	529.17	625.37	721.59	865.90
Dalwood	141.87	165.51	189.15	212.80	260.09	307.38	354.67	425.60
Dunkeswell	166.60	194.36	222.13	249.90	305.44	360.97	416.50	499.80
East Budleigh with Bicton	157.69	183.96	210.25	236.53	289.10	341.65	394.22	473.06
Exmouth	182.15	212.50	242.86	273.22	333.94	394.65	455.37	546.44
Farringdon	165.08	192.59	220.10	247.62	302.65	357.67	412.70	495.24
Farway	133.64	155.91	178.18	200.46	245.01	289.55	334.10	400.92
Feniton	153.32	178.87	204.42	229.98	281.09	332.19	383.30	459.96
Gittisham	133.16	155.35	177.54	199.74	244.13	288.51	332.90	399.48
Hawkchurch	143.43	167.33	191.23	215.14	262.95	310.76	358.57	430.28
Honiton	280.24	326.93	373.64	420.35	513.77	607.17	700.59	840.70
Huxham	117.95	137.60	157.26	176.92	216.24	255.55	294.87	353.84
Kilmington	157.17	183.36	209.55	235.75	288.14	340.53	392.92	471.50
Luppitt	161.62	188.54	215.48	242.42	296.30	350.16	404.04	484.84
Lympstone	159.56	186.15	212.74	239.34	292.53	345.71	398.90	478.68
Membury	142.57	166.32	190.09	213.85	261.38	308.89	356.42	427.70
Monkton	158.28	184.66	211.04	237.42	290.18	342.94	395.70	474.84
Musbury	148.72	173.49	198.28	223.07	272.65	322.21	371.79	446.14
Netherexe	117.95	137.60	157.26	176.92	216.24	255.55	294.87	353.84
Newton Poppleford	180.21	210.24	240.27	270.31	330.38	390.45	450.52	540.62
Northleigh	140.78	164.24	187.70	211.17	258.10	305.02	351.95	422.34
Offwell	150.58	175.67	200.77	225.87	276.07	326.26	376.45	451.74
Otterton	148.62	173.39	198.16	222.93	272.47	322.01	371.55	445.86
Ottery St Mary	216.94	253.08	289.24	325.40	397.72	470.02	542.34	650.80
Payhembury	148.28	172.98	197.70	222.41	271.84	321.26	370.69	444.82
Plymtree	131.57	153.49	175.42	197.35	241.21	285.06	328.92	394.70
Poltimore	153.64	179.23	204.84	230.45	281.67	332.87	384.09	460.90
Rewe	158.12	184.47	210.82	237.18	289.89	342.59	395.30	474.36
Rockbeare	195.02	227.52	260.02	292.53	357.54	422.54	487.55	585.06
Seaton	236.04	275.38	314.72	354.06	432.74	511.42	590.10	708.12
Sheldon	129.06	150.57	172.08	193.59	236.61	279.63	322.65	387.18
Shute	139.57	162.82	186.09	209.35	255.88	302.39	348.92	418.70
Sidmouth	192.18	224.21	256.24	288.27	352.33	416.39	480.45	576.54
Southleigh	128.90	150.37	171.86	193.34	236.31	279.27	322.24	386.68
Stockland	154.02	179.68	205.35	231.02	282.36	333.69	385.04	462.04
Stoke Canon	147.01	171.50	196.01	220.51	269.52	318.51	367.52	441.02
Talaton	142.60	166.35	190.12	213.89	261.43	308.95	356.49	427.78
Uplyme	164.58	192.01	219.44	246.87	301.73	356.59	411.45	493.74
Upton Pyne	145.30	169.51	193.73	217.95	266.39	314.82	363.25	435.90
Upton Pyne	148.87	173.67	198.49	223.30	272.93	322.54	372.17	446.60
West Hill	150.56	175.64	200.74	225.83	276.02	326.20	376.39	451.66
Whimple	145.39	169.61	193.85	218.08	266.55	315.00	363.47	436.16
Widworthy	154.04	179.70	205.38	231.05	282.40	333.74	385.09	462.10
Woodbury	196.63	229.39	262.17	294.94	360.49	426.02	491.57	589.88
Yarcombe	141.80	165.42	189.06	212.69	259.96	307.22	354.49	425.38

SCHEDULE 3 2026/27								
EAST DEVON DISTRICT COUNCIL INCLUDING SPECIAL ITEMS, DEVON COUNTY COUNCIL, POLICE AND CRIME COMMISSIONER FOR DEVON & CORNWALL and DEVON & SOMERSET FIRE & RESCUE AUTHORITY								
Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
All Saints	1,697.33	1,980.21	2,263.10	2,545.99	3,111.77	3,677.55	4,243.32	5,091.98
Awliscombe	1,672.71	1,951.49	2,230.27	2,509.06	3,066.63	3,624.20	4,181.77	5,018.12
Axminster	1,779.59	2,076.18	2,372.78	2,669.38	3,262.58	3,855.78	4,448.97	5,338.76
Axmouth	1,686.29	1,967.34	2,248.38	2,529.44	3,091.54	3,653.64	4,215.73	5,058.88
Aylesbeare	1,698.07	1,981.07	2,264.08	2,547.10	3,113.13	3,679.15	4,245.17	5,094.20
Beer	1,690.04	1,971.71	2,253.38	2,535.06	3,098.41	3,661.76	4,225.10	5,070.12
Bishops Clyst	1,714.28	1,999.99	2,285.70	2,571.42	3,142.85	3,714.28	4,285.70	5,142.84
Brampford Speke	1,690.71	1,972.50	2,254.28	2,536.07	3,099.64	3,663.22	4,226.78	5,072.14
Branscombe	1,685.41	1,966.30	2,247.20	2,528.11	3,089.92	3,651.72	4,213.52	5,056.22
Broadclyst	1,752.44	2,044.51	2,336.58	2,628.66	3,212.81	3,796.96	4,381.10	5,257.32
Broadhembury	1,671.61	1,950.20	2,228.80	2,507.41	3,064.62	3,621.82	4,179.02	5,014.82
Buckerell	1,684.12	1,964.80	2,245.49	2,526.18	3,087.56	3,648.93	4,210.30	5,052.36
Budleigh Satterton	1,711.29	1,996.51	2,281.72	2,566.94	3,137.37	3,707.81	4,278.23	5,133.88
Chardstock	1,742.06	2,032.40	2,322.74	2,613.09	3,193.78	3,774.47	4,355.15	5,226.18
Clyst Honiton	1,756.56	2,049.32	2,342.07	2,634.84	3,220.36	3,805.89	4,391.40	5,269.68
Clyst Hydon	1,674.61	1,953.71	2,232.81	2,511.92	3,070.13	3,628.34	4,186.53	5,023.84
Clyst St George	1,671.56	1,950.15	2,228.74	2,507.34	3,064.53	3,621.72	4,178.90	5,014.68
Clyst St Lawrence	1,653.98	1,929.64	2,205.30	2,480.97	3,032.30	3,583.63	4,134.95	4,961.94
Colaton Raleigh	1,679.63	1,959.57	2,239.50	2,519.45	3,079.33	3,639.21	4,199.08	5,038.90
Colyford	1,685.19	1,966.05	2,246.91	2,527.78	3,089.51	3,651.24	4,212.97	5,055.56
Colyton	1,695.23	1,977.77	2,260.30	2,542.85	3,107.93	3,673.01	4,238.08	5,085.70
Combe Raleigh	1,665.87	1,943.52	2,221.16	2,498.81	3,054.10	3,609.40	4,164.68	4,997.62
Combpyne-Rousdon	1,670.33	1,948.72	2,227.10	2,505.50	3,062.28	3,619.06	4,175.83	5,011.00
Cotleigh	1,676.51	1,955.92	2,235.34	2,514.76	3,073.60	3,632.44	4,191.27	5,029.52
Cranbrook	1,824.67	2,128.77	2,432.88	2,737.00	3,345.23	3,953.45	4,561.67	5,474.00
Dalwood	1,677.90	1,957.55	2,237.19	2,516.85	3,076.15	3,635.46	4,194.75	5,033.70
Dunkeswell	1,702.63	1,986.40	2,270.17	2,553.95	3,121.50	3,689.05	4,256.58	5,107.90
East Budleigh with Bicton	1,693.72	1,976.00	2,258.29	2,540.58	3,105.16	3,669.73	4,234.30	5,081.16
Exmouth	1,718.18	2,004.54	2,290.90	2,577.27	3,150.00	3,722.73	4,295.45	5,154.54
Farringdon	1,701.11	1,984.63	2,268.14	2,551.67	3,118.71	3,685.75	4,252.78	5,103.34
Farway	1,669.67	1,947.95	2,226.22	2,504.51	3,061.07	3,617.63	4,174.18	5,009.02
Feniton	1,689.35	1,970.91	2,252.46	2,534.03	3,097.15	3,660.27	4,223.38	5,068.06
Gittisham	1,669.19	1,947.39	2,225.58	2,503.79	3,060.19	3,616.59	4,172.98	5,007.58
Hawkchurch	1,679.46	1,959.37	2,239.27	2,519.19	3,079.01	3,638.84	4,198.65	5,038.38
Honiton	1,816.27	2,118.97	2,421.68	2,724.40	3,329.83	3,935.25	4,540.67	5,448.80
Huxham	1,653.98	1,929.64	2,205.30	2,480.97	3,032.30	3,583.63	4,134.95	4,961.94
Kilmington	1,693.20	1,975.40	2,257.59	2,539.80	3,104.20	3,668.61	4,233.00	5,079.60
Luppitt	1,697.65	1,980.58	2,263.52	2,546.47	3,112.36	3,678.24	4,244.12	5,092.94
Lympstone	1,695.59	1,978.19	2,260.78	2,543.39	3,108.59	3,673.79	4,238.98	5,086.78
Membury	1,678.60	1,958.36	2,238.13	2,517.90	3,077.44	3,636.97	4,196.50	5,035.80
Monkton	1,694.31	1,976.70	2,259.08	2,541.47	3,106.24	3,671.02	4,235.78	5,082.94
Musbury	1,684.75	1,965.53	2,246.32	2,527.12	3,088.71	3,650.29	4,211.87	5,054.24
Netherexe	1,653.98	1,929.64	2,205.30	2,480.97	3,032.30	3,583.63	4,134.95	4,961.94
Newton Poppleford	1,716.24	2,002.28	2,288.31	2,574.36	3,146.44	3,718.53	4,290.60	5,148.72
Northleigh	1,676.81	1,956.28	2,235.74	2,515.22	3,074.16	3,633.10	4,192.03	5,030.44
Offwell	1,686.61	1,967.71	2,248.81	2,529.92	3,092.13	3,654.34	4,216.53	5,059.84
Ottertton	1,684.65	1,965.43	2,246.20	2,526.98	3,088.53	3,650.09	4,211.63	5,053.96
Ottery St Mary	1,752.97	2,045.12	2,337.28	2,629.45	3,213.78	3,798.10	4,382.42	5,258.90
Payhembury	1,684.31	1,965.02	2,245.74	2,526.46	3,087.90	3,649.34	4,210.77	5,052.92
Plymtree	1,667.60	1,945.53	2,223.46	2,501.40	3,057.27	3,613.14	4,169.00	5,002.80
Poltimore	1,689.67	1,971.27	2,252.88	2,534.50	3,097.73	3,660.95	4,224.17	5,069.00
Rewe	1,694.15	1,976.51	2,258.86	2,541.23	3,105.95	3,670.67	4,235.38	5,082.46
Rockbeare	1,731.05	2,019.56	2,308.06	2,596.58	3,173.60	3,750.62	4,327.63	5,193.16
Seaton	1,772.07	2,067.42	2,362.76	2,658.11	3,248.80	3,839.50	4,430.18	5,316.22
Sheldon	1,665.09	1,942.61	2,220.12	2,497.64	3,052.67	3,607.71	4,162.73	4,995.28
Shute	1,675.60	1,954.86	2,234.13	2,513.40	3,071.94	3,630.47	4,189.00	5,026.80
Sidmouth	1,728.21	2,016.25	2,304.28	2,592.32	3,168.39	3,744.47	4,320.53	5,184.64
Southleigh	1,664.93	1,942.41	2,219.90	2,497.39	3,052.37	3,607.35	4,162.32	4,994.78
Stockland	1,690.05	1,971.72	2,253.39	2,535.07	3,098.42	3,661.77	4,225.12	5,070.14
Stoke Canon	1,683.04	1,963.54	2,244.05	2,524.56	3,085.58	3,646.59	4,207.60	5,049.12
Talaton	1,678.63	1,958.39	2,238.16	2,517.94	3,077.49	3,637.03	4,196.57	5,035.88
Uplyme	1,700.61	1,984.05	2,267.48	2,550.92	3,117.79	3,684.67	4,251.53	5,101.84
Upottery	1,681.33	1,961.55	2,241.77	2,522.00	3,082.45	3,642.90	4,203.33	5,044.00
Upton Pyne	1,684.90	1,965.71	2,246.53	2,527.35	3,088.99	3,650.62	4,212.25	5,054.70
West Hill	1,686.59	1,967.68	2,248.78	2,529.88	3,092.08	3,654.28	4,216.47	5,059.76
Whimble	1,681.42	1,961.65	2,241.89	2,522.13	3,082.61	3,643.08	4,203.55	5,044.26
Widworthy	1,690.07	1,971.74	2,253.42	2,535.10	3,098.46	3,661.82	4,225.17	5,070.20
Woodbury	1,732.66	2,021.43	2,310.21	2,598.99	3,176.55	3,754.10	4,331.65	5,197.98
Yarcombe	1,677.83	1,957.46	2,237.10	2,516.74	3,076.02	3,635.30	4,194.57	5,033.48

Report to: Council

Date of Meeting 25 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Council Tax Reduction Scheme 2026/2027

Report summary:

This report sets out the Cabinet recommendation to Council arising from their consideration of a report on the Council Tax Reduction Scheme 2026/2027 at their meeting on 4 February 2026.

Note: The references in this report to Paper A relate to the relevant report considered by the Cabinet with recommendations for Full Council to consider and are appended to this report for reference.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Council Tax Reduction Scheme for working age residents is approved for 2026/2027.

Reason for recommendation:

The council is required by law to decide whether to revise or replace its CTR scheme each year. The proposal is that the scheme remains unchanged from 2026/2027 as the current economic climate remains difficult for those on low incomes. Leaving the scheme as it is, will ensure that those households on the lowest income and therefore falling into income band 1 would continue to receive 100% support towards their Council Tax charge.

Officer: Andrew Melhuish, Democratic Services Manager (andrew.melhuish@eastdevon.gov.uk)

Report to: Cabinet



Date of Meeting 4 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Council Tax Reduction Scheme 2026/27

Report summary:

This report is seeking Members to consider and approve the Council Tax Reduction Scheme (CTR) for 2026/27, which we are recommending remains un-changed from the 2025/26 scheme. This is because our current scheme continues to support low-income households who are still finding the current economic situation challenging, in the most cost-effective way.

We are intending to carry out a review of our CTR working age scheme for 2027/28 due to the removal of the two-child cap the government announced in the Autumn Budget (19 November 2025), and the need to start to consider aligning our working age scheme with neighbouring Devon authorities in readiness for Local Government Reorganisation (LGR). Any proposed changes to the scheme will be consulted on before a final draft policy is brought to Members for consideration and approval.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Cabinet

1. Fully consider the Equality Impact Assessment in relation to the scheme and
2. Recommend to Council that the Council Tax Reduction Scheme for working age residents is approved for 2026/27.

Reason for recommendation:

The council is required by law to decide whether to revise or replace its CTR scheme each year. The proposal is that the scheme remains unchanged from 2025/26 as the current economic climate remains difficult for those on low incomes. Leaving the scheme as it is, will ensure that those households on the lowest income and therefore falling into Income band 1 would continue to receive 100% support towards their Council Tax charge.

Officer: Sharon church, Benefits and Financial Resilience Manager,
Sharon.church@eastdevon.gov.uk 01395 571791.

Portfolio(s) (check which apply):

- Assets and Economy
- Communications and Democracy
- Council, Corporate and External Engagement

- Culture, Leisure, Sport and Tourism
- Environment - Nature and Climate
- Environment - Operational
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

[Equalities Impact Assessment](#)

Climate change Low Impact

Risk: Low Risk;

Links to background information

Link to [Council Plan](#)

Priorities (check which apply)

- A supported and engaged community
- Carbon neutrality and ecological recovery
- Resilient economy that supports local business
- Financially secure and improving quality of services

Report in full

1. Background

- 1.1 Council Tax Reduction (CTR) is a means tested reduction/discount for council taxpayers who are on a low income. CTR has been in place since 1 April 2013. Each year the Council is required to review and agree the working age scheme by 11 March of the preceding financial year. Any changes made to a working age scheme are subject to public consultation.
- 1.2 The working age scheme is determined by local policy whilst applications for CTR for residents of Pension Age are determined by the national scheme that is subject to prescribed legislation.
- 1.3 We last made changes to our CTR working age scheme that came into effect from 1 April 2023. The most beneficial of those changes was increasing support for households on the lowest incomes (income band 1) to 100%.
- 1.4 We are not planning any changes this year as we will need to undertake a full review of our scheme during 2026. This is because we need to consider whether changes are required following the Autumn budget (19 November 2025) where the government announced the removal of the two-child limit from April 2026. As this announcement was made in November 2025 this was not something we could consider making changes for in our 2026/27 scheme.
- 1.5 As part of the Local Government Re-organisation, we will also need to start discussions with our neighbouring Devon authorities to consider aligning our schemes, in readiness for the new formed Unitary Council. Aligning our schemes will be a significant amount of work that will also need to be done alongside the changes set out in 1.4. It is worth noting that at present our scheme compared with other Devon authorities is more generous, for example our second income band is set at 80% whereas some authorities only offer 75%

2. Current Scheme

2.1 Our current scheme has four income bands - 100%, 80%, 55% and 25%.

2.2 The following table provides a breakdown of the number of claimants split between working and pensionable age and how the caseload has changed since April 2024.

Caseload	As at April 2024	As at October 2024	As at April 2025	As at October 2025	Difference between Apr 24 & Oct 25 (% rise)
Working age	4,527	4,530	4,459	4,612	1.87%
Pension age	3,456	3,451	3,629	3,491	1.01%
Total	7,983	7,981	8,088	8,103	1.50%

- Our Working Age caseload has increased by 1.87% between the period April 2024 to October 2025.
- The Pensionable Age caseload has increased by 1.01% over the same period. Although we saw an initial increase in the numbers being entitled to CTR following the take up campaign we ran during the winter of 2024/25, we have since seen a reduction in the amount of Pensionable age households qualifying for CTR following us carrying out more reviews of our caseload.
- The overall net effect of these changes has meant that our total CTR caseload has continued an albeit small upward trend in the number of households entitled.

2.3 The current working age caseload is broken down into the following discount bands.

Band	October 2023	October 2024	October 2025	2023 to 2024	% Change	2024 to 2025	% Change
100%	2004	1844	1252	-160	-7.98%	-592	-32.10%
80%	916	869	1034	-47	-5.13%	+165	+18.98%
55%	1194	1321	1735	+127	+10.63%	+414	+31.33%
25%	402	505	591	+103	+25.62%	+86	+17.02%
Total	4,516	4,539	4612	+23	+0.50%	+73	1.60%

- From October 2025 our caseload is more evenly spread across the four income bands as opposed to October 2023.
- The above table highlights that there has been movement from Income Band 1 primarily into Income Band 2 and 3. This movement is due to changes in circumstances, primarily the working age Housing Benefit caseload migrating to Universal Credit.
- Households that were previously receiving a welfare benefit that was passported, such as Job Seekers Allowance (income based), Income Support and Employment and Support Allowance (Income related) were automatically placed into income band 1.
- Universal Credit is not classed as a passported benefit. There are some elements we do not disregard as those who are able to work full time may also receive some of the

elements that others who do not work can receive. This approach is mirrored by other authorities including those in Devon where a banded scheme is in place.

- Households who are placed in a lower band due to the Universal Credit migration are notified that we can consider a payment out of our Exceptional Hardship fund if they are unable to afford the shortfall due to their financial situation.

2.4 The following table shows the characteristics of households where there are children, someone with a disability or someone who is in employment living in the household.

Band	Households with Children			Disability Benefit			Employed		
	Dec- 24	Dec-25	% Diff	Dec-24	Dec-25	% Diff	Dec-24	Dec-25	% Diff
Band 1 100%	671	667	-0.59%	906	326	-64.01%	134	154	+15.92%
Band 2 80%	610	619	+1.47%	405	589	+45.43%	406	395	-2.70%
Band 3 55%	601	634	+5.49%	645	1146	+77.67%	646	671	+3.86%
Band 4 25%	349	348	-0.28%	145	252	+73.79%	440	415	-5.68%
Total	2231	2268	+1.65%	2,101	2,313	+10.09%	1626	1,635	+0.55%

Note: households can fall into more than one of the above categories

- There has been an increase in the number of households receiving earnings falling into Income Band 1.
- The majority of households falling out of Income Band 1 are those where there is a disabled resident in the property, with most of these households now falling into Income Bands 3 and 4. This movement in the bands is due to the level of income received from Universal Credit that is not disregarded under our CTR scheme.
- We are currently monitoring cases that have seen a reduction in the amount of CTR due to migrating to Universal Credit, and as part of the support offered Exceptional Hardship for Council Tax will be considered for those households that are unable to afford the shortfall.

2.5 Our working age scheme continues to include an exceptional hardship fund (EHF) to help those households who will struggle to make up any shortfall in their entitlement. This allows us to provide additional support of up to 100% of the Council Tax charge. Requests are considered on a case-by-case basis and are dependent on individual needs. To date we have awarded approximately £8,500 under EHF for the financial year 2025/26. These costs are included within the total costs of the scheme noted in 3.1.

3. Future Costs

3.1 The expenditure split of the scheme as of 10 October 2025 is shown in the table below

Claim type	Expenditure costs
Working age	£5,093,319
Pension age	£5,200,996
Total	£10,294,315

3.2 Total costs of the 2026/27 scheme will depend on a combination of factors including the annual rise in Council Tax and the economic outlook.

3.3 The cost of the CTR scheme is funded through the Council Tax base, and the costs are shared in proportion between the preceptors. For East Devon the CTR expenditure equates to 7% of the total cost.

3.4 Alongside notifying those of pensionable age of possible entitlement we have now introduced the vulnerable debt tool kit within Revenues and Benefits. Officers will advise those who could be entitled to CTR to make an application which may result in new claims for CTR being received in the future.

3.5 It is a possible that there will be a reduction in the overall cost of the CTR scheme due to the changes mentioned in 1.4. The removal of the two-child limit cap will mean that households will receive more Universal Credit from April 2026. This will mean that households will receive an additional £298 per child per month (*present rate*).

3.6 Although this change will not be reflected within our scheme for 2026/27, we are currently carrying out analysis of our CTR caseload to understand the full implications of these changes. Households who are unable to afford the shortfall will be invited to make an application to the EHF to provide the required financial support.

4. Arrears

4.1 Nationally council tax arrears are increasing due to economic factors, and East Devon is not immune to this as we are also experiencing a reduction in our overall collection rates.

4.2 The following table shows the number of households who are receiving CTR as of 02 December 2025 against the number of households in arrears, further split into working and pensionable age categories.

Total			Working Age			Pension Age		
Cases	In arrears	%	Cases	In Arrears	%	Cases	In arrears	%
8045	798	9.91%	4585	725	15.81%	3460	73	2.11%

- There has been a small rise in the number of accounts in arrears for both working age and pensionable age cases compared to December 2024.
- Pensionable age arrears were previously 1.67% a total rise of 0.44%
- Working age arrears have risen by 2.12% from 13.69% to 15.81%

4.3 The table below shows a breakdown of those cases in arrears where CTR is being received broken down into Council Tax bands.

Band	Total CTR Cases in arrears			Working Age			Pension Age		
	Total CTR claims	CTR households in arrears	%	Total Cases	In arrears	%	Total Cases	In arrears	%
A	1884	199	10.56%	1143	178	15.57%	741	21	2.83%
B	3036	297	9.78%	1743	274	15.72%	1293	23	1.77%
C	2128	224	10.52%	1289	213	16.52%	839	11	1.31%
D	629	62	9.85%	298	50	16.77%	331	12	3.62%
E	273	12	4.39%	89	8	8.98%	184	4	2.17%
F	70	4	5.71%	18	2	11.11%	52	12	23.07%

G	25	0	0	5	0	0	20	0	0
Total	8045	798	9.91%	4585	725	15.81%	3460	73	2.10%

4.4 The following table shows the level of arrears spread across the income bands for working age cases as of December 2025.

Income Band	Working age cases in arrears		
	Total cases	in arrears	%
1	1230	168	13.66%
2	1031	171	16.59%
3	1732	282	16.28%
4	592	104	17.57%
Total	4585	725	15.81%

- Increases of arrears have been seen across all income bands since December 2024 which reflects the national picture.
- The highest rate of arrears are in Income Band 2 & 4. This was also the case as of December 2024.
- As per December 2024 the lowest level of arrears are in Income Band 1 supporting the fact that continuing to offer 100% CTR for those on the lowest incomes helps to reduce arrears.

4.5 It is important to note that the percentage of CTR working age households in arrears is still lower than it was in Jul 2022 where 19.7% of the caseload were in arrears. This was before we moved to a 100% support from April 2023.

5. Summary

5.1 Analysis of the data over the last 12 months shows that the current economic climate is still having a negative effect on household incomes. This is also reflected across all households in East Devon where we are seeing a reduction in our overall collection rates. This is not surprising with the current economic climate where people are still experiencing high energy and other essential costs such as food.

5.2 The Universal Credit migration has had a significant impact on our caseload which we will continue to monitor.

5.3 The highest level of arrears is for those households within Income Bands 2 and 4.

5.4 Overall, the spread of awards across the Income Bands is now more balanced as opposed to previous years when the majority of our case load was in Income Band 1

5.5 There will likely be changes to our scheme for 2027/28 as we look towards aligning our scheme with other Devon authorities as part of Local Government Reorganisation and consider the changes announced in the November budget.

Financial implications:

The scheme remains unchanged, so no new financial implications have been identified.

Legal implications:

The legal issues are covered in the body of the report and the Scheme itself.

**East Devon District Council
Council Tax Reduction Scheme
2026/27
Income Banded Discount Scheme**

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ADDENDUM

Authority is delegated to the Strategic Lead for Finance in consultation with the Finance Portfolio holder to make amendments to this policy to take account of any typographical issues and any further changes in law, government guidance or policy.

1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period 1st April 2026 until 31st March 2027.
- 1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2026 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017;
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2018;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022;
 - The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2024;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

The 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 no greater than the applicable amount.

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

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

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

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

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

Class C: alternative maximum Council Tax Reduction

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum Council Tax Reduction amount can be calculated;

- (d) who does not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the 1992 Act and excluded from the authority's scheme;
- (e) who has made an application for a reduction under the authority's scheme; and
- (f) in relation to whom the condition below is met.

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

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

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

Disregard of certain incomes

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

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

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

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

1.6 The adopted scheme for working age applicants is an income discount-based scheme.

Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;

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

1.7 The Council has resolved that there will be *one* class of persons who will receive a reduction in line with adopted scheme. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

- (a) have not attained the qualifying age for state pension credit; or
- (b) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- (c) be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- (d) is not deemed to be absent from the dwelling;
- (e) not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- (f) be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;
- (g) not have capital savings above £6,000;
- (h) 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* falls within the levels for discount prescribed within Schedule 1 of this scheme; and
- (i) has made a valid application for reduction¹.

Maximum Council Tax Reduction stated above is defined within section 57 of this scheme.

¹ Sections 68 to 74a of this scheme

Council Tax Reduction Scheme

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

Sections 2- 8
Definitions and interpretation

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

In this scheme:

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

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

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

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

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

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

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

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

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

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

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

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

‘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 2002;

'claim' means a claim for Council Tax Reduction;

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

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

'the Consequential Provisions Regulations' means the Housing Benefit and Council Tax Reduction (Consequential Provisions) Regulations 2006;

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

'converted employment and support allowance' means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008;

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

'Council Tax Reduction' means Council Tax Reduction as defined by S13a Local Government Finance Act 1992 (as amended);

'couple' means:

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

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

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

'designated authority' means any of the following:

- (a) the local authority; or
- (b) a person providing services to, or authorised to exercise any function of, any such authority.

'designated office' means the office designated by the authority for the receipt of claims for Council Tax Reduction;

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

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

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

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

'the Eileen Trust' means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible

for payment in accordance with its provisions;

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

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

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

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

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

‘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;

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

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

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

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

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

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

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

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

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

‘independent hospital’–

- (a) in England, means a hospital as defined by section 275 of the National Health Service Act 2006 that is not a health service hospital as defined by that section;
- (b) in Wales, has the meaning assigned to it by section 2 of the Care Standards Act 2000; and
- (c) in Scotland means an independent health care service as defined by section 10F of the National Health Service (Scotland) Act 1978;

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

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

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

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

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

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

‘the LET’ means the London Emergencies Trust;

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

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

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

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

‘new dwelling’ means, for the purposes of the definition of ‘second authority’ and sections 60C, and 61C the dwelling to which an 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;

‘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 as amended by the Public Service Pension Act 2013;

'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;

'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 2004²;
- (c) a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

'policy of life insurance' means any instrument by which the payment of money is

² As amended by the Finance Act 2014

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, the London Bombings Relief Charitable Fund, the WLMEF or the LET;

'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;

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

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

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

'second authority' means the authority to which a mover is liable to make payments for the new dwelling;

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

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

- (a) an employment zone programme;
- (b) a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
- (c) the Employment, Skills, and Enterprise Scheme;
- (d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- (e) Back to Work scheme.

'Service User' references in this scheme to an applicant participating as a service user are to

- (a) a person who is being consulted by or on behalf of—
 - (i) the Secretary of State in relation to any of the Secretary of State's functions in

the field of social security or child support or under section 2 of the Employment and Training Act 1973; or

(ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or

(b) the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph.

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

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

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

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

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

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

'student' has the meaning prescribed in section 43;

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

'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 amended³;

the **'WLMEF'** means the 'We Love Manchester Emergency Fund and

'young person' has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed as a person is resident there as defined within Section 6 of the Local Government Finance Act 1992.

2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.

2.4 For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day:

(a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or

(b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;

(c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;

(d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

2.4A For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day:

(a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in

³ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- accordance with section 18 of the Welfare Reform Act disqualification; or
- (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

2.6 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

3.0 Definition of non-dependant

3.1 In this policy, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.

3.2 This paragraph applies to;

- (a) any member of the applicant's family;
- (b) if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
- (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11 (membership of the same household);
- (d) subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
- (e) subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
- (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

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

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

4.0 Requirement to provide a National Insurance Number⁴

4.1 No person shall be entitled to support unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming support.

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

4.3 Paragraph 4.2 shall not apply–
(a) in the case of a child or young person in respect of whom council tax reduction is claimed;
(b) to a person who;
i. is a person in respect of whom a claim for council tax reduction is made;
ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act;
iii. is a person from abroad for the purposes of this scheme; and
iv. has not previously been allocated a national insurance number.

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

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

6.0 Not used.

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

Persons treated as not being in Great Britain

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

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

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

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

- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
 - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 7.4B Paragraph (4A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
 - (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 7.5 A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
 - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
 - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
 - (zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon in connection with the Hamas terrorist attack in Israel on

7th October 2023 or the violence which rapidly escalated in the region following the attack and—

- (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
- (ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—
- (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act.
- (zf) a person who—
- was residing in a country or territory outside Great Britain immediately before His Majesty's Government—
 - (aa) provided public information to advise British nationals to leave that country or territory, or
 - (bb) arranged the evacuation of British nationals from that country or territory;
- has left that country or territory and is present in Great Britain; and has—
- (aa) a right of abode in the United Kingdom within the meaning given in section 2 of the Immigration Act 1971(6),
 - (bb) no requirement of leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act(7),
 - (cc) leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of that Act, or
 - (dd) leave on a discretionary basis outside of rules made under section 3(2) of that Act; or
 - (zg) a person who, as part of a safe and legal humanitarian immigration route, has leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of the Immigration Act 1971 or leave on a discretionary basis outside of rules;
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
 - (b) a family member of a person referred to in sub-paragraph (a);
 - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
 - (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
 - (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
 - (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
 - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
 - (f) a person who has humanitarian protection granted under those rules;

- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion, or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance;
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4); or
- (hb) in receipt of universal credit

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

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

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

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

Persons subject to immigration control

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9.

7.11 "Person subject to immigration control" has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker's allowance, until the first of the events in

paragraph 7A.2 occurs.

7A.2 The events are—

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

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

8.0 Not Used

Sections 9 - 11

The family for Council Tax Reduction purposes

9.0 Membership of a family

- 9.1 Within the support scheme adopted by the Council 'family' means;
- (a) a married or unmarried couple;
 - (b) married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - (c) two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
 - (e) and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
 - (f) except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person' A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- (a) on income support;
 - (b) an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
 - (c) a person to whom section 6 of the Children (Leaving Care) Act 2000 applies.
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable.

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

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him, and this includes a child or young person to whom paragraph 9.3 applies.
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- (a) the person who is receiving child benefit in respect of him; or
 - (b) if there is no such person;
 - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or
 - ii. in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this scheme a child or young person shall be the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

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

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is—

- (a) placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- (b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002⁵ 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 Children's Hearing (Scotland) Act 2011, 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.

Sections 12 – 14 Not Used

⁵ The Adoption and Children Act 2002 (Commencement No. 12) Order 2014

Sections 15 – 32 & Schedules 3 & 4

Definition and the treatment of income for Council Tax Reduction purposes

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:
- (a) an applicant; and
 - (b) 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:
- (a) the applicant must be treated as possessing capital and income belonging to each such member; and
 - (b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

15A.0 Calculation of income and capital: persons who are not pensioners who have an award of universal credit.

15A.1 In determining the income of an applicant;

- (a) who has, or
- (b) who (jointly with his partner) has,

an award of universal credit the authority may, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

15A.2 The authority may adjust the amount referred to in sub-paragraph (1) to take account of

- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
- (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings: persons who are not pensioners);
- (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
- (d) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable); and
- (e) any amount determined by the authority as the amount of housing costs element.

15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

15A.4 Sections 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments which fall to be made to the figure for income under subparagraph (2)

15A.5 In determining the capital of an applicant;

- (a) who has, or
- (b) who (jointly with his partner) has,

an award of universal credit, the authority may use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award.

15A.6 For the avoidance of doubt, the authority may use such information from the Secretary of State at its discretion in the calculation of any reduction or in any change of

circumstances.

16.0 Not used.

17.0 Calculation of income on a weekly basis

17.1 For the purposes of this scheme, the income of an applicant shall be calculated on a weekly basis;

- (a) by estimating the amount which is likely to be his average weekly income in accordance with this section; and
- (b) by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income.

17.2 The conditions of this paragraph are that;

- (a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
- (b) that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

17.3 The maximum deduction to which paragraph 17.1 b) above refers shall be;

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

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 work;
- (b) is a member of a couple both of whom are engaged in work; or
- (c) is a member of a couple where one member is engaged in work and the other;
 - i. is incapacitated;
 - ii. is an in-patient in hospital; or
 - iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

18.2 For the purposes of paragraph 18.1 a person shall be treated as engaged in work if:

- (a) they are engaged in genuine and effective work; or
- (b) was working but off work sick and getting Statutory Sick Pay from their employer; or
- (c) Was working but on maternity and getting Statutory Maternity Pay from their employer.

18.3 – 18.4 Not used

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–

- (a) in respect of the child's compulsory education;
- (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
- (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.

18.8 The care to which paragraph 18.7 refers may be provided;

- (a) out of school hours, by a school on school premises or by a local authority;
 - i. for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - ii. for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
- (b) by a childcare provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the childcare that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- (e) by;
 - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
 - ii. local authorities registered under section 83(1) of that Act, where the care provided is child minding or day care within the meaning of that Act; or
- (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
- (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- (k) by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- (l) by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- (m) by a person who is not a relative of the child wholly or mainly in the child's home.

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

- (a) the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- (b) the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- (c) the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or 2013 as appropriate;
- (d) the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- (e) the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (f) there is payable in respect of him one or more of the following pensions or allowances:
 - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
 - ii. attendance allowance under section 64 of the Act;
 - iii. severe disablement allowance under section 68 of the Act;
 - iv. disability living allowance under section 71 of the Act;
 - v. personal independence payment under the Welfare Reform Act 2012;
 - vi. an AFIP;
 - vii. increase of disablement pension under section 104 of the Act;
 - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (v) above;
 - ix. main phase employment and support allowance;
- (g) a pension or allowance to which head (ii), (iv), (v) or (vi) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005;
- (h) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- (i) paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (j) he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services

(Northern Ireland) Order 1972.

18.12 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.

19.13 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 - 18.16 Not used

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 based on the last weekly pay slip or monthly salary slip. Where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

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

20.0 Average weekly earnings of self-employed earners

20.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme.

21.0 Average weekly income other than earnings

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise an authority to disregard any such income other than that specified in Schedule 4 of this scheme.

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

22.0 Calculation of average weekly income from tax credits

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3.

22.3 Where the instalment in respect of which payment of a tax credit is made is;

- (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- (c) a two-weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- (d) a four-weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

23.0 Calculation of weekly income

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

- (a) does not exceed a week, the weekly amount shall be the amount of that payment;
- (b) exceeds a week, the weekly amount shall be determined—
 - i. in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - ii. in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the quotient by 7.

23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the quotient by 7.

24.0 Not used.

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. travelling expenses incurred by the applicant between his home and his place of employment under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- k. any statutory sick pay, statutory maternity pay, statutory paternity pay, or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended.⁶

25.2 Earnings shall not include—

- a. subject to paragraph 25.3, any payment in kind;
- b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- c. any occupational pension
- d. any payment in respect of expenses arising out of an applicant participating as a service user.

25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)

26.0 Calculation of net earnings of employed earners

26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- (a) any amount deducted from those earnings by way of
 - i) income tax;

⁶ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

- ii) primary Class 1 contributions under the Act;
- (b) any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- (c) any 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 or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- (c) 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 accommodate with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

27.3 This paragraph applies to—

- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- (b) any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction shall be treated as a corresponding fraction of a week) by dividing the earnings by the amount of council tax reduction which would be payable had the payment not been made plus an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be;

- (a) in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- (b) in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
 - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - ii. any 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) any 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) any amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.

28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner, and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.

28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined.

- (a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
- (b) in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

29.0 Deduction of tax and contributions of self-employed earners

- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of–
- (a) the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
 - (b) the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.
- 29.3 In this section 'chargeable income' means–
- (a) except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph (28.3)(a) or, as the case may be, (28.4) of section 28;
 - (b) in the case of employment as a child minder, one-third of the earnings of that employment.

29A.0 Minimum Income Floor

- 29 A.1 Where no start up period (as defined within 29A.2) applies to the applicant or partner, the income used by the Council in the calculation of their award will be the gross amount declared by the applicant or a substituted amount whichever is the higher. This substituted amount shall not be less than 35 hours multiplied by the national living wage(or national minimum wage as appropriate) From that, the Council will deduct only an estimate for tax, national insurance and a pension contribution (where a pension contribution is being made).
- 29 A.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the applicant or partner. This will normally be one year from the date of commencement of the employment activity. During this period, no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.
- 29 A.3 Where an applicant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the substituted amount where appropriate.
- 29 A.4 No start-up period may be applied in relation to an applicant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Reduction.

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

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

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

29A.7 Where the authority is of the opinion that the applicant is unable to undertake work at a level of 35 hours as mentioned in 29A.1, it may, at its discretion reduce the number of hours to 16 per week.

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 2008, 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 Paragraphs 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—

$$\frac{A - (B \times C)}{D}$$

D

Where;

A = the total amount of the relevant payment which that person would have received had he remained a student until he last day of the academic term in which he abandoned, or

was dismissed from, his course, less any deduction under paragraph 51.5
B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;
C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;
D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—
A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section— ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of sections 43 to 45, ‘assessment period’ means—

- (a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;
- (b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—
 - i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
 - ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those date is earlier;

‘quarter’ in relation to an assessment period means a period in that year beginning on;

- (a) 1st January and ending on 31st March;
- (b) 1st April and ending on 30th June;
- (c) 1st July and ending on 31st August; or
- (d) 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1;

- (a) any payment to which paragraph 25.2 (payments not earnings) applies; or
- (b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act.

31.0 Capital treated as income.

31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with sections 33 to 42 of this scheme

exceeds £6,000, be treated as income.

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

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

31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 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 reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.
- 32.9 Subject to paragraph 32.10, where—
- (a) applicant performs a service for another person; and
 - (b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.
- 32.10 Paragraph 32.9 shall not apply—
- (a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
 - (b) in a case where the service is performed in connection with—
 - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which

a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or

- (c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this subparagraph 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) 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.

Sections 33 – 42 & Schedule 5

Definition and the treatment of capital for Council Tax Reduction purposes

33.0 Capital limit

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

34.0 Calculation of capital

34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Not used.

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), the London Bombings Charitable Relief Fund, the WLMEF or the LET 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 Capital Anti Abuse provisions

39.1 An applicant shall be treated as possessing capital which the authority is of the opinion that he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that support.

40.0 Not used.

41.0 Capital jointly held.

41.1 Except where an applicant possesses capital which is disregarded under paragraph 39.1 where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess

42.0 Not Used

Sections 43 - 56

Definition and the treatment of students for Council Tax Reduction purposes

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

'academic year' means the period of twelve months beginning on 1st January 1st April 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

'access funds' means;

- (a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- (b) grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- (c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- (d) discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- (e) Financial Contingency Funds made available by the Welsh Ministers;

'college of further education' means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

'contribution' means;

- (a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
- (b) any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;

'course of study' means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

'covenant income' means the gross income payable to a full-time student under a Deed of Covenant by his parent;

'education authority' means a government department, a local education authority as defined in section 12 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973 an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body of the Channel Island, Isle of Man or any other country outside Great Britain;

'full-time course of study' means a full time course of study which;

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by

the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;

- (b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
- (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either
- of those persons for the delivery of that course; or
- (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- (c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
- (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
- (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

'full-time student' means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

'grant' (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

'grant income' means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

'higher education' means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

'last day of the course' means;

- (a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- (b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

'period of study' means—

- (a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- (b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year's start and ending with either—
- (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
- (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- (c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

'periods of experience' means periods of work experience which form part of a sandwich course;

'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker's Allowance Regulations;

'modular course' means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

'sandwich course' has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

'standard maintenance grant' means—

- (a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 ('the 2003 Regulations') for such a student;
- (b) except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;
- (c) in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as 'standard maintenance allowance' for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- (d) in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

'student' means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

- (a) a course of study at an educational establishment; or
- (b) a qualifying course;

'student' loan' means a loan towards a student's maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Student's Allowances (Scotland) Regulations 2007

43.2 For the purposes of the definition of 'full-time student', a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course;

- (a) in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending:
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
- (b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;

- (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
- (b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational

establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

44.1 The following sections relate to students who claim Council tax reduction.

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

45.1 Students (except those specified in paragraph 45.3) are not able to claim council tax reduction under Class D of the Council's reduction scheme.

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 scheme (persons from aboard).

45.3 Paragraph 45.2 shall not apply to a student.

(a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) who is a lone parent;

(c) 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) who is;

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 For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 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.
- 46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
 - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.
- 47.0 Calculation of covenant income where a contribution is assessed.**
- 47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.
- 47.2 The weekly amount of the student's covenant shall be determined—

- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
- (b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

48.0 Covenant income where no grant income or no contribution is assessed.

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

49.0 Student Covenant Income and Grant income – non disregard

49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme.

50.0 Other amounts to be disregarded.

50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

51.0 Treatment of student loans

51.1 A student loan shall be treated as income.

51.2 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;

- (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,
- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
- (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
- (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5;

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
 - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and

(ii) no deduction in that loan was made by virtue of the application of a means test.

51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4;

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

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 Reduction

57.0 Maximum council tax reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax reduction in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A divided by B where;

- (a) A is the **lower** of either;
 - i. 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.

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls

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

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax reduction) applies, in determining the maximum council tax reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case.

58.0 Non-dependant deductions

58.1 There shall be no non-dependant deductions.

59.0 – 63.0 Not used

Sections 64 – 67

Dates on which entitlement and changes of circumstances are to take effect.

64.0 Date on which entitlement is to begin.

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

65.0 - 66.0 Not Used

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

67.1 A change of circumstances which affects entitlement to, or the amount of, a reduction under an authority's scheme ("change of circumstances"), takes effect from 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 last day of entitlement to that benefit.

Sections 68– 74A

Claiming and the treatment of claims for Council Tax Reduction purposes

68.0 Who may claim⁷

68.1 In the case of a couple or members of a polygamous marriage an application shall 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 apply, 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, an 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 paragraph (3) or treated a person as an appointee under paragraph (5);

- (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 shall terminate when the authority is notified of the appointment of a person mentioned in paragraph (2).

68.6 Anything required by an 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 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.

69.0 Procedure by which a person may apply for a reduction under an authority's scheme⁸

69.1 Paragraphs 2 to 7 apply to an application for a reduction under an authority's scheme.

69.2 An application may be made—

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

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

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 to 106 of this policy or
- (c) (where the authority has published a telephone number for the purpose of receiving such applications) by telephone;
- (d) the authority shall accept a claim in the form of any electronic communication from the Department for Work and Pensions

- 69.3 (a) An application which is made in writing must be made to the offices of the authority on a properly completed form.
- (b) The form will be provided free of charge by the authority for the purpose.

- 69.4. Where an application received by the authority 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.

- 69.5. (1) Where an application made in writing is defective because—
- (a) the form provided by the authority has not been properly completed; or
 - (b) if it is made in writing, but not on the form provided by the authority, and the authority does not consider the application as being in a written form which is sufficient in the circumstances of the case;

the authority may request the applicant to complete the defective application or (as the case may be) supply the applicant with the form to complete or request further information or evidence.

- (2) An application made on a form provided by the authority is properly completed if completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

- 69.6. (1) If an application made by electronic communication is defective the authority will 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.

- 69.7. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

- 69.8. (1) If an application made by telephone is defective the authority will 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.

- 69.9 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

69A.0 Date on which a claim 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 for a reduction under this scheme 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 to the authority is received at the authority's offices within one month of the date of the change,

the date on which the change takes place;

(c) in a case where—

(i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

(ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

the date of the death or separation;

(d) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the 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 the application is received at the offices of the authority.

69A.2 For the purposes only of sub-paragraph (1)(a) a person who has been awarded an income- based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under—

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

69A.3 Where the defect in an application by telephone:

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority is to 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 is to treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on 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 United Kingdom, 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 this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to 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 United Kingdom, where the applicant is not entitled to a reduction under this 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 this scheme for a period beginning not later than
(a) in the case of an application made by a pensioner, the seventeenth reduction week following the date on which the application is made, or
(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

69A.8 Sub-paragraph (7) applies in the case of a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit.

69B.0 Backdating

69B.1 Where an application is made to backdate a claim to a period prior to the date of claim, the authority may backdate, at its discretion where a good reason, in the opinion of the authority, is proven. Such a backdate will be limited to 12 months (maximum) from the date of claim.

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 Evidence and information⁹

- 72.1 Subject to paragraph (2), a person who makes an application, or a person to whom a reduction under an authority's scheme has been awarded, shall 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 the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and shall do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
- 72.2 This sub-paragraph is satisfied in relation to a person if—
- (a) the application is accompanied by;
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
 - (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.
- 72.3 Sub-paragraph (2) does not apply;
- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
 - (b) to a person who;
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.
- 72.4 This sub-paragraph applies to any of the following payments—
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Bombings Relief Charitable Fund, the WLMEF or the LET;
 - (b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 29(9)(b) or (c) (non-dependant deductions) or paragraph 2(b) or (c) of Schedule 4 (second adult's gross income) other than a payment under the Independent Living Fund (2006).
- 72.5 Where an applicant or a person to whom a reduction under this 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;

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

(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of application¹⁰

73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

73.2 Where the application was made by telephone the amendment may also be made by telephone.

73.3 Any application amended is to be treated as if it had been amended in the first instance.

73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.

73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

74.0 Duty to notify changes of circumstances¹¹

74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time:

- (a) between the making of an application and a decision being made on it, or
- (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.

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

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

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

reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 Notwithstanding paragraph (2)(b) or (c) an applicant is required by 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 ceases to be a child or young person.

Sections 75- 90

Decisions, decision notices and awards of Council Tax Reduction

75.0 Decisions by the authority¹²

75.1 An authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and Part 1 of Schedule 7 of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 being satisfied, or as soon as reasonably practicable thereafter.

76.0 Notification of decision¹³

76.1 The authority must notify in writing any person affected by a decision made by it under this 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;
- (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 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.

76.4 The written statement referred to in sub-paragraph (3) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.5 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (6).

76.6 This sub-paragraph applies to—

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

77.0 Time and manner of granting council tax reduction¹⁴

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his

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

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

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

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 paid¹⁵

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

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

79.0 Shortfall in support / reduction¹⁶

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

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

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

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

80.0 Payment on the death of the person entitled¹⁷

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

81.0 Offsetting

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

82.0 Payment where there is joint and several liability¹⁸

- 82.1 Where;
- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
- (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
- (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate, it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.
- 82.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.
- 82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

83.0 – 90.0 Not used

¹⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁸ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

Sections 91 – 94

Collection, holding and forwarding of information for Council Tax Reduction purposes.

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

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

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements¹⁹.

92.0 Collection of information

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from–

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

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

93.0 Recording and holding information.

93.1 The authority may

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

94.0 Forwarding of information.

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

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

¹⁹ Data Retention and Investigatory Powers Act 2014, Data Retention Regulations 2014 and The Regulation of Investigatory Powers (Acquisition and Disclosure of Communications Data: Code of Practice) Order 2015

Sections 95 – 98

Revisions, Written Statements, Termination of Council Tax Reduction

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 scheme;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to council tax reduction. The request must be received within one month of the date of the notification being issued by the authority.

98.0 Terminations

- 98.1 The authority may terminate support in whole or in part the council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a support should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the council tax reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to council tax reduction are or were fulfilled; or
 - b. a decision as to an award of such a 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.

99.0 Procedure by which a person may make an appeal against certain decisions of the authority²⁰

99.1 A person who is aggrieved by a decision of the authority, which affects;
(a) the person's entitlement to a reduction under its scheme, or
(b) the amount of any reduction to which that person is entitled,
may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

99.2 The authority must
(a) consider the matter to which the notice relates;
(b) notify the aggrieved person in writing;
i. that the ground is not well founded, giving reasons for that belief; or
ii. that steps have been taken to deal with the grievance, stating the steps taken.

99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act²¹.

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

²¹ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

Section 100

Procedure for applying for a discretionary reduction.

100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act²²

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

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

100.2 Where:

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
- (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 101 – 106A²³
Electronic Communication

²³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

101.0 Interpretation

101.1 In this Part;
“**information**” includes an application, a certificate, notice or other evidence; and
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing, or storing of any information.

102.0 Conditions for the use of electronic communication

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

102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in 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

107.0 Counter Fraud and compliance

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

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

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

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

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

Schedule 1

Class D

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

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

Group	Discount (%)	Single no Children		Couple no Children	
		Lower Limit	Upper Limit	Lower Limit	Upper Limit
Group 1	100	£0.00	£100.00	£0.00	£144.00
Group 2	80	£100.01	£176.00	£144.01	£220.00
Group 3	55	£176.01	£259.00	£220.01	£291.00
Group 4	25	£259.01	£341.00	£291.01	£363.00

Group	Discount (%)	1 Child +		2 Child +	
		Lower Limit	Upper Limit	Lower Limit	Upper Limit
Group 1	100	£0.00	£220.00	£0.00	£296.00
Group 2	80	£220.01	£303.00	£296.01	£379.00
Group 3	55	£303.01	£374.00	£379.01	£450.00
Group 4	25	£374.01	£445.00	£450.01	£521.00

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

- (a) The maximum Council Tax Reduction as defined within this scheme;
- (b) The Council Tax family as defined within this scheme.
- (c) The income of the applicant as defined within this scheme;
- (d) The capital of the applicant as defined within this scheme.

3 For the sake of clarity all incomes shown within the table above are weekly in accordance with the scheme requirements and definitions.

4 Discount bands vary depending on both weekly income and the household (family as defined within this scheme).

5 Any applicant who capital is greater than £6,000 shall not be entitled to any Council Tax Reductions whatsoever.

6. The authority may increase the level of incomes within the grid specified in paragraph 1 on an annual basis to take account of Consumer Price Index (CPI) at 1st October including any adjustments for roundings to whole pounds preceding the effective financial year.

7. Where an applicant or partner is in receipt of a **relevant benefit** (passported) namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at 100%

Schedule 2

Not used

Schedule 3

Sums to be disregarded in the calculation of earnings.

1. In the case of an applicant or partner who is engaged in work as an employed earner or self-employed earner, £25 per week shall be disregarded from earnings.
2. Only one earnings disregard applies per claim irrespective of the whether the applicant or partner is in work.
3. Childcare charges as defined within paragraph 18.
4. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.
5. 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.
6. 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.

Schedule 4

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

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, 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. Not used
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker's allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment–
 - (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational

- facilities);
- (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
- (b) corresponding to such an education maintenance allowance, made pursuant to;
- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
- (ii) regulations made under section 181 of that Act; or
- (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
- in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14** (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
- (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15** (1) Subject to sub-paragraph (2), any of the following payments;
- (a) a charitable payment;
- (b) a voluntary payment;
- (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
- (d) a payment under an annuity purchased;
- (i) pursuant to any agreement or court order to make payments to the applicant; or
- (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or

- (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–
- (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
- (a) widowed mother's allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
- (2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of–
- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–
- (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998(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, London Bombings Relief Charitable Fund, MacFarlane Trust, WLMEF and the LET.

- 37.** Any Housing 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.** Any payment of Carers Allowance
- 40.** Any Support Component of the Employment and Support Allowance
- 41.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
- 42.** Any payment made under the Social Security (Infected Blood and Thalidomide) Regulations 2017.
- 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) 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 1991²⁴;
- (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. Provision for all applicants: Homes for Ukraine scheme

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

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

(2) In this regulation—

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

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

²⁴ As amended by The Child Support (Consequential and Miscellaneous Amendments) Regulations 2014

Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10
- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—
(a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,
in respect of which such assistance is or was received.
(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
- 61.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
- 62.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
- 63.** (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
- 64.** Any payment of Council Tax Rebate paid under the Government announcement on 3rd February 2022.

- 65.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 66.** Any payment of child benefit.
- 67.** Any bereavement support payment under section 30 of the Pensions Act 2014.
- 68.** Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
 - (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled."The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.
- 69.** At the discretion of the Council, any grant or increase in national welfare benefit made by local or central government in response to a crisis.

Schedule 5
Capital to be disregarded.

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- 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 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 the 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. – 6. Not Used**
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub- leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self- employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.
- (3) In the case of a person who is receiving assistance under the self-employment route,

the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

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

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

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

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

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

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

(3) For the purposes of sub-paragraph(2), 'the award of council tax 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 reduction or to increase the amount of that support.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
- (2) But sub-paragraph (1)
- (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
- (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
- (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
- (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
- (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
- (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.
- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.
- 20.** Any social fund payment made pursuant to Part 8 of the Act.
- 21.** Any refund of tax which falls to be deducted under section 369 of the Income and

Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

- 22.** Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24.** (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
 - (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,
but only for a period from the date of the payment until the end of two years from that person's death.
- (5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where
- (a) that person at the date of his death (the relevant date) had no partner or

former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund , the Caxton Foundation, the London Bombings Relief Charitable Fund, MacFarlane Trust , the WLMEF and the LET.

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. Any payment made under the Social Security (Infected Blood and Thalidomide) Regulations 2017.

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 reduction), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax reduction), sub-paragraph (1) shall not have effect.
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the 2013 and the Civil Procedure Amendment No 6 Rules) 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.
- 59** (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.
- 60.** Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
- 61.** Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 62.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 63.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).
- 64.** Any bereavement support payment under section 30 of the Pensions Act 2014
- 65.** Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
- (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled.
- "The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.
- 66.** At the discretion of the Council, any grant or increase in national welfare benefit made by local or central government in response to a crisis.
- 67. Provision for all applicants: Homes for Ukraine scheme**
- (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
- (c) an applicant's entitlement to a reduction under the scheme; or
 - (d) the amount of any reduction to which the applicant is entitled.
- (2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

Report to: Council

Date of Meeting 25 February 2026

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A



Motion on Notice – Recognising and Protecting the Rights of Rivers in East Devon

Report summary:

The constitution provides that members of Council may submit written notice of motions for debate at Council. A motion must be signed by the proposer and seconder and at least 3 members and submitted not later than 10 clear days before the date of the meeting.

Motions must be about matters for which the council has a responsibility, or which affect East Devon District Council and will be listed on the agenda in the order in which notice received.

Motions for which notice has been given will be listed on the agenda in the order in which notice was received unless the member giving notice states, in writing, that they propose to move it to a later meeting or withdraw it.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Motion on Notice – Recognising and Protecting the Rights of Rivers in East Devon is debated and determined by Council.

Reason for recommendation:

The constitution makes provision for motions on notice to be debated and decided by Council.

Officer: Andrew Melhuish, Corporate Lead Democratic Services & Scrutiny
(andrew.melhuish@eastdevon.gov.uk)

Portfolio(s) (check which apply):

- Assets and Economy
- Communications and Democracy
- Council, Corporate and External Engagement
- Culture, Leisure, Sport and Tourism
- Environment - Nature and Climate
- Environment - Operational
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

The impact is low as this report is dealing with the submission of motions on notice. Any work undertaken following the consideration of the motion on notice would be subject to an equalities impact assessment being undertaken.

Climate change Low Impact

Risk: Low Risk; A risk assessment would need to be completed on any works or further investigations resulting from the motions of notice.

Links to background information N/A

Link to [Council Plan](#)

Priorities (check which apply)

- A supported and engaged community
- Carbon neutrality and ecological recovery
- Resilient economy that supports local business
- Financially secure and improving quality of services

Report in full

Motion 1: Recognising and Protecting the Rights of Rivers in East Devon

Proposed by: Cllr Paula Fernley

Seconded by: Cllr Jess Bailey

Supported by: Councillors Paul Arnott, Charlotte Fitzgerald, Geoff Jung, Steve Hunt, Marianne Rixson, Sarah Jackson, Paul Hayward, Alasdair Bruce, Joe Whibley, Tim Dumper, Ian Barlow, Olly Davey, Anne Hall, Fabian King, Duncan Mackinder, Steve Hunt, Richard Jefferies and Bethany Collins

This Council notes that:

East Devon is home to a network of rivers and streams — including the Axe, Coly, Otter, Sid, Exe, Clyst, Lym and their tributaries, which are central to the district's ecology, landscape character, cultural heritage and community wellbeing. These waterways support wildlife, livelihoods, recreation, food production and the local economy.

Across East Devon and nationally, rivers are under increasing pressure from sewage pollution, agricultural runoff, over-abstraction, habitat loss and climate change. These pressures threaten biodiversity, public health, climate resilience and the long-term sustainability of our river catchments.

This Council believes that:

To safeguard these natural assets for current and future generations, East Devon District Council should demonstrate leadership by recognising the intrinsic value, ecological importance of rivers and they have rights, drawing inspiration from the principles set out in the Universal Declaration of the Rights of Rivers, including:

- the right to flow naturally and seasonally;
- the right to perform essential ecological functions;
- the right to be free from pollution;
- the right to be sustained by, and sustain, healthy freshwater sources;
- the right to support native biodiversity and ecological integrity; and
- the right to recovery and regeneration from environmental harm.

Council therefore resolves to:

- 1. Acknowledge the intrinsic ecological value of all rivers and streams within the jurisdiction of East Devon District Council, and that they have rights, including the Axe, Coly, Otter, Sid, Exe, Clyst, Lym and their tributaries.**
- 2. Affirm the Council's commitment, through its planning and policy functions, to giving due weight to river protection, flood prevention, sustainable drainage (SuDS), nutrient neutrality, biodiversity net gain and green infrastructure, including through the emerging Local Plan and development management processes.**
- 3. Note that river protection and restoration principles have been embedded within the emerging Local Plan as far as current legislation allows, and that these considerations will continue to inform relevant planning decisions.**

4. Continue to work in partnership with relevant national and regional bodies, including the Environment Agency, Natural England, DEFRA, Ofwat and South West Water, to formally communicate concerns about river health and to encourage stronger protections, effective enforcement and catchment-based approaches. As well as asking our MPs to put pressure on Government.
 5. Recognise the value of citizen science and community-led river monitoring initiatives, and commit to signposting communities to appropriate regulatory bodies and partners where concerns about river quality arise.
 6. Encourage collaboration with community groups, NGO's, catchment partnerships and other stakeholders, where this aligns with existing Council priorities and resources, to share information, promote good practice and signpost relevant support.
 7. Promote public awareness and engagement, within existing resources, on the importance of rivers to East Devon's natural environment, climate resilience and cultural heritage.
 8. Request that the Environment Agency, working with local partners, publishes an annual "State of East Devon Rivers" report to improve transparency, understanding and accountability for river condition and management.
-

Financial implications:

To be confirmed, subject to the outcome of the consideration on the Motion on Notice.

Legal implications:

The motions on notice have been submitted in accordance with the Part 4 of the Council's Constitution – Rules of Procedure 10.1 Notice: Except for motions which can be moved without notice under Rule 11, written notice of every motion, signed by at least 5 members, must be delivered to the Chief Executive not later than 10 clear days before the date of the meeting.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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