

Agenda Cabinet

Wednesday, 15 December 2021 at 3.30 pm
in the Council Chamber, Sandwell Council House, Freeth Street,
Oldbury, B69 3DB

This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

1 Apologies for Absence

2 Declarations of Interest

Members to declare any interests in matters to be discussed at the meeting.

3 Minutes (Pages 9 - 40)

To approve the minutes of the meetings held on 18 November and 24 November 2021 as a correct record.

4 Additional Items of Business

To determine whether there are any additional items of business to be considered as a matter of urgency.

5 Additional Licensing (West Bromwich Area)
(Pages 41 - 200)

Housing



To approve the implementation of Additional Licensing for the defined part of West Bromwich, as per the proposal approved for consultation by Cabinet on 26 June 2019.

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| 6 | Day to Day Repairs to Housing (Pages 201 - 206) | Housing |
| | To award a contract for the provision of day to day repairs to Council's housing stock, for the period 1 January 2022 to 31 December 2023. | |
| 7 | The review of council tenant rents and housing related property charges (Pages 207 - 230) | Housing |
| | To review council tenant rents and housing related charges and agree the revision of charges for the new financial year. | |
| 8 | Provision of 10 new council homes at Britannia Road, Rowley Regis – Award of contract (Pages 231 - 238) | Housing |
| | To award a contract for the construction of 10 houses at Britannia Road, Rowley Regis. | |
| 9 | Award a Contract Plant Hire Equipment (Pages 239 - 244) | Environment |
| | To award a contract for the provision of plant hire equipment. | |
| 10 | Award a Contract for Coated Road Stone and Instant Road Repair Materials (Pages 245 - 250) | Environment |
| | To award contracts and to act as a lead authority, in collaboration with Dudley MBC and Wolverhampton City Council, for the provision of coated road stone and instant road repair materials. | |
| 11 | The Appropriation of Flat 148 Tower Road, Oldbury B69 1PE (Pages 251 - 268) | Regeneration & Growth |
| | To appropriate the premises known as Flat 148 Tower Road, Oldbury, B69 1PE, from the general fund to the | |

housing revenue account.

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| 12 | Domestic Abuse Safe Accommodation Strategy 2021-24 (Pages 269 - 298) | Community Safety |
| | To adopt the Domestic Abuse Safe Accommodation Strategy 2021-2024. | |
| 13 | B2022 Commonwealth Games – Host Integration Project (Pages 299 - 308) | Tourism & Culture |
| | To authorise the Director of Finance to agree a budget of £1,000,000 from Council reserves to enable the delivery of the Host Integration Project. | |
| 14 | Draft General Fund Budget Report 2022/23 (Pages 309 - 330) | Finance & Resources |
| | To consider the draft General Fund budget report 2022/23. | |
| 15 | Council Tax Base Calculation 2022/23 (Pages 331 - 336) | Finance & Resources |
| | To consider the Council Tax base setting for 2022/23. | |
| 16 | Business Rates Retention Estimates 2022/23 (Pages 337 - 340) | Finance & Resources |
| | To approve the Business Rates Retention yield forecast for 2022/23. | |
| 17 | Council Tax Reduction Scheme 2022/23 (Pages 341 - 474) | Finance & Resources |
| | To approve the Council Tax Reduction Scheme 2022/23. | |
| 18 | External Audit Value for Money Governance Review (Pages 475 - 542) | Leader |
| | To consider the findings of the external auditor's value for money governance review report. | |
| 19 | Cabinet Petitions Minutes - 13 October 2021 | All |

(Pages 543 - 550)

To note the minutes of the Cabinet Petitions meeting held on 13 October 2021.

20 Exclusion of the Public and Press

That the public and press be excluded from the rest of the meeting. This is to avoid the possible disclosure of exempt information under Schedule 12A to the Local Government Act, 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, relating to the financial and business affairs of any person, including the authority holding that information.

21 Land on the west side of Tunnel Road, West Bromwich (Pages 551 - 560)

**Regeneration
& Growth**

To declare the land located on the West Side of Tunnel Road, West Bromwich surplus to Council requirements.

22 Provision of new council homes on 4 no. sites to be delivered via Construction West Midlands Framework 2 - Design Stage (Pages 561 - 572)

Housing

To approve to design and develop 4 no. sites across Sandwell with new affordable rent council housing, subject to planning permission being obtained.

23 Oracle Fusion Implementation Partner Contract Cancellation (Pages 573 - 638)

**Finance &
Resources**

To consider proposals in relation to the Oracle Fusion Implementation Partner Contract.

Kim Bromley-Derry CBE DL
Interim Chief Executive
Sandwell Council House
Freeth Street
Oldbury
West Midlands

Distribution

All members of Cabinet

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Minutes of The Cabinet

**Thursday 18 November 2021 at 2.00pm
in the Council Chamber, Sandwell Council House, Oldbury**

Present: Councillor Crompton (Chair);
Councillors Ahmed, Bostan, Carmichael, Hartwell,
Millard, I Padda, Piper and Simms.

Also present: Councillors E M Giles, Mabena and Moore.

Officers: Kim Bromley-Derry (Interim Chief Executive), Nicholas Austin (Interim Director of Borough Economy), Melanie Barnett (Acting Operational Director – Children and Education & Statutory Director of Children’s Services), Rashpal Bishop (Director of Adult Social Care), Neil Cox (Director of Business Strategy and Change), Gillian Douglas (Director of Housing), Simone Hines (Director of Finance) Tony McGovern (Director of Regeneration and Growth), Lisa McNally (Director of Public Health), Surjit Tour (Director of Law and Governance and Monitoring Officer) and Suky Suthi-Nagra (Democratic Services Manager).

201/21 **Apologies for Absence**

Apologies for absence were received from Councillor L Giles and Shackleton.

202/21 **Declarations of Interest**

There were no interests declared at the meeting.



203/21 **Additional Items of Business**

There were no additional items of business to consider.

204/21 **Extension of the arrangements for decommissioning purposes of the temporary mortuary at Birmingham Airport**

Approval was sought for the Director of Law and Governance and Monitoring Officer to be authorised to extend or enter into all requisite agreements (including leases/licences) and any arrangements necessary for the ongoing decommissioning of the additional storage and accommodation facilities at the temporary mortuary at Birmingham Airport.

Furthermore, subject to this, approval was sought for the Council to commit up to 10.35% of the total overall costs (estimated £250,000) from its contingency budgets as Sandwell's agreed contribution toward the contractual and lease arrangements. Also, that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action be approved.

Reason for Decision

Emergency Committee Minute No's 7/20, and 14/21 noted the Council's past need to ensure it had in place sufficient arrangements so that it could respond flexibly to sustained increases in the mortality rate for the storage of deceased persons due to COVID-19.

Whilst the need for the facility had now ceased, Sandwell Council had been notified by the lead authorities for decommissioning Birmingham CC and Walsall MBC that additional time was required to appropriately decommission the site. It was now proposed to extend the lease until the completion of the work and lease arrangements could be ended which was anticipated to be by 28 February 2022.



The decommissioning would therefore exceed the current lease arrangements which ended on 30 November 2021. The estimated cost of the decommissioning work including transportation arrangements was £250,000, which would be shared between the West Midlands and Warwickshire regional Local Authorities. Sandwell was the lead contractor for the site so had to undertake the necessary activities on behalf of the other Local Authorities.

Alternative Options Considered

There were no alternative options. The assets/equipment in the hangers large and requires specialist decommissioning. Upon termination of the lease the units must be handed back with vacant possession, so all equipment must be removed from the site or Birmingham airport could take action against the Council, charge rent for storing the equipment or remove and destroy the assets/equipment.

Agreed :-

- (1) that the Director of Law and Governance and Monitoring Officer be authorised to extend or enter into all requisite agreements (including leases/licences) and any arrangements necessary for the ongoing decommissioning of the additional storage and accommodation facilities at the temporary mortuary at Birmingham Airport;
- (2) that in connection with (1) above, the Council commits up to 10.35% of the total overall costs (estimated £250,000) from its contingency budgets as Sandwell's agreed contribution toward the contractual and lease arrangements;
- (3) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to above to proceed.



Consultation Feedback on The Future of Walker Grange

The report sought for Cabinet to note the outcome of the consultation and that approval was given to Option 3 as the preferred option, which was to look at upgrading Walker Grange building to ensure it was fit for purpose to provide Extra Care Housing and to meet the changing needs of older people including those with Dementia.

Furthermore, subject to Option 3 being approved, a further report would be prepared and presented to Cabinet setting out a detailed implementation plan and the allocation of requisite financial resources.

The Chair of the Economy Skills Transport and Environment Scrutiny Board highlighted the decrease in demand at Walker Grange and the decision to close admissions due to COVID 19 and to effectively manage infection control and questioned whether this had now been reopened. The Cabinet Member for Living and Ageing Well undertook to report this information back.

Reason for Decision

Following the permission to consult given at the September Cabinet meeting, there was a requirement for the outcome of the consultation to be reported back to Cabinet. This was to ensure an informed decision could be sought in relation to the options outlined in the original report.

Prior to the first report to Cabinet on the 1st September 2021, management at Walker Grange had been made aware of a number of potential issues to the building which would need to be responded to in order to ensure the continuation of service provision. These included upgrading or replacing the heating system, repair or replacement of a number of windows and work undertaken on parts of the flat roofs. It was thought that work in these areas would be necessary if the service was to continue at Walker Grange and would need to be costed and agreed. Via the consultation process agreed by Cabinet, this presented officers with the



opportunity to gather views from directly affected stakeholders as well as information, including a full survey to understand the condition of the building, to ensure that resident needs are met and inform future decisions. From the consultation, a clear message from tenants, their families and staff were that they valued and wanted Walker Grange to continue to provide services to the current cohort of people and potentially develop and promote the service further.

During the consultation period it became clear that further investment, rather than purely maintenance, could potentially provide the Council with a resource to provide additional support to vulnerable adults through extra care provision.

The consultation with tenants, their family and the staff at the unit had now concluded and the preferred option arising from that consultation was Option 3.

There was further work to be undertaken to provide a detailed plan of work that was required to the facility along with a comprehensive financial analysis that cabinet would be required to approve.

Alternative Options Considered

If Cabinet did not approve the recommendation to agree to Option 3 then the two alternative options put forward as part of the consultation would need to be considered. These were:-

Option 1 – Do nothing – continue to provide Extra Care Housing at Walker Grange

This was an option initially supported by tenants, families and their staff, but the survey found that Walker Grange would still require investment to address immediate areas of improvement required – heating, roof, windows, lighting, and investment to make it fit for the future and for an ageing population. If Option 1 was preferred, the survey undertaken detailed that the cost of undertaking this element of work to be in the region of £536K, however, this would not provide



upgrades to the building in order to support the development of dementia friendly support services.

Option 2 – Look at the closure of Walker Grange & the transfer of Tenants to other suitable Extra Care Housing provision

This was the least preferred option by tenants, families and their staff. There was an established risk to frail older people who are moved. This would need to be part of a further assessment of need for the individuals who are in this position as this option may have an impact on their health and wellbeing. The consultation process had shown the current tenants to be a well-established and settled group of people within the Extra Care scheme at Walker Grange who feel a real affinity to the local area and community. Under this option tenants would be placed in different Extra Care schemes homes across the borough, breaking up established friendship groups and potentially increase distance for family to visit.

Cabinet Members expressed their gratitude to residents of Walker Grange care home and their families and for their work with the Council during the consultation. The dementia provisions within the report were also welcomed by the Cabinet members.

Agreed :-

- (1) that the outcome of the consultation be noted, and that approval is given to Option 3 as the preferred option, which is to look at upgrading Walker Grange building to ensure it is fit for purpose to provide Extra Care Housing and to meet the changing needs of older people including those with Dementia;
- (2) subject to Option 3 being approved, a further report be prepared and presented to Cabinet setting out a detailed implementation plan and the allocation of requisite financial resources.



Meeting ended at 2:15pm.

Contact: democratic_services@sandwell.gov.uk



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Minutes of The Cabinet

**Wednesday 24 November 2021 at 3.30pm
in the Council Chamber, Sandwell Council House, Oldbury**

Present: Councillor Millard (Chair);
Councillors Ahmed, Carmichael, I Padda and Piper.

Also present: Councillors L Giles and Shackleton.

Officers: Kim Bromley-Derry (Interim Chief Executive), Nicholas Austin (Interim Director of Borough Economy); Neil Cox (Director of Business Strategy and Change); Gillian Douglas (Director of Housing); Simone Hines (Director of Finance) Michael Jarrett (Director of Children and Education); Tony McGovern (Director of Regeneration and Growth); Lisa McNally (Director of Public Health); Sue Stanhope (Interim Director of Human Resources); Surjit Tour (Director of Law and Governance and Monitoring Officer) and Elaine Newsome (Service Manager – Democracy).

206/21 **Apologies for Absence**

Apologies for absence were received from Councillors Bostan, Crompton, Hartwell and Simms.

207/21 **Declarations of Interest**

There were no interests declared at the meeting.



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208/21 Minutes

Resolved that the minutes of the meeting held on 3 November 2021 be confirmed as a correct record.

209/21 Additional Items of Business

There were no additional items of business to consider.

210/21 Sandwell Health Inequalities Programme

Consideration of this item had been deferred to a future meeting of Cabinet.

211/21 On Street Residential Charging Scheme – Acceptance of Funds

Approval was sought to authorise the Section 151 Officer to sign and return the grant award letter issued by the Office of Zero Emission Vehicles for £300,430 as part of the On Street Residential Charging Scheme (ORCS).

Questions were asked by the Chair of the Children's Services and Education Scrutiny Board regarding how the grant received by Sandwell compared to the other Black Country Boroughs and the basis on which the grant allocations were assessed.

In response, the Cabinet Member for Neighbourhoods and Communities confirmed, on behalf of the Cabinet Member for Environment, that Sandwell received the second largest grant allocation of all the Black Country Boroughs, larger than Wolverhampton and Walsall but smaller than Dudley. The amount of grant funding received depended on the cost of connecting sites to the local power network and in Sandwell the cost of connecting sites to the local power network was generally higher than in the other boroughs.



Reasons for Decision

The funding would be used by the Council to deliver 37 public dual socket chargepoints (74 sockets) in residential areas where residents did not have access to off street parking and were therefore not able to charge their vehicles on driveways with a private charge point, as was the norm. The funding would therefore deliver approximately 40% of the 7kW chargepoints required by 2025 in order to support Sandwell's transition to electric vehicles in light of the Government's 2030 ban on petrol and diesel vehicles, as outlined in the Black Country ULEV (Ultra Low Emission Vehicles) Strategy.

Alternative Options

An option existed to not install any public on street residential charge points. This would leave residents without off street parking with severely limited options for car charging in light of the 2030 ban on the sale of new petrol and diesel cars. This would also undermine the borough's transition to electric vehicles in contradiction to policy as stated in the Black Country ULEV Strategy.

Funding public on street residential charge points from existing capital budgets would, given budget constraints, result in significant reduction in the number of charge points delivered (by approximately 75%), leading to a failure to meet the required amount, again undermining the borough's transition to electric vehicles in contradiction to policy as stated in the Black Country ULEV Strategy.

Submitting a smaller bid would reduce the number of charge points delivered leading to a failure to meet the required amount and again undermining the borough's transition to electric vehicles in contradiction to policy as stated in the Black Country ULEV Strategy.



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Submitting a larger bid would deliver more chargepoints in a single batch. However, a larger bid with more charge points would risk placing an unsustainable strain on staffing resources given that this was SMBC's first bid to ORCS. Such a bid would necessitate inclusion of sites which would be more challenging to install infrastructure in. Additionally, a larger bid would face an increased risk of rejection by OZEV as it would place a larger demand on the central funding pot. Securing match funding for a larger grant award would also be more challenging. Instead it would be preferable to submit consecutive bids of a similar size each year.

Agreed:-

- (1) that approval be given to authorise the Section 151 Officer to sign and return the grant award letter issued by the Office of Zero Emission Vehicles, for £300,430 as part of the On Street Residential Charging Scheme;
- (2) that the recommendations contained in the appraisal report as now submitted, be approved to mitigate any risk to the Council.

212/21

Supply of Door Furniture and Associated Items

Approval was sought to authorise the Director of Housing to award a contract for the supply of door furniture and associated items to CBS (Midlands) Limited, for the sum of approximately £912,459 (£304,153 per annum) for a period of 3 years, from 1 December 2021 to 30 November 2024.

Reasons for Decision

The current contract was due to expire on 30 November 2021. This contract was for supply of door furniture and associated items used by Sandwell MBC's Asset Management and Maintenance Supplies section and required to maintain Sandwell MBC properties.



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Items purchased on this contract mainly included door furniture. However, a selection of window furniture was included within the contract. The following items were a few of the main items purchased on this contract: door locks and latches, internal and external door handles, door hinges of various sizes, and stair handrail brackets etc.

Alternative Options

This contract was required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required. As such, there were no alternative options.

Agreed:-

- (1) that approval be given to authorise the Director of Housing to award a contract for the Supply of Door Furniture and Associated Items to CBS (Midlands) Limited, for the sum of approximately £912,459 (£304,153 per annum) for a period of 3 years, from 1 December 2021 to 30 November 2024;
- (2) that the Director of Law and Governance and Monitoring Officer be authorised to enter into appropriate contract for the Supply of Door Furniture and Associated Items to CBS (Midlands) Limited.

213/21

Hire of Scaffold and Mobile Towers

Approval was sought to authorise the Director of Housing to award a contract for the hire of scaffold and mobile towers to Independent Scaffolding Services Limited, for the sum of approximately £1,053,000 (£351,000 per annum) for a period of 3 years, from 1 December 2021 to 30 November 2024.



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Reasons for Decision

The current contract was due to expire on 30 November 2021. The contract was for hire of independent scaffold systems and towers and was required to enable the Sandwell MBC's Asset Management and Maintenance Supplies team to undertake repairs to Sandwell MBC properties.

Alternative Options

Sandwell MBC's Asset Management and Maintenance team service did not have trained or qualified employees that could erect and dismantle the scaffold systems which would be required under this contract. As such, this contract was required to undertake such work.

Agreed:-

- (1) that approval be given to authorise the Director of Housing to award a contract for the Hire of Scaffold and Mobile Towers to Independent Scaffolding Services Limited, for the sum of approximately £1,053,000 (£351,000 per annum) for a period of 3 years, from 1 December 2021 to 30 November 2024;
- (2) that the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contract for the Hire of Scaffold and Mobile Towers to Independent Scaffolding Services Limited.

214/21

Schools' Model Pay Policies 2021/22

Approval was sought for the September 2021 Pay Award, which was summarised as a consolidated award of £250 to all teachers whose full time equivalent basic earnings were less than £24,000, to be applied to Local Authority Community Schools.



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Approval was also sought for the Unattached Teachers' Pay Policy 2021/22 and implemented by the Council with effect from 1 September 2021, and for the Model Schools' Pay Policy 2021/22 to be approved and recommended to the Governing Bodies of Schools in Sandwell for adoption and implementation with effect from 1 September 2021.

In response to questions by the Chair of the Children's Services and Education Scrutiny Board, the Cabinet Member for Community Safety confirmed, on behalf of Cabinet Member for Children and Education, that:

- the award applied only to Unqualified Teachers pay range and at pay points 1, 2 and 3, who were those earning less than £24,000 per annum. Currently there were four unqualified teachers on point 1, four on point 2, and three on point 3;
- there were 43 unqualified teachers in Sandwell Community Schools;
- the award would be funded from school budgets. Schools and governing bodies would need to ensure that financial impact of the pay award was efficiently managed in order to deal with any budget pressures they might face going forward.

Reasons for Decision

The Department for Education had been issuing the School Teachers' Pay and Conditions Document (the Document) to local authorities on an annual basis. It placed a statutory duty on organisations employing teachers to have a pay policy in place by 1 September each year which set out the basis on which the employer would determine teachers' pay, the date by which it would determine the teacher's annual pay review and would establish procedures for addressing teachers' grievances in relation to their pay.

From this document the Council prepared Model Pay Policies:

- for teachers in schools, which it recommended School Governing Bodies to adopt; and



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- for unattached teachers who were employed by the Council but who did not work in a school location.

These Model Policies were revised annually and had been subject to consultation with all appropriate trade unions in Sandwell.

The School Teachers' Pay and Conditions Document contained limited changes for 2021 and as such the Pay Policy was a general refresh only rather than representing wholesale changes.

Both policies were compliant with all appropriate employment legislation and with the 2021 School Teachers' Pay and Conditions Document and accompanying statutory guidance.

The September 2021 Pay Award had been informed by the School Teachers' Pay and Conditions Document 2021 and had been agreed nationally and the recommendation for Sandwell MBC, in keeping with regional comparators for all teachers, was summarised as:

- a consolidated award of £250 to all teachers whose full-time equivalent basic earnings are less than £24,000.

The pay policies would reflect these pay changes.

Alternative Options

The Department for Education issued the School Teachers' Pay and Conditions Document. It placed a statutory duty on organisations employing teachers to have a pay policy in place by 1 September each year which set out the basis on which the employer would determine teachers' pay. This annual review ensured that any proposals were affordable and sustainable pending the next review. As such there were no any alternative courses of action available that would otherwise satisfy these requirements.

Historical feedback had always suggested that the majority of schools were in favour of a consistent pay spine produced by the Local Government Association (LGA) for them across all the pay ranges.



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Agreed:-

- (1) that the September 2021 Pay Award, summarised as follows - a consolidated award of £250 to all teachers whose full time equivalent basic earnings are less than £24,000 – be approved and applied to Local Authority Community Schools in Sandwell;
- (2) that the Unattached Teachers' Pay Policy 2021/22, as now submitted, be approved and implemented by the Council with effect from 1 September 2021;
- (3) that the Model Schools' Pay Policy 2021/22, as now submitted, be approved and recommended to the Governing Bodies of Schools in Sandwell for adoption and implementation with effect from 1 September 2021.

215/21

Refurbishment of Darley House, Alston House, Radnall House, Birchley House, Century House and Selby House, Wallace Close, Oldbury

Approval was sought to award a contract for the refurbishment of Darley House and surrounding low rise flats at Wallace Close, Oldbury to Lovell Partnerships Limited, for the sum of £20,531,855, for a period of 34 months, from January 2022 to November 2024.

The contract would be to undertake the Refurbishment of Darley House and the surrounding low-rise blocks of flats at Wallace Close, Oldbury to continue the substantial investment in the Council's housing stock. The contracted works would deliver an upgrade to the 1 x 19 storey block of flats, 2 x 3 storey blocks of flats, 3 x 2 storey blocks of flats. 3 new units of social housing would also be created by converting the current ground floor of Darley House.

The Cabinet Member for Community Safety commented that inclusion of heat pumps within the refurbishment works was a



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positive development given discussions around climate change. Another positive was that 100% of the workforce for the refurbishment would come from within 25 miles of Sandwell and 45% from within the Borough of Sandwell itself. The Cabinet Member for Housing responded that the addition of sprinklers was also included within the refurbishment works, which accounted for a significant part of the cost of the works, and would provide much needed safety for the residents of these blocks .

Reasons for Decision

In accordance with the Council's Procurement and Contract Procedure Rules (Rule 15) an exemption from any rule for a contract above £250,000 must be approved by Cabinet.

Officers had reviewed the submitted tender document from Lovell Partnerships Limited and had concluded that the majority of the submission was in line with current similar submissions for similar works and coupled with feedback that officers received from the industry with regards to current price rises.

The work would comprise new pitched roof to Darley House, new entrance porches, replacement windows, replacement front doors and balcony doors, fire precaution works, rainscreen cladding, mechanical and electrical service installations including the installation of a district heat pump system, hard and soft landscaping and contractor designed work.

A district heat pump system had been incorporated into the works as part of the Council's focus on climate change and would contribute to the current built environment action plan contained within the Council's Climate Change Strategy 2020-2041.

Alternative Options

The alternative was to not invest in our Council Housing Stock which in turn might lead to dissatisfaction from existing and potential new tenants as well as disrepair and additional burden on the Housing Revenue Account.

It was felt that owing to the current uncertainty around material prices within the industry, the tender of Lovell Partnerships Limited



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provided the best value option and outweighed the cost of re-tendering, which would create the risk of receiving higher bids.

Agreed:-

- (1) that approval be given to authorise the Director of Housing to award a contract for the refurbishment of Darley House and surrounding low rise flats at Wallace Close, Oldbury to Lovell Partnerships Limited, for the sum of £20,531,855, for a period of 34 months, from January 2022 to November 2024;
- (2) that the Director of Law and Governance and Monitoring Officer be authorised to enter into appropriate contract for the Refurbishment of Darley House and surrounding low rise flats at Wallace Close, Oldbury with Lovell Partnerships Limited;
- (3) that any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in (1) above to proceed.

216/21

The Redevelopment of the Carrington Road/ School Road Area, Friar Park - Acceptance of Tender and Change of Funding Source

Approval was sought to the tender from Deeley Construction Ltd, in the sum of £7,128,724.00, in relation to the redevelopment of the Carrington Road/School Road area, and for allocation of a further budget of £1,400,000 above the contract sum to accommodate, if required, future costs relating to project management and associated fees and possible increased market inflation on construction materials.

This would result in allocation of resources totalling £8,528,724 from the Housing Revenue Account (HRA) capital programme,



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including an allocation of £3,411,889 from the unallocated balance of 1-4-1 replacement receipts.

Approval was sought to change the funding source for this scheme from the Shared Ownership and Affordable Homes Programme administered by Homes England, as approved at Cabinet meeting on 16 May 2018 (see Minute No.75/18) to Right to Buy 1-for-1 Capital receipts.

Approval was sought to bring forward the development of Phase 4 of the scheme, 0.158 hectares with council owned homes, in accordance with the approval at Cabinet 4 March 2020 (see Minute 60/20) as part of a single contract.

Given the complexities around the phasing of the construction of this site and other abnormal costs, approval was finally sought for application to be made, if applicable, to the West Midlands Combined Authority (WMCA) to determine whether any additional gap funding could be secured to deliver this scheme. An application would be made in line with the WMCA's single commissioning framework.

Reasons for Decision

The Carrington Road/School Road area of Friar Park had been in decline for many years and any intervention by the Council needed to be very comprehensive to deal with a number of very complex and inter related circumstances specific to the area. The area could be broken down into two bespoke areas – a cleared vacant site and a shopping parade/commercial area which each presented different obstacles that need to be overcome.

This scheme was to provide 10 x 2 bed bungalows in Friardale Road, 20 x 2 bed flats at Carrington Road/School Road and the retail block in School Road. The new council-owned affordable homes would meet Building Regulations and current housing requirements.

The funding sources for all schemes within the Council New Build programme were constantly monitored to ensure that the most beneficial funding source is selected, that all Homes England grant



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commitments were achieved and that all RTB capital receipts were allocated to prevent any loss of the receipts due to not expending them within the designated time periods. There had been no loss of Homes England grant funding and all current grant funding had been allocated to other schemes.

Alternative Options

Adding this site to the Homes England funding programme to accord with the previous recommendation of Cabinet was considered, however, all current Homes England funding was allocated to other sites. It was deemed more financially advantageous for the Council to use to the Right to Buy Receipts to deliver this scheme.

There was an option to not proceed with this scheme. However, given the considerable pre-construction work that had already been completed, this was not deemed viable. In addition, the demolition of the recently acquired properties must be completed for health and safety reasons. Following demolition, if works were not to proceed, the Council would be left with the management of an underutilised vacant site. The site was capable of being developed and there was public expectation that a scheme would proceed.

Agreed:-

- (1) that approval be given to change the funding source for this scheme from the Shared Ownership and Affordable Homes Programme administered by Homes England as approved at Cabinet meeting on 16 May 2018 (Minute No. 75/18) to Right to Buy 1-for-1 Capital receipts;
- (2) that approval be given to bring forward the development of Phase 4 of the scheme, 0.158 hectares with council owned homes in accordance with the approval at Cabinet 4th March 2020 – The Redevelopment of Carrington Road School Road Area, Friar Park (Minute 60/20 refers) as part of a single contract;



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- (3) that the Director Regeneration and Growth be authorised to accept the tender of Deeley Construction Ltd, in the sum of £7,128,724.00, for the Construction of 10 x 2 bed bungalows, 20 x 2 bed flats and the retail block at Carrington road, Friardale Road and School Road, Friar Park, which includes Phases 2- 4 of the scheme as tendered using the Homes England DPP3 Framework;
- (4) that a further budget of £1,400,000 be allocated above the contract sum to accommodate (if required):
 - project management and associated fees
 - possible future increased market inflation on construction materials that may arise during the project programme;
- (5) that the Director of Finance and the Director of Housing be authorised to allocate resources totalling £8,528,724 from the Housing Revenue Account (HRA) capital programme, including an allocation of £3,411,889 from the unallocated balance of 1-4-1 replacement receipts;
- (6) that the Director of Law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to award of the contract and/or other agreements as may be deemed necessary;
- (7) that the Director of Regeneration and Growth, in consultation with the Director of Finance, subject to confirmation of the funding rules applicable, be authorised to submit an application for funding to the West Midlands Combined Authority with a further report submitted to Cabinet before accepting any grant award.



217/21 Quarter 2 Budget Monitoring

Consideration was given to the forecast budget position of individual directorates as at 30 September 2021 (Quarter 2 2021/22).

Services were projecting an overspend of £10.337m against allocated budgets, however, after adjusting for reserves, corporate resources, revenue to fund capital costs (RCCO) and the application of centrally held Covid-19 grant funding, the adjusted projected outturn was an underspend of £4.490m.

Services continued to experience the financial impact of Covid, most significantly a loss of income due to suspended or significantly reduced services. Pressures of £12.133m were expected to be managed through the centrally held Covid funding which was from the unused balance of grants received in 2020/21 and additional grants received or anticipated for part of 2021/22.

In addition to the Covid related issues, services were reporting a number of significant ongoing operational pressures which would need to be incorporated into the next refresh of the Corporate Medium-Term Financial Strategy.

The main change in budget position was noted in Adult Social Care budget, which had changed from a projected underspend of approximately £2m at Quarter 1 to a projected overspend of £0.409m. The main reason for this related to placements costs, in particular placements for people with mental health concerns, which had shown a 4% increase (139 placements) between Q1 and Q6. Also, the number of older people homecare placement numbers had increased by over 3,115 hours per week since April 2021 and this was likely to generate an overspend at year-end. These budget pressures were being offset by vacancies across the directorate along with brought forward balances from previous years. Staffing costs relating to Covid-19 were being offset by the use of Covid-19 grant income.



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There were also cost pressures relating to Children's Services. Delays in implementing the Oracle Fusion project were also causing cost pressures but these were offset by the use of reserves.

Expenditure on the Council's Capital Programme was forecast to be £169,276m. There was a decrease of £1.103m in the Adults Social Care budget mainly in respect of slippage of Adult Social Care Grant resources into 2022/23. This slippage would now be used to fund improvements to the Walker Grange facility as agreed by Cabinet on 18 November 2021.

Approval was sought for the revised treatment of earmarked balances and earmarked reserves and the Treasury Management Mid-Year Review, which confirmed that the Council was meeting the requirements of the CIPFA Code of Practice and Treasury Management and the Prudential Code.

Reasons for Decision

Section 151 of the 1972 Local Government Act required the Chief Financial Officer to ensure the proper administration of the Council's financial affairs. Budgetary control, which included the regular monitoring and reporting of budgets was an essential element in discharging this statutory responsibility.

Alternative Options

Cabinet could vary the proposed transfer of Covid funding to the Sandwell Children's Trust or the requested virements within Public Health which reflected increases in the available resources since the 2021/22 budgets were approved.

Agreed:-

- (1) that financial monitoring for individual directorates as at 30 September 2021 (Quarter 2 2021/22) be received and referred to the Budget and Corporate Scrutiny Management Board for consideration and comment;
- (2) that the projected financial position of services projecting an overspend of £10.337m against allocated



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budgets and an underspend of £4.490m after adjusting for the movement on reserves, use of corporate resources and the application of centrally held Covid-19 grant funding, be noted;

- (3) that the following budget virements above the higher of £0.250m or 1% of the Gross Budget of the service area be approved:

Virements above £0.250m or 1% of Gross Budget for approval by Cabinet	£'000	£'000
<u>Adult Social Care</u>		
Redirection of unallocated placement budget to reduce target savings	415	
Redirection of unallocated placement budget to reduce target savings		415
Redirection of unutilised inflation budget to reduce target savings	455	
Redirection of unutilised inflation budget to reduce target savings		455
<u>Public Health</u>		
Wider Determinants - Prevention & Promotion Better Mental Health		371
Grant funded expenditure for Prevention & Promotion Better Mental Health	371	
<u>Central Items</u>		
Transfer of Waste budget to Borough Economy		29,489
<u>Borough Economy</u>		
Transfer of Waste budget from Central Items	29,489	
TOTAL	30,730	30,730

- (4) that an allocation be approved of £0.112m to Sandwell Children's Trust to fund Covid-19 pressures which would be funded from the Covid-19 emergency funding which would be an addition to the £0.514m that was approved at quarter 2;



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- (5) that the revised treatment of Earmarked Balances as Earmarked Reserves, be approved;
- (6) that a Revenue Contribution to Capital Outlay of £0.318m from the ICT revenue budget to support and progress ongoing capital projects be approved;
- (7) that the proposed spend against the Contain Outbreak Management Fund (ICOMF) totalling £680,812, be approved;
- (8) that the Treasury Management Report be approved.

218/21 Towns Fund Tranche 3 Programme and Assurance Panel

Tranche 3 of the Towns Fund Programme comprised the remaining 14 projects, which represented, in total, £63.5m of investment in Sandwell.

To date, 3 of the 17 projects within tranche 1 and tranche 2 of the Towns Fund Programme had successfully followed this process. The remaining 14 projects in tranche 3 of the Towns Fund Programme were due to have Project Summary Documents submitted to Department for Levelling Up Housing and Communities (DLUHC) by 24 March 2022. The projects within tranche 3 represented the most complex within the programme and as such, each of the projects had experienced unforeseen challenges and thus delays to the preparation of the Full Business Cases (FBCs). To meet the Government deadline of 24 March 2022, Cabinet was presented with recommendations to streamline the process of preparing the FBCs.

Approval was sought to authorise the Section 151 Officer and the Director for Regeneration and Growth, in consultation with the Cabinet Member for Regeneration and Growth, to approve all Towns Fund tranche 3 project FBCs and associated documentation for submission to the DLUHC by 24 March 2022.



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Approval was also sought for an Assurance Panel to be established so that the Council accorded with its responsibility as an Accountable Body, could undertake business case assurance and sign off in line with local processes.

Reasons for Decision

To meet the Department for Levelling Up Housing and Communities (DLUHC) submission deadline of 24 March 2022, it was proposed to build-in efficiencies to the process to give more time for tranche 3 projects FBC development. Currently there were two main constraints to the tranche 3 project Full Business Cases (FBCs) programme, both of which were having a detrimental impact on the Council and partners' ability to complete the FBCs and submit the cases to DLUHC by the submission deadline.

The first constraint was the requirement for all FBCs to be appraised by the Council's Strategic Investment Unit. A regeneration programme, of this scale, had not been in scope for the Borough of Sandwell for many years and as such the unit did not possess sufficient resource to appraise all 14 projects to meet the DLUHC submission deadline. The second constraint related to the requirement for Cabinet to approve the FBCs ahead of DLUHC submission, which would entail lengthy lead-in periods for report preparation and submission.

Alternative Options

The alternative option would be to keep the existing governance arrangements, but this would create a risk that not all Tranche 3 business cases could be approved by the submission deadline of 24 March 2022, which could then lead to a loss of Towns Fund allocations. The Towns Fund investments were critical to addressing a range of issues and delivering tangible improvements in the Borough.

Agreed:-

- (1) that the Section 151 Officer and the Director for Regeneration & Growth be authorised, in consultation with the Cabinet Member for Regeneration and Growth, to approve all Towns Fund tranche 3 project



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Full Business Cases (FBCs) and associated documentation for submission to the Department for Levelling Up Housing and Communities (DLUHC) by 24 March 2022;

- (2) that in connection with Resolution (1) above, an Assurance Panel be established to accord with the council's responsibility as Accountable Body, to undertake business case assurance and sign off in line with local processes;
- (3) that approval be given for an Exemption from 19.1 and 19.2 of the Council's Financial Regulations to action Resolution (1) above.

219/21 Minutes of Cabinet Petitions Committee

The minutes of the Cabinet Petitions Committee meetings held on 28 July and 1 September 2021 were noted.

220/21 Exclusion of the Public and Press

Resolved that the public and press be excluded from the rest of the meeting to avoid the possible disclosure of exempt information under paragraph 3 of Schedule 12A to the Local Government Act, 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, relating to the financial and business affairs of any person, including the authority holding that information.



West Bromwich Towns Fund - Sandwell Civil and Mechanical Engineering Centre Full Business Case Approval

Approval was sought to authorise the Council's Director for Regeneration and Growth and the Council's Section 151 Officer to approve the Full Business Case and associated reports for the West Bromwich Towns Fund Sandwell Civil and Mechanical Engineering Project, and to submit the Project Summary to The Department for Levelling Up, Housing and Communities (DLUHC) for approval.

Reasons for Decision

The Towns Fund Business Case Guidance, December 2020, set out that local assurance processes were to be followed for Towns Fund business case appraisal and approval was to be led by the Council as the Accountable Body for the Towns Fund. In Sandwell, the process was for Full Business Cases to be reviewed by the Council's Strategic Finance Team and put to Cabinet for approval once an appraisal threshold is met.

The Town Deal Superboard approved this Full Business Case at its meeting on 22 July 2021 (see Minute No. 50/21). The Full Business Case was submitted to the Council's Strategic Finance Team (Strategic Investment Unit) for appraisal and scored 69%, meaning it met the required threshold to proceed to Cabinet for decision and there had been satisfactory assurance that objectives could be met, but further actions were required to adequately mitigate the risk to the Council. These would be actioned by the Programme Management Office.

The Sandwell Civil and Mechanical Engineering project value was £3,030,000, comprising £2,700,000 from Towns Fund and match funding of £330,000 from Sandwell College.

Alternative Options

The alternative would be to not approve the Sandwell Civil and Mechanical Engineering Centre Full Business Case. However, this would result in the loss of £1,030,000 investment to West Bromwich from the Towns Fund and project benefits not being achieved.



Agreed that approval be given to authorise the Council's Director for Regeneration and Growth and Section 151 Officer to approve the Full Business Case and associated reports for the West Bromwich Towns Fund Sandwell Civil and Mechanical Engineering Project and submit the Project Summary to The Department for Levelling Up, Housing and Communities (DLUHC) for approval.

222/21

West Bromwich Towns Fund - Urban Greening Full Business Case Approval

Approval was sought to authorise the Council's Director for Regeneration and Growth and Section 151 Officer to approve the West Bromwich Towns Fund Urban Greening Project Full Business Case and associated reports and submit the Project Summary application to the Department for Levelling Up Housing and Communities (DLUHC).

Reasons for Decision

The Town Deal Superboard approved this Full Business Case at its meeting on 23 September 2021 (see Minute No. 5/21).

The Urban Greening Project Full Business Case scored 67% and therefore met the Council's assurance threshold for the project to proceed to Cabinet for decision, and there was satisfactory assurance that objectives could be met. Further actions were required, however, to adequately mitigate the risk to the Council. These would be actioned by the Programme Management Office.

The Urban Greening project value was £1,220,000, funded by Towns Fund. An Expression of Interest would be submitted to Arts Council Capital Development Programme in due course, seeking £95,000 match funding to enhance the scope of the project and increase the cultural value of the scheme in line with Arts Council principles and the Council's emerging Cultural Action Zone in West Bromwich. If successful, the project value would total £1,315,000.



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Alternative Options

The alternative option would be to not approve the Urban Greening Full Business Case. However, this would result in the loss of £1,220,000 investment to West Bromwich from the Towns Fund and project benefits not being achieved.

Agreed that approval be given to authorise the Council's Director for Regeneration and Growth and Section 151 Officer to approve the West Bromwich Towns Fund Urban Greening Project Full Business Case and associated reports, and submit the Project Summary application to the Department for Levelling Up Housing and Communities (DLUHC).

Meeting ended at 4.06 pm.

Contact: democratic_services@sandwell.gov.uk



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Report to Cabinet

15 December 2021

Subject:	Additional Licensing (West Bromwich Area)
Cabinet Member:	Cabinet Member for Housing, Councillor Zahoor Ahmed
Director:	Director of Housing, Gillian Douglas
Key Decision:	Yes Decision to issue notice of Additional Licensing Scheme in West Bromwich
Contact Officer:	Business Manager Housing Solutions Karl Robinson karl_robinson@sandwell.gov.uk Operations Manager Gary Wright gary_wright@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director of Housing be authorised to implement Additional Licensing for the defined part of West Bromwich, as per the proposal approved for consultation by Cabinet on 26 June 2019.
- 1.2 That, subject to 1.1 above, the Director of Housing be authorised to:
 - (a) publish the notice of decision within 7 days of the decision;
 - (b) undertake a promotional campaign, including timescale for implementation, to run from February 2022;
 - (c) introduce a 3-month grace period for additional licensing from 1 April 2022 to 30 June 2022; and






- (d) commence enforcement activity for unlicensed premises from 1 July 2022.

2 Reasons for Recommendations

- 2.1 The borough has experienced a major increase in private rented accommodation in some areas, including Houses in Multiple Occupation (HMO) not subject to the Mandatory Licensing Scheme.

It is recognised that some landlords and agents do not provide adequate accommodation or management of their properties. The council had implemented a range of powers and approaches to seek to address these issues, but a new approach is considered necessary to address the specific concerns relating to HMO private rented properties within the defined area of West Bromwich which has been the subject of consultation for these proposals.

3 How does this deliver objectives of the Corporate Plan?

	<p>People live well and age well</p> <p>Improved quality of accommodation actively contributes to improved health outcomes. Additional licensing in the specific area will reduce the impact that poor quality housing has on vulnerable individuals.</p>
	<p>Strong resilient communities</p> <p>Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods. Additional licensing will assist in reducing levels of anti-social behaviour.</p>
	<p>Quality homes in thriving neighbourhoods</p> <p>We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes. The introduction of additional licensing will improve the condition of the private rented properties in the specific areas meaning the area is a more attractive place to live.</p>



4 Context and Key Issues

- 4.1 The private rented sector plays an important part in providing accommodation in the borough. The sector in Sandwell has grown from 5% in 2001, to 15% in 2011 and an estimated 26% in 2018 (Building Research Management limited (BRE) report). There are numerous high-quality landlords and letting agents providing a range of property types throughout the borough to meet a broad range of housing needs.
- 4.2 The borough has faced a major increase in private rented accommodation, including HMOs, in some areas. It is recognised that some landlords and agents do not provide adequate accommodation or management of their properties. Additional licensing would enhance the council's ability to improve the quality of HMOs in the designated area and to take enforcement action where necessary.
- 4.3 The Housing Act 2004, Parts 2 and 3, provides discretionary powers, subject to carrying out consultation, for Local Housing Authorities to licence all private landlords in a designated area with the intention of ensuring that HMOs meet a minimum standard of management and that all other private rented property within a designated area is managed by the landlord to a satisfactory standard.
- 4.4 On the 26 June 2019 Cabinet considered a proposal to Introduce Selective and Additional Licensing Report (Appendix 1) and authorised officers to proceed with a public consultation on the introduction of selective and additional licensing, conditions and fees for private rented accommodation within the West Bromwich area.
- 4.5 Local councils can choose to require private landlords or their managing agents to have a licence to rent out their property. The licence conditions state that landlords must keep their property safe and well maintained as well as deal with any problems associated with the property such as dumped rubbish, untidy gardens or anti-social behaviour.
- 4.6 Before making any decision, Sandwell Council commissioned M·E·L Research to gather the views of local people, including local landlords, private tenants, agents, residents, businesses, neighbouring local authorities and organisations within and outside of West Bromwich.



- 4.7 The area in West Bromwich identified below has a potential 3,007 private rented properties/houses in multiple occupation that would require licensing under the 2 types of scheme.

West Bromwich Proposed Area



- 4.8 The consultation commenced on 27th January 2020 and ended on 20th April 2020 (12 weeks in total). The consultation was extended and included online webinars in response to the Covid-19 pandemic.
- 4.9 In total, 598 survey responses were received; 141 from the online response and 457 postal responses. In total, 9 written responses were submitted via the online feedback form or by email, and 55 people attended public meetings about the proposals.
- 4.10 The council carried out consultation in to 2 types of licensing and explored the potential benefits of each. (Full evidence base can be found at Appendix 2). The consultation also looked at the likely impact each scheme might have on respondents, and the degree to which respondents felt the proposed fees and licensing conditions for each of the schemes was reasonable or unreasonable. The consultation results and proposals for additional licensing within West Bromwich are set out



below. Further consideration will be given to Selective Licensing at a later date.

Additional Licensing of Houses in Multiple Occupation

- 4.11 Houses in multiple occupation (HMOs) are domestic properties containing three or more people forming two or more households where facilities (such as kitchens and bathrooms) are shared. Large HMOs (five or more people) require the landlord to obtain a licence from the local authority. This is called mandatory licensing.
- 4.12 The Housing Act 2004 provides a power for Local Authorities to licence HMOs which are not covered by mandatory licensing. Part 2 of the Housing Act provides for Additional Licensing of HMOs, for example in a particular area or the whole borough for those HMOs not covered by Mandatory Licensing.
- 4.14 An Additional Licence scheme will cover all Houses in Multiple Occupation, irrespective of the number of storeys, that are occupied by three or four persons and all Section 257 Houses in Multiple Occupation (buildings converted into self-contained flats) where the building is wholly occupied.

Consultation Response

- 4.15 The full consultation report and appendices can be found at Appendices 3 and 4. Headline results from the report and consultation are provided below.
- Support for an Additional Licensing scheme is strong overall with over three quarters (77%) of respondents agreeing with the proposal. Around one in six disagree (17%).
 - Around half of respondents (53%) feel that the impact of Additional Licensing on them would be positive if it were to be implemented. Only 12% feel it would have a negative impact on them.
 - Over half of respondents (56%) agree that the proposed Additional Licence fees are reasonable. Over a quarter (28%) disagree.



- Landlords/agents in West Bromwich are least in favour of Additional Licensing, with six out of ten (61%) disagreeing with the proposal, and only one in three (34%) agreeing.
- Over six out of ten residents in West Bromwich (63%) feel it would have a positive impact on them, with only a very small proportion feeling it would be negative (4%);
- Just over half of landlords and agents in West Bromwich (51%) feel it would have a negative impact on them, and only 15% feel it would be positive.

Fees

- 4.16 The most frequent comments were that respondents felt that proposed fees are appropriate/reasonable and will have a positive effect (131 comments). This was followed by respondents saying they were generally not in favour (58 comments) and that costs could be passed onto tenants/ rents will increase (55 comments).

Conditions

- 4.17 The most common theme by far is that the conditions are appropriate/reasonable/will have a positive effect (179 comments). This is followed by a range of more negative comments around the scheme being a waste of money/resources (20 comments), generally disagreeing with the conditions (18 comments) and others such as legislation is already in place (16 comments).

Consultation Conclusion

- 4.18 There seems to be a general split in opinion, with landlord and agents being generally opposed to the scheme because they feel that although intervention is needed, they do not feel that they should pay for that intervention if they personally are not in breach of the law. Tenants seems to be generally in favour of the scheme, believing that it will have a positive impact on them and the condition of housing available to them in the proposed area.
- 4.19 There is generally strong support for the scheme with high levels of agreement that the scheme would be successful in achieving the objectives. However, the way the schemes would be funded raises



criticism from landlords and agents who would be responsible for paying those fees.

5 Alternative Options

5.1 The options considered included several possible interventions for tackling substandard and 'problematic' smaller HMOs in the area as set out below:

5.2 **Do nothing** - This option would involve the Council doing nothing to intervene in the small HMO sector this would leave the local housing market to be the driver for landlords carrying out improvements to their properties.

5.3 **Do the minimum (reactive inspection programme only)** - This option would mean that the Council intervention in the small HMO sector being limited to a basic complaint response service with action by other departments and agencies on a largely ad hoc basis.

5.4 **Informal area action (Proactive inspection programme)** - This would be delivered through a non-statutory Action Area, considering parts of the borough where there was concentration of poorly managed or maintained properties.

5.5 **Voluntary Accreditation** - Accreditation schemes have a set of standards (or code) relating to the management or physical condition of different HMOs and recognise properties/landlords who achieve/exceed the requirements. This is a voluntary scheme which relies upon the co-operation of landlords and agents and as such it is unlikely to attract a large part of the sector.

5.6 **Targeted use of Interim Management Orders (IMOs) and Final Management Orders (FMOs)** - The Housing Act 2004 gives local authorities powers to use Management Orders for tackling comprehensive and serious management failures. These are powers are currently available for HMOs that are required to be licensed under the Mandatory HMO licensing scheme but not those HMOs that fall outside this national scheme.

5.7. **Article 4 Direction** - This option would rely on the use of this power to control the numbers of new HMOs and the market to drive property



improvements. It would only succeed in reducing numbers if appropriate planning policy was adopted to restrict numbers, it is not retrospective and would not resolve the quality of the PRS stock, living conditions for tenants or neighbouring properties.

6 Implications

<p>Resources:</p>	<p>There will be costs associated with staffing and administration to operate the licensing process.</p> <p>The additional costs will be recovered over time through the fee charge for licensable properties.</p> <p>The fee proposals are as follows:</p> <ul style="list-style-type: none"> • All property types and sizes including each individual self-contained flat within a larger building operating as a HMO - £850.00 excluding any discounts <p>It is difficult to estimate the potential income generation from Additional Licensing until the requirement to license comes in to effect as the council does not hold data on PRS HMO properties.</p> <p>As context modelling estimates the number of HMO's within Sandwell as 4,247 with the concentrations in the West Bromwich Central and Greet Green and Lyng wards as 657. This equates to 15% of the total estimated within Sandwell. Should this remain stable and all 657 properties be licensable every five years, this would equate to an average income of just over £0.110m per year. This will include some properties already subject to mandatory HMO licensing.</p>
<p>Legal and Governance:</p>	<p>As part of implementation of Additional Licensing in an area, councils must adhere to the guidance and regulations set out in The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018, the Licensing of Houses in Multiple Occupation (Mandatory Conditions of</p>



	<p>Licences) (England) Regulations 2018, and the Housing Act 2004.</p> <p>Additional licensing must be implemented in line with the statutory requirements under Part 2 of the Act and is subject to formal consultation and implementation within a specified timeframe from approval. The council and associated programme of implementation must ensure that we adhere to the statutory notice/ designation requirements.</p>
Risk:	The feedback from landlords from consultation suggests that many landlords are not happy with the proposals and feel it will not address the underlying issues. Furthermore, several landlords on the steering group have voiced their commitment to submit a legal challenge, however, initial evaluation suggests it is unlikely that a challenge around the introduction of Additional Licensing in the proposed area would be successful.
Equality:	The application of Additional Licensing will be applied to all landlords meeting the requirements within the proposed boundary. There would be no single party or protected characteristic disadvantaged by implementation based on intelligence available to the council.
Health and Wellbeing:	Improved quality of accommodation actively contributes to improved health outcomes. Additional licensing in the specific area will reduce the impact that poor quality housing has on vulnerable individuals.
Social Value	Additional licensing will assist in reducing levels of anti-social behaviour.

7. Appendices



- 8.1 Appendix 1 – Cabinet considered consultation to Introduce Selective and Additional Licensing Report
- 8.2 Appendix 2 – Consultation full evidence base
- 8.3 Appendix 3 - Consultation on licensing private rented property in West Bromwich – Final Report
- 8.4 Appendix 4 - Consultation on licensing private rented property in West Bromwich – Final Report Appendices

8. Background Papers

- 1. Housing Act 2004.
<http://www.legislation.gov.uk/ukpga/2004/34/contents>
- 2. Additional and Selective Licensing in the Private Rented Sector - A Guide for Local Authorities published by the MHCLG in March 2015.
<https://www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities>
- 3. English Housing Survey Private Rented Sector Report 2014-15
<https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-private-rented-sector-report>
- 4. General Approval April 2015
<https://www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities>
- 5. House of Commons publication, Housing, Communities and Local Government Committee. Private Rented Sector 17th April 2018.
<https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/440/440.pdf>



REPORT TO CABINET

26 June 2019

Subject:	Proposal to Introduce Selective and Additional Licensing
Presenting Cabinet Member:	Councillor Joanne Hadley - Cabinet Member for Homes
Director: <i>(Insert all that apply from drop down choice).</i>	Director – Prevention and Protection – Stuart Lackenby Executive Director of Adult Social Care, Health and Wellbeing – David Stevens
Contribution towards Vision 2030: <i>(Insert all that apply from drop down choice).</i>	
Key Decision: <i>(An executive decision which is likely to incur significant expenditure or have a significant effect on the community (see Article 13 of the Constitution)).</i>	Yes
Forward Plan (28 day notice) Reference: <i>(A 28 day notice of key decisions that the Cabinet is expected to take over the next three months).</i>	SMBC02/10/2018
Cabinet Member Approval and Date:	Councillor J Hadley 05/06/2019
Director Approval:	05/06/2019
Reason for Urgency: <i>(if applicable please contact DSU for advice):</i>	Urgency provisions do not apply
Exempt Information Ref: <i>(if applicable please contact DSU for advice)</i>	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable): <i>(Enter the names of all Ward Councillors who have been consulted).</i>	Ward Councillors have not been consulted
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s): <i>(Enter the name, position and email address for each officer).</i>	Neil Cox, Interim Service Manager – Regulatory Services

DECISION RECOMMENDATIONS

That Cabinet:

1. Approve a public consultation on the introduction of selective and additional licensing for private rented accommodation as detailed in section 4 of this report,
2. Approve the consultation to include proposed selective and additional licensing conditions for private sector accommodation (Appendix 1) and associated fee levels (Appendix 2).

1 PURPOSE OF THE REPORT

- 1.1 This report sets out the evidence base for the introduction of selective and additional licensing as detailed in section 4 of this report and seeks cabinet permission to publicly consult on its introduction, the proposed licensing conditions and associated fee levels.
- 1.2 Should cabinet agree the proposals above, a further report will be presented to cabinet following completion of the consultation. This further report will provide the outcome of the consultation and request potential approval on the implementation of selective and additional licensing.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 The proposed introduction of selective and additional licensing positively contributes to the following Council Vision 2030 ambitions;
 - Ambition 2. Sandwell is a place where we live healthy lives and live them for longer and where those of us who are vulnerable feel respected and cared for. – Improved quality of accommodation actively contributes to improved health outcomes. Selective and additional licensing in the specific area will reduce the impact that poor quality housing has on vulnerable individuals.
 - Ambition 5. Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods – Selective and additional licensing will look to reduce levels of anti-social behaviour.
 - Ambition 7. We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key

transport routes. – The introduction of selective and additional licensing will improve the condition of the private rented properties in the specific areas meaning the area is a more attractive place to live.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The private rented sector plays an important part in providing accommodation in the borough. The sector in Sandwell has grown from 5% in 2001, to 15% in 2011 and through to an estimated 26% (34,386 Building Research Management limited- (BRE) report) of accommodation in the borough for the current year. There are numerous high quality landlords and letting agents providing a range of property types throughout the borough to meet a broad range of housing needs.
- 3.2 The borough has faced a major increase in private rented accommodation in some areas and it is recognised that there are landlords and agents who do not provide adequate accommodation or management of their properties. This poor management of properties has a significant impact on people's lives and on council and partner resources in tackling issues such as anti-social behaviour, fly tipping of domestic waste, concerns about property condition and harassment and illegal eviction. The council has implemented a range of powers and approaches to seek to address many of these issues but the on-going pressures are such that a new approach is considered necessary.

3.3 Selective Licensing

Councils across the country have effectively utilised available powers to mitigate the impact of poor quality private rented sector properties and irresponsible landlords. Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority. Under section 80 of the Act, the Council can designate the whole or any part or parts of its area as subject to selective licensing. The scheme does not apply to owner occupied or social housing properties.

- 3.4 Subject to certain exemptions specified in the Selective Licensing of Houses (Specified Exemptions) (England) Order 2006, all properties in the private rented sector which are let or occupied under an assured short hold tenancy or licence are required to be licensed by the Council if that area has been designated for selective licensing. A fee is charged by the Council to the landlord for the duration of the licence.
- 3.5 These powers to introduce selective licensing of private rented homes are put in place by Councils to tackle problems in their areas, or any parts of them, caused by;

- Low housing demand; or
- Significant anti- social behaviour; or
- Poor property conditions; or
- An influx of migration; or
- A high level of deprivation; or
- High levels of crime

3.6 Selective licensing is designed to benefit the local community and ensure that all private rented property within a designated area is managed by the landlord to a satisfactory standard prior to a licence being granted. Robust enforcement action is taken if license holders fail to comply with the licensing conditions. The introduction of selective licensing can contribute to;

- Better housing conditions
- Reduction in crime and anti-social behaviour
- Reduction in domestic waste accumulations
- A reduction in overcrowding
- Increased landlord engagement with the Council and partner organisations working in the area
- A reduced ability for rogue/criminal landlords to enter the market
- Increased ability to deal with rogue/criminal landlords
- Improved relationships between landlords and tenants
- Improved image and perception of the area making it a more desirable place for people to live.

3.7 **Additional Licensing**

The Housing Act 2004 requires local housing authorities to mandatory licence Houses in Multiple Occupation (HMOs) if they accommodate more than five people who form two or more households. The Act also gives authorities the power to introduce an additional licensing scheme for other smaller HMOs. This power can be considered if the authority believes they are not being managed sufficiently which gives rise or are likely to give rise to problems for the occupants or residents of the area.

3.8 The implementation of additional licensing schemes allow for these properties and their operation to be subject to proactive licensing requirements that would not otherwise be available. A fee is charged by the Council to the landlord for the duration of the licence which has clearly defined conditions which the landlord must satisfy. The introduction of additional licensing can contribute to:

- higher standards of HMO accommodation and ensuring effective management through more extensive control;
- protecting the health, safety and well-being of tenants and communities;
- neighbourhood improvement and the prevention and control of anti-social behaviour;
- easier identification of rogue landlords and enabling action to be taken to respond to this behaviour;
- completing a full suite of private sector licensing schemes, allowing for a consistent and robust approach to raising standards.

3.9 The government has set out clear guidance to structure council decisions to introduce selective/additional licensing through the provision of updated legislation in April 2015 (via an Amended General Approval). This guidance states that before any council can consider making a selective/additional licensing designation it must ensure that the area in question has a high number of private rented properties occupied under assured tenancies or licences and that it meets one (or more) of the following criteria;

1. **Low Housing Demand** - It is, or is likely to become, an area of low housing demand; or
2. **Anti-Social Behaviour** - It has a significant and persistent problem with anti-social behaviour where the inaction of private landlords is a contributory factor; or
3. **Housing Conditions** - Following a review of housing conditions, it is believed that the area is suffering from significant housing condition problems and the council intends to inspect the dwellings concerned; or
4. **Migration** - It has experienced a recent influx in migration, and where the migrants are primarily occupying privately rented accommodation; or
5. **Deprivation** - It suffers from a high level of deprivation which particularly affects the occupiers of privately rented accommodation; or
6. **Crime** - It suffers from a high level of crime that affects residents and businesses in the area.

3.10 To inform the Council's consideration of the potential introduction of selective/additional licensing, BRE were commissioned in early 2018 to undertake a series of modelling exercises on Sandwell's housing stock.

These modelling exercises utilised sophisticated tools that incorporated local and national data to evaluate the make-up of local households.

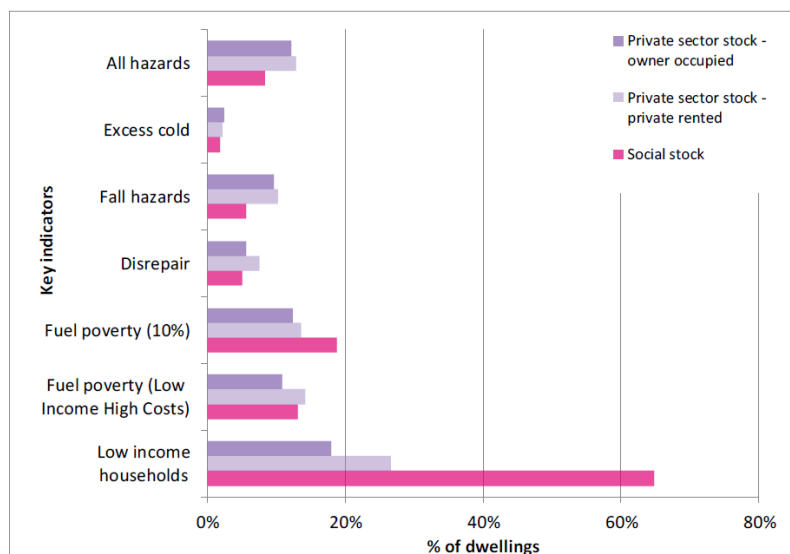
When the above is considered in relation to Sandwell the borough has levels of crime and ASB that would meet the prevalence criteria above however current data does not allow this to be attributed to private rented accommodation. The areas below however appropriate for the consideration of selective/additional licensing in relation to prevalence and link to private rented accommodation;

- Housing Conditions
- Migration
- Deprivation

3.11 Housing Conditions

Whilst the 2011 Census data shows Sandwell as having 15, 674 private rented sector (PRS) properties, the BRE report suggests the private rented sector in Sandwell makes up an estimated 26% (34,386) of all housing accommodation in the borough with some wards in Sandwell in excess of 35%. This is significantly higher than the national average of 20%.

BRE, estimate through their Housing Stock Condition model database that the private rented stock in Sandwell has higher levels of disrepair and fuel poverty (based on the ability of households to meet fuel costs) when compared to social housing and owner-occupied properties as detailed in the chart below.



This analysis is further evidenced through the inspection and enforcement activity of the Council's Housing Quality Team. The team provide advice, assistance, support and signposting services as well as direct intervention

for private tenants, landlords and owners of empty properties. Many of these customers are vulnerable or economically inactive and often require some form of assistance to either maintain or remain in their homes.

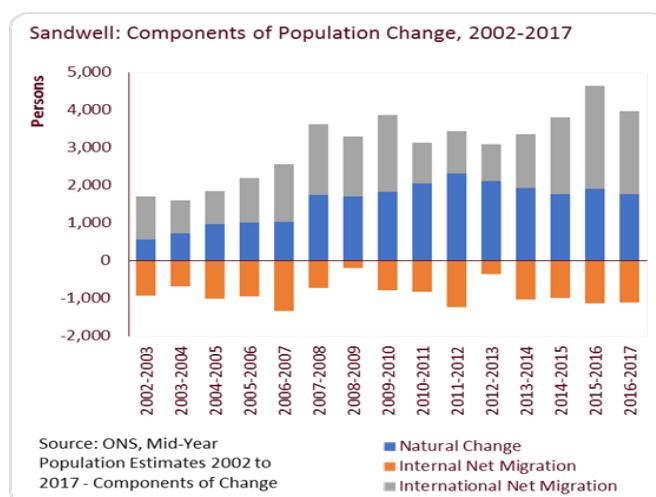
The table below shows the level of complaints / enquires received by the Housing Quality Team (HQT) into private rented housing. The table also depicts that whilst enforcement action has been undertaken it has not considerably reduced the level of complaints, thus suggesting a need to move to the more proactive approach associated with selective/additional licensing

Year	Number of complaints / enquires received by HQT Triage system
2014	886
2015	810
2016	845
2017	887

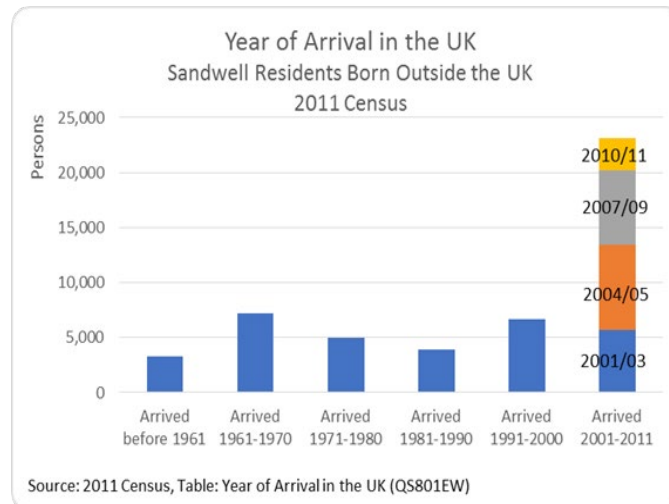
3.12 Migration in Sandwell

The latest population estimate for Sandwell is 325,460, this is the 2017 mid-year estimate produced by the Office for National Statistics. Over the sixteen-year period between 2001 and 2017 Sandwell's estimated population has increased by 14%, rising by 40,866 people, from 284,594 in 2001. Sandwell's population is projected to increase further, with the latest 2016 based population projections showing an increase of 30,300 people from 322,600 in 2016 to 352,900 in 2030. This is an increase of 9.4%, which is a higher growth rate than for England and Wales at 7.5% over the same period.

This population change has been heavily influenced by both UK internal and international migration as depicted in the table below.

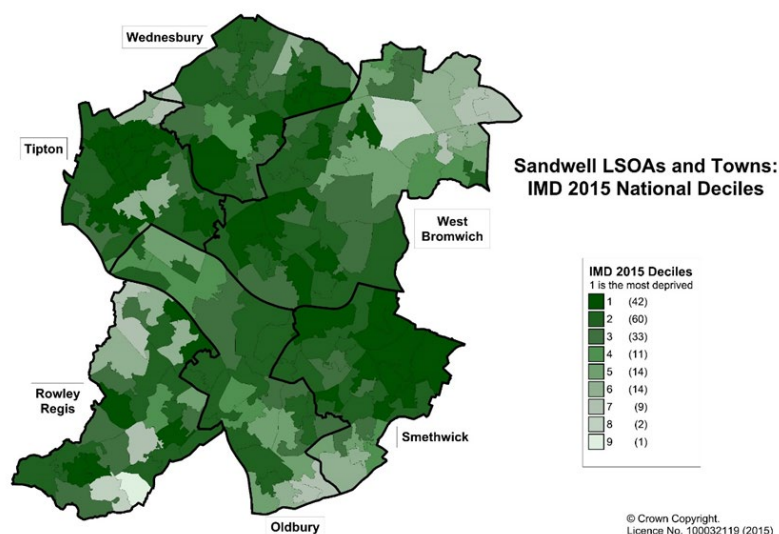


In 2011, 15.9% of Sandwell's resident population were born outside of the UK. Just under a half of these residents born outside the UK arrived in the country within the period 2001 to 2011 with 36% arriving between 2004 and 2011. These results depicted in the table below are comparable to year of arrival figures for England and Wales. Census data suggests that high proportions of new entrants to Sandwell occupy private rented accommodation.



3.13 Deprivation in Sandwell

The latest Indices of Multiple Deprivation (IMD) 2015 shows Sandwell's average deprivation score as ranked 13th most deprived local authority in England, out of a total of 326 (where 1 is the most deprived.)



3.14 The table above demonstrates deprivation in Sandwell is wide spread across the borough, with the highest levels of deprivation running from north-west to south-east. Calculated population weighted average scores place Soho & Victoria and Princes End wards in the 10% most deprived areas in England. The most affluent areas in Sandwell are in the north-east, south and south-west peripheries of the borough, with Newton and Great Barr with Yew Tree wards being the most affluent, although still only being placed in the 5th decile for deprivation scores nationally. The BRE report suggests a direct correlation between deprivation and areas of high volume poor quality private rented accommodation.

3.15 **Approval requirements**

The Secretary of State for Communities and Local Government in exercise of powers under sections 58(6) and 82(6) of the Housing Act 2004 gives to all local housing authorities in England the following general approval in relation to areas designated for additional or selective licensing.

The general approval is granted if the local authority:

- (a) takes reasonable steps to consult persons who are likely to be affected by the designation for not less than 10 weeks.
- (b) the designation, either by itself, or in combination with other selective licensing designations made by the local housing authority, would not cover more than 20% of the geographical area of the local housing authority; or
- (c) the designation, either by itself, or in combination with other selective licensing designations made by the local housing authority, would affect more than 20% of privately rented homes in the local housing authority area, based on figures from census data.

2011 Census data shows Sandwell as having 15, 674 PRS properties. Applying the 20% rule this only allows Sandwell to license 3,135 properties across all licensing schemes at present.

4 **THE CURRENT POSITION**

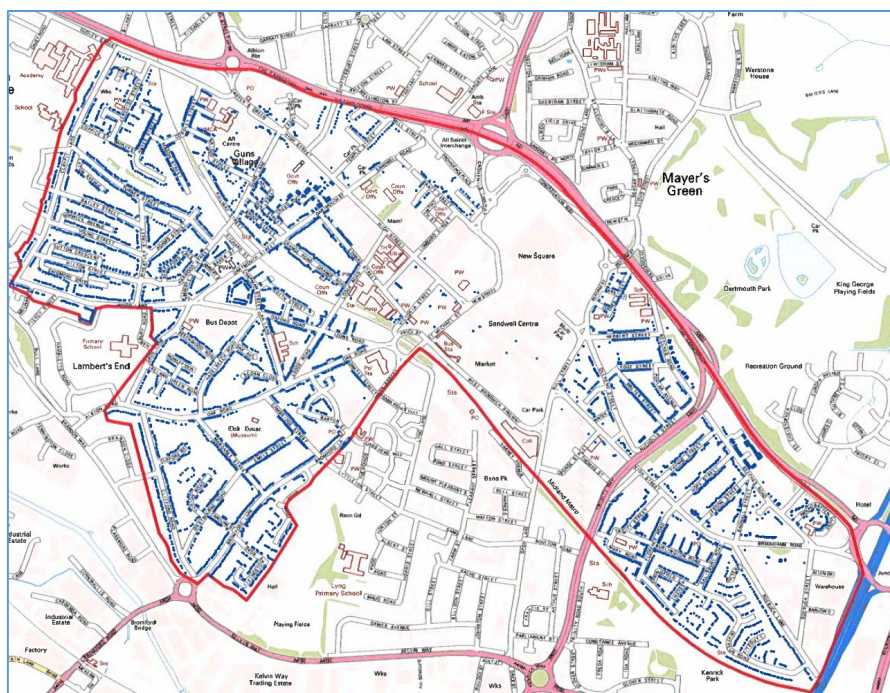
In consideration of the implementation of selective/additional licensing, census output areas across Sandwell with the highest percentage of private rented sector properties were identified. Census output areas are designed specifically for statistical purposes. They are based on data from the 2001 Census and are built from postcode units. In Sandwell,

there are 925 Census Output Areas. Each area has an average of 130 households.

These areas were then overlaid with the following information:

- Reports of Anti-Social Behaviour
- Levels of Deprivation
- Concentration of properties with potential Category 1 Hazards
- Concentration of Houses in Multiple Occupation

When considered, this information suggests that the area of West Bromwich illustrated below would best meet all of the criteria for the introduction of selective/additional licensing and would also see significant benefits from its implementation.



The area in West Bromwich identified above has a potential 3,007 private rented properties/houses of multiple occupancy that would require licensing under the proposed scheme.

To support the implementation of selective and additional licensing the following documents have been produced and will form part of the proposed consultation.

- Selective licensing scheme conditions – Appendix 1
- HMO licensing scheme conditions – Appendix 2
- Selective licensing proposed fees – Appendix 3
- HMO licensing proposed fees – Appendix 4
- Selective licensing fee calculation – Appendix 5
- HMO licensing fee calculation – Appendix 6

- HMO licensing renewal fee calculation – Appendix 7

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

Local residents, landlords and tenants (and any other person likely to be affected by the selective licensing designation) must be consulted prior to the introduction of a licensing scheme.

Section 80 (9) of the Act states that when considering designating an area the local housing authority must:

- Take reasonable steps to consult persons who are likely to be affected by the designation, and,
- Consider any representations made in accordance with the consultation

- 5.1 To be compliant the approach will include consultation of local residents, including tenants, landlords and where appropriate their managing agents and other members of the community who live or operate businesses or provide services within the proposed designation. It will also include local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation that will be affected. The consultation will be widely publicised using various channels of communication.
- 5.2 As the proposed designation does not require the confirmation of the Secretary of State because of its extent the consultation on the proposed scheme will be for 10 weeks.
- 5.3 The consultation will be informative, clear and to the point, so the proposal is readily understood. It will inform local residents, landlords, letting agents and businesses about the proposed designation, giving the reasons for proposing it, why alternative remedies are insufficient, demonstrating how it will tackle specific problems together with other specified measures, and describing the proposed outcome of the designation. It will also set out the proposed fee structure and level of fees the authority is minded to charge. Consultees will be invited to give their views, and these will all be considered and responded to.
- 5.4 Whilst providing an opportunity for consultees to provide their views, consultees will also be asked to validate the Council's understanding of the local housing stock, particularly around HMO status.
- 5.5 Once the consultation has been completed the results will then be published and made available to the local community. This will be in the

form of a summary of the responses received and will demonstrate how these have either been acted on or not, giving reasons.

5.6 Should Cabinet approve the public consultation on selective/additional licensing then such consultation will be constructed to meet the prescribed requirements set out above. The consultation will be based upon the following key approaches;

- Individual letters to all households and business within and around the designated areas inviting comment through the Council's website – estimated to be around 40,000 postal addresses.
- Validation of property types to enable accurate forecasting of licence fees to be generated by the scheme.
- Engagement sessions with ward Councillors
- Road shows across the borough
- Sandwell Herald advert
- JCD Board advertising
- Local housing forums

5.7 The estimated cost of undertaking and processing the consultation is £30,000.

6 **ALTERNATIVE OPTIONS**

Without approval to consult the Council will not be able to introduce select/additional licensing as described in this report. Without the additionality provided by selective/additional licensing reactive responses to poor quality private rented sector properties will continue but will be unlikely to make positive inroads in dealing with this local issue.

7 **STRATEGIC RESOURCE IMPLICATIONS**

A consultation on the introduction of selective/additional licensing as described within this report will have an estimated cost to the Council of £30,000. This cost will be met from the Adult Social Care Health and Wellbeing budget.

The following strategic resource implications would be associated with the implementation of selective and additional licensing as described in this report.

- An estimated 3,007 private rented properties within the designated area would require licencing. License fees are described in detail in appendix 3 and appendix 4. The fee structure provides the five-year licencing cost alongside a range of discounts available and variation

charges. The likely income generated by the introduction of the scheme will be validated through the proposed consultation. Before discounts are applied the following outline, fee levels are proposed.

Property Type	5 year License Fee
House of multiple occupancy	£850
Private rented property	£650

- Income generated from the introduction of the scheme will cover the costs of operating the scheme.
- Additional staff will be required for the purposes of;
 - Administering the licence application
 - Enforcement against licence conditions
- Enforcement against the licensing conditions proposed in this report will result in the application of civil penalties for non-compliance. Such penalties will generate income for the Council.

Should the recommendations of this report be approved, then following completion of the consultation described above a further report will be brought to cabinet. This report will provide further detail on estimated income generated by the scheme and clarity on the workforce requirements associated with its implementation and management.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local housing authority. Under section 80 of the Act, the Council can designate the whole or any part or parts of its area as subject to selective licensing.

- 8.1 The Housing Act 2004 requires local housing authorities to mandatory licence HMOs if they accommodate more than five people who form two or more households. The Act also gives authorities the power to introduce an additional licensing scheme for other smaller HMOs.
- 8.2 The Secretary of State for Communities and Local Government in exercise of powers under sections 58(6) and 82(6) of the Housing Act 2004 gives to all local housing authorities in England the following general approval in relation to areas designated for additional or selective licensing.

- 8.3 The general approval is granted if the local authority (a) takes reasonable steps to consult persons who are likely to be affected by the designation for not less than 10 weeks. (b) the designation, either by itself, or in combination with other selective licensing designations made by the local housing authority, would not cover more than 20% of the geographical area of the local housing authority; or (c) the designation, either by itself, or in combination with other selective licensing designations made by the local housing authority, would affect more than 20% of privately rented homes in the local housing authority area, based on figures from census data.

9 EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment has been completed as part of Cabinet report process which has identified no adverse impacts or issues of concern for protected groups.

10 DATA PROTECTION IMPACT ASSESSMENT

The approach to selective/additional licensing will be fully compliant with GDPR

11 CRIME AND DISORDER AND RISK ASSESSMENT

The proposals of this report, if implemented will contribute to reductions in crime and disorder.

The Corporate Risk Management Strategy has been complied with to identify and assess the significant risks associated with this decision. This includes (but is not limited to) political, legislation, financial, environmental and reputational risks.

As this report is solely requesting permission to consult on the initiation of consultation there are no significant risks associated to the recommendation being put forward.

12 SUSTAINABILITY OF PROPOSALS

The required resource for implementing selective/additional licensing is generated through the scheme's license fee and as such should be a least cost neutral to the Council. The proposals set out in this document if implemented will inform future discussions and decision making around future borough wide approaches to licensing.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

Selective/additional licensing is designed to benefit the local community and ensure that all private rented property within a designated area is managed by the landlord to a satisfactory standard prior to a licence being granted. Robust enforcement action is taken if license holders fail to comply with the licensing conditions. The introduction of selective licensing can contribute to;

- Better housing conditions
- Reduction in crime and anti-social behaviour
- Reduction in domestic waste accumulations
- A reduction in overcrowding
- Increased landlord engagement with the Council and partner organisations working in the area
- A reduced ability for rogue/criminal landlords to enter the market
- Increased ability to deal with rogue/criminal landlords
- Improved relationships between landlords and tenants
- Improved image and perception of the area making it a more desirable place for people to live.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no impact on any council managed property or land based on the proposals outlined in this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

The private rented sector plays an important part in providing accommodation in the borough. The sector in Sandwell has grown from 5% in 2001, to 15% in 2011 and through to an estimated 26% (34,386) of accommodation in the borough. There are numerous high quality landlords and letting agents providing a range of property types throughout the borough to meet a broad range of housing needs.

15.1 The borough has faced a major increase in private rented accommodation in some areas and it is recognised that there are landlords and agents who either do not provide adequate accommodation or management of

their properties. This poor management of properties has a significant impact on people's lives and on council and partner resources in tackling issues such as anti-social behaviour, fly tipping of domestic waste, concerns about property condition and harassment and illegal eviction. The council has implemented a range of powers and approaches to seek to address many of these issues but the on-going pressures are such that a new approach is considered necessary.

15.2 The proposed consultation on the introduction of selective and additional licensing will support the Council in developing a more proactive approach to deal with these issues.

16 BACKGROUND PAPERS

16.1 The BRE report identified in this document has been used extensively to support the suggested approach. This report however contains significant amounts of sensitive information and should not be made publicly available

17 APPENDICES:

- Selective licensing scheme conditions – Appendix 1
- HMO licensing scheme conditions – Appendix 2
- Selective licensing proposed fees – Appendix 3
- HMO licensing proposed fees – Appendix 4
- Selective licensing fee calculation – Appendix 5
- HMO licensing fee calculation – Appendix 6
- HMO licensing renewal fee calculation – Appendix 7



Stuart Lackenby
Director – Prevention and Protection

Sandwell Metropolitan Borough Council

Additional and Selective Licensing - Evidence Base

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1. Foreword

Sandwell is a metropolitan borough of the West Midlands county in England. The borough is named after the Sandwell Priory, and spans a densely populated part of the West Midlands conurbation.

Sandwell was formed in 1974. The Borough comprises of 6 towns – Oldbury, Rowley Regis, Smethwick, Tipton, Wednesbury and West Bromwich.

Bordering Sandwell is the City of Birmingham to the east, the Metropolitan Borough of Dudley to the south and west, the Metropolitan Borough of Walsall to the north, and the City of Wolverhampton to the north-west. Spanning the borough are the parliamentary constituencies of West Bromwich West, West Bromwich East, Warley, and part of Halesowen and Rowley Regis, which crosses into the Dudley borough.

Our residents come from many different cultures and we are proud of our diverse communities, many of whom have chosen to settle and remain in Sandwell.

Sandwell is a place of great opportunity. Growth is at the heart of our ambition and we recognise that the changes affecting the borough provide both exciting opportunities and significant challenges.

Demand for housing is at an all-time high and Sandwell needs a wide range of homes, in terms of size, type and tenure to meet the diversity of current and future needs. Rather than compromise the housing standards and conditions of both new and existing housing to meet the ever-increasing demand, we want to ensure that all who live in our borough have access to decent, secure housing.

We need more homes, but those homes need to be of a high quality. We believe that a safe, warm and well-maintained home should be available to all and not influenced by the person's level of income or background. We want the private sector, which makes up a quarter of Sandwell's housing, to thrive and be part of that offer.

Equally we need to improve peoples' surroundings and their local environment by reducing crime and anti-social behaviour. This includes modern slavery, fly-tipping, rubbish left on the highway and front gardens. All blight communities and become a barrier to creating homes and communities where people choose to live. This type of anti-social behaviour contributes to a perception of an area being unsafe which can subsequently encourage further disorder and crime.

We consider that introducing Selective and Additional licensing schemes are the best tools available to tackle problems of poor housing management practices and conditions within the West Bromwich area. Licensing will become part of a wider strategic approach to drive up living standards for all, improve the environment and make Sandwell a thriving, optimistic and resilient community to live in.

Councillor Hadley

Cabinet Member for Homes.

2. Introduction - Licensing the private sector

Background information

The private rented sector plays an important part in providing accommodation in the borough. The sector in Sandwell has grown from 5% in 2001, to 15% in 2011 through to an estimated 26% (34,386) units of accommodation in the borough for 2018. There are numerous high-quality landlords and letting agents providing a range of property types throughout the borough to meet a broad range of housing needs.

The borough has faced a major increase in private rented accommodation in some areas and it is recognised that there are landlords and agents who do not provide adequate accommodation or management of their properties. This poor management of properties has a significant impact on people's lives and on council and partner resources in tackling issues such as anti-social behaviour, modern slavery, fly tipping of domestic waste, concerns about property condition and harassment and illegal eviction.

Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities.

Mandatory Licensing of certain HMOs

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have five or more people who are not living together as a single household.

Additional Licensing – HMO

Local authorities can introduce a discretionary additional scheme for other types of HMOs not subject to mandatory licensing in part or whole of the area within its district.

Selective Licensing

A discretionary selective licensing scheme covers all other private sector dwellings and can be introduced in part or whole of the borough.

All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action. Schemes run for a maximum period of five years and a fee is payable for each license.

Statutory conditions and evidence

Additional HMO Licensing

Under Part II of the Housing Act 2004, local authorities can designate areas or the whole of the area within their district as subject to additional licensing in respect of some or all the privately rented HMOs in its area that are not already subject to mandatory licensing.

Before making an additional HMO licensing designation for a particular type of HMO, or for a particular area, the local authority must:

- Consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public.
- Consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.
- Consider that the making of the designation will significantly assist them to deal with the problem or problems.

Selective Licensing

Under Part III of the Housing Act 2004, local authorities can designate areas or the whole of the area within their district as subject to selective licensing in respect of privately rented properties, provided certain conditions are met.

Changes in legislation in April 2015 mean that local authorities are now required to obtain approval from the Secretary of State for any selective licensing scheme that would cover more than 20% of their geographical area or would affect more than 20% of private rented houses in the local authority area.

In order for selective licensing to be considered one or more of the following 6 statutory grounds have to be met:

The area:

- i. Is an area of low housing demand (or is likely to become such an area)
- ii. Suffers from or has a significant and persistent problem caused by anti-social behaviour not being adequately addressed by landlords of privately rented accommodation.
- iii. Is experiencing poor property conditions.
- iv. Is experiencing or has recently experienced an influx of migration.
- v. Is suffering high levels of deprivation.
- vi. Is suffering high levels of crime.

Criteria iii – vi can only be applied where the area contains a high proportion of private sector dwellings. The national average is currently 19%.

Conditions for both Additional and Selective Licensing

For both additional and selective licensing, there is also a requirement on the local authority to:

- Take reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.
- Ensure that the exercise of the power is consistent with their overall housing Strategy.
- Adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objectives that the designation would be intended to achieve.
- Consider that the making of the designation will significantly assist them to achieve the objectives (whether or not they take any other course of action as well)

3. Sandwell's proposal – Selective and Additional Licensing

Our main reason for introducing additional and selective licensing schemes is to improve the standard and safety of private rented housing and address anti-social behaviour. This will benefit private tenants, landlords and greatly improve the generally appearance of the borough. Our aim is that over the 5-year period the licensing schemes will offer the following outcomes:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, including modern day slavery and human trafficking.
- An increase in good landlords and an elimination of rogue landlords.

Based on the evidence outlined in this report, Sandwell is proposing to implement a 5-year licensing scheme as follows:

Additional Licensing scheme - Houses in multiple occupation – HMOs

A scheme that will require all HMOs within the designated area in West Bromwich to be licensed. This will include the category of HMO which is often referred to as a section 257 HMO. Section 257 HMOs are where the building was converted into self-contained flats before the 1991 Building Regulations came into force on 1st June 1992 and have not been subsequently improved to at least the 1991 standards.

Selective licensing scheme – single dwelling properties

A scheme that will require all other privately rented properties located within the designated area in West Bromwich to be licensed,

A map detailing the proposed area is shown below:



Licensing fees

Financial modelling has been carried out to establish the operating cost of the scheme over a 5-year period. The fee for an additional licence will be £850 per property and the fee for selective licensing will be £650 per property. There are several discounts which can be applied to the licence fees to reduce the overall cost. These discounts are intended to recognise those landlords who take their responsibilities seriously.

The proposed schedule of fees, associated discounts and charges is set out below:

Additional Licensing Fees Schedule

Table 1

Type of Property & Discount	Proposed Fee
All property types and sizes including each individual self-contained flat within a larger building operating as a HMO.	£850.00
Landlord Accreditation (MLAS)	Discount of £165.00 per initial licence application (where the accredited landlord is also to be the licence holder or the accredited agent is also to be the licence holder as the owner cannot be deemed to be fit and proper and able to hold the licence) where the landlord or agent acting as licence holder

	<p>is a current member of the Midland Landlords Accreditation Scheme at the time of application.</p> <p>This discount does not apply to applications where an accredited managing agent is being nominated as the manager only and not also as the licence holder.</p>
Membership of a nationally recognised professional landlord's association	Discount of £55.00 per initial licence application for membership of the National Landlords Association (NLA) or the Residential Landlords Association (RLA) at the time of application.
Multiple Applications	Discount of £55.00 for second and subsequent licence applications where more than one licence application are made by or on behalf of the same owner at the same time.
Rent Well in Sandwell discount	Discount of £55.00 for properties within the area that have achieved a star rating of 4 or more stars under the Rent Well in Sandwell scheme

Table 2 – Variation Fees Schedule

These fees are payable on application for a licence variation where a licence remains in force at the time of the application.

Proposed License Variation	Proposed Fee
Change of address details of the licence holder, manager or owner. This fee shall be payable on request.	£50 fee
Change of mortgagor, owner, freeholder or leaseholder, unless they are the existing licence holder. This fee shall be payable on request.	£50 fee
Reduction in the number of maximum occupiers and/or households. This fee shall be payable on request.	£50 fee
Variation of licence instigated by the council	No fee
Change of licence holder	New Application fee - to be worked out as per Table 1
Change of manager, provided they are not also the licence holder. This fee shall be payable on request.	£50 fee

Increase in the number of maximum occupiers and/or households for licensing purposes – by increasing the number of habitable room, increasing of room sizes or by the provision of additional amenities. This fee shall be payable on request.	£50 fee
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Table 3 – Other Fees Schedule

These fees are payable as appropriate.

Circumstances	Proposed Fee
Continued incomplete application / evidence requirements following two reminders. This fee shall be payable on request.	£100 fee
Issuing of a Temporary Exemption Notice	No fee
Application received following the expiry of a Temporary Exemption Notice (TEN) made by the Council	New application fee - to be worked out as per Table 1
Revocation of licence	No fee
Application to licence following revocation of licence	New application fee - to be worked out as per Table 1
Licence application processed and refused by the Council	Refund of compliance inspection and license process £540.00
On review of an application it is decided that the property does not need a license at the time of application (for example, it falls under one of the exemptions) or a duplicate application is made	Full refund
Licence issued but property ceases to require a licence during the five-year life of a licence	No refund.

Selective Licensing Fees Schedule

Table 1

Type of Property & Discount	Proposed Fee
All property types and sizes including each individual flat within a larger building.	£650.00
Landlord Accreditation (MLAS)	Discount of £165.00 per initial licence application (where the accredited landlord is also to be the licence holder or the accredited agent is also to be the licence holder as the owner cannot be deemed to be fit and proper and able to hold the licence) where the landlord or agent acting as licence holder is a current member of the Midland Landlords Accreditation Scheme at the time of application. This discount does not apply to applications where an accredited managing agent is being nominated as the manager only and not also as the licence holder.
Membership of a nationally recognised professional landlord's association	Discount of £55.00 per initial licence application for membership of the National Landlords Association (NLA) or the Residential Landlords Association (RLA) at the time of application.
Multiple Applications	Discount of £55.00 for second and subsequent licence applications where more than one licence application are made by or on behalf of the same owner at the same time.
Rent Well in Sandwell discount	Discount of £55.00 for properties within the area that have achieved a star rating of 4 or more stars under the Rent Well in Sandwell scheme

Table 2 – Variation Fees Schedule

These fees are payable on application for a licence variation where a licence remains in force at the time of the application.

Proposed License Variation	Proposed Fee
Change of address details of the licence holder, manager or owner. This fee shall be payable on request.	£50 fee

Change of mortgagor, owner, freeholder or leaseholder, unless they are the existing licence holder This fee shall be payable on request.	£50 fee
Reduction in the number of maximum occupiers and/or households This fee shall be payable on request.	£50 fee
Variation of licence instigated by the council	No fee
Change of licence holder	New Application fee - to be worked out as per Table 1
Change of manager, provided they are not also the licence holder This fee shall be payable on request.	£50 fee
Increase in the number of maximum occupiers and/or households for licensing purposes – by increasing the number of habitable room, increasing of room sizes or by the provision of additional amenities. This fee shall be payable on request.	£50 fee

Table 3 – Other Fees Schedule

These fees are payable as appropriate.

Circumstances	Proposed Fee
Continued incomplete application / evidence requirements following two reminders. This fee shall be payable on request.	£100 fee
Issuing of a Temporary Exemption Notice	No fee
Application received following the expiry of a Temporary Exemption Notice (TEN) made by the Council	New application fee - to be worked out as per Table 1
Revocation of licence	No fee
Application to licence following revocation of licence	New application fee - to be worked out as per Table 1

Licence application processed and refused by the Council	Refund of compliance inspection and license process £395.00
On review of an application it is decided that the property does not need a license at the time of application (for example, it falls under one of the exemptions) or a duplicate application is made.	Full refund
Application made where application is required under the mandatory / additional HMO licensing scheme instead	Application fee to be refunded and a new application and appropriate fee under mandatory / additional HMO licensing scheme
Licence issued but property ceases to require a licence during the five-year life of a licence	No refund.

Licence Conditions

The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Councils also have the power to include other discretionary conditions which they consider appropriately for tackling the problems associated with private sector dwellings.

Please see proposed schedule of conditions for Additional and Selective licensing schemes via the council website link: www.sandwell.gov.uk/salconsultation

Penalties for non-compliance

It is a criminal offence to let out a property in a designated licensing area without a license, or for failure to comply with any condition of the licence. Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a fixed penalty notice with a financial penalty of up to £30,000.

The level of any financial penalty issued will be based on factors including:

- Severity of the offence,
- Culpability and track record of the offender,
- Harm caused, or the potential for harm to be caused, to the tenant(s),
- An appropriate and proportionate punishment of the offender,
- A suitable deterrent to committing the offence,
- Removal of any financial benefit the offender may have obtained as a result of committing the offence.

In addition, the council or the tenants of the property could apply to the First Tier Tribunal (Property Chamber) for a Rent Repayment Order, requiring the landlord to

repay an amount equivalent to up to twelve months of any rent received in respect of a property.

If a license applicant or property manager has been convicted of a specified criminal offence or issued with a financial penalty, s/he may be considered as not '*fit and proper*' to hold a licence and may be refused a licence. Similarly, in such cases, an existing licensee may have their licence revoked. In cases where the person applying for the licence is not considered fit and proper and the property is to continue to be rented, an alternative, unrelated person will have to apply to be the licence holder. If a suitable licence holder cannot be found then the council may have to take over management of the property itself by, for example, making an interim management order under Part 4 of the Housing Act 2004.

4. Why is the Council considering pilot additional and selective licensing schemes?

We know that there has been a dramatic increase in the number of private rented properties within Sandwell. We estimate that we have approximately 35,500 private sector dwellings. Much of the sector provides decent accommodation and is reasonably well managed and plays an important key role in the provision of accommodation to meet homelessness. However, there are problems associated with parts of the sector arising from poor management and property conditions and related problems of anti-social behaviour. Poor property conditions are particularly prevalent within HMOs. We know that increasingly more and more smaller houses are being poorly converted into shared accommodation, these properties are problematic and currently fall outside of the Mandatory Licensing scheme.

The rise in the private rented sector within Sandwell is mirrored nationally with the majority of all boroughs reporting an increase in private sector accommodation. The change in tenure is also accompanied by the change in the type of private sector landlords. The proportion of part time landlords – those who supplement their day job with rental income has reached its highest level. The National Landlords Association (NLA) estimate that part time landlords now make up more than 70% of the sector – the sector no longer consists of experienced landlords who are aware of and fully understand their obligations to their tenants.

An increasing number of our residents, many of whom are vulnerable, either live in private rented property or live adjacent to it. Failure to effectively manage private sector housing can adversely affect the health and safety of tenants and can have a wider impact on the local community. In addition to poor management, a number of landlords positively exploit their tenants and often the public purse through housing benefit, by renting substandard and dangerous accommodation.

The private sector traditionally offered an alternative to social housing or home ownership. For many the private sector was seen as a short term need while they

waited for an offer of council owned accommodation or were in a financially stronger position to take their first steps onto the property ladder. The increase in house prices, reduction in social housing and reduced access to mortgage funding means that this is no longer the case. Increasingly, private sector accommodation now provides a longer term or “life” home for many residents.

The continued growth in the population of Sandwell, the lack of alternative housing solutions for many, means that the private rented sector will continue to play a significant role in providing accommodation. More than ever, the sector needs to be properly managed and supported to fulfil its important role.

Licensing imposes a set of standards/conditions, makes it easier for officers to gain access into a property and can allow the tenant to make a complaint without being identified. A licensing scheme can also play a much-needed role in supporting landlords.

Also, the introduction of Selective and Additional licensing will enable a significant change in the way that ASB and poor management associated with the private sector is tackled. Through licensing we will know who is responsible for the management of properties that are rented out and who in the first instance is responsible for dealing with problems associated with the dwelling. It also introduces an added protection for private sector tenants. Licensing has the potential to make significant improvements to housing standards and the local environment.

We believe that Licensing offers the following benefits:

The benefits for a private landlord

- Good landlords will be rewarded for their responsible letting practices by paying a reduced fee for the license.
- Creation of a level trading environment for private sector landlords.
- Their reputation will be enhanced by holding a licence, while those bad landlords who have given private renting a poor status, will either be made to bring their properties up to the standard of the others or risk losing the right to let their properties.
- Landlords can promote their licensed status and find it easier to attract tenants who know that a licensed property is well managed and safe; a better environment will make properties easier to let and sustain tenancies.
- Better management and tenancy agreements will enable the landlord to have better control over the property and will be supported in dealing with tenants who commit anti-social behaviour.
- Advice and guidance will be available on all aspects of private renting especially those landlords who are inexperienced from a dedicated licensing team of officers.

The benefits for private tenants

- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities, space standards and fire safety.
- Protection from possible retaliatory eviction as licensing enables the proactive checking of properties and management practices, rather than relying on the tenant to report poor conditions.
- The standards imposed will ensure that the landlord is not permitted to have more tenants than recommended for the size of the property and the facilities provided so tenants can be assured that they are not living in cramped overcrowded accommodation.
- Advice and guidance will be available to tenants so that they can understand their rights to a decent home.
- Added protection for tenants as a result of better landlord management practices and greater protection from unlawful eviction.

The benefits for the community

- There is no cost to the tax payer as the scheme is self-funding.
- Reduce the number of overcrowded properties that can lead to anti-social behaviour especially relating to noise and rubbish.
- The register of landlords / managing agents will be made public and can be accessed by neighbours who wish to report anti-social behaviour and by the Police when they are dealing with these individuals.

5. Alternative options considered

Before introducing an additional licensing and/or selective licensing scheme we are obliged to consider whether there are other courses of action we can take to effectively deal with the problem. We have considered the following:

Mandatory HMO Licensing only

Through our mandatory HMO licensing scheme, we will continue to identify properties that require licensing – it will run alongside the proposed additional licensing and selective licensing schemes. However, mandatory HMO Licensing will only apply to those HMOs occupied by five or more people forming two or more households. This type of HMO makes up only a small percentage of the overall HMO stock within the borough. It will not tackle the problems associated with other types of HMO accommodation, many of which are in poor condition.

Designate an Additional Licensing scheme only

We could designate just an additional licensing scheme to deal with the smaller HMOs across the area. However, this would exclude non-HMO private sector dwellings which we have identified as causing a problem. Through our evidence gathering, we have identified areas where the number of private sector dwellings is

high – equal to or above 26% of the overall housing stock - and have above average problems such as ASB and fly tipping.

Do nothing and continue with existing legal powers

Existing powers available to the council are largely reactive with officers responding to tenants' complaints. Many tenants do not know where to complain or are reluctant to complain through fear of retaliatory eviction. Although current enforcement activity has been successful in remedying problems in individual dwellings, it is not felt to have raised the standard of private sector dwellings generally. Responding to complaints often involves coordinated investigation and enforcement by numerous departments, using various pieces of legislation, before a final resolution is obtained.

Voluntary Accreditation

Although the voluntary accreditation scheme is helpful in driving up standards, it relies on the willingness of landlords to sign up to it. It is likely therefore that conscientious landlords will continue to support the scheme, but that rogue landlords will remain difficult to identify and will avoid joining the scheme, preferring instead to operate with the minimum regulation "under the radar".

We believe that the combination of targeted additional and selective licensing schemes will achieve the maximum benefit and best outcomes for the private tenants within the designated area.

6. Sandwell – Demographics and the Housing Stock

Sandwell's People

Sandwell is an exceptionally diverse and fast-changing borough. The latest population estimate for Sandwell is 327,378, this is the 2018 mid-year estimate produced by the Office for National Statistics.

When Sandwell Metropolitan Borough Council was formed in 1974, the area was experiencing a steady decline in population numbers, which reached a low in 2001. Over the seventeen-year period between 2001 and 2018 there has been an estimated increase of 42,784 in Sandwell's population, an increase of 15%.

In 2011 Sandwell had overall 34.2% of residents from Minority Ethnic groups (that is, all ethnic groups other than White British). West Bromwich town has 40.9% of its population from Minority Ethnic groups which is ranked second highest in the borough.

69% of migrant National Insurance number registrations for the area are from Poland, Romania, Italy and India.

The latest Indices of Multiple Deprivation (IMD) 2019 indicates Sandwell's average deprivation score has declined slightly since 2015, falling one place to become the 12th most deprived local authority out of a total of 317 (where 1 is the most deprived.)

The Office for National Statistics produce population projections every two years at Local Authority level geography. These are projections based on recent trends, are not forecasts and do not attempt to predict changes to policy or the economic environment.

The latest 2016 based population projections show an increase of 30,300 people from 322,600 in 2016 to 352,900 in 2030. Sandwell has the highest percentage increase in projected population over the 2016-2030 period for the Black Country Boroughs and is higher than the percentage increase for England and Wales (7.5%) over this period.

Population growth locally is due to higher annual births than annual deaths, and net migration gain driven by high annual international migration. Sandwell has a proud history of new migrant communities living within its area, this has resulted in a vibrant and diverse borough.

Overview of housing in Sandwell

The type of housing tenure in the borough has changed significantly in the period between the 2001 and the 2011 Census. The table below confirms that the number of private rented properties has increased in the borough by 9.2% during the 10-year period.

Whilst the 2011 Census data shows Sandwell as having 18,223 private rented properties, it has been identified the private rented sector in Sandwell makes up an estimated 26% (34,386) of all housing accommodation in the borough with some wards in Sandwell in excess of 35%. This is significantly higher than the national average of 20%.

Housing Overview - 2011 Census

	Sandwell		Black Country	West Midlands Conurbation	England and Wales	Sandwell Change 2001-2011
	No.	%	%	%	%	No.
Housing						
Number of Household Spaces (including vacant hh spaces)	127,196					+7,641
Average Household Size	2.5					+0.07
Vacant Household Spaces	5,698	4.5%	3.6%	3.4%	4.4%	+1,569
Without Central Heating	4,176	3.4%	3.3%	3.5%	2.7%	-16,671
Detached Properties	14,273	11.2%	16.7%	14.7%	22.6%	+1,861
Terraced Properties	33,357	26.2%	20.6%	26.2%	24.7%	+1,205
Tenure						
Owner Occupied	69,135	56.9%	61.5%	60.0%	63.6%	+315
Shared Ownership	701	0.6%	0.5%	0.7%	0.8%	-134
Rented from Council Local Authority	27,587	22.7%	18.0%	15.1%	9.4%	-3,068
Rented from Other Social Landlord	5,852	4.8%	6.7%	7.8%	8.2%	+1,521
Rented from Private Landlord or Letting Agency	14,583	12.0%	10.7%	13.8%	15.3%	+9,238
Rented Other	3,640	3.0%	2.6%	2.7%	2.8%	-1,800
Household Composition						
One Person Households	35,935	29.6%	29.5%	30.6%	30.2%	+869
Married Couple Households (includes same sex civil partnerships in 2011 but not 2001)	38,079	31.3%	32.5%	30.9%	33.2%	-2,154
Cohabiting Couple Households	11,738	9.7%	9.8%	8.8%	9.8%	+3,149
Lone Parent Households with Dependent Children	10,915	9.0%	8.2%	9.0%	7.2%	+1,645
Lone Parent Households with Non-dependent Children	5,502	4.5%	4.3%	4.3%	3.5%	+758
All Other Households	19,329	15.9%	15.8%	16.3%	16.1%	+1,805
Total Households	121,498					+6,072

Source: One

House prices and affordability

On average, residents in Sandwell could expect to pay an estimated 6.35 times their gross annual earnings on purchasing a home in Sandwell 2018. Since 2011, there has been slight decrease in affordability. Sandwell housing is more affordable to its residents based on gross earnings than overall in the West Midlands region and England. The average house price in the West Bromwich area is £166,816

The private sector

The private sector in Sandwell is growing; It is estimated a quarter of our residents already rent privately. Lettings of private rented homes in Sandwell now outnumber lettings becoming available through the council or housing associations.

Nationally the private rented sector makes up 19% of the total housing stock in England. In Sandwell the borough average is 26% with 15 of the 24 wards scoring above the national average. West Bromwich Central is one of 3 wards within Sandwell that is now made up of over 35% private sector dwellings.

There is a growing demand for low cost private rented accommodation. This is partly fuelled by the Government's welfare reforms and the rise in migrant workers coming to Sandwell. This demand has created a housing market that is very lucrative for rogue landlords.

Restrictions on the amount of Housing Benefit that can be claimed by single people under the age of 35 has increased the demand for shared HMO type housing. The increase in the number of people renting privately has increased the demand for advice and assistance.

Conclusion

It is clear that access to social and affordable housing will remain scarce. The ability for our residents to buy their own home has decreased over the years.

The continued growth in the population of Sandwell, the lack of alternative housing solutions means that the private rented sector will continue to play a significant role in providing accommodation. We know that many of our households are on low income – levels of deprivation in Sandwell are high. We also know that overseas migrants tend to strongly rely on the private sector market due to the need for flexibility and uncertainty of future legislation, a report by the Joseph Rowntree Foundation estimated that nationally 75% of migrants use private sector accommodation.

Low cost shared accommodation offers a good solution to those who are unable to rent larger properties or who live alone. But the property needs to be of a reasonable condition and offer a safe environment. The level of case work picked up by the Housing Quality Team suggests that many landlords either lack the necessary experience and expertise needed to manage properties or wilfully neglect their responsibilities. The demand for private sector accommodation is such, that even properties in the poorest of conditions can be readily let – demand heavily outstrips supply. More than ever, the sector needs to be properly managed and supported to fulfil its important role.

7. Links to other strategies

Our Vision for 2030 is that, Sandwell is a thriving, optimistic and resilient community. The proposed introduction of additional and selective licensing positively contributes to the following Council Vision 2030 ambitions;

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer and where those of us who are vulnerable feel respected and cared for. – Improved quality of accommodation actively contributes to improved health outcomes. Selective and additional licensing in the specific area will reduce the impact that poor quality housing has on vulnerable individuals.

Ambition 5 - Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods – Selective and additional licensing will look to reduce levels of anti-social behaviour.

Ambition 7 - We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes. – The introduction of selective and additional licensing will improve the condition of the private rented properties in the specific areas meaning the area is a more attractive place to live.

West Bromwich Regeneration

In recent years West Bromwich town centre has undergone one of the largest regeneration programmes taking place anywhere in the West Midlands region. Hundreds of millions of pounds has been invested from the private and public sector in a number of schemes that will provide the residents of and visitors to West Bromwich and Sandwell with the state of the art services and excellent opportunities they deserve.

Despite the difficult economic environment, Sandwell Council has remained committed to the regeneration of West Bromwich town centre. Between 2011 and 2014 West Bromwich has seen the opening of a new Central College Campus, the completion of the first office building at the new Providence Place development, a revamped High Street and metro station, the New Square retail and leisure complex, a revitalised Dartmouth Park, and a new leisure pool and fitness centre.

The physical and economic regeneration of West Bromwich is now visibly taking shape, but there is more to come. Such projects will inevitably result in some disruptions for residents, visitors and workers in West Bromwich, however every effort is being made to ensure these are kept to a minimum.

The West Bromwich regeneration programme will see;

- A wider retail offer
- New leisure facilities
- Quality housing
- Further education opportunities
- Improved green spaces
- Job opportunities

- Investment opportunities from outside Sandwell
- Better transport and pedestrian links
- A safer place to live

Work already undertaken includes:

Providence Place Office Development

The Providence Place office development, supports both the physical and economic regeneration of West Bromwich by providing the town centre with state of the art office facilities. The development is located on a key gateway into West Bromwich and is the first new office development of its kind in the town since the 1970s. West Bromwich Building Society announced that it would be relocating its headquarters to a new building on Providence Place in November 2012. Additional office buildings have been built as part of the Providence Place development which has added to the revitalisation of the town.

Urban 180 residential scheme

Located between Bull Street, High Street and Overend Street in the town centre, Urban 180 is a mixed-use development which will provide West Bromwich town centre with high quality affordable homes. The £20 million project is a partnership between Sandwell Council, Accord Group and the Homes and Communities Agency which is transforming the site into a thriving and attractive modern residential and community enterprise space. Phase 1 of the project completed is now complete and provides 29 new private and affordable homes. Phase 2 also provided a further 40 new homes and apartments, and from April 2015 the third and final phase commenced providing 2 three-bedroom homes and 25 apartments.

The Lyng residential scheme

The Lyng housing development is providing West Bromwich with affordable, high quality and sustainable housing. The scheme will deliver a total of 450 new homes to meet local demand. The Lyng estate sits next to West Bromwich town centre, a short walk from shops and public transport links. The development, which the council is delivering in partnership with Barratt Homes and the Lyng Community Association, will significantly improve housing in West Bromwich and help improve the quality of life for current and future residents. Phase 1 provided 86 homes for the Lyng Community Association with second and current phase including 14 affordable and 250 private sale homes.

University Technical College

The demolition and clearance of the former Sandwell College campus on the High Street and its relocation to the new Central Campus on Spon Lane created a development opportunity for a new purpose built educational facility. The three and four storey buildings include teaching and support space; recreation facilities, specialist science laboratories and studios; simulation and skills suits, a mock hospital ward; a fitness gym and a multi-use games area at roof level. Some of these facilities

are accessible to members of the local community as part of supporting the health focus of the UTC.

YMCA

The YMCA with funding from the Homes and Communities Agency has invested in a multi-million-pound development at the western gateway entrance to West Bromwich town centre. The scheme in Carters Green refurbished the existing building and provide a mixture of housing and community services that promote health, skills and enterprise. The completion of a nursery and youth centre in September 2011, permission was granted in March 2013 for a new gym, cafe, housing and offices which are now completed. Sandwell Council has supported the scheme throughout the design and funding application process.

Sandwell Intervention Areas

Sandwell is home to over 325,000 people and around 9,000 businesses who collectively employ over 140,000 people. It is in an excellent strategic location with access to the national motorway network with five junctions feeding into the M5 and M6. This provides access to the South-west, South-east and North-west regions. It has excellent public transport provision via railway, including a mainline railway station, Midland Metro line serving Wolverhampton and Birmingham with an extension planned from Wednesbury to Brierley Hill. The area is also well served by a bus network within the area as well as serving neighbouring boroughs. An extensive canal network provides further sustainable transport modes for walking and cycling as well as providing leisure and recreation opportunities and linking jobs, houses and people.

Sandwell has strengths in the manufacturing sector with 48% of companies within the borough involved in Base Metals, Advanced Manufacturing, Metals and Fabricated Metals. There is a strong supply chain with the automotive trade including Rolls Royce, Jaguar Land Rover, Mercedes Benz and Aston Martin. The borough also has strengths in the Wholesale and Retail and Construction sectors. Its proximity to three other Black Country Boroughs and Birmingham City makes this an ideal location in which to live, work, visit and invest.

However, Sandwell is experiencing a steady increase in population year on year with many people wishing to locate here given the job opportunities available. Sandwell is well connected and centrally located having a growing international recognition and a thriving dynamic economy. The dependency on good, quality and affordable housing requires action to enable development to be forthcoming to meet the needs and demands of current and future residents.

Therefore, all efforts are being channelled to the delivery of housing in three major areas; West Bromwich Town Centre, Friar Park and the Grove Lane part of Greater Icknield and Smethwick. These three areas are the focus of potential partnership working between Sandwell Council, West Midlands Combined Authority, Black Country Local Enterprise Partnership and developers in bringing to fruition a transformational change with new family housing and improved environments alongside its high-quality transport connections and accessibility to work.

Sandwell experiences high level of rental activity in many forms. The private rented sector is used for Supported Housing for vulnerable people which is paid for by Special Exempted Housing Benefit. Unfortunately, this scheme is often open to abuse, leaving vulnerable people unsupported, in poor quality HMOs often without the landlords realising this is happening.

Landlords are also often misled by tenants, not realising that their tenants have engaged in 'Rent to Rent' (subletting) or taking in friends who are homeless, thereby creating unregulated HMOs without the landlords' knowledge, permission or required amenities. Through its proactive work the council is aware of these issues along with modern slavery, which our evidence shows is prevalent in the private rented sector.

Our Housing Strategy Statement 2102 – 2022

This was reviewed in 2017 and includes a number of significant points regarding the private rented sector:

The three key objectives for housing in the borough are:

- Making the best use of the existing housing stock
- Increasing the supply of new homes
- Protecting and promoting the health, safety and wellbeing of our residents

The first and third of these objectives are particularly relevant to the improvement of the private sector and go hand in hand with Licensing. Interventions such as licensing can bring about an uplift in the quality of the sector through eliminating poor management practices and property conditions that can adversely affect a neighbourhood. It offers private sector tenants added protection and supports a thriving, much needed, private rented sector through working with landlords to address concerns, raising awareness of good practice and driving out rogue landlords.

Licensing will complement our regeneration plans by ensuring that more people have access to decent accommodation. Failing standards identified through compliance checks will be addressed through guidance and enforcement of the housing conditions. In addition it will also identify landlords who choose to operate unlawful HMO's in breach of housing, planning and building control regulations.

Landlords will benefit from the Council's regeneration plans – the sector will continue to grow and thrive in a borough where people will choose to live. Under licensing landlords will have to take the same responsibility for their properties as they would for any other business - landlords will have to either improve their practice or leave the market. Improved landlord practices should reduce the number of evictions and unplanned moves. Populations should be less transient and improvements for the borough should become more sustainable, benefiting the better landlords, tenants and Sandwell as a whole.

The Police, council and other enforcement agencies work closely together to tackle modern slavery, anti-social behaviour, sharing information and using the powers and lever of the various agencies to effect a change in behaviour and reduce the impact of crime and ASB. We know through our evidence gathering that there is a significant and persistent problem with Modern Slavery directly linked to private sector properties. Licensing will support existing initiatives by also requiring landlords to act against their tenants, by ensuring that household waste is correctly disposed of and that front gardens are maintained and free from rubbish.

Licensing will give the Council additional powers to deal with housing related crime. The existence of a landlord register will make it easier for the both the Police and the Council to trace the owner of the property.

8. Methodology

In order to meet the requirements of the Housing Act 2004 for introducing additional and selective licencing (as outlined in section 2 of this report) The government has set out clear guidance to structure council decisions to introduce selective/additional licensing through the provision of updated legislation in April 2015 (via an Amended General Approval). This guidance states that before any council can consider making a selective/additional licensing designation it must ensure that the area in question has a high number of private rented properties occupied under assured tenancies or licences and that it meets one (or more) of the following criteria;

1. **Low Housing Demand** - It is, or is likely to become, an area of low housing demand; or
2. **Anti-Social Behaviour** - It has a significant and persistent problem with anti-social behaviour where the inaction of private landlords is a contributory factor; or
3. **Housing Conditions** - Following a review of housing conditions, it is believed that the area is suffering from significant housing condition problems and the council intends to inspect the dwellings concerned; or
4. **Migration** - It has experienced a recent influx in migration, and where the migrants are primarily occupying privately rented accommodation; or
5. **Deprivation** - It suffers from a high level of deprivation which particularly affects the occupiers of privately rented accommodation; or
6. **Crime** - It suffers from a high level of crime that affects residents and businesses in the area.

To inform the Council's consideration of the potential introduction of selective/additional licensing, the Building Research Establishment (BRE) were commissioned in early 2018 to undertake a series of modelling exercises on Sandwell's housing stock. These modelling exercises utilised sophisticated tools that incorporated local and national data to evaluate the make-up of local households.

When the above is considered in relation to Sandwell the borough has levels of crime and ASB that would meet the prevalence criteria above however current data does not allow this to be attributed to private rented accommodation. The areas below however are appropriate for the consideration of selective/additional licensing in relation to prevalence and link to private rented accommodation;

- Housing Conditions
- Migration
- Deprivation

The modelling particularly focussed on private sector stock which is made up of owner occupied and private rented dwellings. The remainder of the housing stock consists of social housing. The total number of dwellings in Sandwell from the integrated housing stock condition database is based on LLPG data; therefore, the model is based on this value. The tenure split within the integrated database is derived from the purchased Experian tenure variable for addresses where tenure has not been supplied by the council, since it is possible for private rented dwellings to become owner occupied and vice versa relatively easily.

it is difficult to accurately predict the actual tenure split at any given point in time. A validation process was undertaken to compare the tenure split from the database to the 2011 Census figures. The results of the validation exercise show the differences between the tenure split from the database compared to the Census figures. There has been a noticeable increase in the size of the stock, mainly comprised of increases in the size of the private rented and social tenures, whilst the owner-occupied stock has decreased.

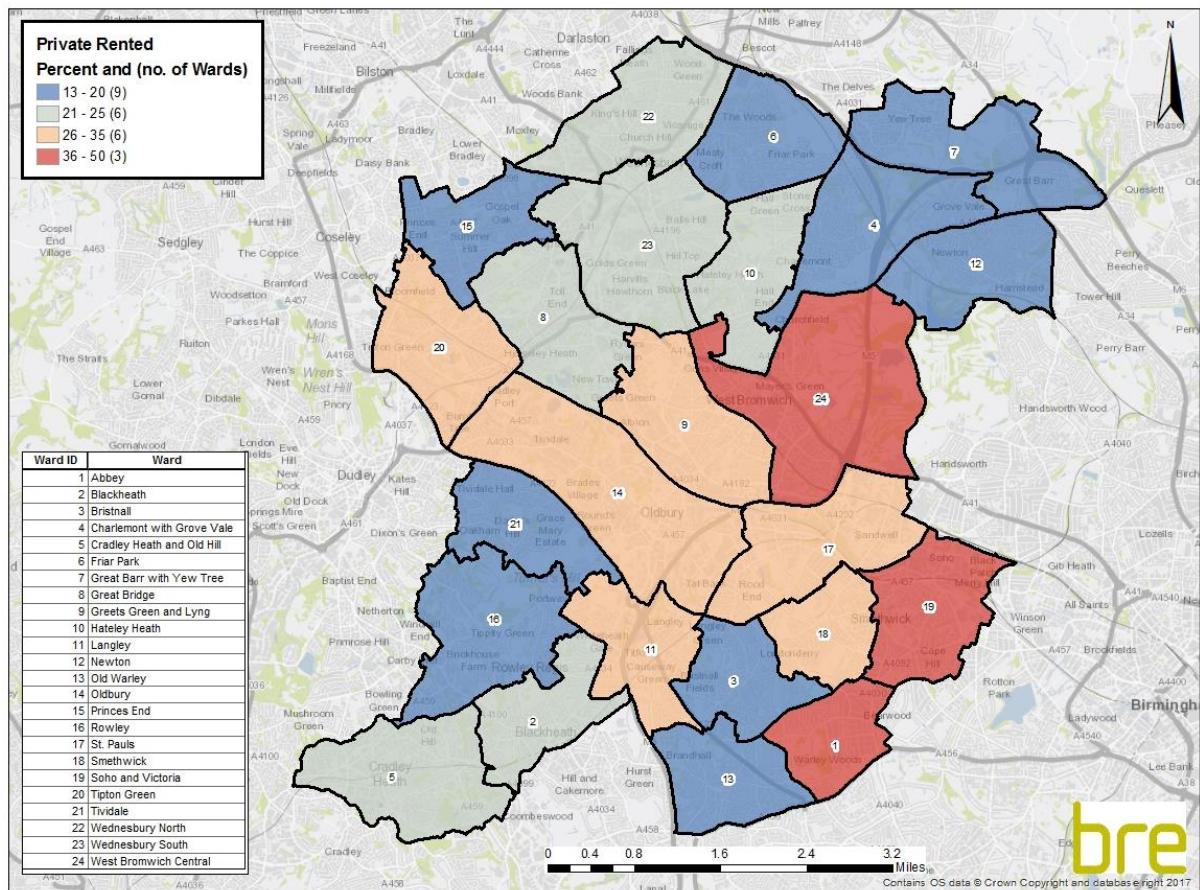
Whilst the 2011 Census data shows Sandwell as having 18,223 private rented sector (PRS) properties, it is now estimated the private rented sector in Sandwell makes up 26% (34,386) of all housing accommodation in the borough with some wards in Sandwell in excess of 35%. This is significantly higher than the national average of 20%.

Areas within Sandwell were identified with considerably higher levels of private rented stock, compared to the national average. The percentage of private rented stock for Sandwell is 26%. The map shows the distribution of the wards with over 20% of dwellings in the private rented sector.

Nationally, the census has shown an increase in private rented accommodation, a fall in owner occupation and a shift in the social rented sector from councils to other registered social landlords since 2001. Compared with Sandwell as a whole, West Bromwich town has a slightly higher level of owner occupation, a slightly lower proportion of households in social rented and a similar proportion in private rented accommodation.

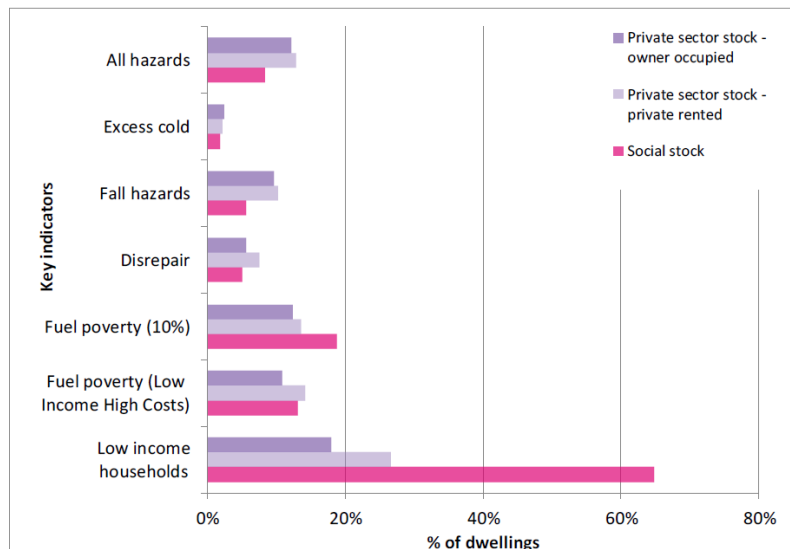
Owner occupation has fallen since 2001, and there has been a slight shift in the social rented sector from the council to other social landlords but the main change has been an increase in private rented accommodation. Renting from a private landlord or letting agency has increased from 4.1% to 11.5% over the decade.

Newton has the highest and Great Barr with Yew Tree has the second highest level of owner occupation of all Sandwell wards. Greets Green & Lyng, Hateley Heath and West Bromwich Central all have high levels of social rented housing. Private rented accommodation is most prevalent in West Bromwich Central ward.



Housing Conditions

The (BRE) estimate through their Housing Stock Condition model database that the private rented stock in Sandwell has higher levels of disrepair and fuel poverty (based on the ability of households to meet fuel costs) when compared to social housing and owner-occupied properties as detailed in the chart below.

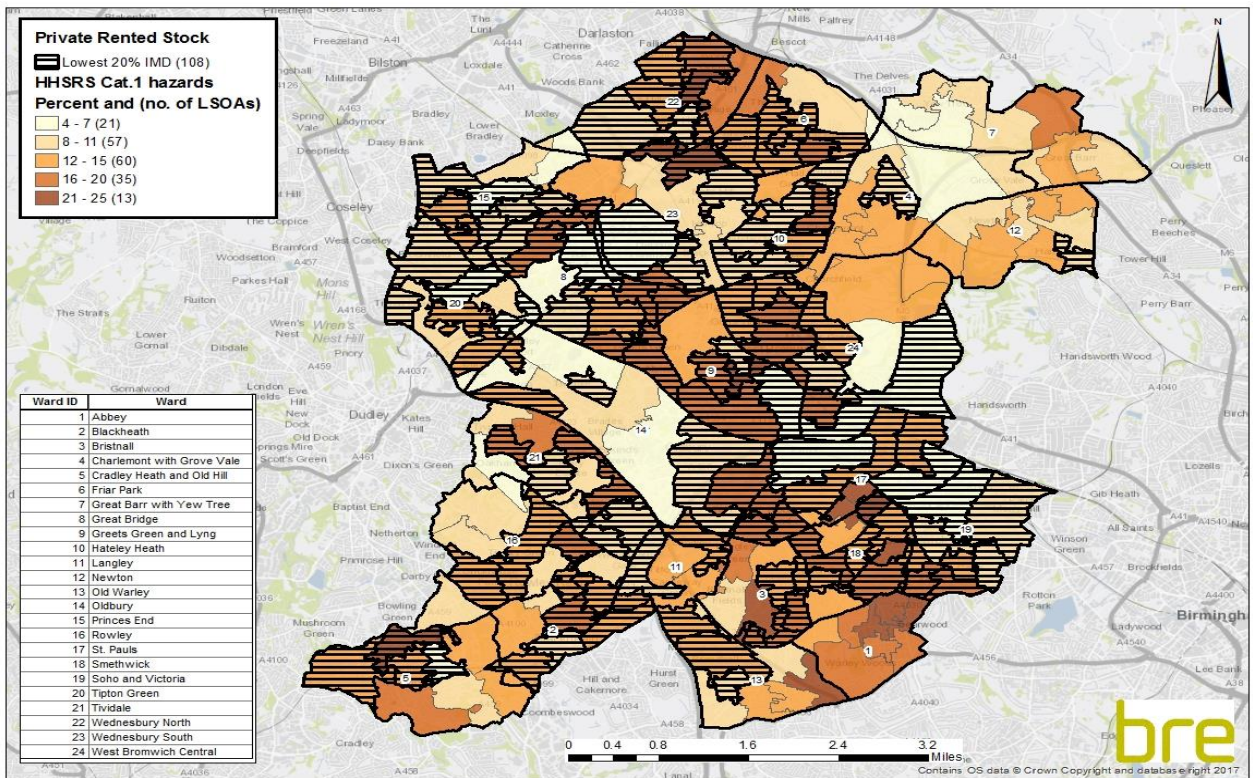
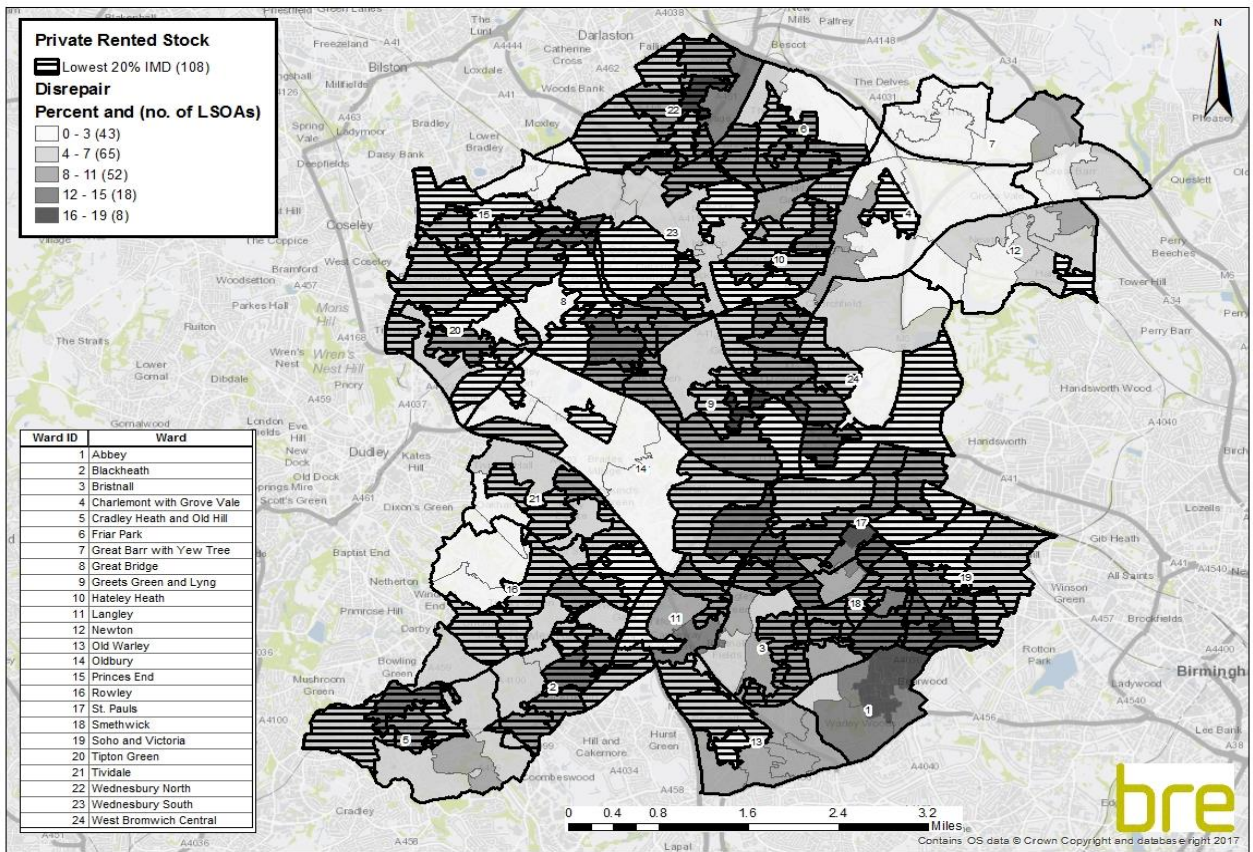


This analysis is further evidenced through the inspection and enforcement activity of the Council’s Housing Quality Team. The team provide advice, assistance, support and signposting services as well as direct intervention for private tenants, landlords and owners of empty properties. Many of these customers are vulnerable or economically inactive and often require some form of assistance to either maintain or remain in their homes.

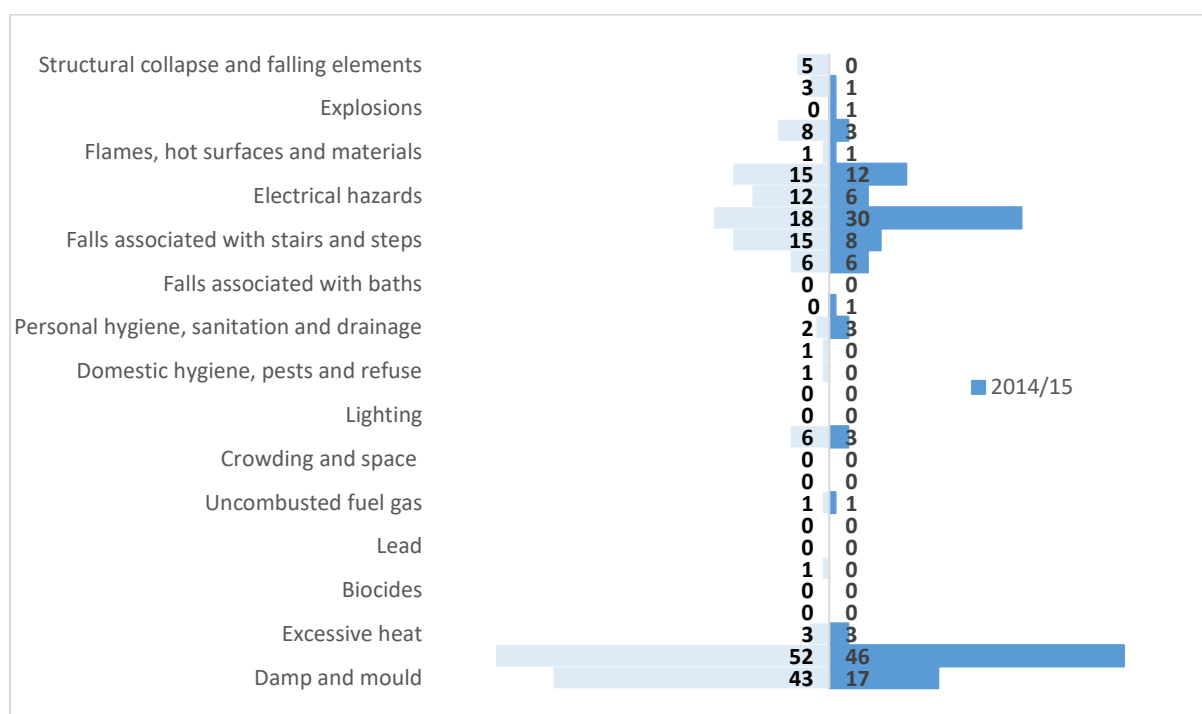
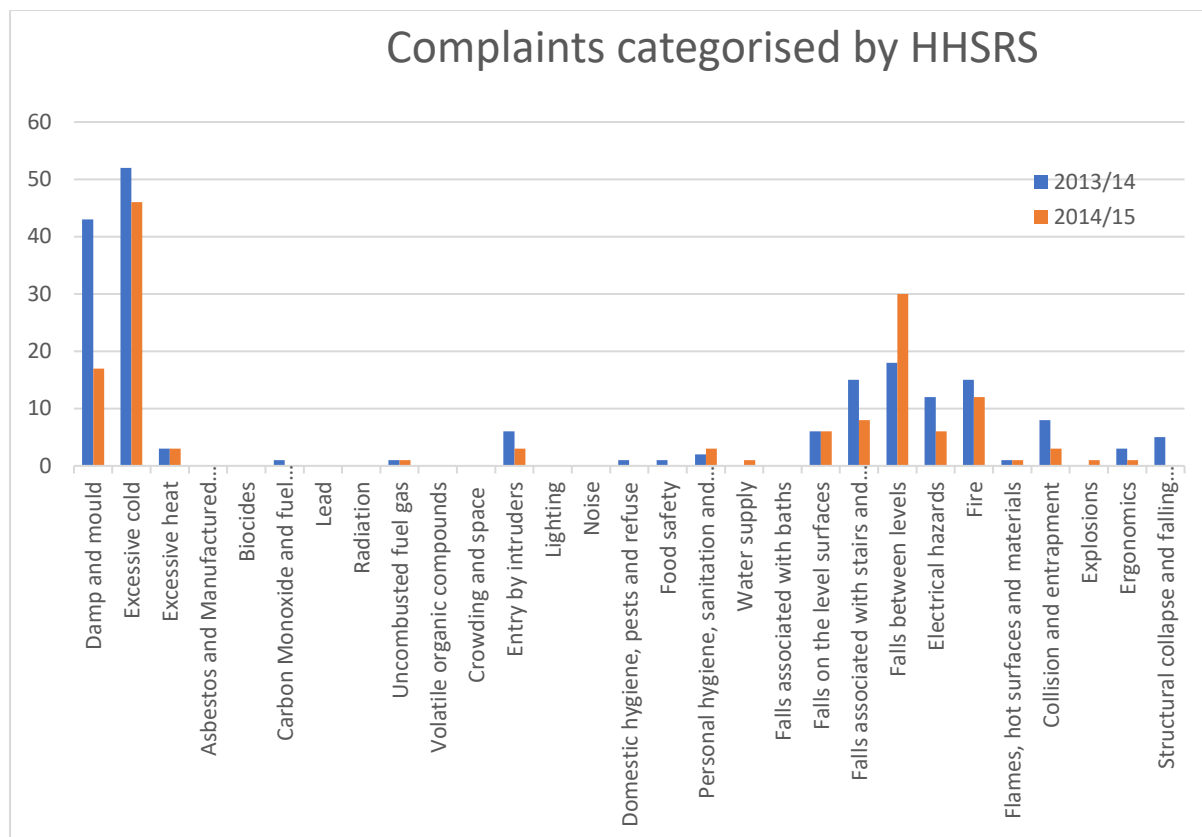
The table below shows the level of complaints / requests for assistance received by the Housing Quality Team (HQT) into private rented housing. The table also depicts that whilst enforcement action has been undertaken it has not considerably reduced the level of complaints, thus suggesting a need to move to the more proactive approach associated with selective/additional licensing

Year	Number of complaints / request for assistance received by HQT Triage system
2014	886
2015	810
2016	845
2017	887
2018	830

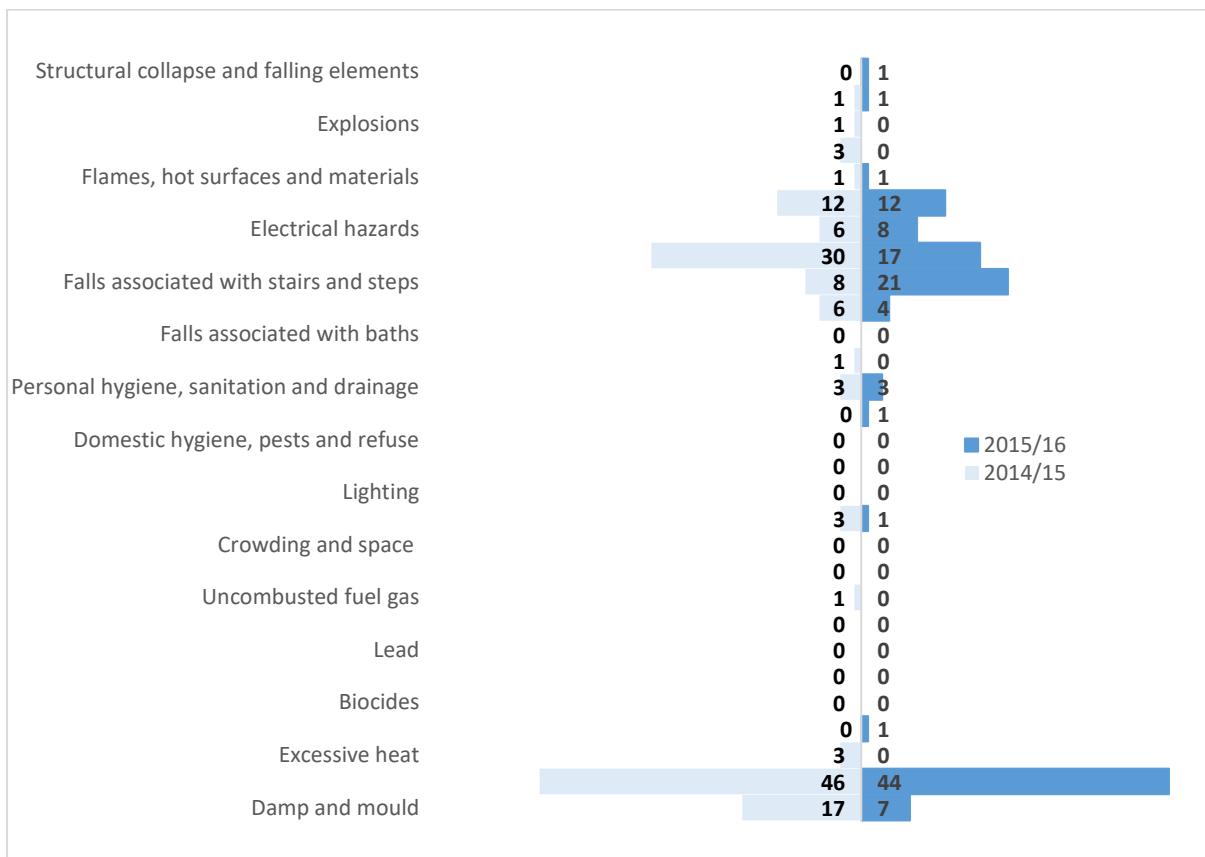
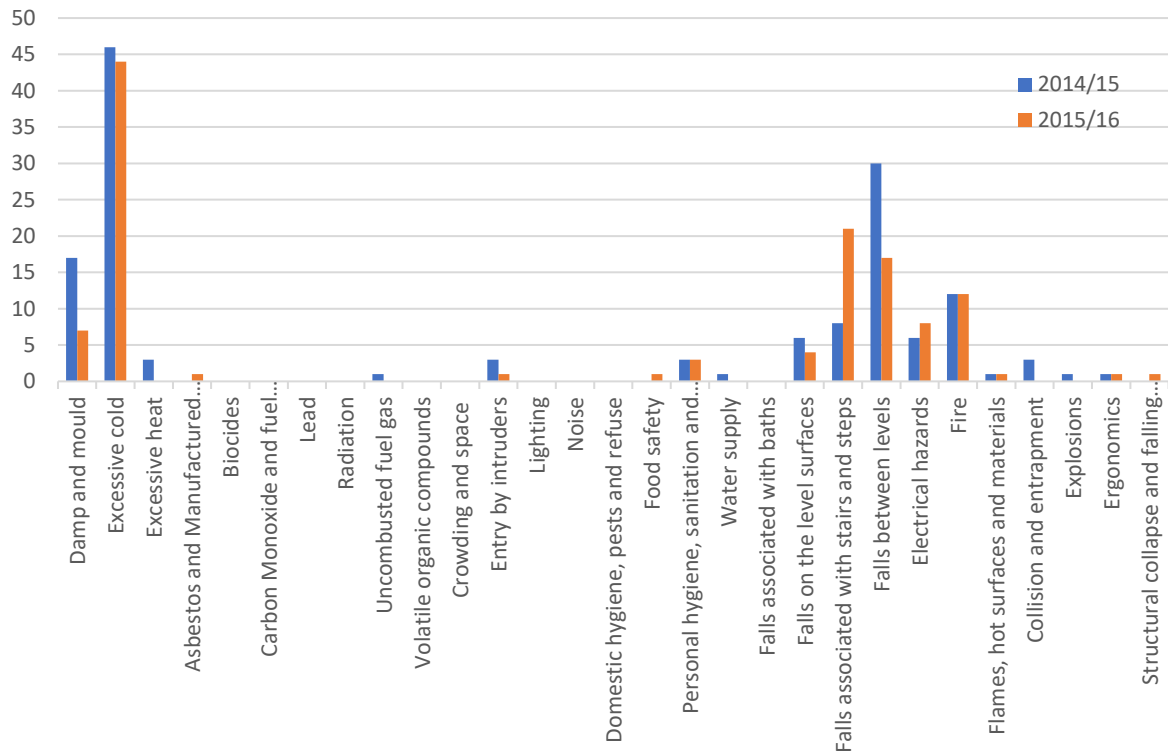
Areas with proportions of private rented stock above the national average (20%) were examined more closely and the following maps show the levels of HHSRS category 1 hazards and disrepair combined with the worst 20% Index of Multiple Deprivation.



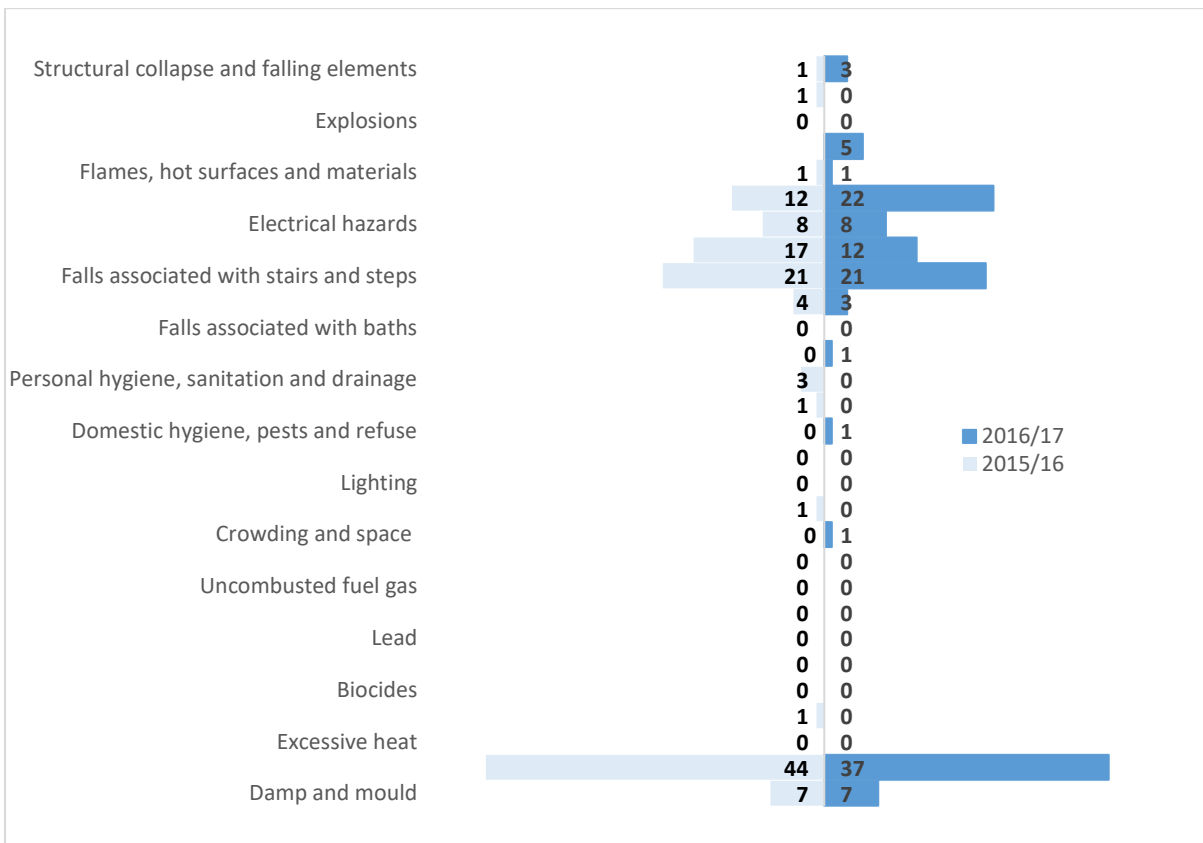
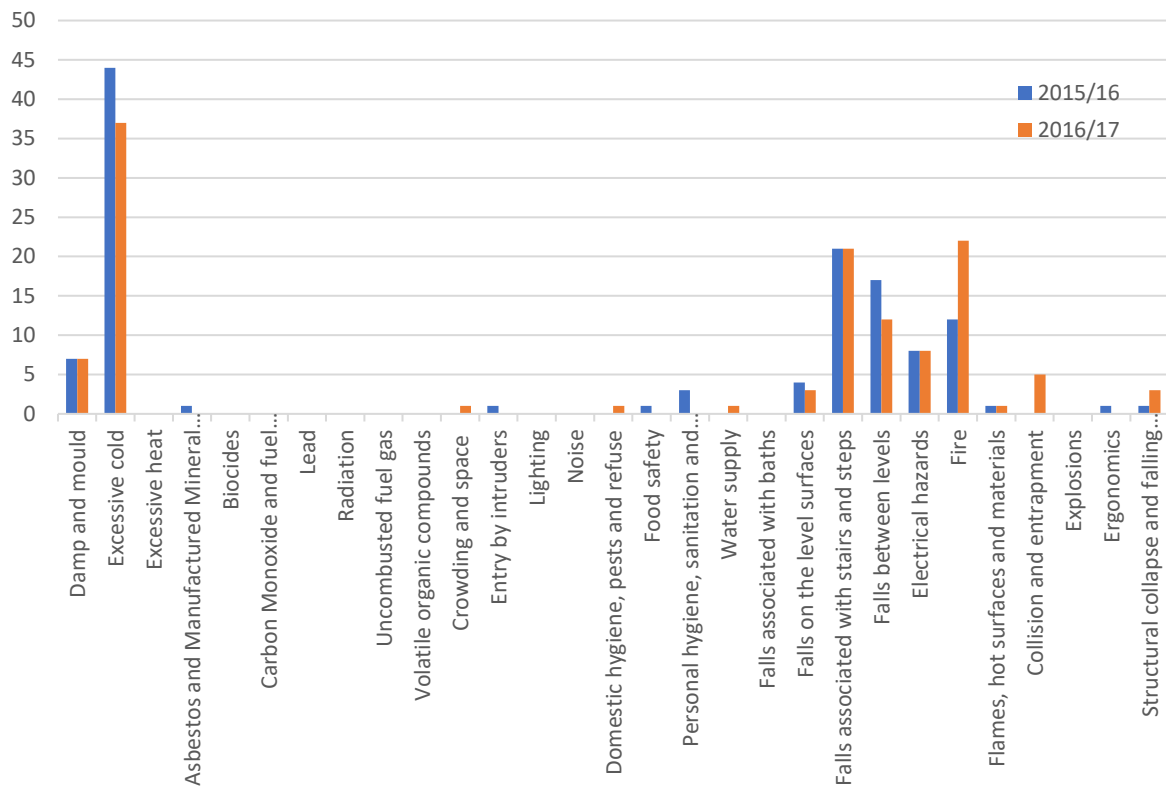
Analysis was undertaken of the category 1 & 2 hazards recorded between 2013 and 2017 related to private sector rented dwellings. The findings are shown in the diagrams below related to private sector dwellings. The two most common types were excess cold, and hazards associated with falls. The data also shows an increase in hazards associated with fire.



Complaints categorised by HHSRS

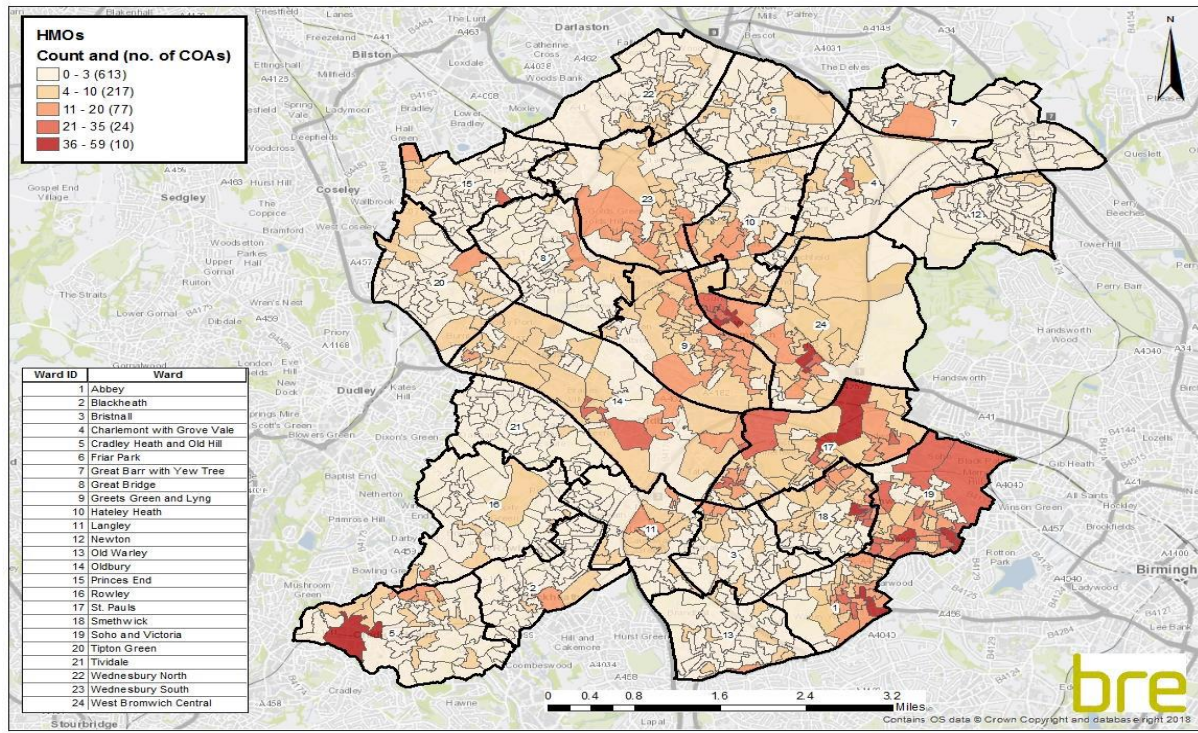


Complaints categorised by HHSRS



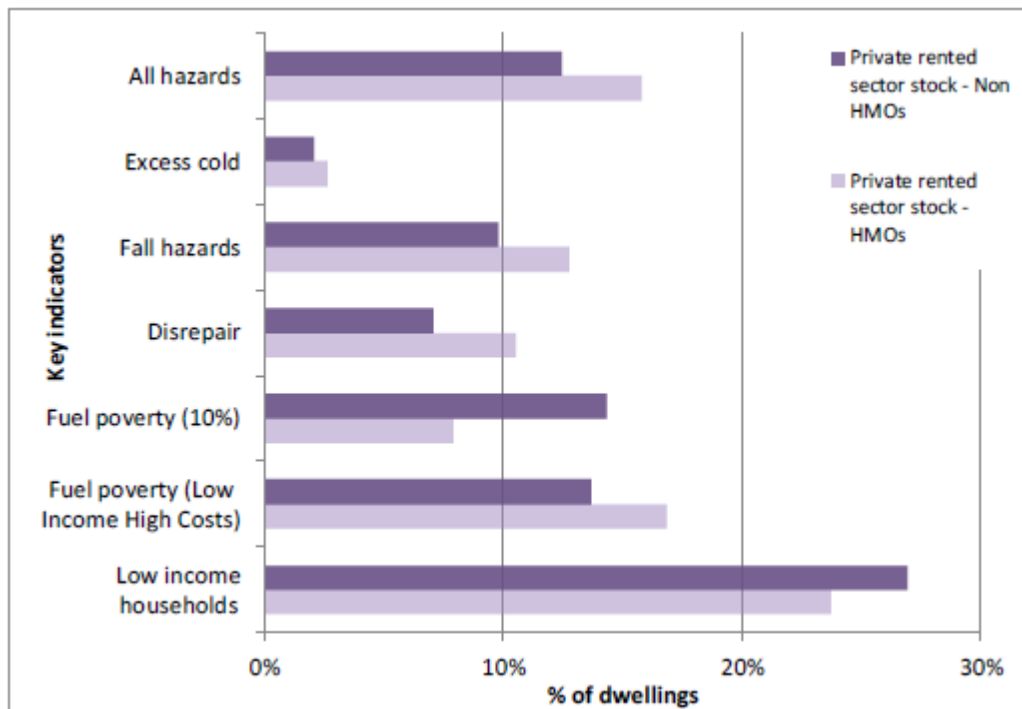
Houses in Multiple Occupation in Sandwell

The map below shows the geographic distribution of HMOs within Sandwell. The map shows the majority of HMOs to be concentrated towards central and south eastern parts of Sandwell in the urban areas of West Bromwich and Smethwick. There are notable concentrations across the west of West Bromwich Central ward and Soho and Victoria ward.



The (BRE) modelling estimates the number of HMO's within Sandwell is 4,247 with the concentrations in the West Bromwich Central and Greets Green and Lyng wards as 657. This equates to 15% of the total estimated within Sandwell

The table below shows the results for each of the key indicators in Sandwell for the private rented sector split into non-HMOs and HMOs. In general, HMOs in Sandwell are in poorer condition than non-HMOs in the private rented sector. The levels of HHSRS category 1 hazards are higher for HMOs (16% compared to 12% for non-HMOs), especially for fall hazards (13% compared to 10%), rather than for excess cold hazards. Levels of disrepair are also higher for HMOs (11% compared to 7% for non-HMOs). However, as HMOs have lower energy efficiency levels compared to non- HMOs (average Simple SAP score of 59 compared to 61), the levels of fuel poverty are higher for HMOs for the Low Income High Costs definition, but lower for the 10% definition.



Many HMOs operate under the radar and consist of some of the poorest housing conditions in the borough. Traditionally HMOs present a higher level of risk to the occupants, due to the size, layout of the building and more intensive use of electrical and cooking appliances; increasing the risk of fire. Our current work under funding from the controlled migration fund has uncovered poorly managed buildings, absent landlords and appalling housing conditions. They are often occupied by some of our most deprived and vulnerable residents. The proposed additional licensing scheme within the West Bromwich area would increase our powers and go some way to improving the lives of the residents.

Modern Slavery & Human Trafficking in Sandwell

Modern Slavery is a global phenomenon of organised criminality and one which is sadly now recognised as having a footprint within our communities. This is largely because Sandwell is a diverse area, is centrally based and with ease of access from both abroad and from other areas of the UK making us vulnerable in attracting those with the criminal intent to exploit.

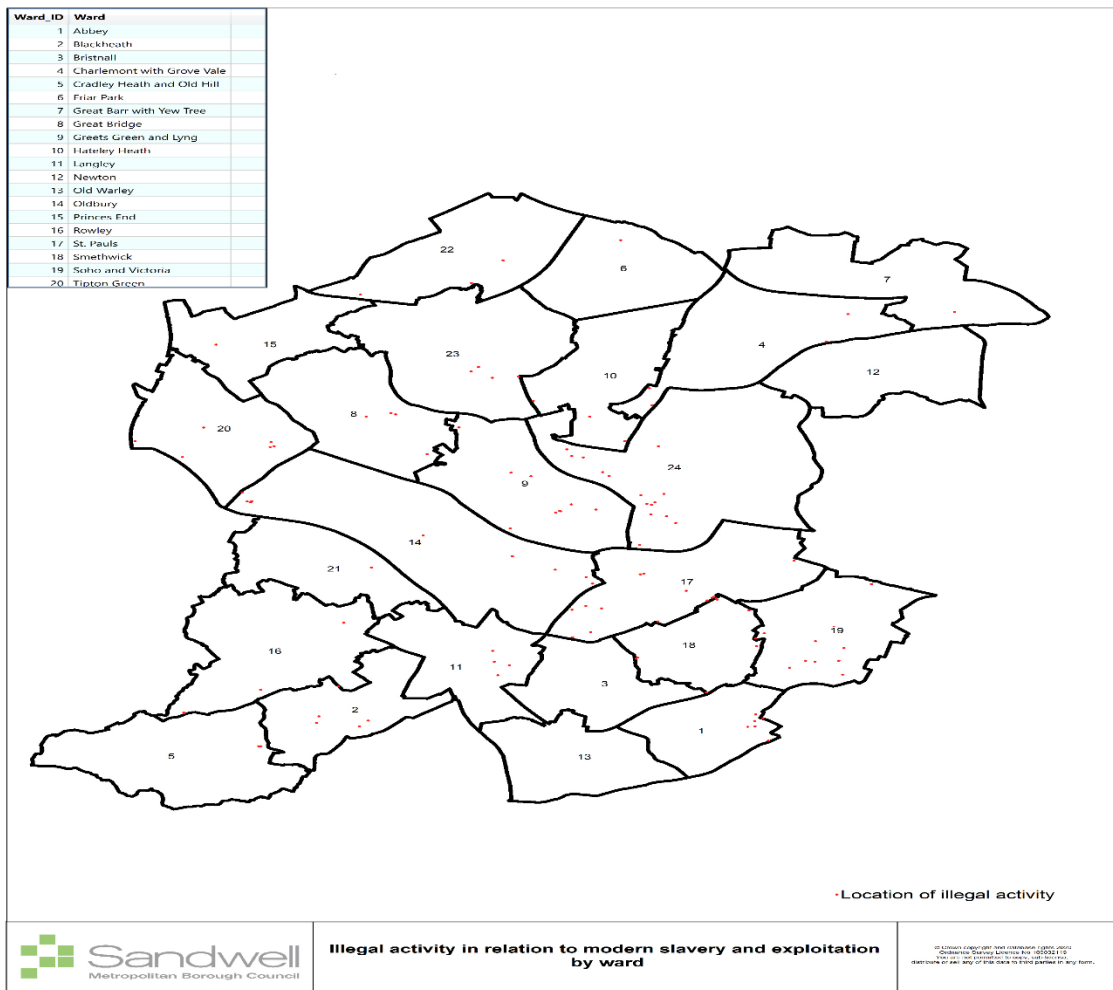
We are committed to ensuring that our response to Modern Slavery is robust and informed, and that our central aim is to partnership work with other agencies which include Police, Home Office Immigration, West Midlands Fire Service and Utility providers to disrupt the activity of perpetrators and to make Sandwell a hostile place from which to perpetrate Modern Slavery.

Current data has shown West Bromwich & Smethwick areas as hotspots for this form of criminality with over 50% of incidents investigated are linked with the private rented sector particularly within HMO's. The location map below shows a number of incidents within 2018/19 around the West Bromwich central area.



Modern Slavery location

West Bromwich and Smethwick significant hotspots



Location of illegal activity associated with Modern slavery & human trafficking

Headline data obtained from Sandwell’s Slavery and Human Trafficking Operational Partnership in September 2019 indicated:

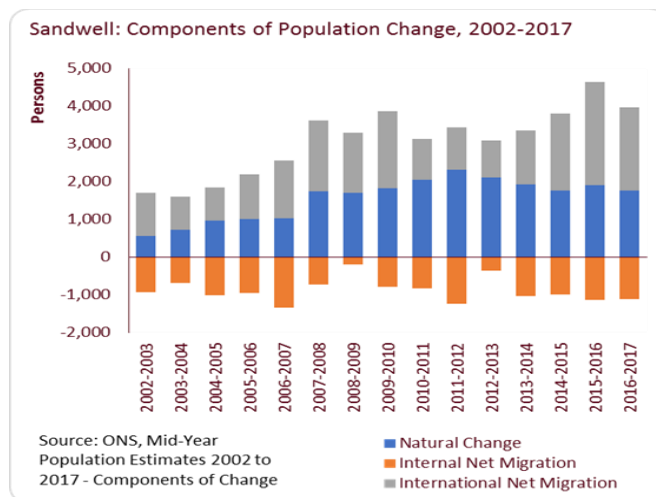
- There has been a 62% increase in referrals since Q1
- Referrals show an 89% increase on last year’s referrals
- 59% increase in agency interventions since Q1
- 94% increase in multi-agency visits since Q1
- 37 cases have been referred to NRM (National Referral Mechanism)
- 74% of Cases have been in Smethwick and West Bromwich

Migration in Sandwell

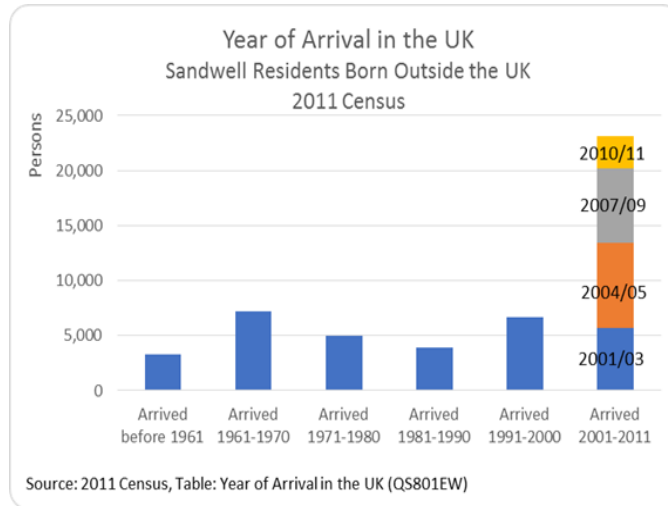
The 2016 Office for National Statistics (ONS) population projections showed that Sandwell’s population would increase by 30,300 people from 322,600 in 2016 to 352,900 in 2030. This is an increase of 9.4%, which is a higher projected growth rate than for England and Wales at 7.5% over the same period.

The latest population estimate for Sandwell is 325,460, this is the 2017 mid-year estimate produced by the Office for National Statistics. Over the sixteen-year period between 2001 and 2017 Sandwell’s estimated population has increased by 14%, rising by 40,866 people, from 284,594 in 2001.

This population change has been heavily influenced by both UK internal and international migration as depicted in the table below.



The chart above shows that migration into Sandwell increased between 2001-2011 to over 20,000 people, compared to just 5,000 people between 1991 -2001 These results depicted in the table below are comparable to year of arrival figures for England and Wales. Census data suggests that high proportions of new entrants to Sandwell occupy private rented accommodation.



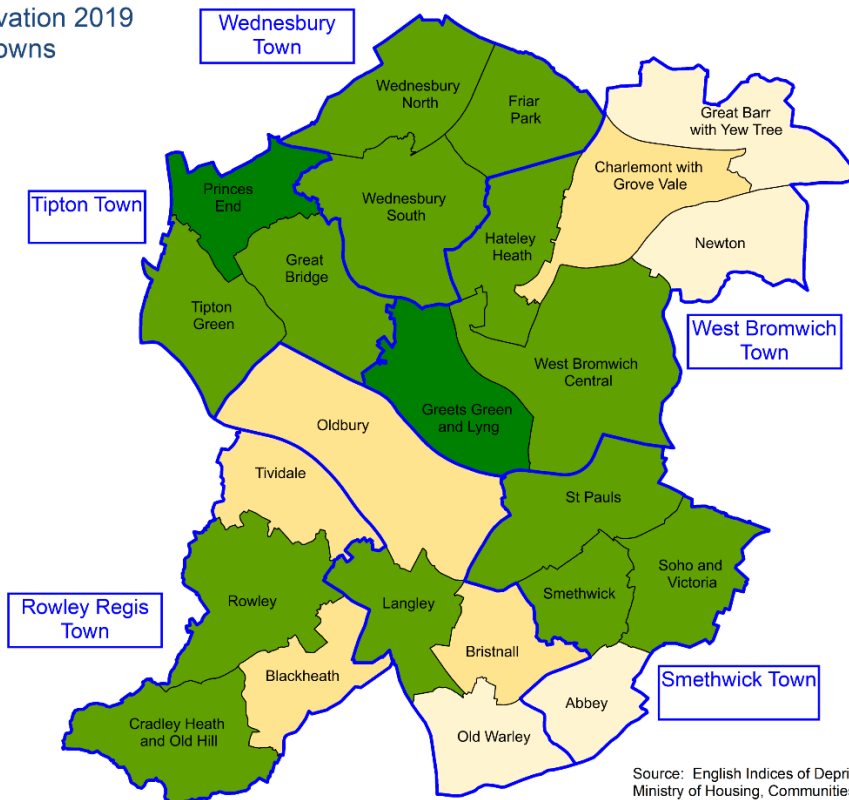
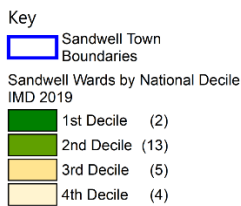
Deprivation in Sandwell

The Indices of Multiple Deprivation (IMD) 2019 shows Sandwell's average deprivation score as ranked 12th most deprived local authority in England, out of a total of 317. Previous IMD results for this measure show that Sandwell's position has declined slightly relative to other districts in England. Sandwell was 13th most deprived local authority in 2015.

Index of Multiple Deprivation 2019 Sandwell Wards and Towns

Estimated national decile position for each ward in Sandwell.

(Where the 1st decile is the most deprived 10% of Lower Super Output Areas Nationally)



Source: English Indices of Deprivation 2019; Ministry of Housing, Communities & Local Government

Contains Ordnance Survey data © Crown copyright and database right 2019

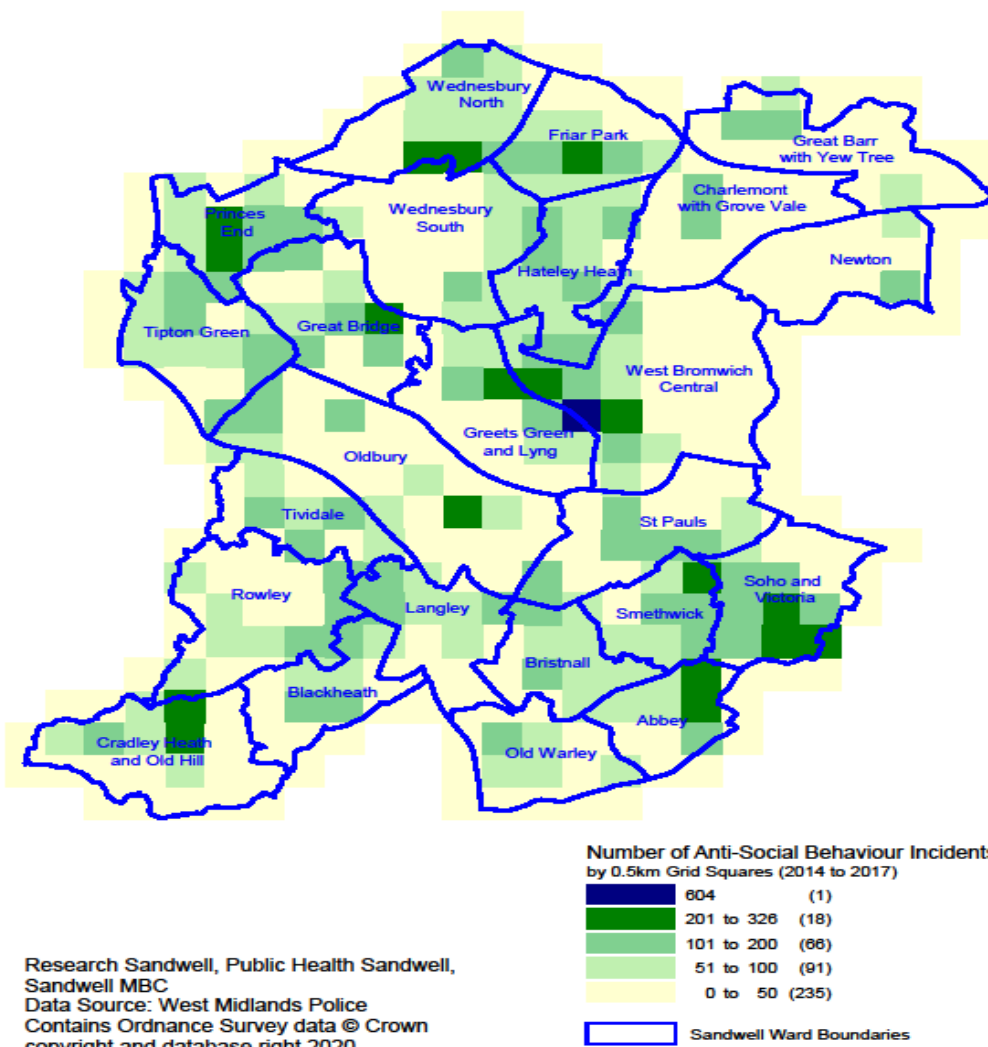
The table above demonstrates deprivation in Sandwell is wide spread across the borough, with the highest levels of deprivation running from north-west to south-east. When compared to deprivation levels across England, the deprivation levels for

Sandwell wards shows that all would lie in the most deprived 40 percent of all LSOAs nationally. The most deprived Sandwell wards, which fall within the worst 10% of national scores, are Princes End and Greets Green & Lyng. This suggests a direct correlation between deprivation and areas of high volume poor quality private rented accommodation.

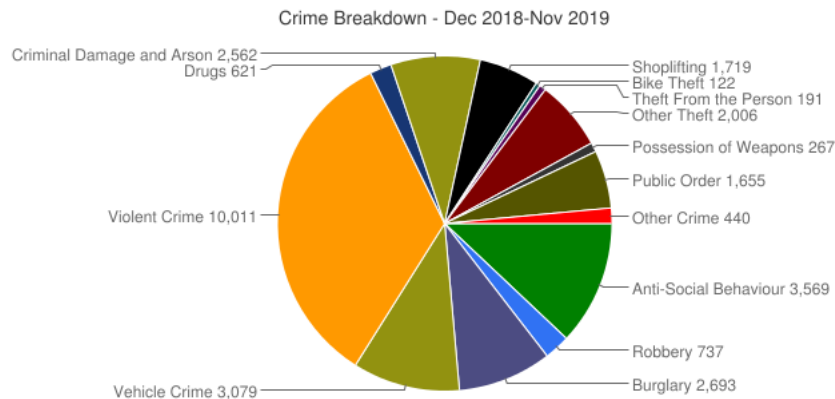
Crime and Anti-Social Behaviour

The map below shows the number of anti-social behaviour incidents with Sandwell between 2014 to 2017. The West Bromwich Central and Greets Green and the Lyng wards show the highest number. It is recognised that the incidents cannot all be attributed to the private rented sector however, it is considered that the implementation of the proposed licensing schemes will assist with dealing with some of the incidents.

**Number of Anti-Social Behaviour Incidents
by 0.5km Grid Squares - 2014 to 2017**



The overall crime breakdown in Sandwell between Dec 2018 and Nov 2019 is shown below. The number of anti-social behaviour incidents reported to the police between Dec 2018 and Nov 2019 in Sandwell was 3,569 of which 459 incidents were in the West Bromwich Central and Greet Green and Lyng wards



The number of anti-social behaviour incidents reported to the police between Dec 2018 and Nov 2019 in Sandwell was 3,569 of which 459 incidents were in the West Bromwich Central and Greet Green and Lyng wards

Noise complaints

Noise complaints received directly by the Council were analysed between the period April 2016 to March 2019. The data indicates there has been an increase each year in complaints from 832 in 2016/17, 1019 in 2017/18 and a total of 1,233 in 2018/19. 119 complaints were in the West Bromwich Central and Greet Green and Lyng wards

Noise complaints: April 2018 – March 19

Complaint Category	(Multiple Items)
Row Labels	Sum of TOTAL REQUESTS
Abbey (LLPG)	39
Blackheath (LLPG)	47
Bristnall (LLPG)	48
Charlemont With Grove Vale (LLPG)	37
Cradley Heath & Old Hill (LLPG)	43
Friar Park (LLPG)	56
Great Barr With Yew Tree (LLPG)	45
Great Bridge (LLPG)	76
Greet Green & Lyng (LLPG)	42
Hateley Heath (LLPG)	39
Langley (LLPG)	40
Newton (LLPG)	43
Old Warley (LLPG)	28

Oldbury (LLPG)	68
Princes End (LLPG)	54
Rowley Regis (LLPG)	50
Smethwick (LLPG)	62
Soho & Victoria (LLPG)	82
St Pauls (LLPG)	36
Tipton Green (LLPG)	65
Tividale (LLPG)	43
Unspecified	27
Wednesbury North (LLPG)	43
Wednesbury South (LLPG)	43
West Bromwich Central (LLPG)	77
Grand Total	1233

9. Conclusion

Through our evidence building, we believe that we have satisfied the legislative test for introducing a selective and additional licensing scheme to the West Bromwich area. The key findings of our various data analysis are summarised below, however in relation to Sandwell the borough has levels of crime and ASB that would meet the prevalence criteria above however current data does not allow this all to be attributed to private rented accommodation.

Growth in the private rented sector

- There has been a 9.2% increase in private rental households in Sandwell between 2001 and 2011.
- The 2011 Census data shows Sandwell as having 18,223 private rented properties, it is estimated the private rented sector in Sandwell now makes up an estimated 26% (34,386) of all housing accommodation in the borough with some wards in Sandwell in excess of 35%. This is significantly higher than the national average of 20%
- We estimate that the number of private sector households stands at 34,386 and up to 15% could be HMOs.

Poor Housing Conditions

- For the period 2014 to 2018 an average of 852 housing complaints were received.
- Category 1 & 2 (high risk) hazards recorded between 2014 and December 2018 relating to private sector dwellings. The two most common types were excess cold, and hazards associated with falls.
- Pest control complaints received during April 2018 and March 2019 confirmed a total of 5,370 recorded incidents.

ASB and Noise

- The number of anti-social behaviour incidents reported to the police between Dec 2018 and Nov 2019 in Sandwell was 3,569 of which 459 incidents were in the West Bromwich Central and Greets Green and Lyng wards
- Noise complaints for domestic premises received directly by the Council between April 2018 and March 2019 totalled 1,233. of which 119 complaints were in the West Bromwich Central and Greets Green and Lyng wards

Crime

- The number of anti-social behaviour incidents reported to the police between Dec 2018 and Nov 2019 in Sandwell was 3,569 of which 459 incidents were in the West Bromwich Central and Greets Green and Lyng wards.
- Headline data obtained from Sandwell's Slavery and Human Trafficking Operational Partnership in September 2019 indicated:
 - Referrals show an 89% increase on last year's referrals
 - 74% of Cases have been in Smethwick and West Bromwich

Migration

- Over the sixteen-year period between 2001 and 2017 Sandwell's estimated population has increased by 14%, rising by 40,866 people, from 284,594 in 2001.
- This population change has been heavily influenced by both UK internal and international migration. Census data suggests that high proportions of new entrants to Sandwell occupy private rented accommodation.

Deprivation

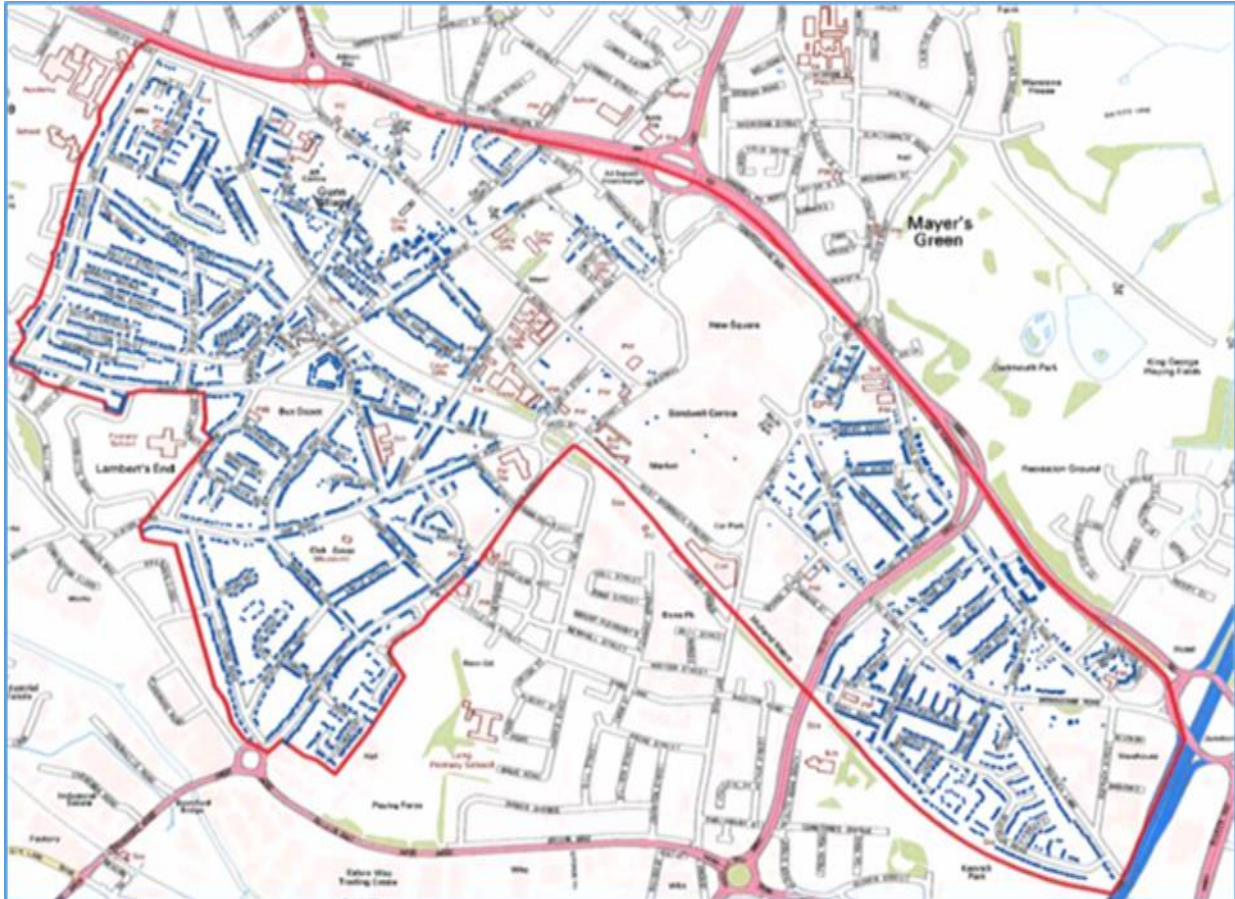
- Sandwell's average deprivation score ranked 12th most deprived local authority in England, out of a total of 317.
- The most deprived Sandwell wards, which fall within the worst 10% of national scores, are Princes End and Greets Green & Lyng. This suggests a direct correlation between deprivation and areas of high volume poor quality private rented accommodation.

In consideration of the implementation of selective/additional licensing, Census Output Areas across Sandwell with the highest percentage of private rented sector properties were identified. Census Output Areas are designed specifically for statistical purposes and are based on data from the 2001 Census and built from postcode units. In Sandwell, there are 925 Census Output Areas. Each area has an average of 130 households.

Census Output Areas were then overlaid with the following information:

- Concentration of properties with potential Category 1 Hazards (e.g. those posing a serious and immediate risk to a person's health and safety)
- Concentration of Houses in Multiple Occupation
- Reports of Anti-Social Behaviour & modern slavery
- Levels of Deprivation

When considered, this information suggests that the area of West Bromwich (illustrated below) meets a number of the criteria for the introduction of both additional and selective licensing and would see significant benefits from its implementation.



Consultation is a key feature of the development of the proposals. Section 80 (9) of the Housing Act 2004 requires that before making a designation, the Local Authority is required to undertake a formal consultation process on the proposed implementation of the Selective and Additional (HMO) Licensing designations and take reasonable steps to consult with persons likely to be affected. This should include local residents, including tenants, landlords, managing agents and other members of the community who live or operate businesses or provide services within the proposed designation and neighbouring areas that may be affected.

Our engagement and consultation process will last for a period of 10 weeks, which will commence, in January 2020. To provide an impartial consultation Sandwell has commissioned external consultants M·E·L Research to undertake the consultation process.

Further information about the consultation process and how to get involved will be provided on Sandwell's website and everyone who is likely to be directly affected by the proposals will be contacted and invited to participate in the consultation. The consultation will be widely promoted, including but not limited to, using the following media.

- We will supply a press release to local media
- Sandwell Council website and social media
- We will contact landlords, letting and management agents who operate in and around the proposed area, inviting them to complete a questionnaire
- We will provide residents and business or services within the proposed area of Selective Licensing and surrounding area information on the proposed scheme and how to access the consultation process
- The consultation will be promoted at Sandwell's landlord events and Forums to allow people to come along and discuss the licensing proposals. It will also give an opportunity for landlords to talk about the requirements that will be placed on them by the scheme if it is approved.
- We will engage with neighbouring Local Authorities.

Following the closure of the consultation period the responses will be evaluated and published on the Sandwell Council's website. The responses will be considered and will inform officer recommendations to Members before making a final decision as to whether to proceed with Selective and Additional (HMO) Licensing within the proposed area.

Following the ten-week public consultation, the Local Authority will carefully review all representations made. A report will then be submitted to Cabinet later in the year for Member consideration and decision.

If Cabinet agree the proposed designations for Selective and Additional (HMO) Licensing, the Selective Licensing and Additional (HMO) Licensing designations would become operative around autumn 2020 with both schemes lasting for a period of five years. If Cabinet decide not to designate the area, Sandwell could continue solely with the current reactive enforcement regime.

These timescales may be subject to change in the event of unforeseen circumstances.

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m.e.l
research

**Consultation on licensing
private rented property in
West Bromwich**

Sandwell Council

**Final report
May 2020**



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Project details and acknowledgements

Title	Consultation on private rented sector licensing in West Bromwich
Client	Sandwell Council
Project number	19102
Author	Karen Etheridge and Adam Knight-Markiegi
Research Manager	Adam Knight-Markiegi

M·E·L Research would like to thank Sandwell Council for their support with the consultation. We would also like to thank residents, tenants, landlords, agents and stakeholders for taking part in the consultation.

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1. Executive summary

Sandwell Council is considering extending their current mandatory licensing scheme to cover all privately rented Houses in Multiple Occupation (HMOs) in a targeted area within West Bromwich through an Additional Licensing scheme, as well as introducing a Selective Licensing scheme for all other privately rented properties in West Bromwich. Sandwell Council believe that the schemes will:

- Improve living arrangements for many tenants by improving the condition of properties;
- Support good landlords and remove rogue landlords from operating;
- Improve the image of the area, making it a desirable place to live.

Sandwell Council commissioned M·E·L Research to undertake an independent consultation on their behalf, to consult with and gather views of local people, in particular local landlords, private tenants, agents, residents, businesses and organisations within and outside of West Bromwich, on the proposals they are considering.

The consultation lasted 12 weeks, starting on the 27th January 2020 and finishing on the 20th April 2020 (12 weeks in total). A range of consultation methods were used to provide sufficient opportunities for interested parties to share their views. These included an online consultation page and survey, a postal survey to around 19,000 properties in and around the proposed area in West Bromwich, an online feedback form for in-depth comments, a telephone helpline to assist with surveys and queries, and a dedicated email address for written comments and queries. Promotion of the consultation was undertaken by the Council and included Facebook adverts, drop in sessions in and around West Bromwich, face to face visits to local letting agents, e-shots to landlords, agents, local businesses, as well as four public meetings and wider press releases to relevant trade and local press. These were targeted in and around West Bromwich and the wider Sandwell area.

In total, 598 survey responses were received; 141 from the online response and 457 postal responses. In total, 9 written responses were submitted via the online feedback form or by email, and 55 people attended public meetings. Key headlines from the consultation are provided below.

1. Additional Licensing proposal in selected area of West Bromwich

Figure 1: Responses to Additional Licensing proposal (overall/by respondent group)

	Overall	Landlords	PR tenants	Residents	Other
Base	590	77	58	351	45
Agree with Additional Licensing proposal	77%	34%	76%	87%	85%
Disagree with Additional Licensing proposal	17%	61%	14%	8%	9%
Base	581	76	59	344	44
Positive impact if implement Additional Licensing	53%	15%	48%	63%	59%
Negative impact if implement Additional Licensing	12%	51%	10%	4%	9%
Base	583	77	59	346	43
Agree that Additional Licence fees are reasonable	56%	9%	53%	70%	60%
Disagree that Additional Licence fees are reasonable	28%	79%	24%	15%	21%
Base	577	76	56	344	44
Agree with proposed Additional Licensing conditions	70%	30%	66%	81%	75%
Disagree with proposed Additional Licensing conditions	17%	57%	20%	7%	9%

- Support for an **Additional Licensing scheme** is strong overall with over three quarters (77%) of respondents agreeing with the proposal. Around one in six disagree (17%).
 - Residents in West Bromwich are most supportive of the proposal, followed closely by ‘other’ respondents (87% and 85% agree);
 - Landlords/agents in West Bromwich are least in favour of Additional Licensing, with six out of ten (61%) disagreeing with the proposal, and only one in three (34%) agreeing;
 - The most frequent comment around the Additional Licensing proposal is that it will **improve living conditions, standards and safety and ultimately protect tenants** (253 comments).

- Around half of respondents (53%) feel that the **impact of Additional Licensing** on them, would be positive if it were to be implemented. Only 12% feel it would have a negative impact on them.
 - Over six out of ten residents in West Bromwich (63%) feel it would have a positive impact on them, with only a very small proportion feeling it would be negative (4%);
 - Just over half of landlords and agents in West Bromwich (51%) feel it would have a negative impact on them, and only 15% feel it would be positive;
 - The most common comments around the impact of Additional Licensing, is that it will result in **better quality housing and living conditions** (94 comments) and that it will have a **positive impact on the local area** (91 comments).

- Over half of respondents (56%) agree that the proposed **Additional Licence fees are reasonable**. Over a quarter (28%) disagree.
 - Support is stronger amongst residents in West Bromwich (70%) than other groups, whilst around half of private renting tenants agree (53%);

- Landlords are again much more negative, with 79% disagreeing;
 - The most frequent comments around the fees are that they are **appropriate/reasonable and will have a positive effect** (154 comments).
- Seven out of ten respondents (70%) agree with the proposed **Additional Licensing conditions**, with just under half (48%) strongly agreeing. Around one in six (17%) disagree.
 - Residents are most supportive of the proposed conditions (81% agree), followed closely by 'other' respondents (75% agree);
 - Landlords are most strongly opposed to the conditions, with over half disagreeing (57%);
 - The most common comments by respondents around the conditions are that they are **appropriate/reasonable/will have a positive effect** (179 comments).

2. Selective Licensing proposal in selected area of West Bromwich

Figure 2: Responses to Selective Licensing proposal (overall responses/by respondent group)

	Overall	Landlords	PR tenants	Residents	Other
Base	584	76	58	347	45
Agree with Selective Licensing proposal	72%	29%	73%	82%	76%
Disagree with Selective Licensing proposal	21%	68%	17%	9%	18%
Base	573	76	59	340	42
Positive impact if implement Selective Licensing	50%	11%	48%	60%	50%
Negative impact if implement Selective Licensing	17%	68%	14%	6%	10%
Base	574	77	58	341	41
Agree that Selective Licence fees are reasonable	55%	5%	55%	68%	59%
Disagree that Selective Licence fees are reasonable	30%	90%	22%	16%	24%
Base	560	74	55	332	42
Agree with proposed Selective Licensing conditions	66%	23%	66%	77%	69%
Disagree with proposed Selective Licensing conditions	19%	66%	18%	8%	14%

- Support for the **Selective Licensing proposal** is strong overall with over seven out of ten (72%) respondents agreeing with the proposal. A fifth disagree (21%).
 - Residents in West Bromwich are more strongly in favour of the proposal than other groups (82% agree), although this is 5% points lower than support for Additional Licensing (87%);
 - Landlords/agents in West Bromwich are again most strongly opposed to the proposal, with just over two thirds (68%) disagreeing. This is 7% points higher than for Additional Licensing (61%);
 - The most common comments around the Selective Licensing proposal are similar to those for Additional Licensing, in that it will **improve living conditions, standards and safety and ultimately protect tenants** (221 comments).

- Half of respondents (50%) feel that **impact of Selective Licensing** on them, would be positive if it were to be implemented. One in six (17%) feel it would have a negative impact on them.
 - Generally speaking, a slightly higher proportion of respondents across most groups feel Selective Licensing will have a negative impact on them, compared to Additional Licensing;
 - Six out of ten residents in West Bromwich (60%) feel it would have a positive impact on them, with only a very small proportion feeling it would be negative (6%);
 - Over two thirds of landlords and agents in West Bromwich (68%) feel Selective Licensing will have a negative impact on them, 17% points higher than for Additional Licensing (51%);
 - The most frequent comments are that the impact will be **better quality housing and living conditions** (78 comments) and have a **positive impact on the local area** (76 comments).

- Over half of respondents (55%) agree that the proposed **Selective Licence fees** are reasonable. Three out of ten (30%) disagree.
 - Residents in West Bromwich are most supportive, with just under seven out of ten (68%) agreeing with the proposed fees;
 - Landlords and agents in West Bromwich are more strongly opposed to the Selective Licence fees, than Additional Licence fees, with nine out of ten (90%) disagreeing. This is 10% points higher than for Additional Licensing;
 - The most frequent comments are the same as those for Additional Licensing, in that fees are **appropriate/reasonable and will have a positive effect** (131 comments).

- Two thirds of respondents (66%) agree with the proposed **Selective Licensing conditions**, whilst just under a fifth (19%) disagree.
 - Residents in West Bromwich are again most supportive of the conditions, with just over three quarters agreeing (77%).
 - Landlords and agents in West Bromwich are most strongly opposed to the conditions, with two thirds disagreeing (66%), 10% points higher than for Additional Licensing.
 - Again, we see similar comments to those for Additional Licensing, with the most common that conditions are **appropriate/reasonable/will have a positive effect** (148 comments).

3. Other comments about the proposals and alternatives to licensing

Respondents were asked whether they had any other comments to add about the proposed licensing schemes or suggestions for alternatives that the Council could consider. 355 comments were received from 274 respondents. The most common comments were that;

1. There is a need to improve living conditions, standards and safety (69 comments);
2. There is a need for regular monitoring/checks to enforce conditions (39 comments);

3. Licensing proposals penalise good landlords and bad landlords will continue to operate (24 comments).

4. Views from the public meeting/written responses

Four public meetings were held (two face to face meetings and two online meetings, the latter as a result of the Coronavirus pandemic, whereby social distancing measures meant that face to face meetings could not take place). In total, 55 attendees took part in the meetings. In addition, there were 9 written responses provided, 2 via the online feedback form and 7 via email or letter.

Key themes arising are that landlords and other respondents feel that although work is needed to **improve the standard of private rented properties in West Bromwich**, it is **unfair to penalise all landlords** in order to target the few who either do not take their responsibilities seriously or are criminal in their intentions. Many landlords feel it is unfair that they are **being unfairly penalised or taxed**, when they are providing a much-needed service in providing homes for local people, which cannot be provided via social housing.

Many feel that the Council should use its existing resources to **target bad landlords only**, rather than take a blanket approach to all landlords. In addition, they feel that landlords should not and cannot **be held accountable for tenant behaviour**, particularly around ASB. Finally, many suggest that the **fees will ultimately be passed onto tenants**, and this will see rents rising, and unintended consequences such as increased demands on social housing and homelessness.

2. Introduction

Background

Local councils can choose to require private landlords or their managing agents to have a licence to rent out their property. The licence conditions state that landlords must keep their property safe and well maintained as well as deal with any problems associated with the property such as dumped rubbish, untidy gardens or anti-social behaviour.

Sandwell Council believes that extending their current mandatory licensing scheme to cover all Houses in Multiple Occupation (HMO) in West Bromwich through Additional Licensing, as well as introducing a Selective Licensing scheme for all other privately rented properties in West Bromwich will:

- Improve living arrangements for many tenants by improving the condition of properties;
- Support good landlords and remove rogue landlords from operating;
- Improve the image of the area, making it a desirable place to live.

Before making any decision, Sandwell Council commissioned M·E·L Research to gather the views of local people, in particular local landlords, private tenants, agents, residents, businesses and organisations within and outside of West Bromwich.

Proposals

The consultation focused on the degree to which respondents agree or disagree with the proposal being considered by the Council around introducing:

- Additional Licensing of privately rented Houses in Multiple Occupation (HMOs) in a selected area within West Bromwich.
- Selective Licensing of all other privately rented properties in the same selected area within West Bromwich.

The consultation also looked at the likely impact either scheme may have on respondents, and the degree to which respondents feel the proposed fees and licensing conditions for each of the schemes are reasonable or unreasonable.

Public consultation

The consultation ran for 12 weeks from 27th January to 20th April 2020. The initial timetable of 10 weeks was extended by 2 weeks, due to any potential impact that the Coronavirus pandemic may have had on the ability of interested parties to take part in the consultation. A variety of consultation methods were used to allow interested parties to share their views on the proposals. These are detailed below.

The survey was promoted by the Council to interested parties in Sandwell and in particular West Bromwich, such as landlords, agents, tenants, residents, local businesses and third sector organisations. It was also promoted to neighbouring local authorities and encouraged neighbouring local authorities to promote the survey to landlords, residents, tenants and other businesses who may wish to take part in the consultation. A full list of all activities undertaken by the Council to promote the consultation, is provided here:

- Paid Facebook response reached 61,257, with 512 clicks onto the website
- Instagram posts:
 - People reached: 267
 - Total engagements: 40
- Facebook from all posts:
 - Total Reached – 977
 - Total Engagement – 107
- Twitter from all posts:
 - Total Reached – 3362
 - Total Engagement – 92
- Emails to the following groups:
 - Landlords and agents - 338
 - Community Groups - 22
 - Eastern European Groups - 11
 - Others - 206 (most were in English but EWA (59 Staff group chat) had both versions English and Polish.
- Visits to letting agents - 30
 - Phone calls/emails to letting agents - 21
- Visits to commercial / community centres / faith groups/ medical centres/ hospitals/police and fire stations - 40
- Raaj FM appearance
- Posts:
 - 3 posts on Landlord’s Blog
 - Posts on 8 on-line community groups

- 10 drop-in sessions held at:
 - Sandwell Council Office (Court House) (2 drop-in sessions)
 - YMCA café (engaged a group representing 5 local churches)
 - Wood lane
 - Lyng centre
 - West Brom Leisure centre (2 drop-in sessions)
 - Central Library
 - Revenue and Benefits Office on West Bromwich High St (2 drop-in sessions).

Consultation methods

A variety of methods were used to consult with landlords, tenants, residents, businesses, stakeholders and other interested parties. These included an online survey, which was hosted independently by M·E·L Research, along with a postal survey sent to 18,973 properties within the proposed area in West Bromwich and neighbouring areas, within a 1km radius. Four public meetings were held, two held in local community venues and two undertaken online due to the introduction of social distancing measures by the UK Government, to reduce the spread of Coronavirus. In addition, an online feedback form was provided for written responses, along with an email address for any written responses and queries, and a freephone number.

In total, the consultation generated 598 responses to a survey and 9 written responses. In total, there were 55 attendees across the four public meetings. Of those who took part in the online survey, 41 responses to the survey were from respondents outside of West Bromwich. These have been included within the overall analysis and results provided separately in Appendix 5.

1. Online survey

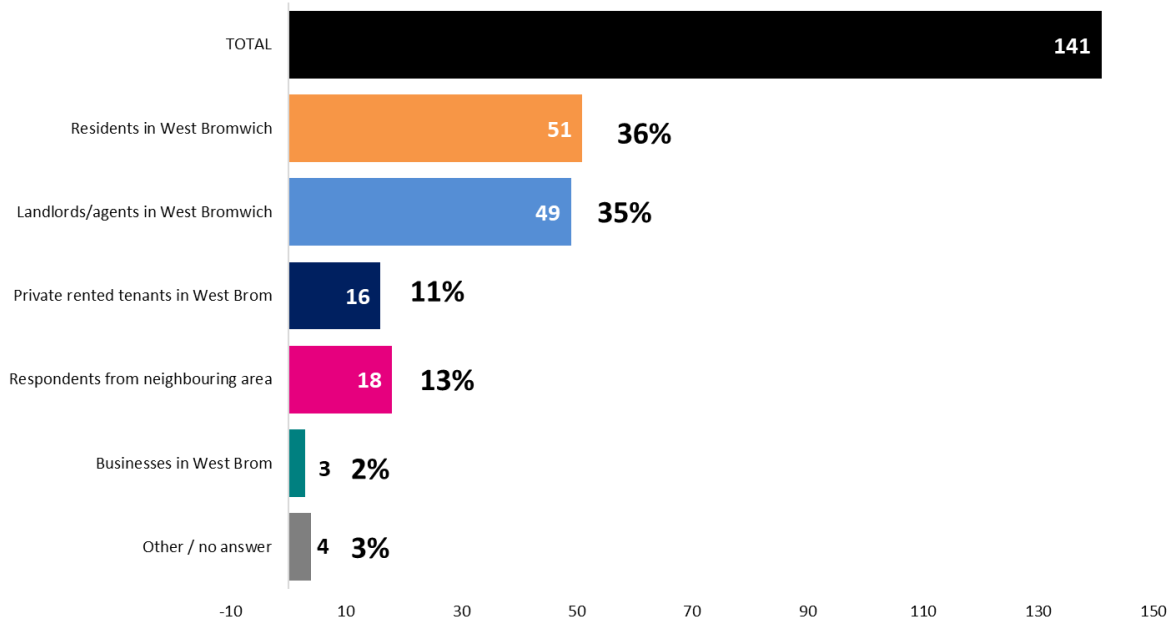
The online survey was open to all interested parties to have their say on the proposals. In total, there were 141 responses to the online survey. For the purposes of this consultation, results have been grouped to show respondents as 'landlords', which includes both landlords and letting/managing agents, 'private renting tenants', 'residents' and 'Other'. This includes the following descriptions:

- Own or manage a business
- Represent a business organisation
- A community group or charity
- 'Other'.

Where people identified themselves as belonging to more than one group, we have assigned respondents to one principal group (prioritised by landlords/agents first, followed by private renting tenants, residents and then 'other').

The chart below shows the breakdown of respondents by profile:

Figure 3: Respondent profile to online survey (n=141)

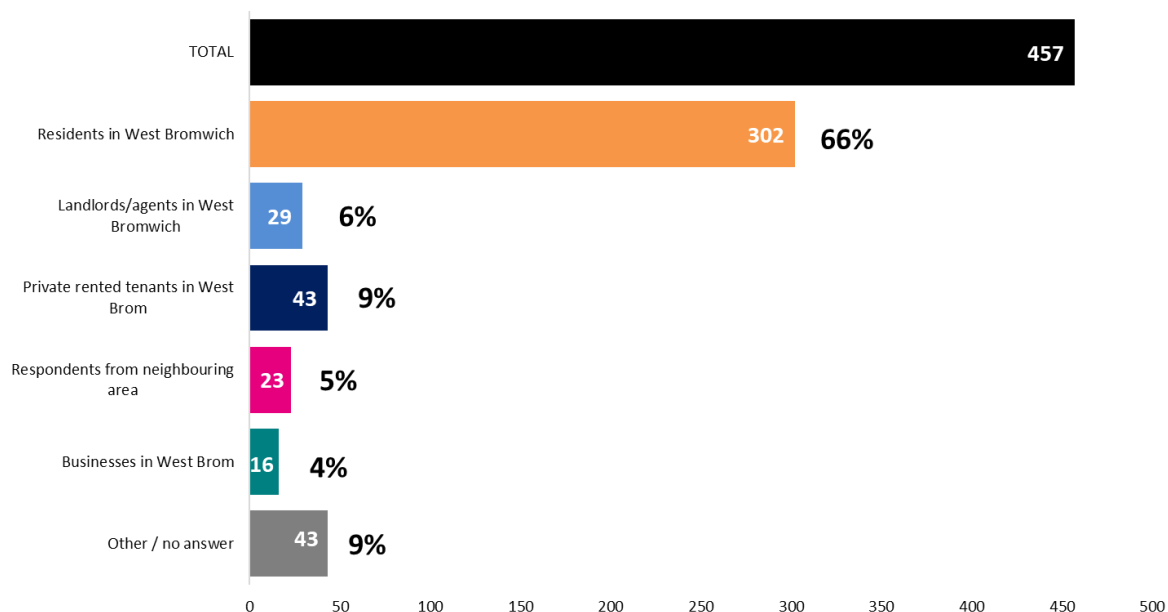


2. Postal survey

A postal survey was sent to 18,973 properties within the proposed designation area and neighbouring areas within a 1km radius. Sandwell Council's Gazetteer list was used to generate the addresses using their in-house analyst. In total, 457 responses were received by post. The chart below shows the breakdown of respondents by this profile:

The chart below also shows the profile of respondents to the postal survey by whether they are identified as a landlord/agent, private rented tenant, resident or 'other'.

Figure 4: Respondent profile to postal resident survey (n=457)



3. Public meetings

Four public meetings were hosted by M·E·L Research, to introduce the proposal to anyone interested in finding out more about the proposal and to share their views. Council officers were present at each of the meetings, with a Question and Answers session included as an opportunity for attendees to ask the council any questions about the proposals, as well as to provide them with an opportunity to feedback views and concerns. Due to Covid-19, the last face to face public meeting had to be cancelled, so two online sessions were then hosted by M·E·L Research. In total, 54 people attended a public meeting, the vast majority of which were landlords.

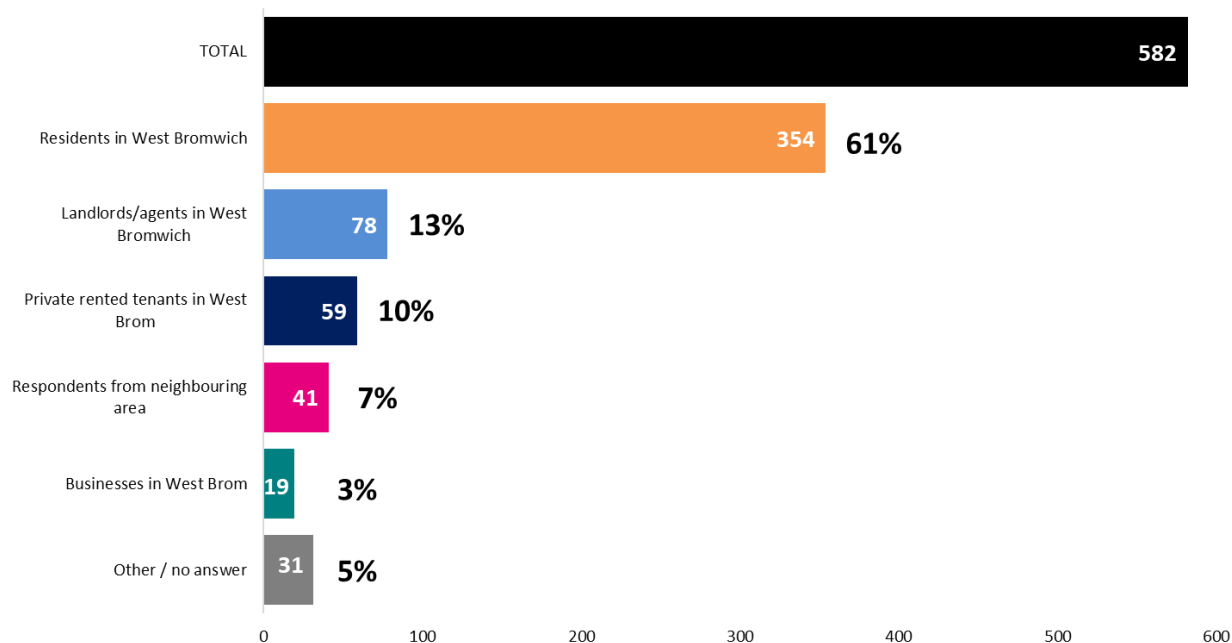
4. Written feedback/responses

In addition, respondents were asked to submit written responses if they wished. They could do this either by a feedback form online, by email, by letter or by telephone. In total, 9 written responses were submitted via the online feedback form or email. These have been included and analysed in the report and inserted in the Appendices. This includes responses from stakeholders such as landlords and agents' associations.

Overall profile of respondents

A breakdown of respondent types (across the online and postal surveys) is provided in the chart below where respondents gave a response.

Figure 5: Respondent profile to consultation (by group) (n=582)



Reporting conventions

Owing to the rounding of numbers, percentages displayed visually on graphs or charts in the report may not always add up to 100% and may differ slightly when compared with the text. The figures provided in the text should always be used. For some questions, respondents could give more than one response (multiple choice). For these questions, the percentage for each response is calculated as a percentage of the total number of respondents and therefore percentages do not usually add up to 100%.

The consultation findings are presented throughout the report as an overall figure (using combined results from the face to face and online surveys, as the principal survey tools for the consultation), and then by type of respondent (landlord/agent, privately renting tenant, resident, businesses and other) to show differing views in West Bromwich. Results by methodology are provided in Appendix 4 (by postal survey, and online survey methods). Responses from those outside of West Bromwich are included within the overall results and provided separately in Appendix 5 (41 responses in total).

The number of respondents to each question is presented as 'n=' throughout the report.

3. Survey results

This section of the report presents the results from the surveys, with overall results combining online and postal survey responses.

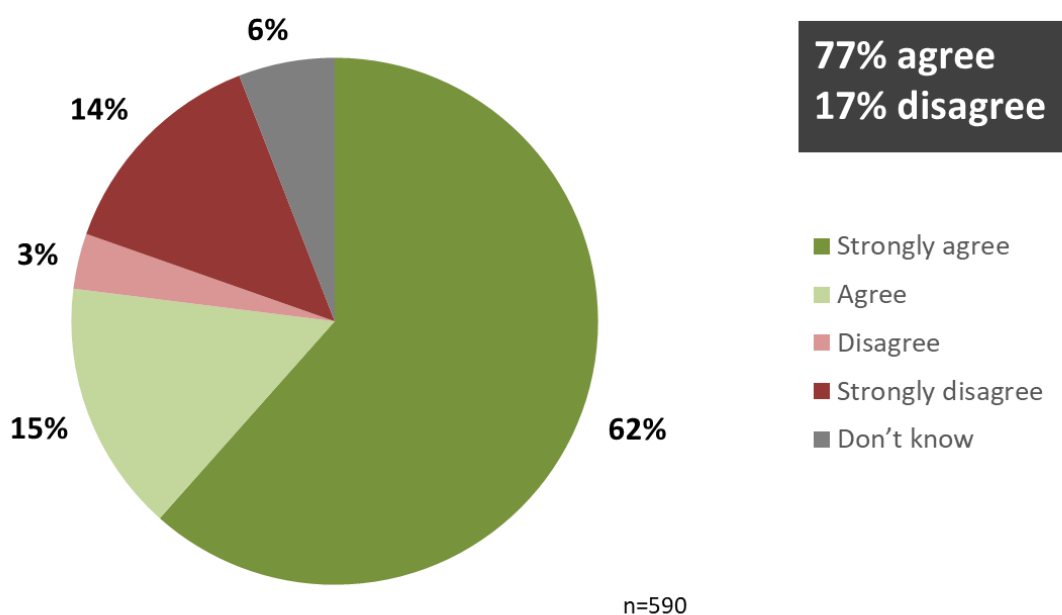
1. Views on the proposed licensing schemes

a. Proposal to introduce Additional Licensing in West Bromwich

The Council is proposing to Additional Licensing of privately rented Houses in Multiple Occupation (HMO) in a selected area within West Bromwich. This would require all HMOs to be licensed, that do not currently fall under the Mandatory Licensing scheme.

Overall, just over three quarters of ten respondents (77%) agree with the proposal for Additional Licensing, with around one in six respondents (17%) disagreeing. Over six out of ten (62%) strongly agree with the proposal. Support is slightly higher (5%) for Additional Licensing than for Selective Licensing.

Figure 6: Support for introducing an Additional Licensing scheme in the proposed area (overall) (n=590)



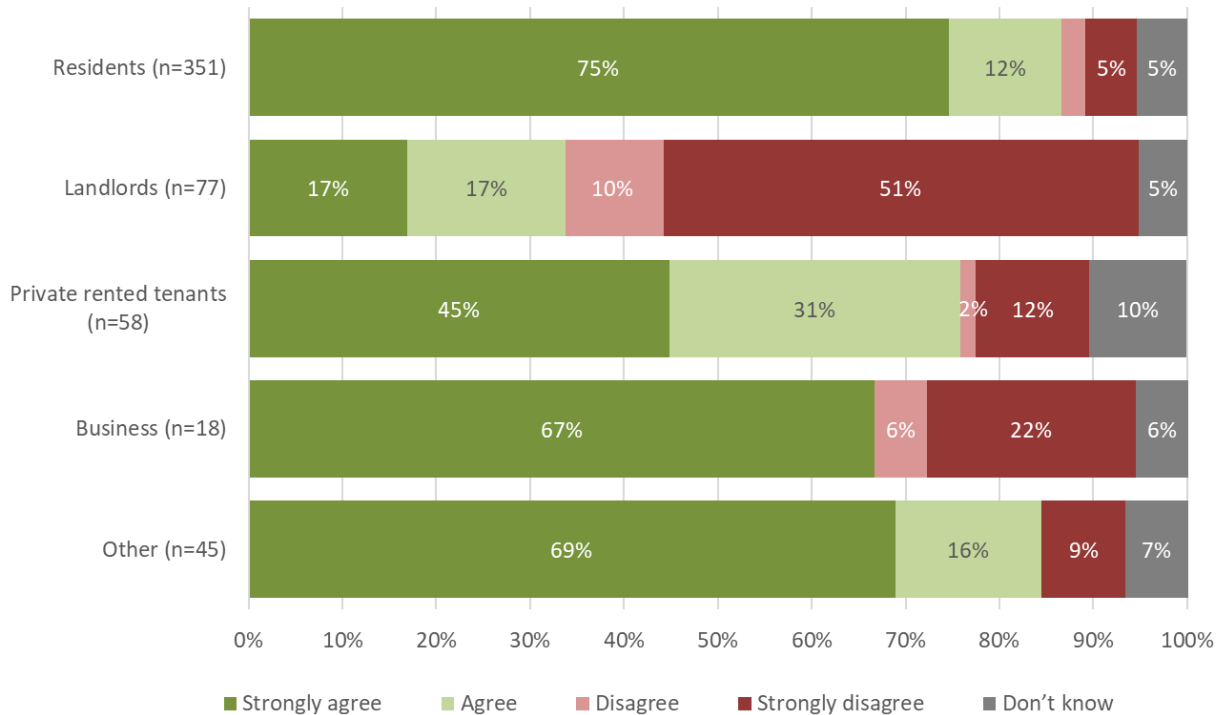
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text.

When we look at responses by group, we can see the following differences:

- Residents in West Bromwich are more strongly in favour of the Additional Licensing proposal than other groups, with 87% agreeing, followed closely by those who were classed as 'other' (85%).

- Private rented tenants in West Bromwich are supportive of the proposal, with around three quarters saying they agree (76%). 14% disagree.
- Landlords/agents in West Bromwich are most strongly opposed, with six out of ten (61%) disagreeing. Around a third of landlords (34%) agree with the proposal.

Figure 7: Support for introducing an Additional Licensing scheme (by group)



NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

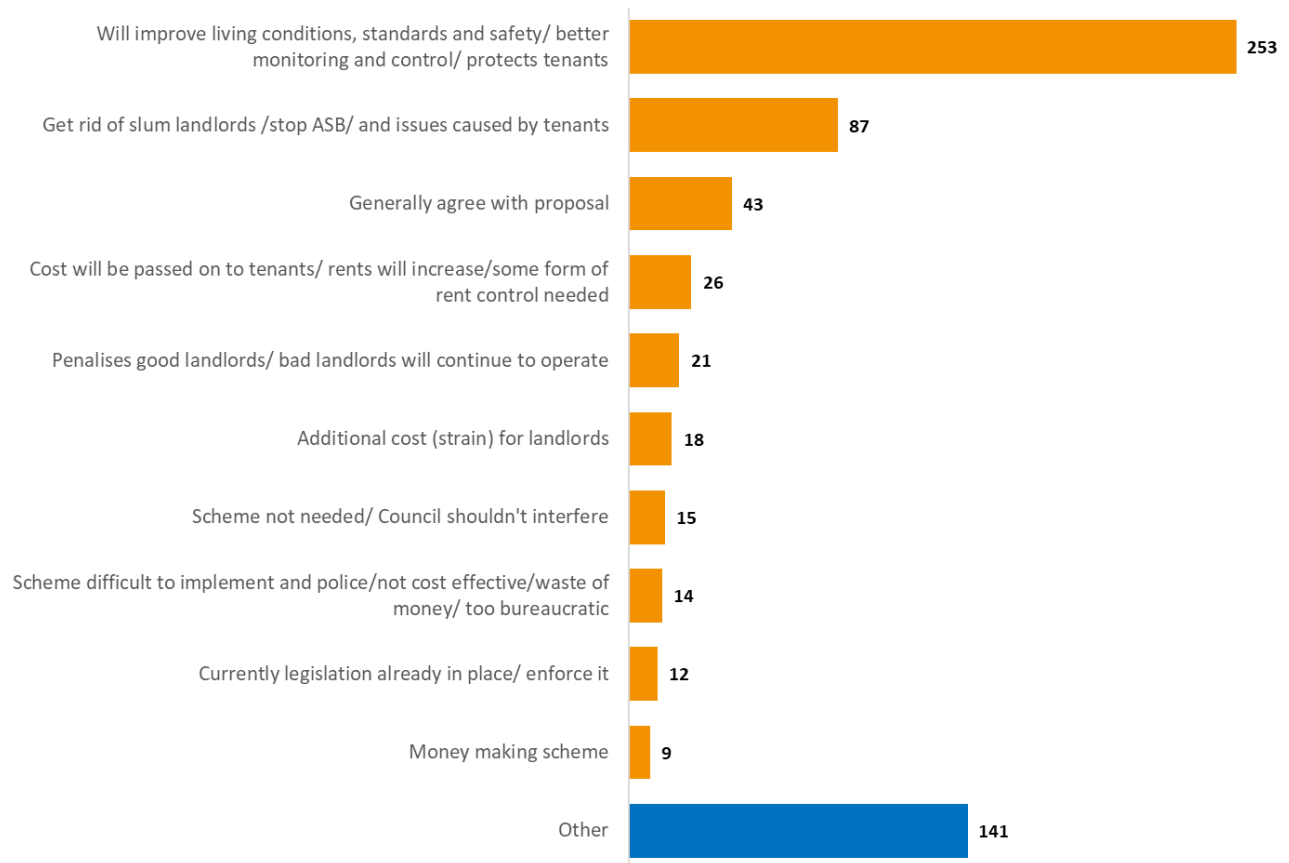
Comments on Additional Licensing scheme proposals

Respondents were invited to provide any further comments they may have on the proposed Additional Licensing scheme. For all free text responses throughout the report, each response was analysed and coded into one or more 'theme'. Comments that were not relevant to the question have been excluded from the analysis. In total, 541 comments were identified and coded into key themes (from 455 respondents). Any themes with fewer than 5 comments received were grouped under 'other'.

The top three themes on the Additional Licensing proposal are positive, with respondents feeling that Additional Licensing will **improve living conditions, standards and safety and ultimately protect tenants** (253 comments); it will **get rid of slum landlords/stop ASB and issues caused by tenants** (87 comments); and that respondents are **generally in support of the proposal** (43 comments). The most common

negative comment around the proposal is that **costs will be passed onto tenants** (26 comments). The chart below shows all themes with the number of comments received.

Figure 8: Themed comments on Additional Licensing proposal (no of comments coded by theme) (541 comments)

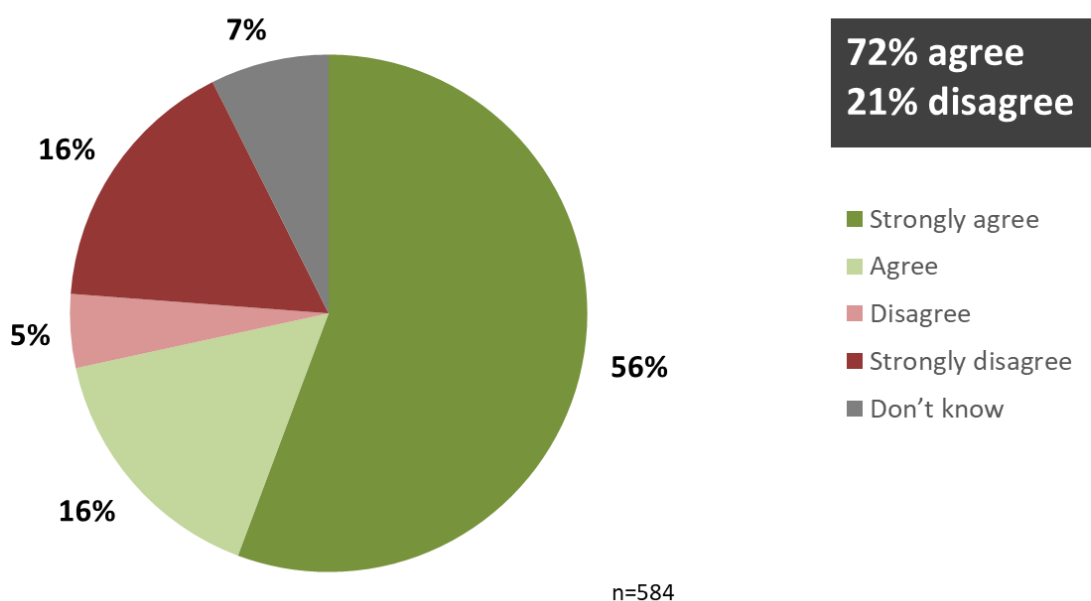


b. Proposal to introduce Selective Licensing in West Bromwich

The Council is also proposing to introduce a Selective Licensing scheme, which would require all privately rented properties within the identified area in West Bromwich to be licensed. This would cover properties which are not covered by either the Mandatory Licensing scheme, or the proposed Additional Licensing scheme.

Overall, just over seven out of ten respondents (72%) agree with the proposal for Selective Licensing, with over half (56%) strongly agreeing. This is slightly lower than those agreeing with Additional Licensing (5% lower). A fifth (21%) disagree.

Figure 9: Levels of support for introducing a Selective Licensing scheme (overall) (n=584)

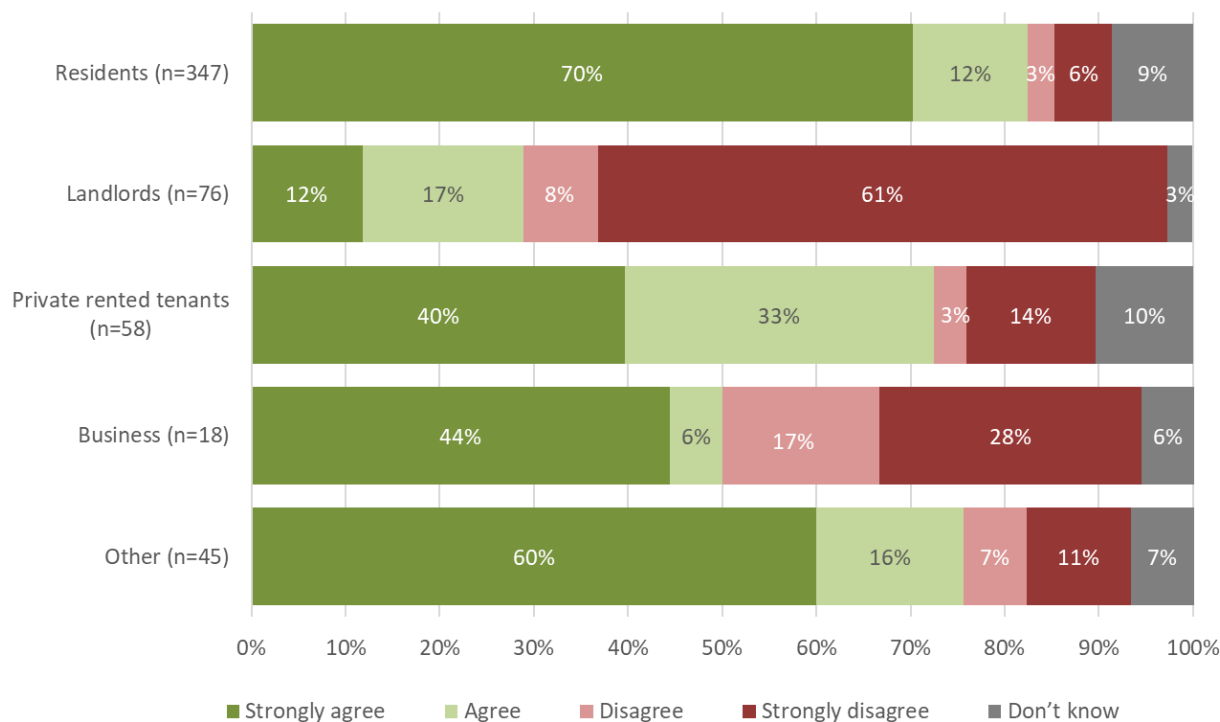


NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text.

When we look at responses by group, we can see the following differences:

- Residents in West Bromwich are again more strongly in favour of the proposal than other groups, with over eight out of ten agreeing (82%). This is 5% points lower than those in support of Additional Licensing (87%).
- Private rented tenants in West Bromwich and 'other' respondents are also in favour, with around three quarters agreeing (73% and 76% respectively).
- Landlords/agents in West Bromwich are again most strongly opposed to the proposal, with just over two thirds (68%) disagreeing. This is 7% points higher than for Additional Licensing. Around three out of ten landlords (29%) agree with the proposals.

Figure 10: Levels of support for introducing a Selective Licensing scheme (by group)



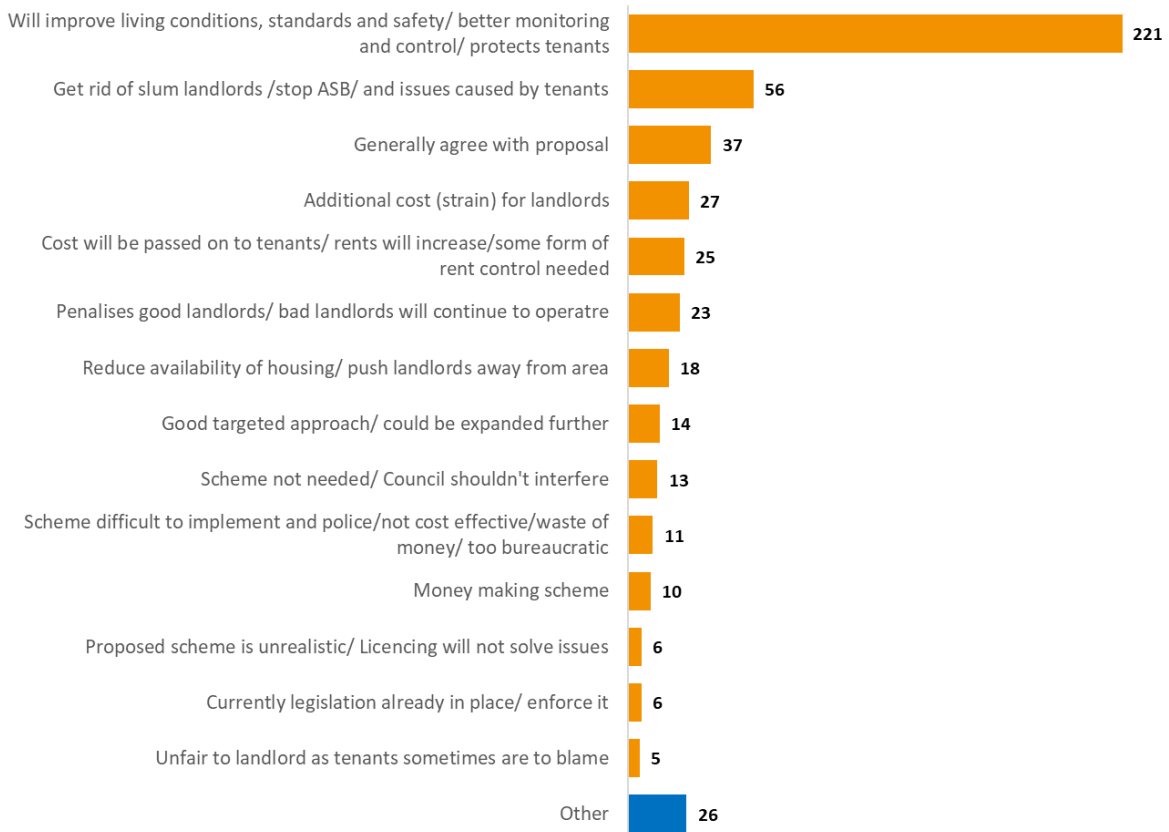
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on Selective Licensing scheme proposals

Respondents were invited to provide any further comments they may have on the proposed Selective Licensing scheme. In total, 498 comments were identified and coded into key themes, from 406 respondents. Themes which received fewer than 5 comments were grouped under 'other'.

The top three themes on the Selective Licensing proposal are the same as those for Additional Licensing. The most common comments are that it will **improve living conditions, standards and safety and ultimately protect tenants** (221 comments); it will **get rid of slum landlords/stop ASB and issues caused by tenants** (56 comments); or that respondents are **generally in support of the proposal** (37 comments). The most negative comments around the proposal are that it will be an **additional cost for landlords** (27 comments) and that **costs will be passed onto tenants** (25 comments). The chart below shows all themes with the number of comments received.

Figure 11: Themed comments on Selective Licensing proposal (no of comments coded by theme) (498 comments)

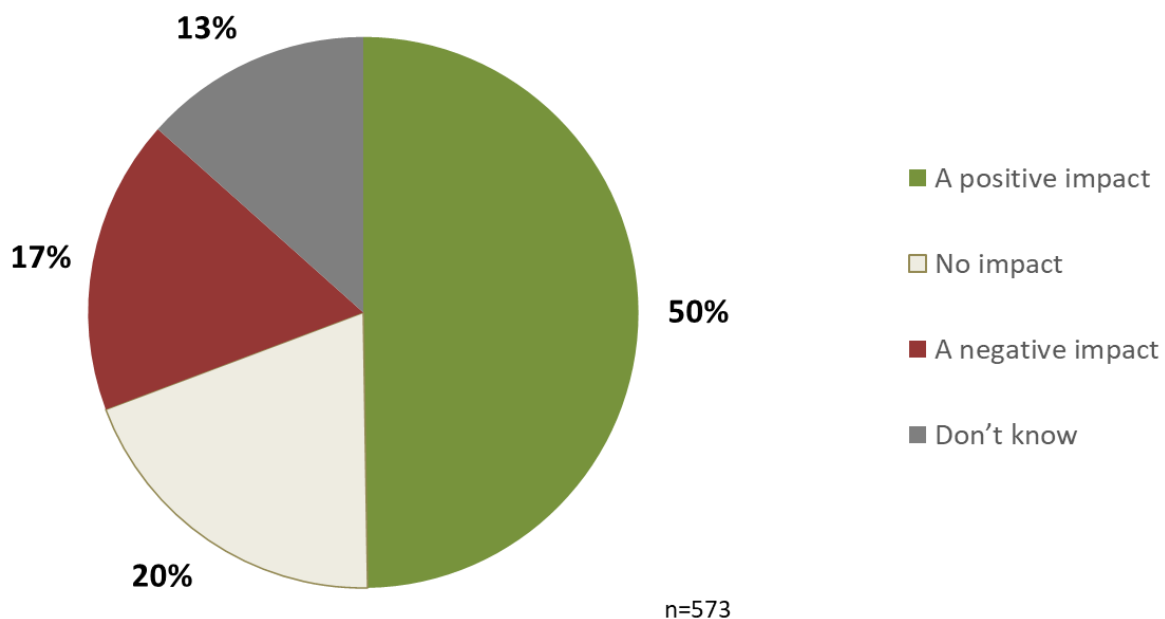


2. Views on the likely impact of licensing

a. Likely impact of Additional Licensing on respondents

Respondents were asked what they feel the likely impact of implementing an Additional Licensing scheme would have on them. Over half of respondents (53%) feel that introducing Additional Licensing will have a positive impact on them, whilst around one in eight (12%) feel it will have a negative impact. Around a fifth (21%) feel it will have no impact.

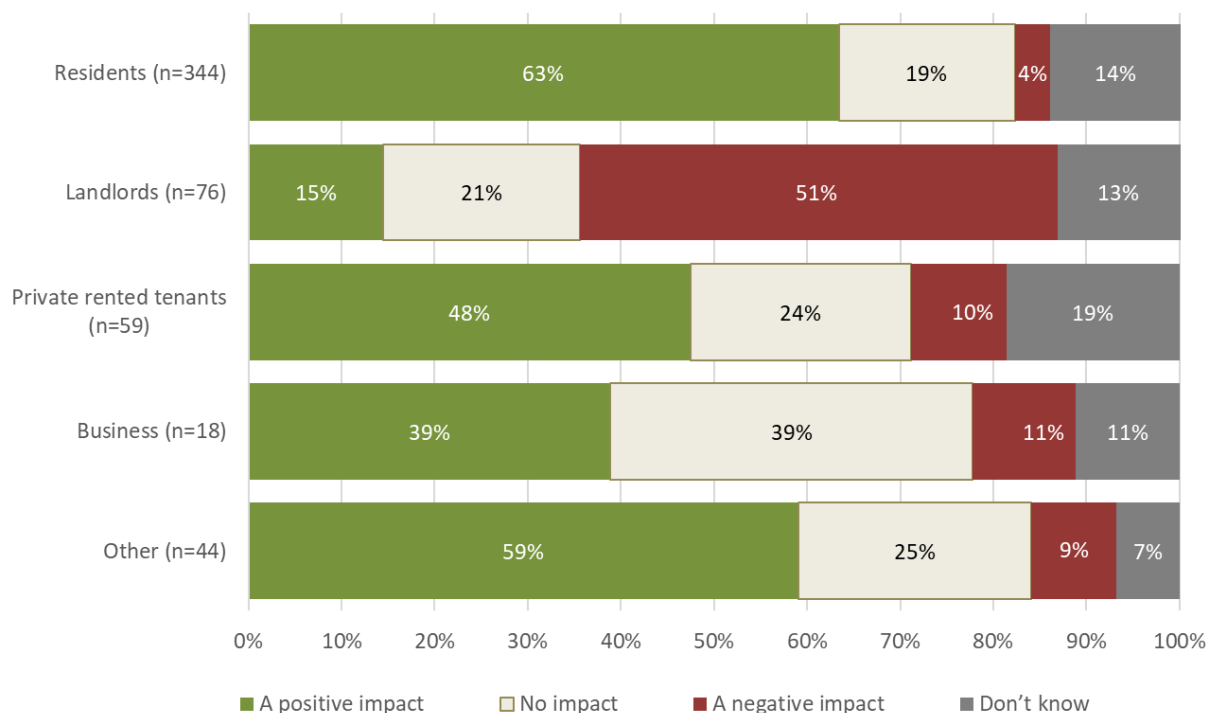
Figure 12: Likely impact of implementing Additional Licensing (overall) (n=581)



When we look at responses by group, we can see the following differences:

- Residents in West Bromwich are most supportive, with over six out of ten (63%) saying Additional Licensing will have a positive impact on them. This is closely followed by 'other' respondents (59% feel it will have a positive impact).
- Just under half of privately renting tenants in West Bromwich (48%) feel Additional Licensing will have a positive impact on them, whilst around a quarter (24%) feel it will have no impact on them.
- Around half of landlords and agents in West Bromwich (51%) feel Additional Licensing will have a negative impact on them, whilst a fifth (21%) feel it will have no impact on them.

Figure 13: Likely impact of implementing Additional Licensing (by group)



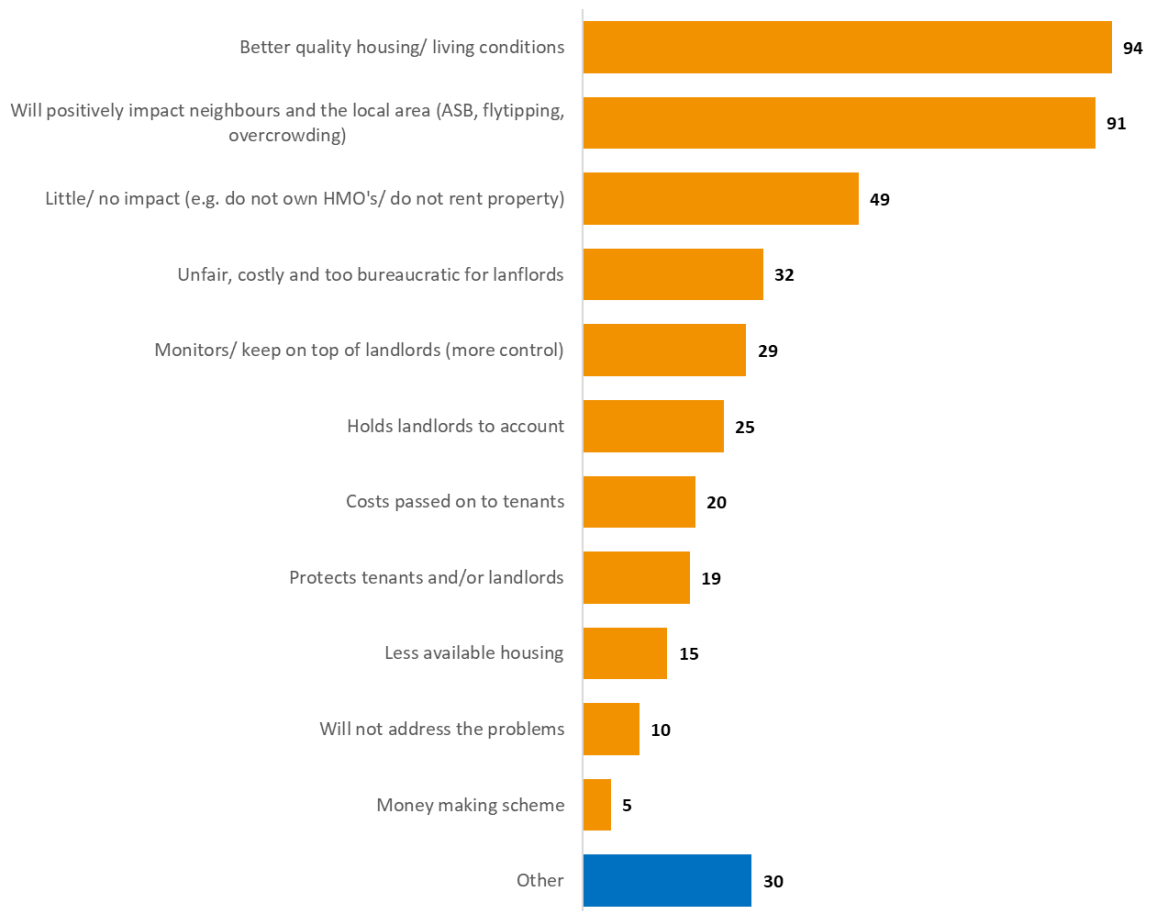
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on the impact of Additional Licensing on respondents

Respondents were invited to provide any further comments on the impact of Additional Licensing. In total, 419 comments were identified and coded into key themes, from 352 respondents. Themes which received fewer than 5 comments were grouped under 'other'.

The most common comments are that it will result in **better quality housing and living conditions** (94 comments) and that it will have a **positive impact on the local area** (91 comments), followed by **it will have little or no impact** (because not renting/own HMO) (49 comments). The most negative comments are that it is **unfair and costly for landlords** (32 comments). The chart below shows all themes with the number of comments received.

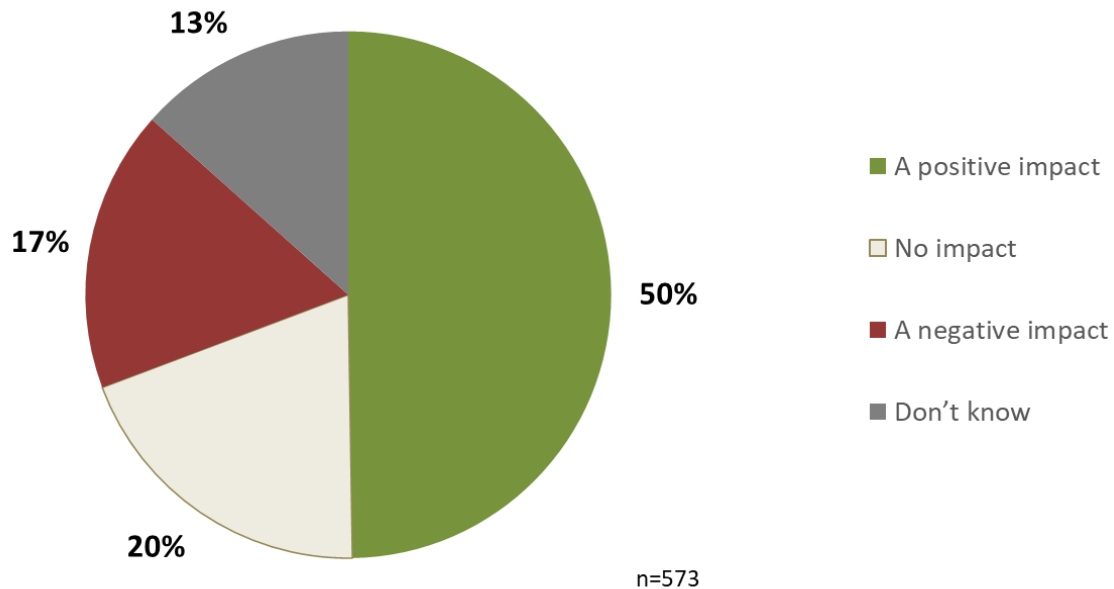
Figure 14: Themed comments on impact of Additional Licensing (no of comments coded by theme) (419 comments)



b. Likely impact of Selective Licensing on respondents

Respondents were asked what they feel the likely impact of implementing a Selective Licensing scheme would have on them. Half of respondents (50%) feel that introducing Selective Licensing will have a positive impact on them, whilst around one in six (17%) feel it will have a negative impact. A fifth (20%) feel it will have no impact.

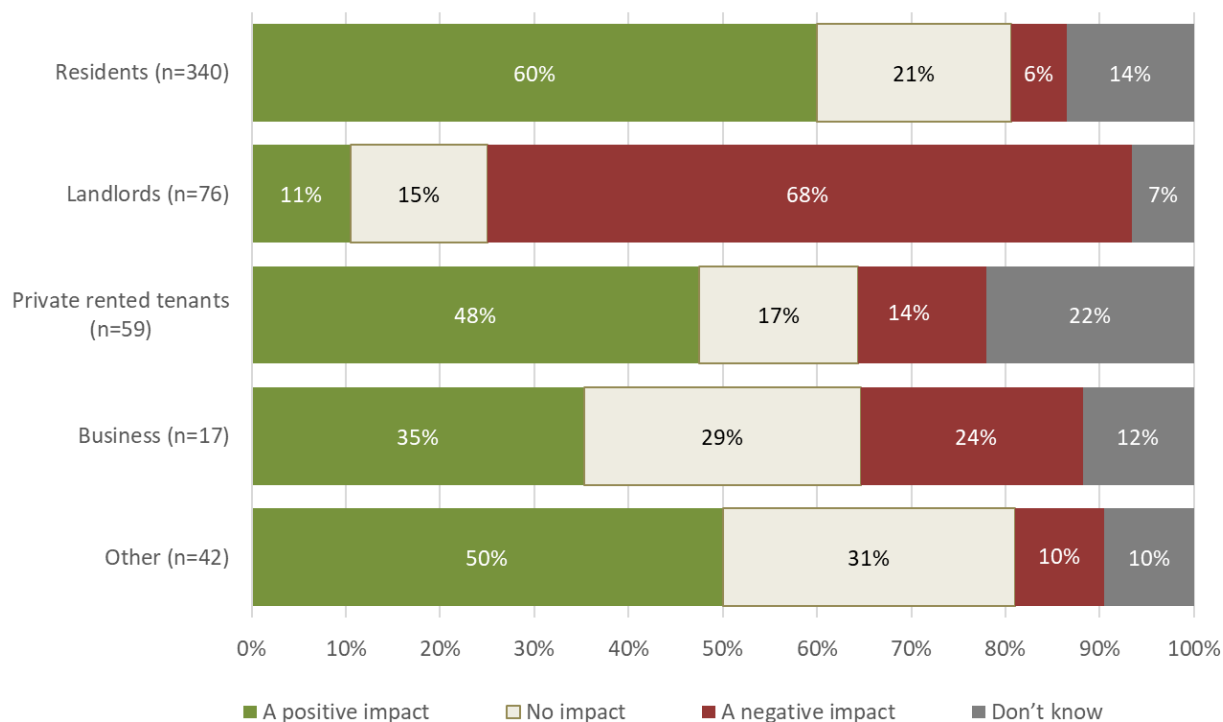
Figure 15: Likely impact of implementing Selective Licensing (overall) (n=573)



When we look at responses by group, we can see the following differences:

- Residents in West Bromwich are more supportive than other groups, with six out of ten (60%) saying Selective Licensing will have a positive impact on them.
- Half of 'other respondents (50%), and just under half of privately renting tenants in West Bromwich (48%) feel Selective Licensing will have a positive impact on them. 14% of privately renting tenants feel it will have a negative impact on them.
- Generally speaking, a slightly higher proportion of respondents across most groups feel Selective Licensing will have a negative impact on them, compared to Additional Licensing.
- Over two thirds of landlords and agents in West Bromwich (68%) feel Selective Licensing will have a negative impact on them, 17% points higher than for Additional Licensing.

Figure 16: Likely impact of implementing Selective Licensing (by group)



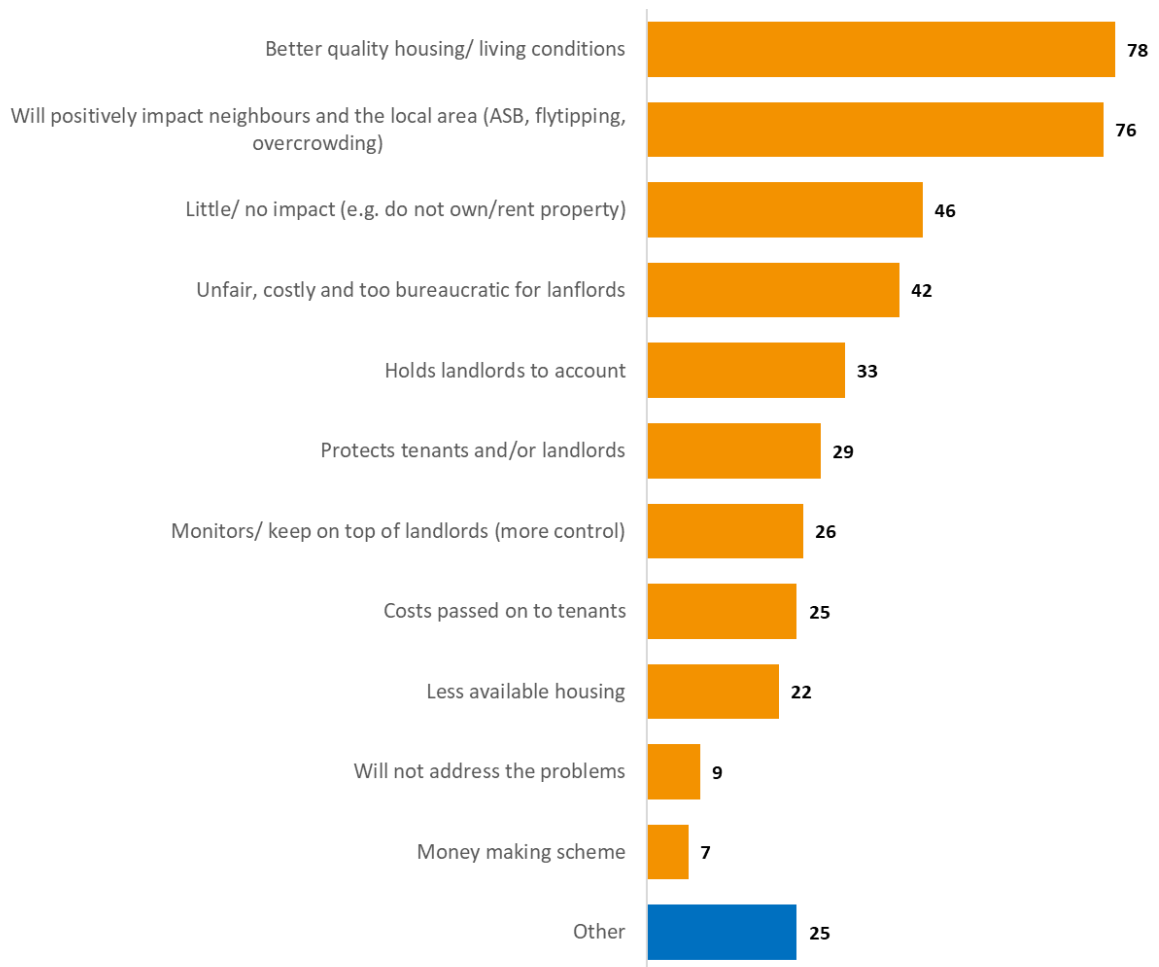
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on the impact of Selective Licensing on respondents

Respondents were again invited to provide any further comments on the impact of Selective Licensing. In total, 418 comments were identified and coded into key themes, from 334 respondents. Themes which received fewer than 5 comments were grouped under 'other'.

The most common comments are the same as those for Additional Licensing, in that it will result in **better quality housing and living conditions** (78 comments) and that it will have a **positive impact on the local area** (76 comments), followed by **it will have little or no impact** (because not renting/own a property) (46 comments). The most negative comments are that it is **unfair and costly for landlords** (42 comments). The chart below shows all themes with the number of comments received.

Figure 17: Themed comments on impact of Selective Licensing (no of comments coded by theme) (418 comments)



3. Views on proposed licence fees

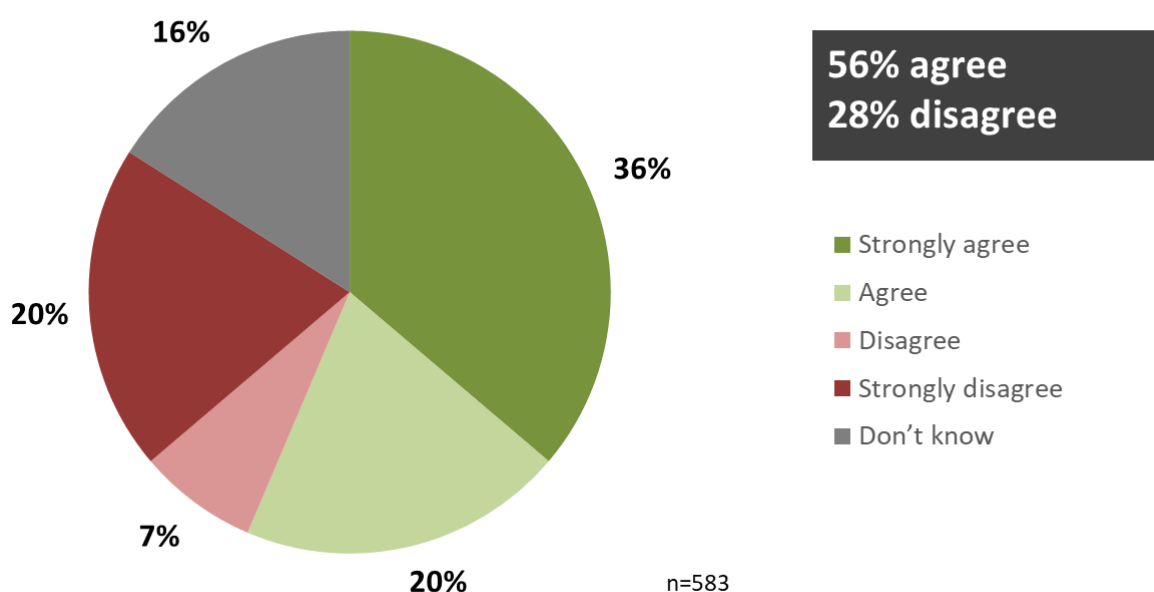
The consultation also sought views on the proposed licence fees for Additional Licensing and Selective Licensing. Links to documents or further information about the fees were provided within the consultation documents.

a. Additional Licence fees

Respondents were asked the extent to which they agree or disagree that the proposed fees are reasonable. For Additional Licensing, the proposed fees are £850 for a five-year licence, before discounts.

Overall, over half of respondents (56%) agree that the proposed Additional Licence fees are reasonable, with over a third (36%) saying they strongly agree. Around three out of ten disagree (28%) disagree, with a fifth (20%) saying they strongly disagree.

Figure 18: How reasonable is the proposed Additional Licence fee? (overall) (n=583)

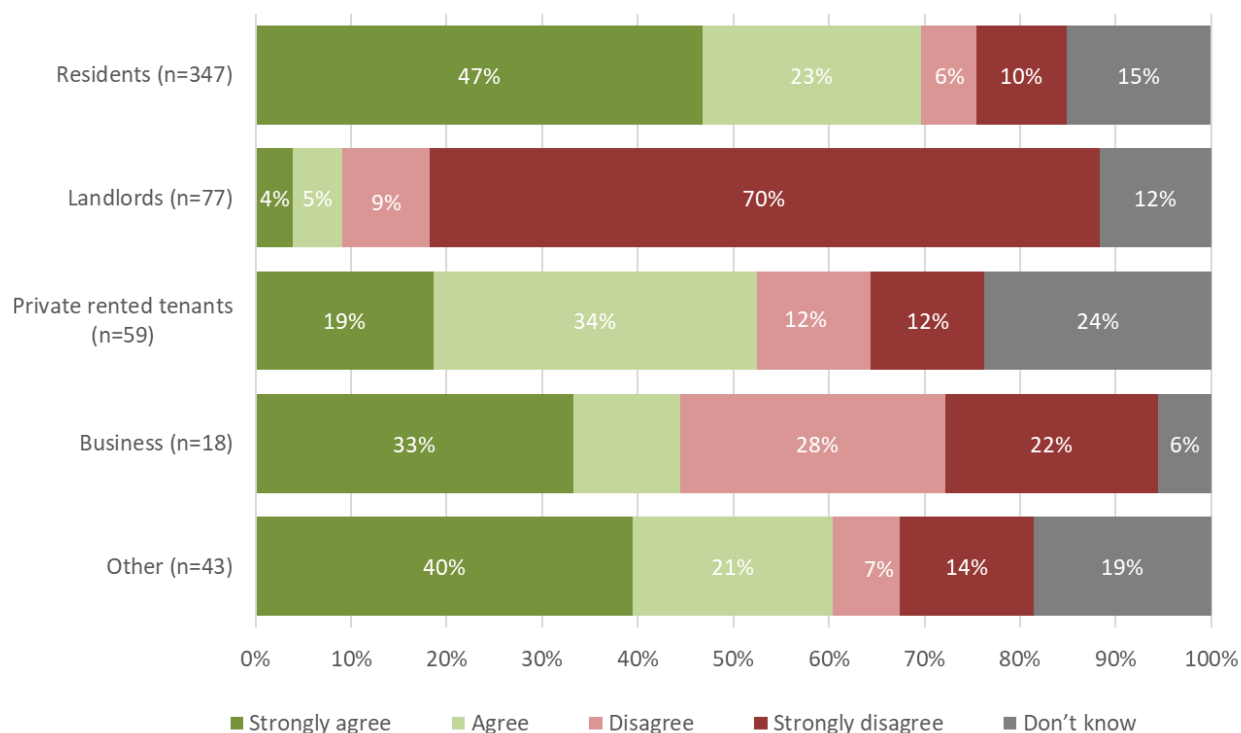


NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text.

When we look at responses by group, we can see the following differences:

- Residents in West Bromwich are more supportive of the proposed Additional Licence fees than other groups, with seven out of ten (70%) agreeing.
- 'Other' respondents and privately renting tenants in West Bromwich are also mostly in favour, with 60% and 53% saying they agree with the fees, respectively. However, around a quarter of privately renting tenants (24%) disagree with the proposed fees.
- Landlords/agents in West Bromwich are most strongly opposed to the proposed Additional Licence fees, with 79% saying they disagree with them. Only around one in ten (9%) agree.

Figure 19: How reasonable are the proposed Additional Licence fees? (by group)



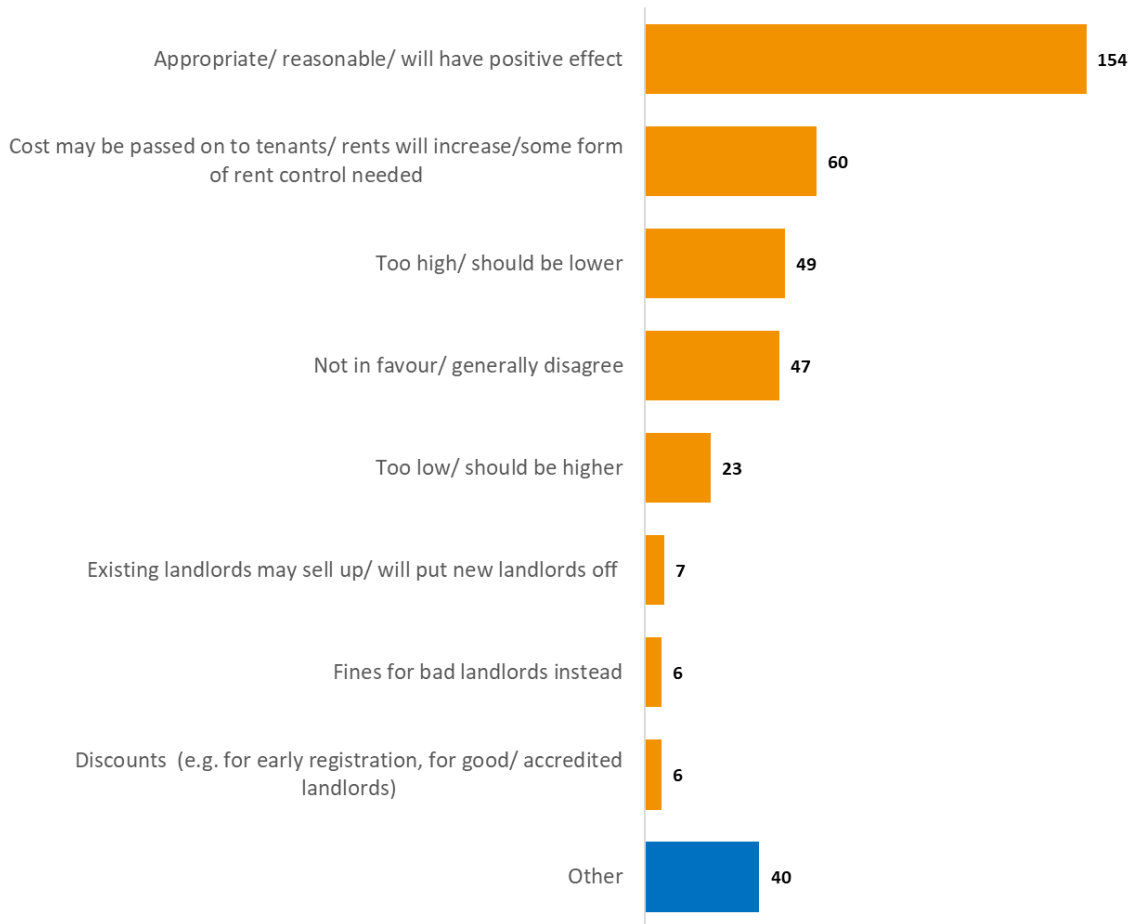
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on Additional Licence fees

All respondents were invited to provide any other comments they had around the proposed Additional Licence fees. Comments that were not related to the question were removed. In total, 392 comments were provided which have been coded into common themes (from 359 respondents).

These show a mixture of positive and negative views, with all themes presented in the graph below. The most frequent comments were that respondents **feel they are appropriate/reasonable and will have a positive effect** (154 comments). This was followed by **fees will be passed onto tenants/ rents will increase** (60 comments).

Figure 20: Comments on Additional Licence fees (no of comments coded by theme) (392 comments)

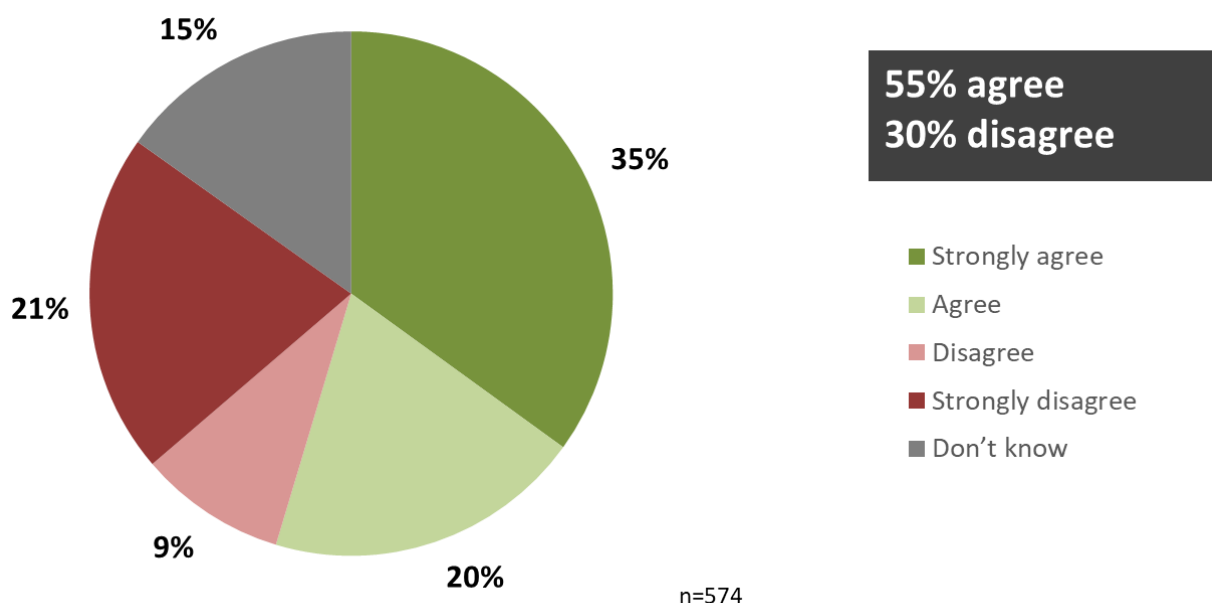


b. Selective Licence fees

Respondents were then asked the extent to which they agree or disagree that the proposed Selective Licence fees are reasonable. The proposed fees are £650 for a five-year licence, before discounts.

Overall, over half of respondents (55%) agree that the proposed Selective Licence fees are reasonable, with around one in three (35%) saying they strongly agree. Three out of ten disagree (30%) disagree, with around a fifth (21%) saying they strongly disagree.

Figure 21: How reasonable are the proposed Selective Licence fees? (overall) (n=574)

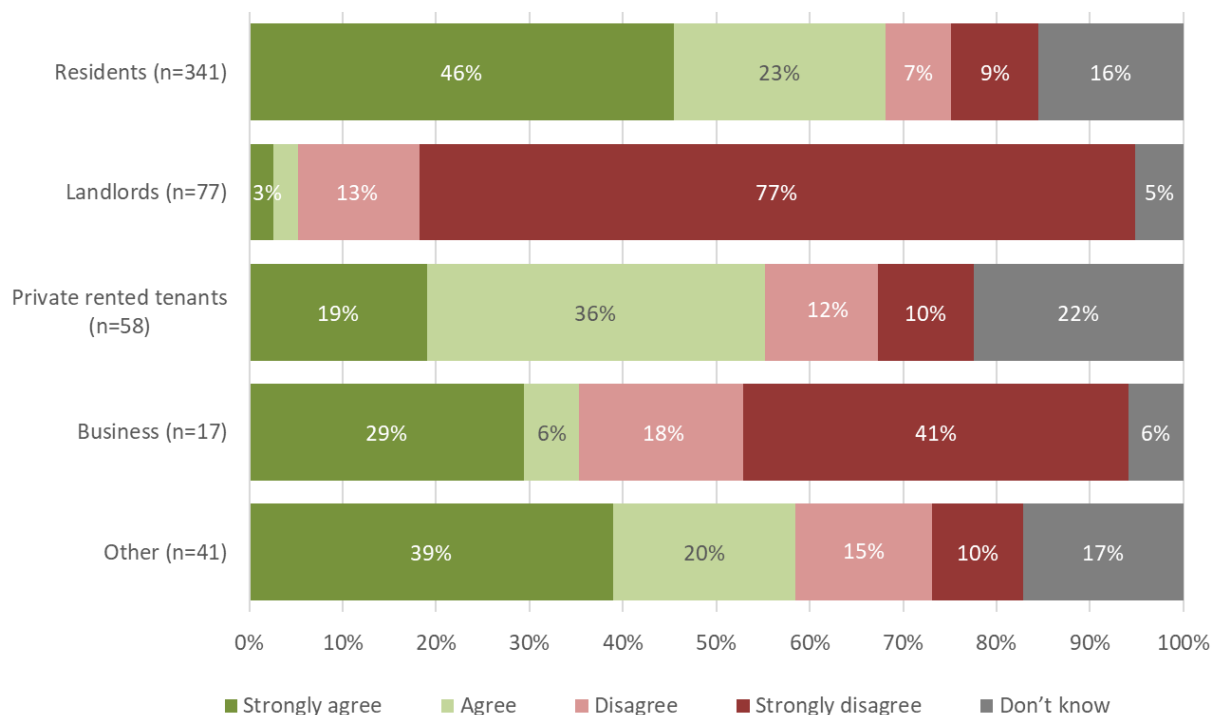


NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

When we look at responses by group, we can see the following differences:

- Support for the proposed Selective Licence fees are relatively similar for most groups, with the exception of landlords and agents in West Bromwich.
- Residents are most supportive, with just under seven out of ten (68%) agreeing with the proposed fees.
- Results are broadly similar for privately renting tenants in West Bromwich, with 55% agreeing and 22% disagreeing.
- Landlords and agents in West Bromwich are more strongly opposed to the Selective Licence fees, than Additional Licence fees, with nine out of ten (90%) disagreeing (77% strongly disagreeing and only 5% agreeing. This is 10% points higher than for Additional Licensing.

Figure 22: How reasonable is the proposed Selective Licence fee? (by group)



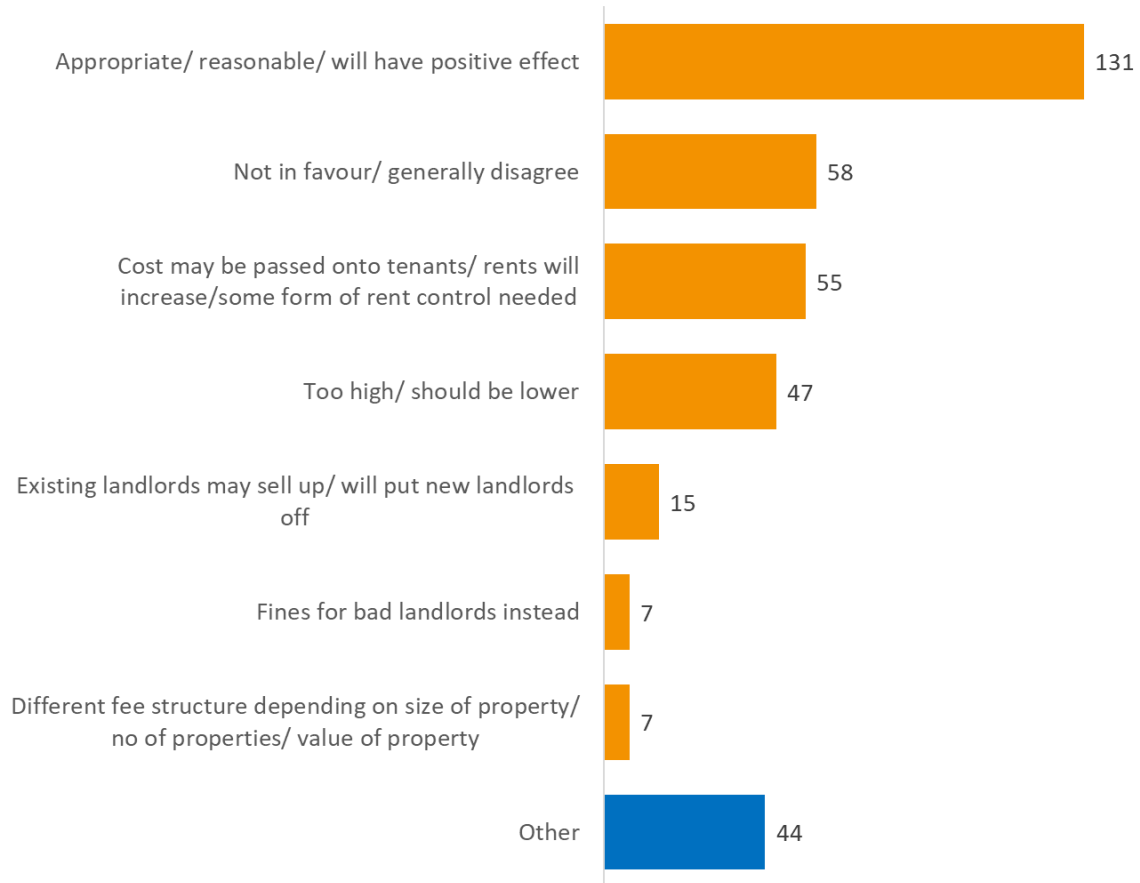
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on Selective Licence fees

Respondents were again invited to provide any other comments they had around the proposed Selective Licence fees. Comments that were not related to the question were removed. In total, 388 comments were provided from 335 respondents.

These show a mixture of positive and negative views and are relatively similar to those around the Additional Licence fees. The most frequent comments were that respondents **feel they are appropriate/reasonable and will have a positive effect** (131 comments). This was followed by respondents saying they were **generally not in favour** (58 comments) and that **costs could be passed onto tenants/ rents will increase** (55 comments).

Figure 23: Comments on Selective Licence fees (no of comments coded by theme) (388 comments)



4. Views on licence conditions

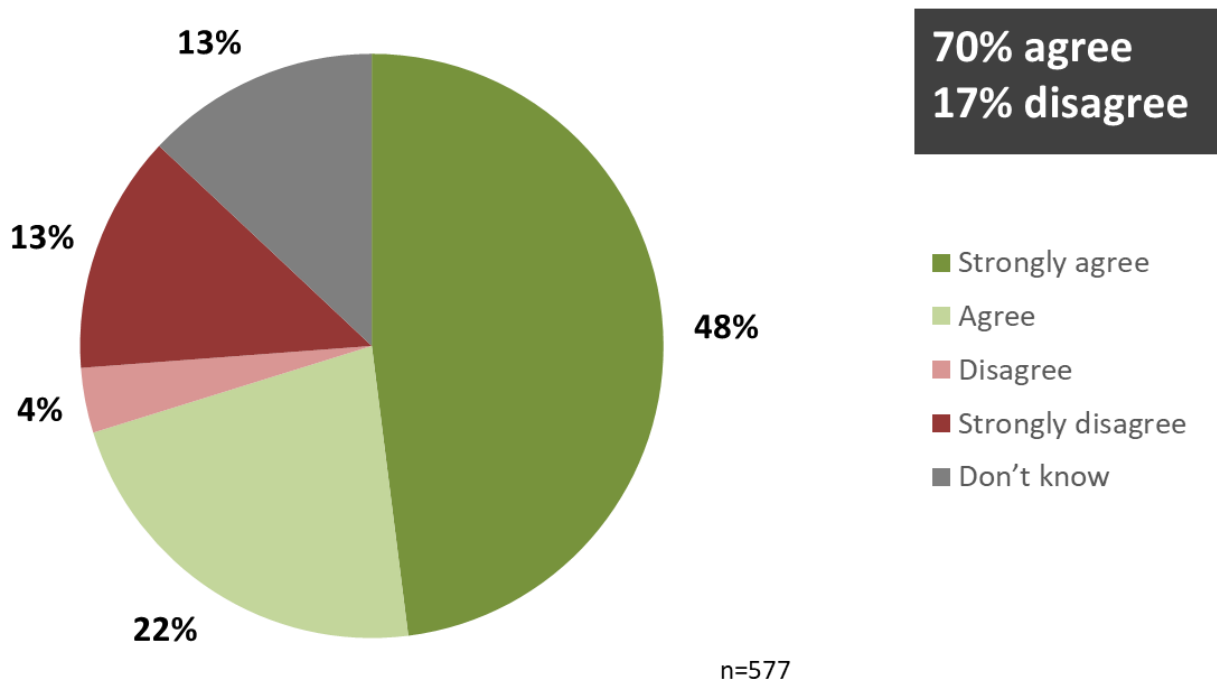
The consultation sought the views of respondents on a set of proposed licence conditions, for both Additional and Selective Licensing schemes. Links or further information about the sets of conditions were provided within the consultation documents.

a. Additional Licence conditions

Respondents were firstly asked to what extent they agree or disagree that the proposed Additional Licence conditions are reasonable.

Overall, seven out of ten respondents (70%) agree that the proposed Additional Licence conditions are reasonable, with just under half (48%) strongly agreeing. Around one in six (17%) disagree.

Figure 24: Extent to which proposed Additional Licence conditions are reasonable (overall) (n=577)

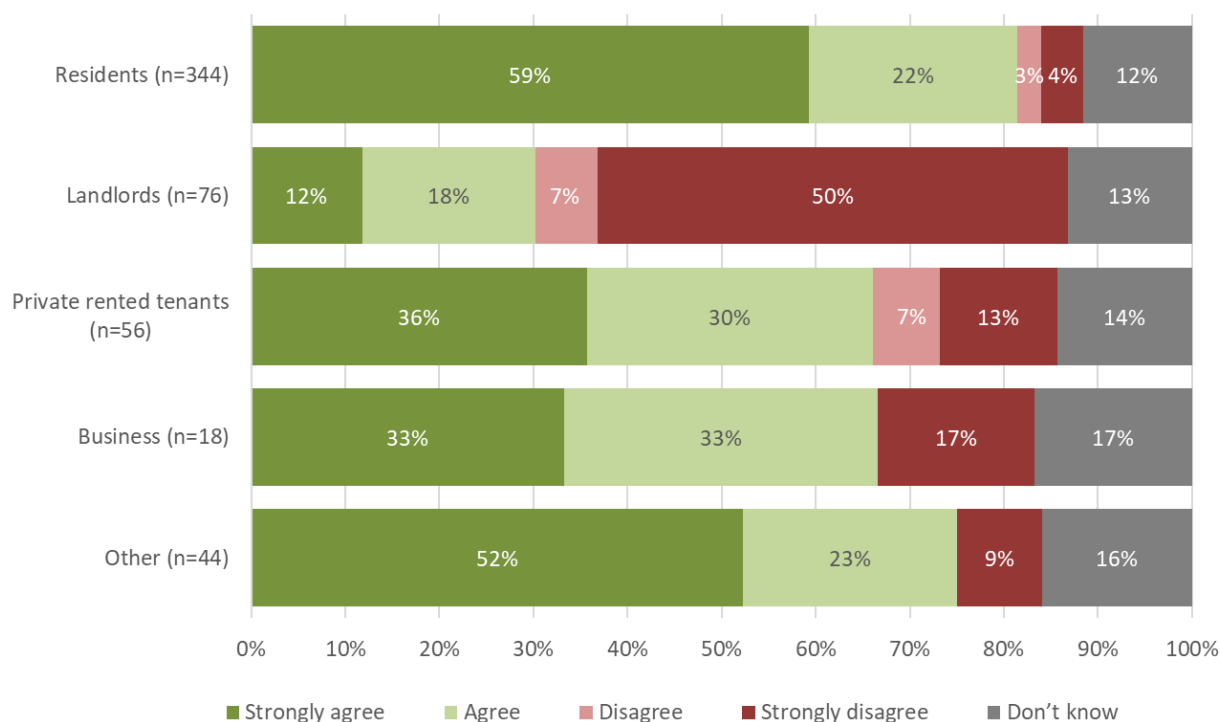


NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text.

When we look at responses by group, we can see the following differences:

- Residents in West Bromwich are most supportive of the conditions, with around eight out of ten agreeing (81%), closely followed by 'other' respondents (75% agreeing).
- Private rented tenants in West Bromwich are also very supportive, with two thirds (66%) agreeing. However, a fifth (20%) disagree with the conditions.
- Landlords and agents in West Bromwich are most strongly opposed to the proposed Additional licence conditions, with just under six out of ten (57%) disagreeing. One in three (30%) agree.

Figure 25: Do you agree or disagree with the proposed Additional Licence conditions (by group)



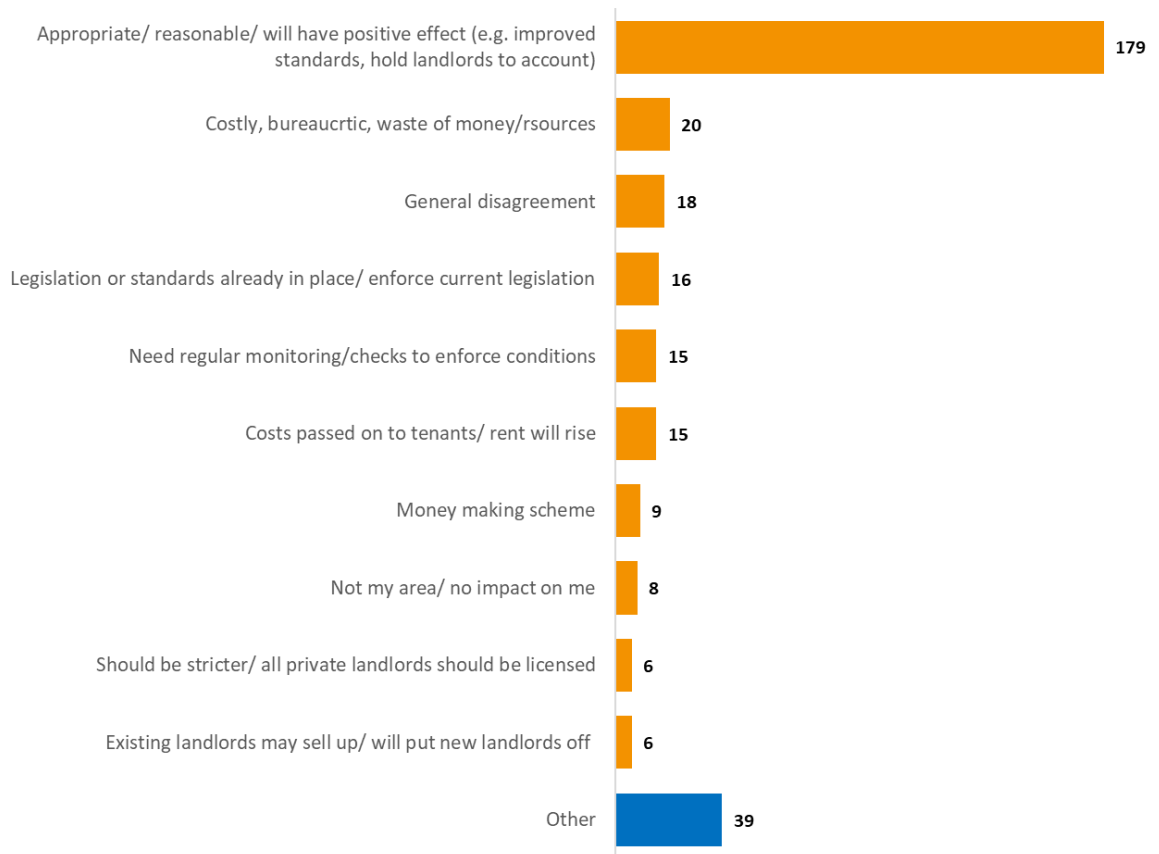
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on Additional Licence conditions

Respondents were invited to provide any comments around the Additional Licence conditions. In total, 331 comments were identified and coded into key themes (from 303 respondents). Themes which received fewer than 5 comments were grouped under 'other'.

The most common theme by far is that the conditions are **appropriate/reasonable/will have a positive effect** (179 comments). This is followed by a range of more negative comments around the scheme being **a waste of money/resources** (20 comments), **generally disagreeing** with the conditions (18 comments) and others such as **legislation is already in place** (16 comments). The chart below shows all themes with the number of comments received.

Figure 26: Comments on Additional Licence conditions (no of comments coded by theme) (331 comments)

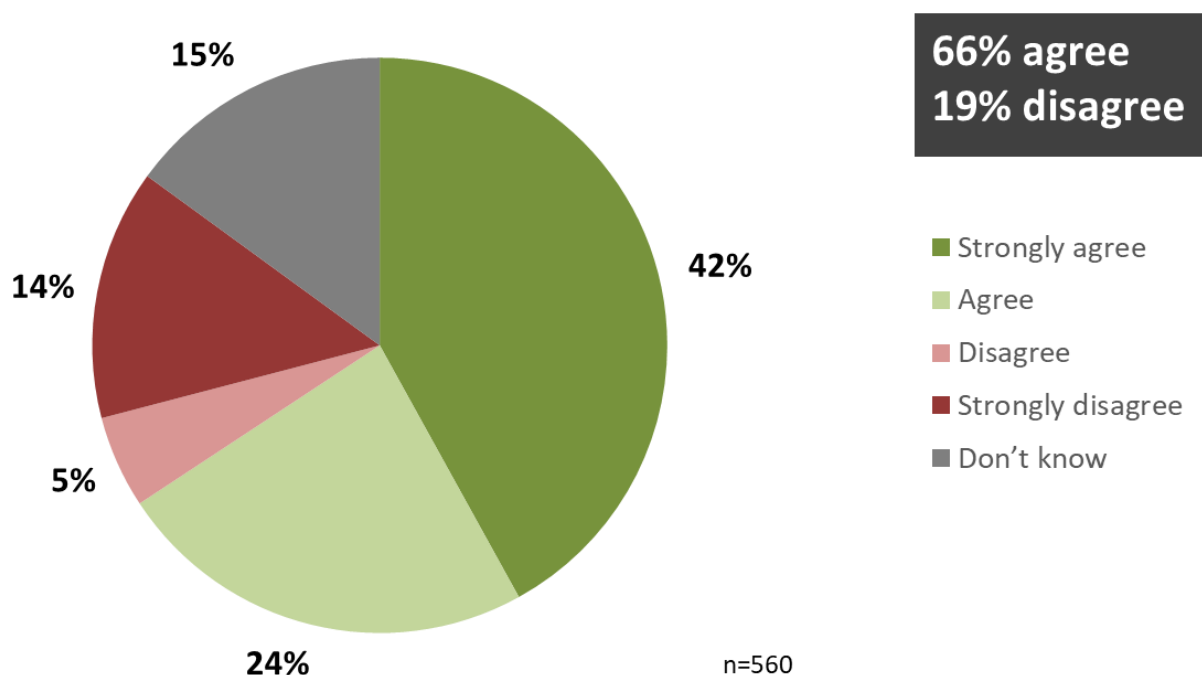


b. Selective Licence conditions

Respondents were then asked the extent to which they agree or disagree that the Selective Licence conditions are reasonable (provided as a separate document).

Overall, two thirds of respondents (66%) agree with the proposed Selective Licence conditions, with around four out of ten (42%) strongly agreeing with the proposal. Just under a fifth (19%) disagree.

Figure 27: Do you agree or disagree with the proposed Selective Licence conditions (overall) (n=560)

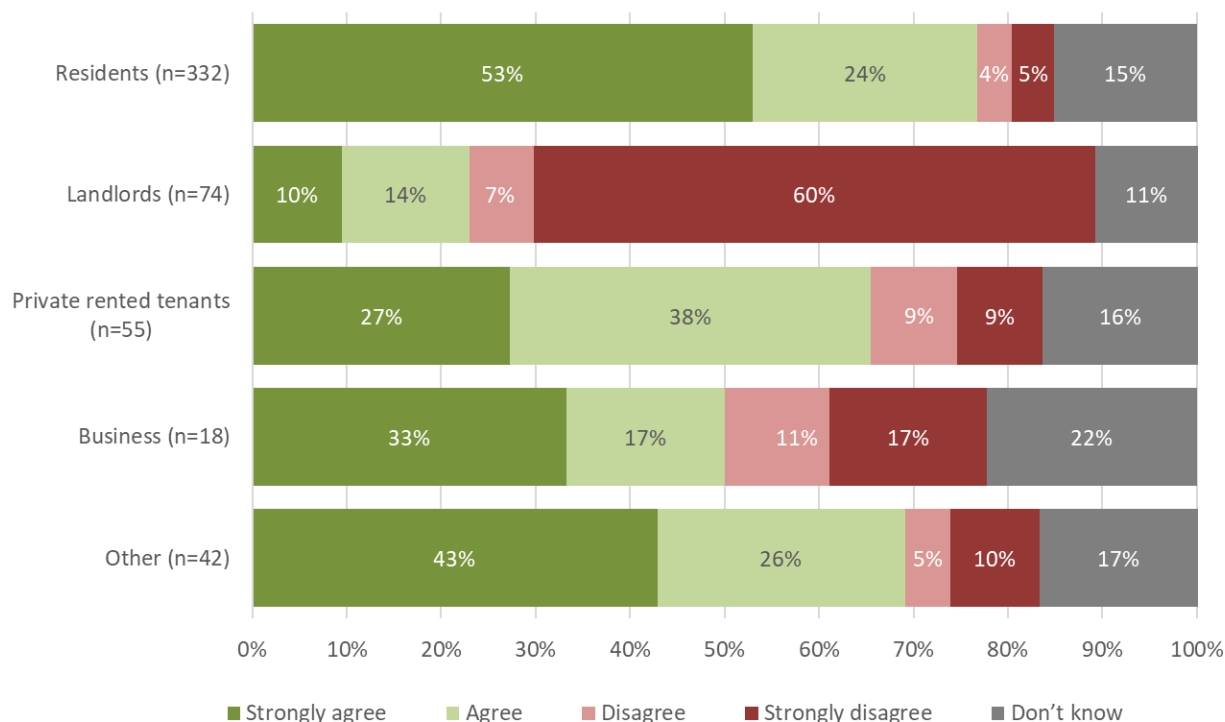


NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text.

When we look at responses by group, we can see the following differences:

- Results across most groups are broadly similar in terms of agreeing/disagreeing with Selective Licence conditions, in comparison to Additional Licence conditions. However, fewer tend to 'strongly agree' with the proposed Selective Licence conditions, compared to Additional Licence conditions.
- Residents in West Bromwich are again most supportive of the conditions, with just over three quarters agreeing (77%).
- Overall levels of support from privately renting tenants in West Bromwich is the same for the Selective Licence conditions as for Additional Licence conditions (66% agree). Similarly, around one in five (18%) disagree.
- Landlords and agents in West Bromwich are most strongly opposed to the proposed Selective Licence conditions, with two thirds disagreeing (66%), 9% points higher than for Additional Licensing. Just under a quarter of respondents (23%) disagree, 7% points lower than for Additional Licensing.

Figure 28: Do you agree or disagree with the proposed Selective Licence conditions (by group)



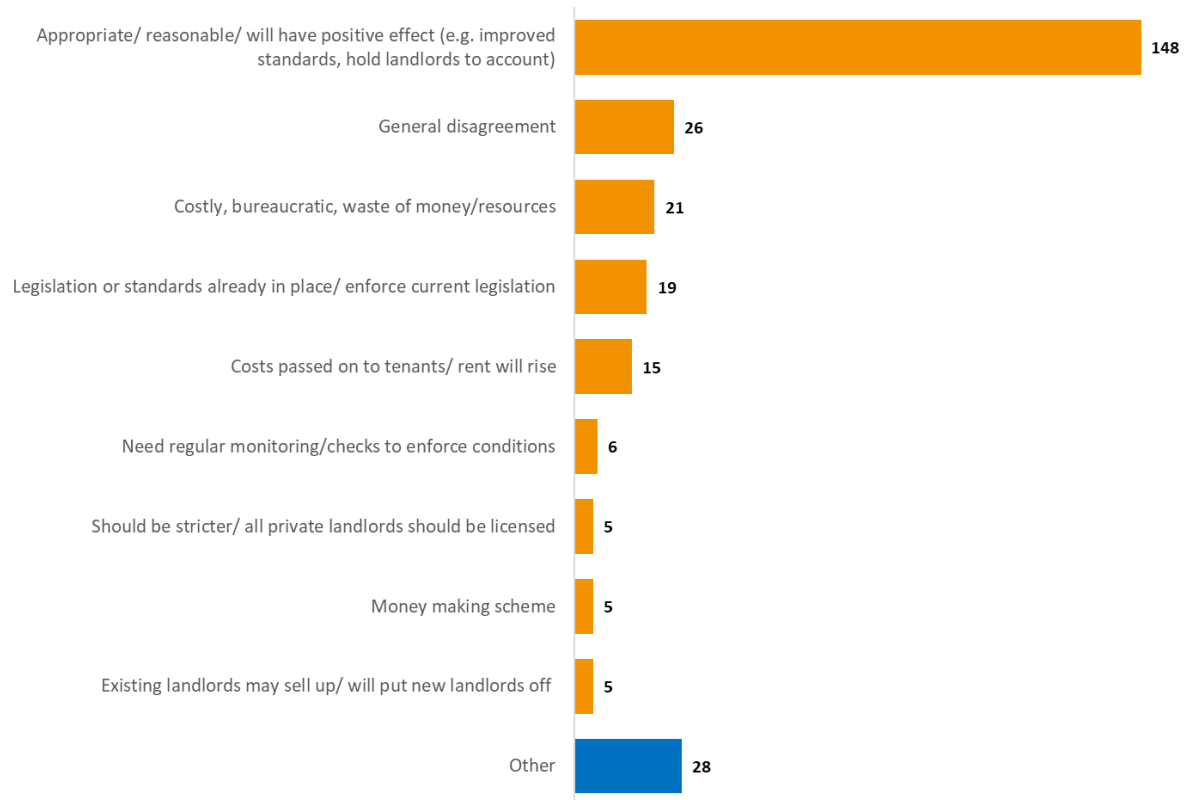
NB. Due to the rounding of numbers, % may not add up to 100%. Please refer to the % in the text. We have not commented on the 'businesses' responses due to such a small number of returns, however they are shown in the graphs for information.

Comments on Selective Licence conditions

Respondents were invited to provide any comments around the Additional Licence conditions. In total, 278 comments were identified and coded into key themes (from 246 respondents). Themes which received fewer than 5 comments were grouped under 'other'.

The most common theme by far is that the conditions are **appropriate/reasonable/will have a positive effect** (148 comments). This is followed by more negative comments around respondents **generally disagreeing** with the conditions (26 comments), the scheme being a **waste of money/resources** (21 comments), and others such as **legislation is already in place** (19 comments). The chart below shows all themes with the number of comments received.

Figure 29: Comments on Selective Licence conditions (no of comments coded by theme) (278 comments)

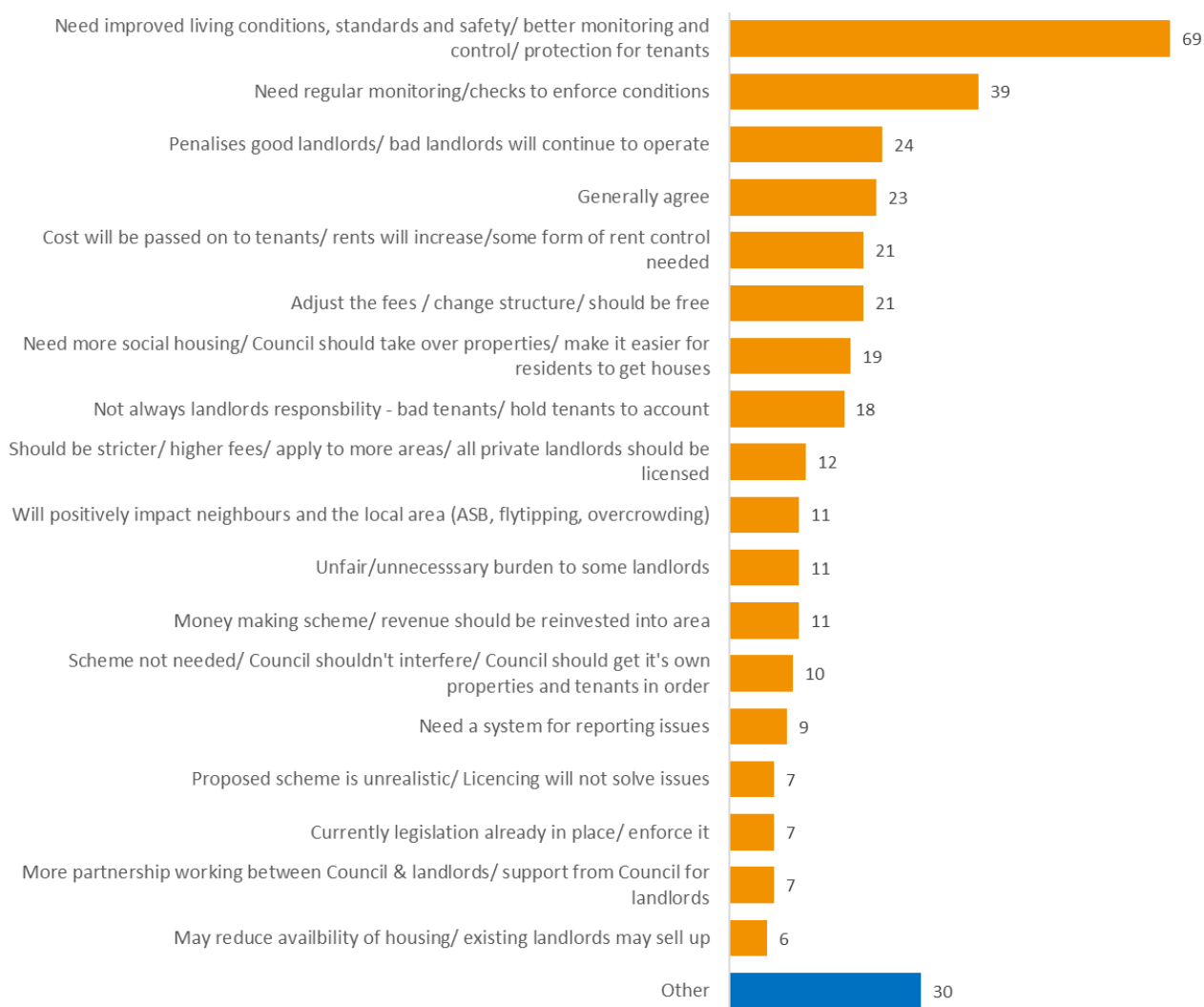


5. Other comments or suggestions

The final question in the survey asked respondents to add any further comments they would like to make about the proposed licensing schemes, or any alternatives the Council could consider. In total, 355 comments have been identified and coded into themes (from 274 respondents). Any comments that were not relevant to the question were not included in this analysis. Themes that receive fewer than 5 comments were put under 'Other'.

Key themes are around respondents generally feeling there is a need to **improve living conditions, standards and safety** (69 comments), followed by a **need for regular monitoring/checks to enforce conditions** (39 comments). 24 comments are around the proposals **penalising good landlords/bad landlords will continue to operate**. All themes are provided in the chart below and verbatim comments have been provided to the Council.

Figure 30: Comments on proposals (no of comments coded by theme) (355 comments)



4. Public meetings/written responses

M·E·L Research facilitated four public consultation meetings during the consultation period. Two events took place for landlords in February 2020. Two further events were scheduled to take place in March 2020 but were cancelled as a result of the social distancing measures that were introduced by the UK government in an attempt to reduce the spread of Coronavirus. The meetings were switched to online events which took place in April 2020. The target audience for the public meetings was mainly landlords, although any interested parties were welcome to attend. Council Officers were present at the meetings, therefore many of the queries and questions that were raised, were dealt with at the time. The 'Frequently Asked Questions' document was also updated in line with questions that came up at the meetings.

In total, there were 55 attendees across the four meetings. Most of these attendees were landlords, and all of the comments were from this group. In addition, there were 9 written responses provided, 2 via the online feedback form and 7 via email or letter.

Below is a summary of some of the key themes that came out from both the written responses and the feedback from the public meetings. **All feedback provided by individuals and organisations is provided in Appendix 3.**

West Bromwich area for licensing

Many agree that there are problems with poor properties being let in the proposed West Bromwich area. Many acknowledge that there are more significant problems here than in other areas of Sandwell. Others also commented that it is sensible for the Council to be concentrating on an area where there are known to be problems, rather than going much wider and targeting areas unnecessarily.

Tax/penalty on good landlords

Many landlords felt that Sandwell Council was unfairly penalising good and law-abiding landlords, to cover the costs of a scheme which is dealing with uneducated, neglectful or criminal landlords. Many landlords said that they let their properties through reputable agents, so have all the checks and certificates in place that are needed through licensing, so they do not see why they should have to pay more for a piece of paper. Others said that they look after their tenants and do above and beyond what is required, to provide them with a safe and decent home, yet they are still being 'tarred with the same brush' as the bad landlords under the proposed schemes. Some suggest this will dissuade new landlords from entering the

market, and that some landlords will exit the market, due to financial pressures that have been placed on them by government over recent years.

Council to target bad landlords only

Many landlords felt that the Council should just be focusing on the bad landlords, not taking a blanket approach across all landlords. Some queried how the Council were going to target these, as if they do not already know who and where they are, then how will a licensing scheme do this. Conversely, if the Council do know, then they should be using their powers to tackle them without the need for licensing. One landlord said that the Council should be spending their money on asking the public for help to identify criminal landlords/properties where human trafficking is happening, rather than waste money on a licensing scheme that would achieve little more than this could.

Landlords' accountability for tenants' behaviour

There were a small number of questions raised over how landlords could fairly be held to account for tenants' anti-social behaviour. One cited the fact that they had previously had troublesome tenants and they could do nothing to influence their behaviour and it took a lot of money and time to remove them from their properties. Some landlords and feedback suggest that landlords are little protected against bad tenants, and this is putting even more onus on landlords, with the buck being seen to be passed from the Council to landlords. The NLA express very strong views that licensing does not help to tackle tenants who cause problems for private landlords.

Licence fees and other costs passed onto tenants

A number of landlords, along with some of the written comments, state that the licence fees and other costs incurred as result of licensing, would be passed onto tenants. One landlord said that they already have tenants who are struggling to make ends meet and many will find these costs unaffordable, but they can't afford to swallow more and more costs out of their own pocket. From the public meetings and emailed comments, there were a number who question whether the Council has considered the people whom this would affect most – those who are paying for poor accommodation because they can't afford anything else, and that this could create more social and housing problems, such as an increase in demand on council housing and homelessness.

Appendices

Appendix 1: Map of proposed licensing schemes

Appendix 2: Survey questions

Appendix 3: Email and written responses to consultation

Appendix 4: Responses by methodology (postal survey and online survey)

Appendix 5: Responses from outside West Bromwich

Appendix 6: Demographic profile of respondents

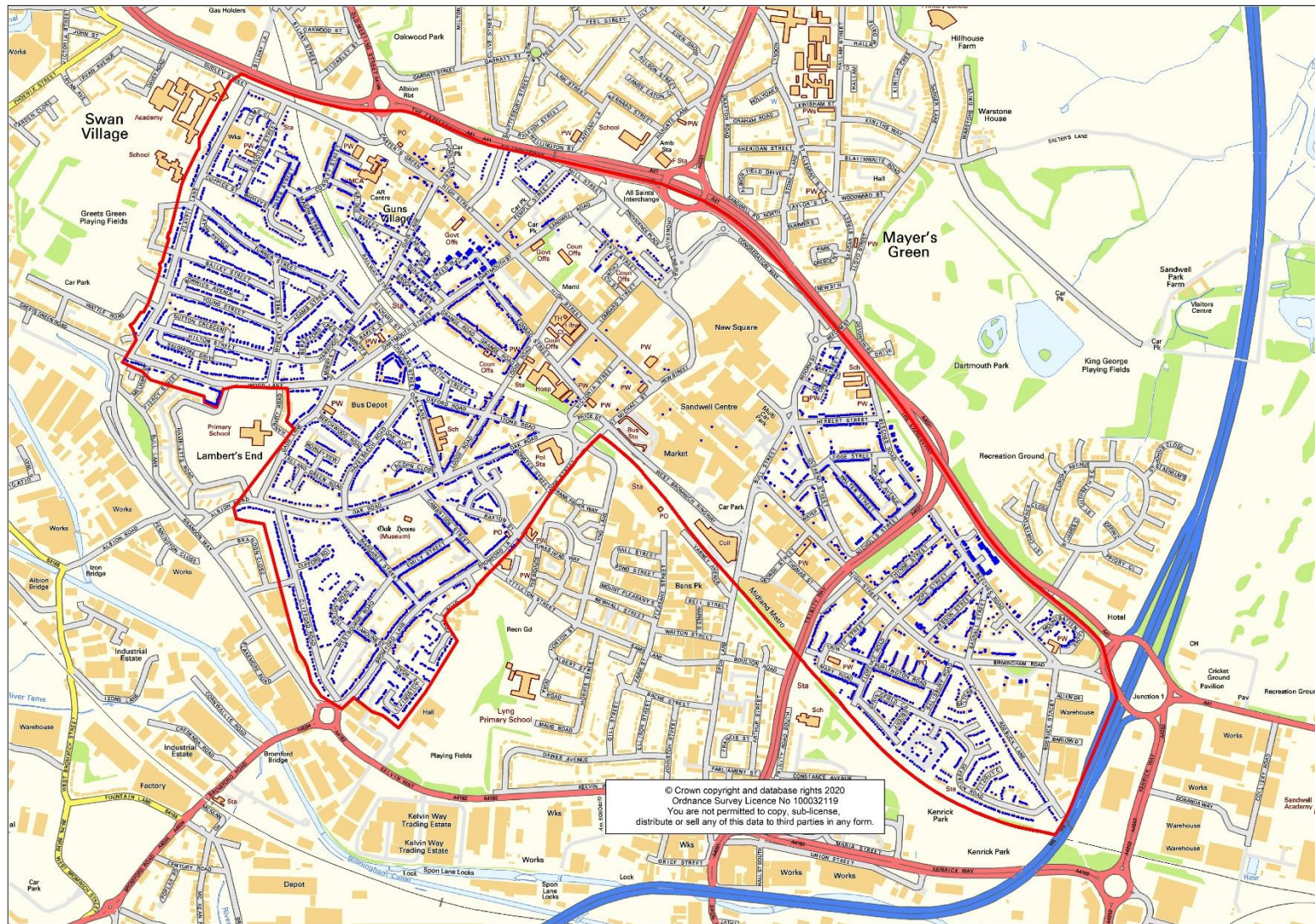


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Appendix 1: Map of proposed area in West Bromwich for licensing



Consultation on licensing private rented properties in West Bromwich

Sandwell Council want your views on a proposal to introduce two new property licensing schemes to improve the local environment and housing conditions for privately rented properties in West Bromwich.

This survey will only take around **10 minutes** to complete.

The consultation opens on 27 January 2020 and closes at midnight on 19 April 2020. The results and final recommendations will be reported back to the Council once the consultation responses have been collated. If you have any questions, then please email: sandwellprs@melresearch.co.uk.

What is property licensing?

Local councils can choose to require private landlords or their managing agents to have a licence to rent out their property. A licence usually lasts for five years. The licence conditions state that landlords must keep their property safe and well maintained as well as deal with any problems associated with the property such as dumped rubbish, untidy gardens or anti-social behaviour.

There are **three types** of licensing schemes:

Mandatory Licensing – Since 2004, all councils have had to run a licensing scheme for houses in multiple occupation (HMOs). Any property with five or more people living as two or more households as well as sharing amenities (kitchen, bathroom, shower room etc) will require an HMO Licence.

Additional Licensing – Councils can introduce Additional Licensing to cover any other type of HMO in their area, regardless of the number of people in the property.

Selective Licensing – This type of scheme covers all other private rented properties within the proposed area.

Landlords will have to pay a licence fee for each property they rent out to tenants. The fee will cover the cost of the scheme and allows the council to check the condition of private rented properties in the area to make sure that the correct management arrangements are being carried out.

Sandwell Council believes that extending their current licensing scheme to cover all HMOs in West Bromwich through Additional Licensing, as well as introducing a Selective Licensing scheme for all other privately rented properties in West Bromwich will:

- Improve living arrangements for many tenants by improving the condition of properties.
- Support good landlords and remove rogue landlords from operating.
- Improve the image of the area, making it a desirable place to live.

Before making a decision, the Council wants to hear your views about the proposals and any alternatives they could consider. We would specifically like to hear from private tenants, landlords, letting and managing agents, residents, businesses and organisations operating in West Bromwich and surrounding areas.

Before responding to this questionnaire, we strongly encourage you to read the background information about the proposed schemes, which can be found at melresearch.co.uk/sandwellprs.

The consultation is being run by M·E·L Research, an independent research company. Information you provide will only be used for research purposes and you will not be personally identifiable in any reports; however, organisations may be identifiable.

M·E·L Research work to the Market Research Society code of conduct. We will hold all information securely and strictly in line with the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). You can read our privacy notice at: melresearch.co.uk/privacypolicy.

About you

Q1 Which of the following best describes you? **(Please tick all that apply)**

- A resident of West Bromwich
- A privately renting tenant within West Bromwich
- A landlord with a property (or number of properties) in West Bromwich
- An agent, managing properties in West Bromwich
- A business operating in West Bromwich
- A resident/ landlord/ business in a neighbouring area to West Bromwich
- Other (Please specify below)

Scheme proposal

Sandwell's proposal for introducing Additional and Selective Licensing includes:

Additional Licensing – a scheme that will require all privately rented HMOs in the proposed area to be licensed (if they aren't already under the Mandatory Licensing scheme).

Selective Licensing – a scheme that will require all other privately rented properties in the proposed area to be licensed.

A set of conditions that all landlords must follow – the council believes that the conditions will lead to better managed properties, a reduction in anti-social behaviour and an improvement in living conditions for tenants.

A Licence fee that landlords will have to pay – affected landlords will have to pay a fee which will cover the costs of running the scheme.

The schemes

Q2 To what extent do you agree or disagree with the proposal to introduce an **Additional Licensing** scheme in the selected area? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q3 Please tell us the reason for your answer about an **Additional Licensing** scheme in the box below.

Q4 To what extent do you agree or disagree with the proposal to implement a **Selective Licensing** scheme in the proposed area? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q5 Please tell us the reason for your answer about a **Selective Licensing** scheme in the box below.

Q6 What impact, if any, do you feel implementing an **Additional Licensing** scheme would have on you? (Please tick one box)

- A positive impact
- No impact
- A negative impact
- Don't know

Q7 Please tell us the reason for your answer about an **Additional Licensing** scheme in the box below.

Q8 What impact, if any, do you feel implementing a **Selective Licensing** scheme would have on you? (Please tick one box)

- A positive impact
- No impact
- A negative impact
- Don't know

Q9 Please tell us the reason for your answer about a **Selective Licensing** scheme in the box below.

Licence fees

The Council is proposing to charge £650 per property for a Selective Licence and £850 per property for an Additional Licence before discounts. The licences are for up to 5 years. Fees will be kept under review throughout that period.

You can find more information on the proposed licence fees at melresearch.co.uk/sandwellprs.

Q10 To what extent do you agree or disagree that the proposed **Additional Licence** fees are reasonable? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q11 Please tell us the reason for your answer about the proposed **Additional Licence** fees in the box below.

Q12 To what extent do you agree or disagree that the proposed **Selective Licence** fees are reasonable? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q13 Please tell us the reason for your answer about the proposed **Selective Licence** fees in the box below.

Licence conditions

The conditions are a set of licensing standards that all landlords or managing agents will have to adhere to for both the management and condition of the property. To see the conditions, please follow this link: melresearch.co.uk/sandwellprs.

Q14 To what extent do you agree or disagree that the proposed **Additional Licence** conditions are reasonable? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q15 Please tell us the reason for your answer about **Additional Licence** conditions in the box below.

Q16 To what extent do you agree or disagree that the proposed **Selective Licence** conditions are reasonable? (Please tick one box)

- Strongly agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Q17 Please tell us the reason for your answer about **Selective Licence** scheme conditions in the box below.

Q18 **Other suggestions and comments**

Please use the box below to provide any other comments on the proposals, or any alternatives the Council could consider.

Q19 Sandwell Council will publish the results of the consultation on their website. If you wish to be notified when the results are available, please provide your name and email address below: (this information alone will be passed onto the Council to let you know)

Name: Page 159

Email address:

If no email address, please state your home address below (this information alone will be passed onto the Council to let you know)

About you

Sandwell Council are committed to make Sandwell a fair and equal borough. To do this, we are collecting equality monitoring data to understand inequalities in the borough. This helps the Council to demonstrate how they meet their legal duties under Equality Act 2010. All data collected is for monitoring purposes only and is held under the Data Protection Act 2018.

Q20 How old are you? (Please tick one box only)

- Under 21
- 21 – 24
- 25 – 29
- 30 – 44
- 45 – 59
- 60 – 64
- 65 – 74
- 75 or over
- Prefer not to say

Q21 Are you? (Please tick one box only)

- Male
- Female
- Prefer not to say

Q22 Are you? (Please tick one box only)

- A refugee
- An asylum seeker
- Economic migrant – a person who has travelled to another country to work
- None of the above

If applicable, what country or region are you a refugee / asylum seeker from? Please write below:

Q24 What is your ethnic background? (Please tick one box only)

- | | |
|---|---|
| <input type="radio"/> White: British | <input type="radio"/> Mixed: White and Black Caribbean |
| <input type="radio"/> White: Irish | <input type="radio"/> Mixed: White and Black African |
| <input type="radio"/> White: Romanian | <input type="radio"/> Mixed: White and Asian |
| <input type="radio"/> White: Turkish | <input type="radio"/> Asian: Indian |
| <input type="radio"/> White: Kurdish | <input type="radio"/> Asian: Pakistani |
| <input type="radio"/> White: Slovakian | <input type="radio"/> Asian: Bangladeshi |
| <input type="radio"/> White: Polish | <input type="radio"/> Asian: East African Asian |
| <input type="radio"/> White: Czech | <input type="radio"/> Asian: Chinese |
| <input type="radio"/> White: Bulgarian | <input type="radio"/> Black: Caribbean |
| <input type="radio"/> White: Hungarian | <input type="radio"/> Black: African |
| <input type="radio"/> White: Albanian | <input type="radio"/> Any other ethnic background, (Please specify below) |
| <input type="radio"/> White: Lithuanian | <input type="radio"/> Prefer not to say |
| <input type="radio"/> White: other | |

Q25 **Disability**

The Equality Act 2010 defines a disability if someone has a physical or mental impairment which has a substantial and long term adverse effect on his or her ability to carry out normal daily activities.

Do you consider yourself to have a disability? (Please tick one box only)

- Yes
 No

Thank you for taking the time to complete this questionnaire

Please click on the SUBMIT button below.

Appendix 3: Written responses

Response 1

AFTER READING ABOUT PROPOSAL ON LICENSING PRIVATE RATED HOUSING THE MATTER OF PARKING SPRINGS TO MIND, LIKE MANY OTHER PLACES, THIS AREA IS CLOSE TO A LOCAL PUB & SANDWELL HOSPITAL - SANDWELL PARK THERE IS A FOOTBRIDGE AT TOP OF STONEY LANE USED TO ACCESS NUB TOWN CENTRE, DAY CENTRE IN SUMMER ST (BUSIS USED TO TRANSPORT PEOPLE TO & FROM THE YES; PARKING IS AN ISSUE - FOR HRS (ON/PAR) A S/WELL WARRY (NOT THE SAME ONE OF COURSE) DRIVES PARK IN SUMMER ST, A FEW TIMES OUT OF 10 ACROSS DROPPED KORB AND UP ON THE GRASS VERGE COMPLAINTS SUBMITTED - 100% IGNORED, IT WAS ALSO REPORTED A DRIVER OF MENTIONED WARRY USING HIS MOBILE 'PHONE WHILE DRIVING IN STONEY LANE AND ACROSS DAY CENTRE & FINALLY PARKED IN SUMMER ST (ACROSS DROPPED KORB) HOWEVER THERE WOULD BE ARGUMENTS THAT PEOPLE RENTING

A PROVERB MIGHT THINK THEY CAN TAKE ANYTHING - JUST A THOUGHT
AN OLD SAYING:-
IF IT ISN'T BROKEN DO NOT
MEND IT.

Response 2

DEAR SANDWELL COUNCIL

PLEASE COME TO [REDACTED] [REDACTED] ROAD TO SEE THESE HOUSES WHICH ARE RENTED BY LANDLORDS

[REDACTED] HAS BEEN EMPTY FOR OVER 20 YEARS ITS NOT FAIR TO LIVE BY THIS WE HAVE RATS RUNNING ABOUT PLEASE COME DOWN AND LOOK THE HOUSE IS FALLING DOWN. FROM [REDACTED] TO [REDACTED] TIME RENTED OUT AND AS DUMPED ALL THE GARDEN RUBBISH IN THE DRIVEWAY WHICH IS A RIGHT OF WAY WE HAVE ASKED THEM TO SEE THE LANDLORD NOTHING IS DONE THEY LEAVE AND THE COUNCIL GIVES THEM A NEW HOUSE ITS UNFAIR WHEN YOU HAVE PAID YOUR RATES ALL YOUR LIFE TO PUT UP WITH THIS THE LANDLORDS DO NOT CARE IT IS A FINE HAZARD. THIS LANDLORDS NEED PEOPLE FROM THE COUNCIL TO CHECK TO SEE WHAT THEY ARE DOING WITH THE HOUSES.

THANK YOU.

FROM

[REDACTED] [REDACTED] [REDACTED] HOUSES
IN [REDACTED] [REDACTED] RD.

PLEASE SEND SOMEBODY DOWN.

Response 3

Hello xxxx

-Exactly what purpose will license do for council, for private rented properties? Nothing, ive been running an estate agency for 8 years. This wouldn't doing other than over stress landlords and demand for council properties will increase drastically.

-HMO: I agree there so many landlords taking shortcuts, which needs to be tightened up.

-For privately rented properties things that I think need to be implemented: long waiting times for eviction to be reduced, more support for dss clients

Response 4

Preamble

The purpose of this meeting is to bring together some of the contents of the various reports that I have presented over recent months to Members and Officers of Sandwell MBC and also Sandwell Homes. Over recent years waiting lists for houses have escalated and this has coincided with the general shortage of houses, particularly three and four bedroom properties. In an effort to address this problem Sandwell MBC has been addressing the issue of how the Private Sector can make good the shortfall in the supply of social and municipal housing, at the same time establishing a Choice Based Lettings Scheme. In order to do this, some two years ago I was invited to join the Executive Board of the Sandwell Strategic Housing Forum because of my experience as a small landlord operating in that area. In this respect my family has been letting property in Sandwell for over 60 years and for the last eight to nine I have been a Member of their Landlords Forum. This has enabled me to bring to the attention of all those involved the problems of the Private Sector as seen from the landlord's point of view. The following are therefore edited points from the various reports that I have prepared. The points raised are in no particular order but I have attempted to put them in some form of context.

1. There is an over supply of empty private rented accommodation. This has to be equated with waiting lists in the area which have increased by figures of between 24/105% during recent years.

For instance, the number of empty flats in Wednesbury Town Centre is estimated at 60+ which is joined by some 100 empty houses in the general area. No surveys have been carried out to establish the correct figure. Empty properties are usually associated with higher rents but this is not always the case, particularly in the present difficult times. Somehow we must reconcile the two competing ends, ie empty properties in the private sector with the increased number of persons on the Social Housing waiting lists.

The number of bad landlords needs to be weeded out as a matter of urgency as prospective tenants are becoming very wary of the Private Sector, so much so that they no longer trust adverts in the local press.

The question of research data was not helped by problems that became apparent in the second of your surveys entitled "Private Rented Sector Landlord/Agent Survey 2010" which was issued earlier this year. Such surveys must be more focused, taking on board the views of all departments of the Council instead of the present parochial approach - this must be strongly pointed out to those commissioning the surveys.

2. There is an imbalance between Private and Social Housing in regard to their respective rents. Social Housing rents do not include the cost of land or the cost of servicing loans: this enables Social Housing Providers to charge a rent 50% less than those in the Private Sector which have to be all embracing.
3. In general the Private Sector cannot afford to upgrade their properties to decent home standards whether it was in the rented or the owner occupied section. The Social Sector receives finance for this. This creates problems when letting private property which has a high percentage of pre 1940 properties. Prospective tenants expect properties which are new or have just been modernised and are therefore disappointed with the private property as it does not reach this exacting standard in their eyes. In the majority of instances we cannot compete, even when our houses are certified as being up to decent homes standard – previous tenants have to leave a private property in a decent decorative order but this is never good enough for prospective tenants who expect the very best – it raises the question of how urgently they need accommodation or for that matter how can the Private Sector (without access to grants) compete with such demands. It should be noted that private tenants are responsible for internal decoration, notwithstanding that properties are generally let in a clean and tidy condition, even though colour schemes may not suit.
4. The "right to buy" legislation must be looked at as stocks of affordable houses offered by the Social Sector are reducing. I have had a number of cases of persons willing to have a tenancy only if I agree to sell the property to them at a large discount in four years. A local authority in the south of England, it is believed, has suspended their "right to buy" entitlement and I am sure other housing providers will eventually be forced to look at this option even though it may be contrary to Government thinking. As a condition of receiving grants/finance the Social Housing Sector should be more focused on finding accommodation for benefit/difficult cases who may be unable to access the private sector.
5. First time buyers are 67% down on last year. This will cause more demand for rented accommodation. One of the reasons for this rapid decline is the requirement of mortgage suppliers to require a 25% deposit, prospective buyers cannot find this sort of figure – this is akin to the shortage of deposit money required by Private Landlords in their lets.

6. Affordable Accommodation

To provide this there has to be a saving somewhere as property is presently being sold at rock bottom prices, perhaps some form of subsidy is called for.

Landlords cannot provide their properties at less than their cost including overheads and this fact should be recognised – this is also applicable to developers in the provision of new houses.

In order to release more social housing to accommodate those that genuinely cannot afford accommodation, some form of means test must be introduced – those already in social accommodation who have a good income should pay an economic rent to fund further houses for those who cannot afford such accommodation.

7. Choice based letting.

The Government wants a nationwide system of choice based letting in place by 2010, made up of a partnership between Local Authorities, registered Social Landlords and Private Landlords, I hope that the present series of meetings can achieve this objective by wiping away any lack of understanding between the parties and provide a genuine coalition of equal partners. If worked through in a meaningful fashion, not by creating obstacles but by overcoming them, then we can achieve the greatest choice and mobility in meeting housing needs both locally and nationally for the benefit of all who require it. Such an open approach has the chance of setting a standard/system for others to follow.

8. Different landlords cater for different groups of people with the majority of Private Landlords presently not taking people on housing benefit. This latter point is difficult to put across in adverts, (ie in my case one person should be working) particularly in connection with Choice Based Lettings.

Each Private Landlord caters for a different type of letting of which the main categories are as quoted below. The asterisk indicates Membership of Sandwell's Landlords Forum.

Homelessness and Vulnerable People. (xxx Managing Agent).

Student Lets (non-Housing Benefit). (xxx*).

Professional Lets/New Apartments. (xxx*).

A wide variety of prospective tenants including Single People (and including Housing Benefit recipients). (xxx*).

Families (non-Housing Benefit). (xxx*).

Housing Benefit recipients. xxxx (Managing Agent) – xxx.

Asylum Seekers/Refugees/Care Leavers (UPM or NWPP).

Others exist but are mainly in the Public Sector Market and include such bodies as the YMCA.

9. To quote the obvious, the Private Sector is willing to provide accommodation provided that it can show a net return of between six and eight percent. This implies that the majority of landlords in the sector are only wishing to accommodate those prospective tenants that will pay their rent, take care of the landlord's property and preferably be for the long term; those are the three major requirements. Unfortunately such tenants are in short supply in that over 80% of prospective tenants on the Council's

waiting list are on benefits. The reluctance of Private Landlords to accommodate benefit recipients is governed by a number of factors, eg

- (a) Insurance Companies recognise that persons on benefits and students are by far a worse risk and therefore introduce extra loadings on their policies of up to 25% to allow landlords to accommodate such people. From experience I can confirm that this is the situation.
 - (b) The Government has made the system of paying benefits far too complicated for landlords to accept (if a tenant claims benefit to which he is not entitled then this is recoverable from the landlord, who has to sign to accept this, and not the tenant). Unless it can be proved that a tenant is more than eight weeks in arrears with their rent the Government state that the benefit shall be paid directly to the tenant. Unfortunately, this system does not work as the payment of rent is the last thing on a tenant's mind when tenants receive benefit – this problem is currently being addressed by local authorities but it remains to be seen how effective any new system will be (see separate sheet for other benefit problems).
 - (c) Whilst Local Authorities are trying to reduce the waiting time for the first benefit payment to landlords, landlords still have to wait two to three months before they get their first cheque and in this respect it is always paid in arrear.
10. It should be accepted that the Private Sector in the main is unlikely to accept homelessness and vulnerable people such as ex offenders, persons with mental health problems, refugees and people who are unemployed or cannot manage their affairs. I believe that however deserving these cases are, as they do not fit into the three categories mentioned above, it is unlikely that all but a very small minority will be accommodated in the Private Sector. Therefore, this should be the main province of the Social Housing Provider. The accommodation of vulnerable persons creates major problems for Private Landlords who are blamed for perceived problems which occur in an area - particularly as such problem tenants seem to attract others who visit the property as friends of the occupiers, (this can include persons dealing in drugs who have clients calling, much to the annoyance of neighbours).
11. During the last two or three years I have been afforded the opportunity of meeting the Chief Executives of some of the Social Housing Providers and in one particular instance it was very apparent that they too were experiencing difficulty with benefit recipients and wished to place more people in employment in their accommodation. I was somewhat taken aback at this viewpoint in that, in view of the grants received from Government, Social Housing Providers should be giving priority to tenants who are on benefits, rather than people who are working who are more suitable to be accommodated in the Private Sector.
12. As mentioned in 4 above, and whilst it is Government policy to encourage "right to buy" in the Social Housing Sector, this is having a devastating affect on housing stocks and as Government funds are presently being restricted (and this will no doubt continue for some years yet) stocks will therefore continue to decrease throwing more pressure on the Private Sector to provide much needed

accommodation. In the present difficult times I think that such legislation should be put on hold to prevent housing stocks being reduced to an unacceptable and unsustainable level.

13. One of the biggest problems is reconciling the Private and “Public” Sector in that no statistics are available to indicate the strength of the Private Rented Sector and until this situation is rectified firm policies for the future cannot be established. There is no accurate information as to the number of properties presently rented or available to rent and the type of that accommodation within each area. Steps must be urgently taken to remedy this significant omission.
14. Another major problem in the Private Sector is the number of bad landlords/agents and steps must be taken to educate/remove any such bad landlords together with their problem agents, this will need to be done by recording all persons involved with renting accommodation, much of which is in very poor condition. This does not imply the licencing of landlords or their properties which would provide an avenue for Local Authorities to charge high fees for registration as is being done in Scotland. It should be remembered that over recent years the regulation of the Private Sector has increased several fold, each of which in turn has a financial aspect. The situation now in the Private Sector is that all financial impositions on the landlord have to be passed on to the tenant; this in turn is reducing the number of applicants that can afford that accommodation.
15. Whilst the sector has its share of bad landlords it also has more than its fair share of bad Tenants. Some tenants who seem to use every device to fleece the unsuspecting landlord, one common trick is to pay the first months rent then refuse to pay any further rent and do a moonlight flit before landlords can complete eviction processes. Another problem is that a number of tenants seem to have a complete lack understanding of how to look after landlords property and how to conduct their own financial affairs, and whilst it is possible to weed out the majority of those persons at interview some slip through the net. I think the time is fast approaching when training courses have to be established to enable prospective tenants to understand their responsibilities in relation to their tenancy obligations – perhaps this should be taught in the last years of schooling. In addition to a vast array of possible problem tenants, landlords have to be constantly vigilant to new ruses eg the use of rented properties for cannabis farms.

Response 5

Dear Sirs

Selective Licencing Consultation – Objections

I am a landlord owning properties in areas targeted by your Selective Licencing Scheme and wish to make the following comments.

I strongly object to the introduction of Selective Licencing in Sandwell MBC for the following reasons

1. All charges relating to Selective Licencing will have to be passed on in full to the tenants. This will mean an automatic rent rise for them and as a consequence will take perhaps 10% to 15% of prospective tenants out of the market as already a large percentage of my tenants are having difficulty in paying the rent I charge even though officers of Sandwell MBC regard my rents as being very reasonable.
2. This will create yet another obstacle in the renting of private property and, as such, will dissuade new private landlords from going into the market. In fact many existing landlords may also feel that this is the final straw and also withdraw from the market.
3. Coupled with these objections it is known that banks and similar are refusing loans and insurances on properties within licencing areas as they consider that these areas must be a worse risk. This will have a major impact on landlords who wish to acquire new properties for rent and find that they cannot get the necessary funds or insurance.
4. Your Council's intention in introducing Selective Licencing is to reduce the number of ASBOS affecting the private sector; this it will not do. To date, SMBC has been unable to provide figures that even a small percentage of ASBOS relate to the private sector. Private landlords consider that if this figure be known, it will be less than 5% of the total market and in no way can your council claim that there is a problem in the Private Rented Sector (PRS) in relation to ASBOS. It is believed that if your Council use the present available figures it will result in groups of landlords getting together to fund a judicial review which the landlords believe will show beyond all doubt that very few ASBOS can be directly attributable to the PRS and be very costly to your Council if they lose. It should be noted that many of the ASBOS issued in the core areas relate to other properties in the public areas named, eg public houses and night clubs.
5. Perhaps the biggest problem in the PRS is the question of bad landlords who do not manage or maintain their properties correctly. The existence of such bad landlords and properties will still remain after licencing as the scheme will have no impact whatsoever – other measures must be employed.

6. Your Council, in common with others, would do far better to understand the problems of the PRS and work together to see how those problems can be resolved rather than introducing a string of new regulations. The biggest problem in the PRS is bad tenants and this problem needs to be investigated in great detail as it would be in both our interests to develop a system that would benefit the Social Housing Providers as well as the PRS.
7. The PRS are making determined efforts to regulate their landlords and their properties. To this end they are encouraging landlord accreditation and some landlords are requesting SMBC to accredit individual properties as being up to “Decent Homes” standard as a means of going forward. SMBC already operate a property accreditation scheme and more effort must be made to develop the appropriate liaison necessary between the two sides to encourage more of this. The closer liaison between the two sectors is a sure way forward and instead of spending money on such schemes as Selective Licencing many more rewards will be achieved by the development of these accreditations.
8. According to statistics recently published by the Department of Communities (Review of Property Conditions in the Private Rented Sector) they confirm that a high proportion of private tenants are happy with their landlords.
9. There are very few actual facts that are known about the PRS and until Government and Local Authorities get together to obtain a proper basis for making edicts in the PRS market, then all the schemes proposed will be based on suppositions which are often wide of the mark.
10. The Social Sector can only provide homes for something like 15 out of every 100 persons on their waiting lists, leaving some 85% for the PRS to fill. Surely, in view of this, a far more meaningful dialogue needs to be established between the two sectors, ie Private and Social, to see how the PRS can help fill this gap.
11. The implementation of a Selective Licencing Scheme will require a substantial amount of funds to finance the extra staff and administrative fees and this, together with continually managing those areas after licencing, begs the question “where are these funds coming from”?
12. Selective Licencing will penalise good landlords and their tenants. Your present scheme will jeopardise this.
13. I am particularly concerned regarding the questionnaire that was sent to private tenants regarding the Introduction of Selective Licencing. The questionnaire gave a completely one-sided approach to the benefits of the subject and gave no consideration to the problems in the private sector. Furthermore the questionnaire did not point out any of the above views and, in particular, the fact that rents will rise to cover the cost of licencing and therefore it will preclude a percentage of prospective tenants who can no longer afford my tenancies. I have found that my tenant/s have returned the form thinking only that it will resolve the question of ASBOS of which there are virtually

none in the private sector and that it will do away with bad landlords – both of these objectives will not be met in any way and therefore I regard the questionnaire as very misleading.

14. The question of Selective Licencing raises the issue that if it is found that the cost of providing the service exceeds the income then will the cost of the licence further increase charges to cover this.

Response 6 (online feedback form)

Why does this only apply to the streets listed not all the privately rented properties in Sandwell.

Response 7 (online feedback form)

I have already completed the questionnaire but forgot one very important point. IF this scheme is introduced, I can guarantee that the licence charges will be passed on to the tenants and rents will be increased, that is a given! Therefore tenants who are trying to save to move away from renting a property will be massively affected.



SANDWELL COUNCIL'S SELECTIVE AND ADDITIONAL LICENSING PROPOSALS

A RESPONSE TO THE CONSULTATION FROM SAFEAGENT

INTRODUCTION

safeagent www.safeagentcheme.co.uk is a licensing scheme for lettings and management agents operating in the Private Rented Sector. **safeagent** agents are required to:

- deliver defined standards of customer service
- operate within strict client accounting standards
- maintain a separate client bank account
- be included under a Client Money Protection Scheme

Agents must provide evidence that they continue to meet **safeagent** criteria on an annual basis, in order to retain their licence. The scheme operates UK wide and has 1500 firms with over 2000 offices.

We are an accredited training provider under the Rent Smart Wales scheme. We have also been approved by Government as a provider of the new mandatory Client Money Protection arrangements.

CORONAVIRUS

safeagent is currently calling for new property licensing schemes in the Private Rented Sector (PRS) to be placed on hold, to free up resources.

In the wake of the Coronavirus, **safeagent** says licensing schemes not already in force should be delayed now and reviewed again in six months' time. This approach is two-fold; to ensure focus on maintaining core services through what lies ahead and to discourage non-essential property inspections that could add to community spread of the virus.

safeagent has requested:

- the Secretary of State to impose a six-month moratorium on approving any new selective licensing schemes
- Local Authorities to impose a six-month moratorium on making any new additional and/or selective licensing scheme designations
- any scheme designations made, but not yet in force, to be withdrawn

- any proposed licensing consultations not already underway to be delayed for a similar period of time.

This is because the lettings industry, and the millions of tenants reliant upon it, will be placed under immense pressure in the months ahead. In this context, now is not the right time to implement new property licensing schemes that will necessitate thousands of extra property inspections. We are not anti-licensing but at this time would support urgent measures in response to Coronavirus. It seems likely that the limited resources in local government, and the expertise offered by Environmental Health Officers, will need to be re-focussed on maintaining key public services to support the wider public health agenda. It is important that the lettings industry, central and local government work in close collaboration to tackle the challenges ahead.

We are mindful of the latest government guidance (in particular section 8.2 of the Q&A in this document)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876501/Local_authority_rented_property_COVID_enforcement_guidance_v2.2.pdf

Notwithstanding the above, we are pleased to be able submit a detailed response to your licensing proposals. This is set out below.

SAFEAGENT AND LICENSING

safeagent is supportive of initiatives such as Selective and Additional Licensing, providing they are implemented in a way that takes account of the Private Rented Sector (PRS)'s own efforts to promote high standards.

safeagent believes that positive engagement with voluntary schemes and the representative bodies of landlords and agents (such as **safeagent**) is essential to the success of initiatives such as Selective Licensing. We are mindful that the operational problems associated with lack of such engagement have been highlighted in House of Commons Standard Note SN/SP 4634.

The same note sets out how important it is for licensing schemes to avoid being burdensome. We believe that promoting voluntary schemes, and offering discounted licence fees to accredited landlords and agents, can help to achieve this. Voluntary schemes often require members to observe standards that are at least compatible with (and are often over and above) those of licensing schemes. We believe, therefore, that if Sandwell Council were to allow discounts based on membership of **safeagent** (as well as other similar bodies) implementing and policing the licensing scheme would ultimately be less costly and more effective, allowing resources to be concentrated in the areas where they are most needed.

This is a commonly accepted approach by many English Local Authorities. We would further point out that, in Wales, the Welsh Government has recognised the importance of membership of specified bodies such as **safeagent** and is offering discounted fees to members as a consequence

<https://www.rentsmart.gov.wales/en/>

PROMOTING PROFESSIONALISM IN THE PRS - THE ROLE OF AGENTS

We welcome the fact that the Council will be “*encouraging more professional landlords*”. We hope that, part of this, they will be encouraging landlords to engage professional agents.

safeagent’s engagement around the country, with various local authorities, suggests that lettings and management agents have a key role to play in making licensing, accreditation and other, voluntary regulatory schemes work effectively. Agents tend to handle relatively large portfolios of properties, certainly when compared to small landlords. They tend, therefore, to be in a position to gain an understanding of licensing based on wider experience. They become expert in trouble shooting and ensuring that the balance of responsibilities between the agent and the landlord is clearly understood. This, amongst other things, can help to prevent non-compliance due to misunderstandings about local licensing arrangements.

Furthermore, **safeagent** ensures its members maintain certain operational standards, have Client Money Protection arrangements in place, keep separate client accounts and comply with their legal obligation to be a member of a redress scheme. We also provide training. All this can be of assistance to councils who are trying to drive up standards in the PRS.

Although agents are now required to belong to a government approved redress scheme, display their fees and publish their client money protection status, our experience to date suggests local authorities face challenges in enforcing these standards. Membership of bodies such as **safeagent** can reduce the need for the local authority to use its formal, legal powers in these areas.

SANDWELL COUNCIL’S PROPOSALS - SPECIFIC ISSUES

Proposed Licensing Area

We welcome the targeted nature of the licensing proposals. We hope that the measures will protect and encourage new investment in the area and not act as a disincentive to existing and prospective landlords.

Selective License Fee, Discounts and Accreditation

We believe that the proposed license fee of £650 is higher than those charged in many local authority areas outside of London. We would suggest that Sandwell Council should reduce the level of the full fee.

We do not understand exactly how the MLAS discount of £165 per initial licence application will work. The consultation document says the discount will apply “*where the accredited landlord is also to be the licence holder or the accredited agent is also to be the licence holder as the owner cannot be deemed to be fit and proper and able to hold the licence*” However, there are many instances in which landlords prefer the agent to be the license holder, even though they would be fit to hold the license themselves.

Could you please confirm that the discount will be available in **all** cases where the managing agent is the license holder?

We note that a discount of £55 per initial licence application is proposed for members of the National Landlords Association (NLA) or the Residential Landlords Association (RLA)

We would request that membership of **safeagent** is added to this list. Specifically, it should be made clear that landlords engaging agents who are members of **safeagent** will qualify for the discount. The discount should be available to:

- Agents who are members of **safeagent** (where the agent is the licence holder)
- Landlords who engage agents that are members of **safeagent** (where the landlord is the licence holder)

We would suggest that this is justified because **safeagent** members and the landlords who engage them are less likely to be non-compliant and that, as a result, there would be reduced costs to the council. We would also suggest that **safeagent** membership mitigates the need for compliance visits to be carried out by the council. For example, the timing and content of these visits could be risk based, recognising that the risk of non-compliance is much lower in the case of properties managed by **safeagent** agents.

We agree with discounts for multiple properties. However, we believe these should also apply where an agent is managing multiple properties on behalf of a number of different landlords, some of whom may only be letting single properties.

We are supportive of the idea of a discount of £55 for properties within the area that have achieved a star rating of 4 or more stars under the Rent Well in Sandwell scheme.

We are not supportive of the idea of Variation Fees. We have not come across these in other Local Authority areas and it seems unreasonable to charge these in addition to the high fee already charged.

Additional License Fee, Discounts and Accreditation

We believe that the proposed license fee of £850 is higher than those charged in many local authority areas outside of London. We would suggest that Sandwell Council should reduce the level of the full fee.

Once again, we do not understand exactly how the MLAS discount of £165 per initial licence application will work. The consultation document says the discount will apply “*where the accredited landlord is also to be the licence holder or the accredited agent is also to be the licence holder **as the owner cannot be deemed to be fit and proper and able to hold the licence***” However, there are many instances in which landlords prefer the agent to be the license holder, even though they would be fit to hold the license themselves.

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License Period, Changes in License Holder and Pro-Rata Fees

We note that the license period will be 5 years. Our experience around the country suggests that the lack of flexibility in most license fee structures can militate against efforts to establish an alternative competent person to be licence holder/ manager, in cases where problems have been identified during the license period, often by the council. This is because (even accredited) agents still have to pay the full fee when they take on management part way through the license period.

Furthermore, it seems unreasonable to charge the full fee for licenses granted part way through the period – especially if there is only (say) one or two years remaining.

Whilst we understand that licenses cannot be “transferable” from one person to another, we would suggest that more flexibility is required than a fixed 5-year term allows. Landlords and agents taking on properties part way through a 5-year term should only have to pay the 5-year fee “pro rata”. If a licence issued but a property ceases to require a licence during the five-year life, a pro-rata refund should be available.

Fee Waiver – Tackling Homelessness

We welcome the fact that the Council will be *“identifying landlords who may be willing to work alongside the council’s homelessness team to enable easier access to private rented sector housing”*

As an incentive for landlords and agents working in partnership with the Council in tackling homelessness, we would suggest that, in cases where a private landlord is assisting the Council by offering permanent accommodation to meet homelessness duties, license applications should be accepted without a fee being payable.

This approach could become more structured if the council were to enter into partnership arrangements whereby lettings agents source properties for council referrals of homeless people or those at risk of homelessness. **safeagent** is currently working on a model whereby a “Social Lettings Agency” is created through links to one or more established local agents. This is an alternative to the traditional approach whereby entirely new voluntary sector entities need to be set up. We would be happy to discuss this model with the council at any time.

LICENCE CONDITIONS

We welcome the fact that the Council will be *“supporting and advising landlords on property conditions and those who might not necessarily be aware of their responsibilities”*. In our detailed comments below we point out some of the areas where compliance with key standards is an inherent part of the **safeagent** scheme. These are the areas where we think promotion of **safeagent**

membership through license fee discounts could ultimately save the Council money, as well as increase the take up of voluntary accreditation.

Tenant Referencing

We are strongly supportive of any requirements to obtain references for prospective tenants, as **safeagent** is actively involved in promoting good practice in tenant referencing.

Tenancy Management

safeagent agents are expected provide and fill in a tenancy agreement on behalf of the landlord. they will always make sure the terms of the tenancy are fair and help the tenant to understand the agreement.

They will always provide clear information to the tenant about any pre-tenancy payments and what these cover. They will explain any requirement for a guarantor and what the guarantor role entails.

At the end of a tenancy, they will always serve the tenant with the correct period of notice as set out in the tenancy agreement.

Under **safeagent's** service standards, agents are required to take a deposit to protect against possible damage. They are required to explain the basis on which the deposit is being held and the purpose for which it is required, as well as to confirm the deposit protection arrangements. When joining **safeagent**, agents are asked to provide details of the number and value of the deposits they have registered with the scheme.

Agents are asked to authorise **safeagent** to contact the scheme to verify this information.

During the course of a tenancy, **safeagent** agents will check the condition of the property and draw up a schedule to outline any deductions to be made from the tenant's deposit. They will return the deposit in line with timescales and processes required by the statutory tenancy deposit schemes.

safeagent agents are also required to:

- Have a designated client account with the bank
- Operate to strictly defined Accounting Standards
- Be part of a mandatory Client Money Protection Scheme.

These requirements provide additional security for client monies held, over and above the requirements of the Sandwell licensing scheme. Again, this is an area where increased **safeagent** membership would be of benefit to the Council and local tenants.

Licence Conditions Relating to the Property

We welcome Sandwell Council's drive to improve property standards. We believe that **safeagent's** standards go a long way to ensuring compliance with license conditions.

Under **safeagent's** service standards, **safeagent** agents are expected to visit any property to be let with the landlord and advise on any action needed before letting the property. This includes any repairs and refurbishments needed to put it into a fit state for letting. They will also go with possible new tenants to view unoccupied property. Tenants can, therefore, be confident that **safeagent** agents have provided advice to the landlord concerning any repairs or refurbishments which are necessary.

safeagent agents are expected to explain both the landlord's and the tenant's the rights and responsibilities. To guard against misunderstandings, they will arrange for the preparation of a schedule of the condition of the property.

safeagent agents are required to ensure that tenants are provided with copies of safety certificates on gas and electrical appliances before they commit to the tenancy. They will provide details of the condition of the property, plus a list of its contents. The property will have undergone all required safety checks on furnishings, and gas and electrical services.

Thereafter, **safeagent's** standards require agents to carry out property inspections periodically, as agreed with the landlord, in line with normal good practice. **safeagent** and our firms would anticipate inspections to be carried out every 6 months as a minimum, to identify any problems relating to the condition and management of the property. In line with common practice, records of such inspections would contain a log of who carried out the inspection, the date and time of inspection and issues found and action(s) taken. Under a licensing scheme, this information could be shared with the council in an appropriate format.

Tenants will be fully aware of access arrangements. **safeagent** agents are expected to arrange in advance a time for access, in order to inspect the condition of the property in accordance with the tenancy agreement. **safeagent** agents will arrange to have routine maintenance work carried out, up to a limit agreed with the landlord. The agent will refer expenditure above that limit to the landlord.

Training

We would welcome any proposal that agents who are license holders should undergo training.

Membership of **safeagent** means that agents already have access to an extensive training package, engagement with which should reduce the need for the local authority to intervene. Although not a *condition* of **safeagent** membership, **safeagent** offers accreditation through an online foundation course as well as qualifications such as BTEC Level 3 in Lettings and Management practice.

safeagent offers training to those who have been involved in lettings and management for some time as well as those who are just starting out. Training is available for principals of firms as well as employees. Thus, **safeagent's** Virtual Learning Environment (VLE) is designed to cater for a wide range of professional development needs. Training is easily accessible and can be undertaken when it suits the trainee. Any candidate completing the **safeagent** Foundation Lettings Course successfully also has the opportunity to use the designation '**safeagent qualified**'. **safeagent** Foundation Lettings Course (Wales) is also approved training recognised by Rent Smart Wales, the Welsh Government's regulatory body as meeting the requirements for agents to have complying with their licensing requirement.

One advantage of this approach is that it makes it easy to ascertain (through on-line monitoring) that participants have in fact undertaken the required training, prior to or immediately after accreditation.

Modules available cover:

- Pre-tenancy issues
- Responsibilities and liabilities
- Setting up a tenancy
- During a tenancy
- Ending a tenancy

- General law concepts, statute vs contract
- Relationships
- Obligations
- Process
- Considerations for corporate tenants
- Continuing Professional Development (CPD)

In addition, **safeagent** provides mini online courses designed to cover a number of elements in more detail, as appropriate to the learner's role, include topics such as:

Assured Shorthold Tenancies (ASTs)
Client Money
Consumer Protection Regulations (CPRs)
Deposits
Disrepair
Electrical Appliances & Safety
Gas Appliances & Safety
Houses in Multiple Occupation (HMOs)
Housing, Health & Safety Rating System (HHSRS)
Inventories and schedules of condition
Joint Tenancies
Notice Requiring Possession

We would further suggest that discounted fees for **safeagent** agents would provide an incentive to positive engagement with training that is fully compatible with the requirements of the licensing scheme.

Anti-Social Behaviour

We note that there are distinctive issues around crime and Anti-Social Behaviour (ASB) in the licensing area. However, we do have concerns about the assumed link between the amount of PRS accommodation in the neighbourhood and the incidence of ASB.

There may be some *correlation* between incidences of ASB and the prevalence of PRS accommodation on the area. However, correlation does not imply *causation*. The *causes* of ASB are many and varied. It is not, in our view, reasonable to expect agents and landlords to play a disproportionately large part in tackling them.

Furthermore, we would strongly advise against any proposals which imply a parity of approach between the PRS and the social rented sector. Social landlords are publicly funded (and regulated) to develop and manage housing on a large scale. Their social purpose brings with it wider responsibilities for the communities in which they work. As private businesses, PRS landlords and their agents, whilst having clear responsibilities to manage their properties professionally cannot reasonably be expected to tackle wider social problems.

Suitability of Licence Holder

We note the requirement that the council would only issue a licence if it is satisfied that the proposed licence holder is a 'fit and proper' person and that there are suitable management arrangements in place. We believe that this requirement highlights the importance of lettings and management agents belonging to recognised accrediting bodies like **safeagent**, who themselves apply a fit and proper person test.

All principals, partners and directors of a **safeagent** firm are asked to make the following declaration on application:

– “I confirm that: for a period of 10 years prior to this application I have had no conviction for any criminal offence (excluding any motor offence not resulting in a custodial sentence) nor have I been guilty of conduct which would bring the Scheme or myself into disrepute; I am not an undischarged bankrupt nor is there any current arrangement or composition with my creditors; I am not nor have I been a director of a company which has within the period of 10 years prior to this application entered into liquidation whether compulsory or voluntary (save for the purpose of amalgamation or reconstruction of a solvent company) nor had a receiver appointed of its undertaking nor had an administration order made against it nor entered into an arrangement or composition with its creditors; nor have I at any time been disqualified from acting as a Director of a company nor subject to a warning or banning order from the Consumer Markets Authority or the Department for Business, Enterprise and Regulatory Reform.

If I am subject to any current claim or am aware of any impending claim for professional negligence or loss of money or if I have been the subject of any investigation by the Consumer Markets Authority and/or local Trading Standards Office, full details of the circumstances are set out in a report enclosed with the application; all information provided by me in connection with this application is, to the best of my knowledge, correct”

We believe this certification is broadly in line with Sandwell council's licensing conditions and is another example of where promotion of **safeagent** membership through discounts could help to ensure compliance.

Complaints

All **safeagent** firms are required to have a written customer complaints procedure, available on request. Our guidance sets out how the first step for complainants is to ask the firm they are dealing with for a copy, which will outline the method by which they can seek to resolve any issues.

In line with statutory requirements, all **safeagent** members must also be members of a recognised redress scheme. Firms are required, at the request of the complainant, to refer the complaint to a redress scheme once their in-house procedure has been exhausted. They are also required to comply with any award determined by the redress scheme, within the timescale prescribed.

Elsewhere in the UK, **safeagent** has undertaken to review any complaints that have been adjudicated upon by any of the redress schemes. Under such an arrangement, **safeagent** can report to the Council on the number of complaints reaching this stage and on the adjudications made. Non-compliance with a redress scheme's adjudication would eventually lead to disqualification of the agent from **safeagent**. We would be happy to come to a similar arrangement with Sandwell .

MEASURING THE SUCCESS OF THE SCHEME

We note the objectives set out by the Council for the scheme. We believe that regular information on implementation of the scheme should be made available in a clear and consistent format. Reports to local landlord and agent forums, representative bodies and other stakeholders should include at minimum:

- The estimated number of private rented properties that require licensing under the selective licensing scheme
- The number of applications received in respect of these properties
- Progress in processing (granting, querying or refusing) the licence applications received
- Analysis of the reasons for any queries or refusals and the extent to which remedial action is identified and taken as a result
- Analysis of the outcomes of ongoing inspections and the extent to which remedial action is identified and taken as a result
- Progress reports across the whole 5 year period covered by the scheme.

This should help to enable the Council to work in partnership with landlords, agents, representative bodies and other stakeholders to ensure the success of the scheme.

CONCLUSION

It seems to us that many of the licencing requirements in the Sandwell scheme highlight how important it is for landlords to work with reputable agents such as **safeagent** members. Offering a discount to licence holders who work with a **safeagent** accredited agent would help to promote this.

safeagent would welcome a collaborative approach with Sandwell Council, based on shared objectives. We believe that agents who are members of a recognised body are more likely to embrace Selective Licensing and less likely to generate complaints or breaches of their licence. Discounted fees for **safeagent** members would be a significant incentive to positive engagement by agents. In return, the Council would experience reduced administration and compliance costs.

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APPENDIX 1 – COMPATIBILITY OF SAFEAGENT SERVICE STANDARDS WITH TYPICAL SCHEME CONDITIONS

Example Scheme Conditions	SAFEAGENT Service Standard Requirements
Fees	SAFEAGENT promotes complete transparency in agency fees. Members provide landlords with a statement of account as often as agreed.
Rent Liabilities and Payments	SAFEAGENT agents collect the rent and pass it on every month or as otherwise agreed. The agent will keep a separate clients' account to hold all monies.
Contact Details	SAFEAGENT agents are expected to respond to tenant and other legitimate enquiries in a timely manner. Up to date contact details will enable them to respond to tenants' requests for maintenance or repairs which might in some cases have to be referred to the landlord for approval.
State of Repair	SAFEAGENT agents visit the property with landlords and advise on any action needed before letting the property. This includes any repairs and refurbishments needed to put it into a fit state for letting. They will also go with possible new tenants to view unoccupied property. Tenants can be confident that SAFEAGENT agents have provided advice to the landlord concerning any repairs or refurbishments which are necessary.
Access and Possession arrangements	SAFEAGENT agents will visit the property periodically during the course of the tenancy as often as agreed with the landlord. Tenants will be fully aware of access arrangements. At the end of a tenancy, they will always serve the tenant with the correct period of notice as set out in the tenancy agreement.

Example Scheme Conditions	SAFEAGENT Service Standard Requirements
Repairs and Maintenance	SAFEAGENT agents will arrange to have routine maintenance work carried out, up to a limit agreed with the landlord. The agent will refer expenditure above that limit to the landlord.
Access, Cleaning and Maintenance of Common Parts	SAFEAGENT agents will arrange in advance a time for access to the property in order to inspect the condition of the property in accordance with the tenancy agreement.
Level of Facilities	SAFEAGENT agents ensure that tenants are provided with copies of safety certificates on gas and electrical appliances before you commit to the tenancy. They provide details of the condition of the property, plus a list of its contents. The property will have undergone all required safety checks on furnishings, and gas and electrical services.
Deposits	SAFEAGENT agents provide and fill in a tenancy agreement and take a deposit to protect against possible damage. They will explain the basis on which it is being held and the purpose for which it is required
References	SAFEAGENT agents choose a tenant in a way agreed with the landlord, taking up references or checking the tenant's rent payment record.
Complaints & Dispute Handling	<p>SAFEAGENT agents explain both the landlord's and the tenant's the rights and responsibilities. To guard against misunderstandings, they will arrange for the preparation of a schedule of the condition of the property.</p> <p>During the tenancy, they will arrange to check the condition of the property and draw up a schedule to outline any deductions to be made from the tenant's initial deposit. They will return the deposit as soon as possible, less any appropriate deductions.</p>

Response 9



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Response to Sandwell Council's proposal for selective licensing

March 2020

Introduction

1. The National Landlords Association (NLA) exists to protect and promote the interests of private residential landlords.
2. The NLA represents individual landlords from around the United Kingdom. We provide a comprehensive range of benefits and services to our members and strive to raise standards within the private rented sector.
3. We seek a fair legislative and regulatory environment for the private rented sector, while aiming to ensure that landlords are aware of their statutory rights and responsibilities.
4. We thank Sandwell Council for providing us with the opportunity to comment on the selective licensing proposal.

Executive summary

5. Having considered the evidence presented, and having undertaken our own evaluation of the circumstances faced by the residents of Sandwell, our position can be summarised by the following brief points:
 - Landlords have very limited authority when dealing with matters related to antisocial behaviour, especially if it happens outside the curtilage of the property.
 - The council fails to provide evidence of a direct link between recorded housing crime and the private rented sector.
 - The scheme will lead to further displacement of problem tenants in and around Sandwell and neighbouring councils.
 - The documentation provided fails to indicate that sufficient funding will be available to support the introduction of licensing. Adult social care will have to be involved as many tenants have mental health, alcohol, or drug related illnesses.
 - The council fails to say how it will prevent malicious claims of antisocial behaviour being made, which could result in tenants losing their tenancies. Can this be provided?
 - The document says that Sandwell Council will use all its legal powers. However, if it were to use the powers it already has, it would solve the issues and would not require selective licensing.
 - The council has not published its strategy for dealing with chaotic and antisocial tenants. This should run in conjunction with the current proposal.
 - Selective licensing will require other council strategies to be put in place if it is to tackle anti-social behaviour, these are currently missing.
 - The council fails to say how the proposal will tackle rent-to-rent and subletting, or even Airbnb.

6. We contend that the flaws in the process and proposals, as outlined above, must be rectified before this application is progressed. Furthermore, once the necessary data has been identified and provided, this consultation exercise should be then be repeated to ensure engagement with all relevant stakeholders with the new evidence, solutions and council policies.

General feedback on proposals

7. Licensing is a powerful tool. If used correctly by Sandwell Council, it could resolve specific issues. We have supported many local authorities in the introduction of licensing schemes that benefit landlords, tenants and the community. In this case, the council's lack of evidence does not support its arguments for the introduction of licensing.

8. The council, by implementing selective licensing, will be further fuelling the cost of renting. While the costs associated with the council will be passed through so will the landlords costs. With a lack of affordable housing, Sandwell and other local authorities are appealing to landlords to help place tenants. The introduction of licensing will make it more difficult.

9. House prices are already high in Sandwell and in some cases, renting is the only option, this has to be taken into consideration, with the introduction of a scheme. The impact of a licensing scheme will not be only on landlords, but it will also tenants.

10. This will also affect insurance, as premiums will increase for everyone now that the council says that antisocial behaviour is a significant problem. This will add costs to those renting as well as to owner-occupiers.

11. We believe that any regulation of the private rented sector must be balanced. Additional regulatory burdens should focus on increasing the professionalism of landlords, improving the quality of private rented stock and driving out the criminals who act as landlords and blight the sector. These should be the shared objectives of all the parties involved, to facilitate the best possible outcomes for landlords and tenants alike. Good practice should be recognised and encouraged, in addition to the required focus on enforcement activity. This is not the case here.

12. In addition, the proposal does not take into account rent-to-rent or those who exploit people (both tenants and landlords). Criminals will always play the system. For instance, there is no provision for landlords who have legally rented out a property that has later been illegally sublet. The council will need to allocate resources to tackle these problems that criminals cause. Often, landlords are victims, just as much as tenants. What support will the council provide for landlords to whom this has happened?

13. Newham reorganised its council services to deliver its licensing scheme. A joined-up coordinated approach within the council will be required. Additional costs in relation to adult social care along with children's services and housing will be incurred if the council's goal is to be achieved. Yet there is no evidence from the council that this will be done – can this be provided?

14. The issue of overcrowding is difficult for a landlord to manage if it is the tenant that has overfilled the property. A landlord will tell a tenant how many people are permitted to live in the property, and that the tenant is not to sublet it or allow additional people to live there. Beyond that, how is the landlord to manage this matter without interfering with the tenant's welfare? Equally, how will the council assist landlords when this problem arises? It is impractical for landlords to monitor the everyday activities or sleeping arrangements of tenants. Where overcrowding does take place, the people involved know what they are doing and that they are criminals, not landlords. The council already has the powers to deal with this. It also raises concerns for the NLA as this is not currently being undertaken by the council.

15. The proposal fails to address the link between homelessness and the effect that licensing will have on tenants in Sandwell. This impact on tenancies due to a selective licensing scheme is absent from the document. This should be viewed through the prism of the changes proposed by government on Section 21.

16. Landlords are usually not experienced in the management of antisocial behaviour and do not have the professional capacity to resolve tenants' mental health issues or drug and alcohol dependency. If there are allegations about a tenant causing problems (e.g. antisocial behaviour) and a landlord ends the tenancy, the landlord will have dispatched their obligations under the selective licensing scheme, even if the tenant has any of the above issues. This moves the problems around Sandwell, but does not actually help the tenant, who could become lost in the system, or worst moved towards the criminal landlords. They will also blight another resident's life. There is no obligation within selective licensing for the landlord to resolve an allegation of antisocial behaviour. Rather, a landlord has a tenancy agreement with a tenant and this is the only thing that the landlord can legally

enforce.

17. Referencing will not resolve the issue, as a landlord can provide a reference where no offence has been prosecuted, and it is an allegation. If a landlord puts this allegation in a reference, they could be sued by the tenant for something that has not been proved but was an allegation that was untrue. Equally, a credit reference would only show the credit history of a tenant, not anything else.

18. Sandwell Council has many existing powers. Section 57(4) of the Housing Act 2004 implies that a local authority must not make a designation 'unless (a) they have considered whether there are any other courses of action available to them [...] that might provide an effective method [for Sandwell Council to deal] with the problem or problems in question'. The council already has powers that can be used to rectify the problems and, hence, the ability to tackle many of the issues that it wishes to overcome in all parts of Sandwell. These include:

- criminal behaviour orders
- crime prevention injunctions
- interim management orders
- empty dwelling management orders
- improvement notices (for homes that do not meet the Decent Homes Standard)
- litter abatement notices (section 92 of the Environmental Protection Act 1990)
- fixed penalty notices or confiscation of equipment (sections 8 and 10 of the Noise Act 1996)
- directions regarding the disposal of waste (e.g. section 46 of the Environmental Protection Act 1990)
- notices to remove rubbish from land (sections 2–4 of the Prevention of Damage by Pests Act 1949).

19. We would argue that Sandwell is failing to use its existing powers. It would be better if the council were to use the powers that already exist to solve issues that it claims exist before undertaking licensing. Licensing is not a solution in itself; the council will fall back on existing powers for enforcement, which it is failing to use currently.

20. At the commencement of a tenancy, the landlord outlines the tenant's obligations in relation to noise (and other matters such as waste disposal, compliance with relevant laws and having consideration for their neighbours). The landlord can manage a tenant only to the extent of their mutually agreed contract for living in the rented property – not for a tenant's activities in the street outside the property or neighbouring streets. In the case of a noise complaint, the council would have to inform the landlord that the tenant was being excessively noisy. The landlord then has the right either to warn the tenant or to end the tenancy. If the allegation is false or disingenuous, how is the landlord to know? If the same allegation is made on more than one occasion, the landlord may end the tenancy based on an unproven allegation or because the council says that there is a problem. This does not solve the problem but rather moves it around the borough. The same applies to household refuse and other antisocial behaviour issues. The tenant could be labelled as guilty without having faced a trial. Under the reference condition of selective licensing, a guilty judgment can be made without an accusation being tested by their peers in a court of law.

21. The ending of a tenancy will be a way for a landlord to resolve an allegation of antisocial behaviour, waste mismanagement or even a malicious complaint. This will not resolve the issue of high tenancy turnover; it will exacerbate it.

22. The introduction of licensing is likely to increase costs for tenants without solving the problems that the council is trying to target. It will likely move the issues around Sandwell and neighbouring areas and displace them to new landlords. The issues would be better resolved by a more erudite approach to dealing with nuisance and a separate policy to tackle criminals acting as landlords.

23. Often when tenants are nearing the end of their contract/tenancy and are in the process of moving out, they will dispose of excess household waste by a variety of methods. These include putting waste out on the street for the council to collect. This is made worse when the council does not allow landlords access to municipal waste collection points. Local authorities with a large number of private rented sector properties need to consider a strategy for the collection of excess waste at the end of tenancies. We would be willing to work with the council to help develop such a strategy. An example is the Leeds Rental Standard, which works with landlords and landlord associations to resolve issues while staying in the framework of a local authority.

24. One of the arguments the council has put forward is that selective licensing is being introduced due to the size of the PRS. Can the council clarify: a) is it the council's policy to reduce the PRS in these areas; and b) where does the council wish to see PRS grow in Sandwell?

25. We also have concerns over how a scheme will interact with the current government consultation on Section 21. The change to how tenancies will end and a move to a more adversarial system, will mean landlords will become

more risk adverse to take tenants that do not have a perfect reference and history.

26. One of the dangers of the proposed selective licensing scheme is that the costs will be passed on to tenants. This would increase costs both for those who rent in Sandwell and for the council. The increased costs to Sandwell residents would particularly hit those most vulnerable and least able to tolerate a marginal increase in their cost of living. Also, the council has failed to explain that, as well as the council's costs for the licence, landlords will likely cover their increased costs by raising rent prices. The failure to explain this shows a lack of understanding of how the private rented sector works. This could mean that landlords will look for tenants from other councils, as they are offering incentives (e.g. Haringey is offering £4,000 plus the Central London Local Housing Allowance rate). We know they are placing tenants out of London and into the west midlands, which a policy such as this will escalate.

27. Areas that have been subject to the introduction of selective licensing have seen lenders withdraw mortgage products, thereby reducing the options available to landlords who are reliant on finance. Downstream, this increases overheads for landlords and tenants. When lenders withdraw mortgage availability from a landlord, that decision appears on that landlord's credit history. Other mortgage lenders will see this credit score and put a higher cost on mortgage/landlord, which will ultimately reach the tenant through rent.

28. Defining areas of Sandwell as having significant issues in the consultation will not encourage lending or investment into those areas. The stigmatisation will be reflected in property values within them. Sandwell Council, by proposing to introduce licensing, is implying that there are social problems that could deter investment in those areas. The council does not acknowledge the impact that the stigmatisation of discretionary licensing will likely have. It will likely increase all car and house insurance premiums, but the council has not told Sandwell residents about this. We assert that failure to provide such information indicates a substandard and, ultimately, superficial consultation exercise.

29. The social housing sector has made many efforts to remove problem tenants (see table below). How does the council expect landlords to solve these tenants' issues when the social sector has failed? Many of the tenants who have been removed from the social sector are now living in the private rented sector without any support. This selective licensing policy will have a greater impact on those people who are evicted from social housing, as they will not be able to access the PRS as they will fail the reference check (mandatory condition).

Mortgage and landlord possession statistics 2016¹

Year (calendar)	Landlord type		Claims issued
	Private*	Social	
2016	2,583 (39.7%)	4,789 (60.3%)	7,372 (100%)
*includes all accelerated claims			

Current law

30. A landlord currently has to comply with over 130 pieces of legislation, and the laws with which the private rented sector must comply can be easily misunderstood. A landlord is expected to give the tenant a 'quiet enjoyment' of the property. Failure to do so could result in a harassment case being brought against the landlord. The law within which landlords must operate is not always fully compatible with the aims of the council. For example, a landlord keeping a record of a tenant could be interpreted as harassment.

31. Licensing is introduced to tackle specific issues. Many of these are related to tenants, which the council has identified. The challenge for local authorities is to work with all the people involved and not simply to blame one group – e.g. landlords. We are willing to work in partnership with the council to develop tenant information packs, assured shorthold tenancies and accreditation of landlords, along with targeting the worst properties in a given area.

¹ www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-october-to-december-2016.

32. We would also argue that problems that are restricted to only a few poorly managed and/or poorly maintained properties would not be appropriately tackled by a licensing scheme – it is not proportionate. In many situations, the council should consider enforcement notices and management orders. The use of such orders would deliver immediate results. Why, instead, does the council wish to address them over a period of five years and through a licensing scheme? A targeted, street-by-street approach, working on specific issues in a coordinated manner with other relevant agencies, such as community groups, tenants and landlords, would have a much greater impact. Does the council propose to inspect all properties?

33. We would also like to see the council develop a strategy that includes action against any tenants who are persistent offenders. These measures represent a targeted approach to specific issues, rather than a blanket licensing scheme that would adversely affect all professional landlords and tenants alike, while leaving criminals able to operate covertly. Many of the problems are caused by mental health or drink and drug issues. Landlords cannot resolve these issues and will require additional resources from the council.

34. In relation to the reduction of antisocial behaviour and the authority that landlords have to tackle such activity within their properties, it should be pointed out that landlords and agents can only enforce a contract; they cannot manage behaviour (NB: House of Commons briefing note SN/SP 264, paragraph 1.1). In most circumstances, the only remedy available to landlords who are confronted with serious antisocial behaviour in one of their properties will be to seek vacant possession. In many instances, they will need to serve a section 21 notice, rather than a section 8 notice, identifying the grounds for possession. The former is simpler and cheaper and repossession (at present) is more certain. No reason need be given for serving a section 21 notice and, in this case, the perpetrator tenant can hypothetically approach the local authority for assistance to be rehoused (NB: Homelessness Guidelines cl 8.2). Crucially, no affected party needs to offer evidence against an antisocial householder, thereby reducing the risk of intimidation, harassment and, ultimately, unsuccessful possession claims. The issue of antisocial behaviour will, thus, not appear as a factor in the repossession. However, when providing evidence to support a licensing application, the document should clarify the position of all the relevant issues under landlord and tenant law.

Requests for supplementary information

35. We are extremely concerned about the gaps in evidence and justification that occur throughout the licensing proposal. Can the council commit to inspecting all properties during the five-year period? Equally can the council produce an annual inspection rate.

36. We would like clarification on the council's policy in relation to helping a landlord when a section 21 notice (or future notice as currently being consulted upon) is served, the property is overcrowded or the tenant is causing antisocial behaviour, as per what the council says in the consultation. What steps will the council take to support the landlord? It would be useful if the council were to put in place a guidance document before the introduction of the scheme, to outline its position regarding helping landlords to remove tenants who are manifesting antisocial behaviour.

37. We would like a breakdown of antisocial behaviour complaints over the last five years, subdivided into antisocial behaviour that has proven to be housing-related and for the different housing sectors (owner-occupied, social providers and private rented).

38. We would like to know what consideration the council has given to homelessness, where these tenants cannot access the private rented sector, due to the introduction of this scheme and conditions.

39. The council fails to say what additional services will be provided for mental health. This will have an impact on adult social care budgets for the county council – and this budget is already under pressure. How much money has been allocated from the county to meet this?

Appendix 4: Responses by methodology

Each table shows the breakdown by count (number of people who selected the response) and percentage (in brackets) for each method – those who took part in the online survey and those who took part in the postal survey.

1. Which of the following best describes you? (Please tick all that apply)

	Online	Postal
A resident of West Bromwich	66 (46.8%)	366 (83.0%)
A privately renting tenant within West Bromwich	17 (12.1%)	43 (9.8%)
A landlord with a property (or number of properties) in West Bromwich	47 (33.3%)	28 (6.3%)
An agent, managing properties in West Bromwich	3 (2.1%)	4 (0.9%)
A business operating in West Bromwich	6 (4.3%)	19 (4.3%)
A resident/ landlord/ business in a neighbouring area to West Bromwich	18 (12.8%)	23 (5.2%)
Other (Please specify below)	8 (5.7%)	31 (7.0%)

2. To what extent do you agree or disagree with the proposal to introduce an Additional Licensing scheme in the selected area? (Please tick one box)

	Online	Postal
Strongly agree	60 (42.6%)	303 (67.5%)
Agree	25 (17.7%)	66 (14.7%)
Disagree	11 (7.8%)	9 (2.0%)
Strongly disagree	39 (27.7%)	42 (9.4%)
Don't know	6 (4.3%)	29 (6.5%)

3. Please tell us the reason for your answer about an Additional Licensing scheme in the box below.

Verbatim comments provided to Council separately (111 respondents to online survey / 361 to postal survey).

4. To what extent do you agree or disagree with the proposal to implement a Selective Licensing scheme in the proposed area? (Please tick one box)

	Online	Postal
Strongly agree	39 (27.9%)	286 (64.4%)
Agree	33 (23.6%)	60 (13.5%)
Disagree	9 (6.4%)	18 (4.1%)
Strongly disagree	51 (36.4%)	45 (10.1%)
Don't know	8 (5.7%)	35 (7.9%)

5. Please tell us the reason for your answer about a Selective Licensing scheme in the box below.

Verbatim comments provided to Council separately (98 respondents to online/ 325 to postal survey).

6. What impact, if any, do you feel implementing an Additional Licensing scheme would have on you? (Please tick one box)

	Online	Postal
A positive impact	62 (44.6%)	247 (55.9%)
No impact	24 (17.3%)	95 (21.5%)
A negative impact	40 (28.8%)	32 (7.2%)
Don't know	13 (9.4%)	68 (15.4%)

7. Please tell us the reason for your answer about an Additional Licensing scheme in the box below.

Verbatim comments provided to Council separately (90 respondents to online survey / 286 to postal survey).

8. What impact, if any, do you feel implementing a Selective Licensing scheme would have on you? (Please tick one box)

	Online	Postal
A positive impact	45 (32.8%)	240 (55.0%)
No impact	20 (14.6%)	92 (21.1%)
A negative impact	59 (43.1%)	40 (9.2%)
Don't know	13 (9.5%)	64 (14.7%)

9. Please tell us the reason for your answer about a Selective Licensing scheme in the box below.

Verbatim comments provided to Council separately (78 respondents to online survey / 274 to postal survey).

10. To what extent do you agree or disagree that the proposed Additional Licence fees are reasonable? (Please tick one box)

	Online	Postal
Strongly agree	30 (21.4%)	181 (40.9%)
Agree	25 (17.9%)	93 (21.0%)
Disagree	14 (10.0%)	29 (6.5%)
Strongly disagree	55 (39.3%)	63 (14.2%)
Don't know	16 (11.4%)	77 (17.4%)

11. Please tell us the reason for your answer about the proposed Additional Licence fees in the box below.

Verbatim comments provided to Council separately (96 respondents to online / 289 to postal survey).

12. To what extent do you agree or disagree that the proposed Selective Licence fees are reasonable? (Please tick one box)

	Online	Postal
Strongly agree	24 (17.3%)	177 (40.7%)
Agree	24 (17.3%)	89 (20.5%)
Disagree	16 (11.5%)	36 (8.3%)
Strongly disagree	62 (44.6%)	59 (13.6%)
Don't know	13 (9.4%)	74 (17.0%)

13. Please tell us the reason for your answer about the proposed Selective Licence fees in the box below.

Verbatim comments provided to Council separately (87 respondents to online / 274 to postal survey).

14. To what extent do you agree or disagree that the proposed Additional Licence conditions are reasonable? (Please tick one box)

	Online	Postal
Strongly agree	39 (28.7%)	238 (54.0%)
Agree	35 (25.7%)	93 (21.1%)
Disagree	10 (7.4%)	11 (2.5%)
Strongly disagree	38 (27.9%)	38 (8.6%)
Don't know	14 (10.3%)	61 (13.8%)

15. Please tell us the reason for your answer about Additional Licence conditions in the box below.

Verbatim comments provided to Council separately (66 respondents to online / 249 to postal survey).

16. To what extent do you agree or disagree that the proposed Selective Licence conditions are reasonable? (Please tick one box)

	Online	Postal
Strongly agree	29 (21.5%)	206 (48.5%)
Agree	36 (26.7%)	97 (22.8%)
Disagree	12 (8.9%)	17 (4.0%)
Strongly disagree	42 (31.1%)	37 (8.7%)
Don't know	16 (11.9%)	68 (16.0%)

17. Please tell us the reason for your answer about Selective Licence scheme conditions in the box below.

Verbatim comments provided to Council separately (59 respondents to online / 215 to postal survey).

18. Please use the box below to provide any other comments on the proposals, or any alternatives the Council could consider.

Verbatim comments provided to Council separately (79 respondents to online / 223 to postal survey).

19. Sandwell Council will publish the results of the consultation on their website. If you wish to be notified when the results are available, please provide your name and email address below: (this information alone will be passed onto the Council to let you know)

Email address provided: 83 for online / 171 for postal survey.

20. How old are you? (Please tick one box only)

	Online	Postal
Under 21	0 (0.0%)	5 (1.1%)
21 – 24	2 (1.6%)	1 (0.2%)
25 – 29	5 (3.9%)	4 (0.9%)
30 – 44	37 (28.9%)	70 (16.0%)
45 – 59	48 (37.5%)	134 (30.7%)
60 – 64	11 (8.6%)	63 (14.4%)
65 – 74	13 (10.2%)	83 (19.0%)
75 or over	3 (2.3%)	62 (14.2%)
Prefer not to say	9 (7.0%)	15 (3.4%)

21. Are you? (Please tick one box only)

	Online	Postal
Male	51 (40.8%)	218 (50.1%)
Female	63 (50.4%)	199 (45.7%)
Prefer not to say	11 (8.8%)	18 (4.1%)

22. Are you? (Please tick one box only)

	Online	Postal
A refugee	0 (0.0%)	5 (1.3%)
An asylum seeker	0 (0.0%)	0 (0.0%)
Economic migrant – a person who has travelled to another country to work	4 (3.2%)	33 (8.3%)
None of the above	121 (96.8%)	359 (90.4%)

23. What is your ethnic background? (Please tick one box only)

	Online	Postal
White: British	68 (54.8%)	268 (61.8%)
White: Irish	0 (0.0%)	2 (0.5%)
White: Romanian	0 (0.0%)	0 (0.0%)
White: Turkish	0 (0.0%)	0 (0.0%)
White: Kurdish	1 (0.8%)	2 (0.5%)
White: Slovakian	0 (0.0%)	0 (0.0%)
White: Polish	1 (0.8%)	10 (2.3%)
White: Czech	0 (0.0%)	0 (0.0%)
White: Bulgarian	0 (0.0%)	0 (0.0%)
White: Hungarian	1 (0.8%)	0 (0.0%)
White: Albanian	0 (0.0%)	0 (0.0%)
White: Lithuanian	0 (0.0%)	0 (0.0%)
White: other	5 (4.0%)	5 (1.2%)

Mixed: White and Black Caribbean	1 (0.8%)	5 (1.2%)
Mixed: White and Black African	0 (0.0%)	0 (0.0%)
Mixed: White and Asian	0 (0.0%)	3 (0.7%)
Asian: Indian	17 (13.7%)	68 (15.7%)
Asian: Pakistani	4 (3.2%)	4 (0.9%)
Asian: Bangladeshi	3 (2.4%)	8 (1.8%)
Asian: East African Asian	0 (0.0%)	0 (0.0%)
Asian: Chinese	0 (0.0%)	1 (0.2%)
Black: Caribbean	3 (2.4%)	12 (2.8%)
Black: African	3 (2.4%)	4 (0.9%)
Any other ethnic background, (Please specify below)	2 (1.6%)	10 (2.3%)
Prefer not to say	15 (12.1%)	32 (7.4%)

24. Do you consider yourself to have a disability? (Please tick one box only)

	Online	Postal
Yes	17 (14.3%)	112 (26.2%)
No	102 (85.7%)	316 (73.8%)

Appendix 5: Responses from outside West Bromwich

There were 41 responses in total from respondents who said they lived outside of West Bromwich.

Each table shows the total number of counts (number of people who selected the response) and percentages (in brackets) for those who said they were from outside of West Bromwich.

To what extent do you agree or disagree with the proposal to introduce an Additional Licensing scheme in the selected area? (Please tick one box)

Count = 41	%
Strongly agree	46.3%
Agree	26.8%
Disagree	2.4%
Strongly disagree	19.5%
Don't know	4.9%

To what extent do you agree or disagree with the proposal to implement a Selective Licensing scheme in the proposed area? (Please tick one box)

Count = 40	%
Strongly agree	35.0%
Agree	27.5%
Disagree	7.5%
Strongly disagree	27.5%
Don't know	2.5%

What impact, if any, do you feel implementing an Additional Licensing scheme would have on you? (Please tick one box)

Count = 40	%
A positive impact	47.5%
No impact	15.0%
A negative impact	20.0%
Don't know	17.5%

What impact, if any, do you feel implementing a Selective Licensing scheme would have on you? (Please tick one box)

Count = 39	%
A positive impact	46.2%
No impact	7.7%
A negative impact	28.2%
Don't know	17.9%

**To what extent do you agree or disagree that the proposed Additional Licence fees are reasonable?
(Please tick one box)**

Count = 40	%
Strongly agree	30.0%
Agree	10.0%
Disagree	2.5%
Strongly disagree	35.0%
Don't know	22.5%

**To what extent do you agree or disagree that the proposed Selective Licence fees are reasonable?
(Please tick one box)**

Count = 40	%
Strongly agree	30.0%
Agree	10.0%
Disagree	5.0%
Strongly disagree	32.5%
Don't know	22.5%

To what extent do you agree or disagree that the proposed Additional Licence conditions are reasonable? (Please tick one box)

Count = 39	%
Strongly agree	38.5%
Agree	12.8%
Disagree	7.7%
Strongly disagree	23.1%
Don't know	17.9%

To what extent do you agree or disagree that the proposed Selective Licence conditions are reasonable? (Please tick one box)

Count = 39	%
Strongly agree	33.3%
Agree	23.1%
Disagree	7.7%
Strongly disagree	20.5%
Don't know	15.4%

How old are you? (Please tick one box only)

Count = 39	%
Under 21	2.6%
21 – 24	2.6%
25 – 29	-
30 – 44	25.6%
45 – 59	25.6%
60 – 64	12.8%
65 – 74	17.9%
75 or over	2.6%
Prefer not to say	10.3%

Are you? (Please tick one box only)

Count = 38	%
Male	31.6%
Female	55.3%
Prefer not to say	13.2%

Are you? (Please tick one box only)

Count = 37	%
A refugee	2.7%
An asylum seeker	-
Economic migrant – a person who has travelled to another country to work	2.7%
None of the above	94.6%

What is your ethnic background? (Please tick one box only)

Count = 39	%
White: British	56.4%
White: Irish	-
White: Romanian	-
White: Turkish	-
White: Kurdish	-
White: Slovakian	-
White: Polish	-
White: Czech	-
White: Bulgarian	-
White: Hungarian	-
White: Albanian	-
White: Lithuanian	-

White: other	-
Mixed: White and Black Caribbean	2.6%
Mixed: White and Black African	-
Mixed: White and Asian	-
Asian: Indian	15.4%
Asian: Pakistani	5.1%
Asian: Bangladeshi	5.1%
Asian: East African Asian	-
Asian: Chinese	-
Black: Caribbean	2.6%
Black: African	5.1%
Any other ethnic background, (Please specify below)	2.6%
Prefer not to say	5.1%

Do you consider yourself to have a disability? (Please tick one box only)

Count = 37	%
Yes	16.2%
No	83.8%

Appendix 6: Demographic profile of respondents

Each table shows the total number of counts (number of people who selected the response) and percentages (in brackets) for those who provided a response to the question.

How old are you? (Please tick one box only)

Under 21	5 (0.9%)
21 – 24	3 (0.5%)
25 – 29	9 (1.6%)
30 – 44	107 (18.9%)
45 – 59	182 (32.2%)
60 – 64	74 (13.1%)
65 – 74	96 (17.0%)
75 or over	65 (11.5%)
Prefer not to say	24 (4.2%)

Are you? (Please tick one box only)

Male	269 (48.0%)
Female	262 (46.8%)
Prefer not to say	29 (5.2%)

Are you? (Please tick one box only)

A refugee	5 (1.0%)
An asylum seeker	0 (0.0%)
Economic migrant – a person who has travelled to another country to work	37 (7.1%)
None of the above	480 (92.0%)

What is your ethnic background? (Please tick one box only)

White: British	336 (60.2%)
White: Irish	2 (0.4%)
White: Romanian	0 (0.0%)
White: Turkish	0 (0.0%)
White: Kurdish	3 (0.5%)
White: Slovakian	0 (0.0%)
White: Polish	11 (2.0%)
White: Czech	0 (0.0%)
White: Bulgarian	0 (0.0%)
White: Hungarian	1 (0.2%)
White: Albanian	0 (0.0%)
White: Lithuanian	0 (0.0%)
White: other	10 (1.8%)
Mixed: White and Black Caribbean	6 (1.1%)
Mixed: White and Black African	0 (0.0%)
Mixed: White and Asian	3 (0.5%)
Asian: Indian	85 (15.2%)
Asian: Pakistani	8 (1.4%)
Asian: Bangladeshi	11 (2.0%)
Asian: East African Asian	0 (0.0%)
Asian: Chinese	1 (0.2%)
Black: Caribbean	15 (2.7%)
Black: African	7 (1.3%)
Any other ethnic background, (Please specify below)	12 (2.2%)
Prefer not to say	47 (8.4%)

Do you consider yourself to have a disability? (Please tick one box only)

Yes	129 (23.6%)
No	418 (76.4%)

Report to Cabinet

15 December 2021

Subject:	Day to Day Repairs to Housing
Cabinet Member:	Cabinet Member for Housing Councillor Zahoor Ahmed
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes Above £250,000 threshold
Contact Officers:	Steve Greenhouse – Service Manager – Asset Management and Maintenance steve_greenhouse@sandwell.gov.uk Jonathan Rawlins, Business Manager - Asset Management and Maintenance Jonathan_rawlins@sandwell.gov.uk

1 Recommendations


- 1.1 That the Director of Housing in consultation with the Director of Finance and Section 151 Officer, be authorised to award a contract for the provision of day to day repairs to our housing stock, for the period 1 January 2022 to 31 December 2023 at an anticipated value of £1,300,000 following the conclusion of the current procurement exercise.
- 1.2 That in connection with 1.1 above, the Director – Law and Governance and Monitoring Officer be authorised to enter into appropriate contracts.



2 Reasons for Recommendations

- 2.1 The current contract was due to expire on 31 October 2022. However, one of the incumbent contractors has gone into administration and the other incumbent contractor does not have the capacity to receive orders. This has left the Council in the vulnerable position of not having adequate resources available to maintain the pace of demand for delivering the required repairs to Council properties.
- 2.2 The Council is therefore seeking to procure and appoint 3 contractors, 2 to undertake day to day repairs and 1 to undertake repairs to fencing, for a contract period of 24 months running from January 2022 to December 2023.
- 2.3 In response to a contract notice published on the Government's Find a Tender website, 4 compliant tenders were received. Evaluation of the returned tenders in accordance with the published award criteria in terms of price and quality is currently being undertaken but due to the relatively short timeline now available to complete this activity in readiness for Cabinet deadlines, it is necessary to request delegated authority to award this contract upon completion of the tender evaluation by mid-December 2021. This will ensure that mandatory standstill requirements are observed and allow for the appropriate mobilisation period to be implemented.

3 How does this deliver objectives of the Corporate Plan?

	<p>Quality homes in thriving neighbourhoods</p> <p>This contract is required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required.</p> <p>Ambition 5: Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.</p>
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4 Context and Key Issues

- 4.1 At its meeting of 19 September 2018, Cabinet approved the award of contracts for Day to Day Repairs to council housing to Axis Europe Plc and Woodland Property Services Limited for a period of 4 years, from 8 November 2018 to 31 October 2022 at a cost of £2.4m (£600,000 per annum).
- 4.2 The Council has recently received notification from Woodland Property Services Limited that as of 5 July 2021 they have gone into administration.
- 4.3 Over recent months, Axis Europe Plc have been contacted on numerous occasions and have been unable to provide any resource to deliver their obligations under their contract.
- 4.4 This has left the Council in the vulnerable position of not having adequate resources available to maintain the pace of demand for delivering required repairs to Council properties.
- 4.5 Further to re-commencing non-urgent repairs in April 2021, the number of jobs received over the past 6 months has been well above average and has resulted in a backlog of work orders requiring attention.
- 4.6 During this period a backlog of fencing repairs has also been identified and to obtain better value for money, by affording direct suppliers of fencing works the opportunity to apply for these works, officers propose that a separate fencing repairs contract be procured as part of this process.
- 4.7 To comply with Public Contract Regulations 2015 a decision has been made in conjunction with Procurement Services to terminate the current contract with Axis Europe Plc in accordance with the termination provision contained within the contract and to re-procure the contract to both ensure compliance and in the short term provide enough support to our in-house team that delivers day to day repairs to Council properties.
- 4.8 A tendering exercise has commenced and has been conducted in accordance with the Council's Procurement and Contract Procedure Rules to re-procure the day to day repairs contract and appoint two contractors with one working in the north of the borough and one working



in the south, in addition to procuring a separate contract to undertake fencing repairs, for an interim period of 2 years.

- 4.9 During this shorter interim contract period of 2 years, officers propose to undertake a full options appraisal of the future procurement strategy for the delivery of these works. Consideration will be given to continuing with the use of these larger contractors or whether to break it down into smaller contracts, one for each town, to possibly stimulate a greater interest from local small and medium enterprises (SMEs) and to positively promote the procurement opportunity to smaller locally based businesses.
- 4.10 The anticipated value of the contracts is in the region of £1.3 million (£600,000 per annum over 2 years on day to day repairs and £50,000 per annum over 2 years on fencing) for provision of labour and materials to undertake repairs to Sandwell MBC properties and is included within approved Housing Revenue Account budgets.

5 Alternative Options

- 5.1 There are no other options available. This contract is required in order for Sandwell MBC to be able to repair and maintain the current housing stock.
- 5.2 Current in-house provision does not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties and this is why support from external contractors is required.



6 Implications

Resources:	The proposed contract value of £1.3m (£600,000 per annum for day to day repairs and £50,000 per annum for fencing works) is included within the approved revenue budgets for the ongoing repairs and maintenance of Housing Revenue Account owned properties. Due to the contracts being an ongoing requirement to provide the service, the budget is maintained at this level each year to ensure the appropriate works can be carried out.
Legal and Governance:	The contract will be procured and awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.
Risk:	No Risks
Equality:	An Equality Impact Assessment was not undertaken as this is a renewal of an existing contractual arrangement. The contract will be monitored to ensure compliance.
Health and Wellbeing:	The award of this contract will enable the Asset Management and Maintenance Teams to quickly repair Sandwell MBC properties.
Social Value	Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contracts. The plan includes contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.

7. Background Papers

None

8. Appendices

None



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Report to Cabinet

15 December 2021

Subject:	Review of council tenant rents and housing related property charges.
Cabinet Member:	Cabinet Member for Housing Councillor Zahoor Ahmed
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes Significant in terms of its effect on communities living or working in an area comprising two or more wards of the borough.
Contact Officer:	Nigel Collumbell Service Manager Housing Management

1 Recommendations

In relation to council tenant rents and housing related charges for 2022/23, that the Cabinet authorises the Director of Housing to:

- 1.1 Increase housing service charges by the consumer price increase (CPI) which is 3.1% plus 1% which is equivalent to a 4.1% increase.
- 1.2 Increase rent at the traveller's pitch site in Hillside View, Tipton, by the lower level of either 2% or the consumer price increase (CPI) plus 1%. For 2022/23, this will be an increase of 2%. This increase to be implemented subject to consultation with residents of the site
- 1.3 That rental charges for garage sites be increased by £4.13 to £11 per week.
- 1.4 That properties managed by Riverside under the Private Finance Initiative (PFI) agreement be subject to a 2% rental increase and 4.1% increase in service charges.



- 1.5 That properties that sit outside the Housing Revenue Account (including service tenants for Parks, Sandwell Valley and Caretaking) receive a 4.1% increase in rental charges and service charges. This is equivalent to CPI plus 1%.
- 1.6 That the leaseholder annual fee be increased by CPI plus 1% in 2022/23 to £104.10.

2 Reasons for Recommendations

- 2.1 On an annual basis council tenants, leaseholders and other residents are notified of the rent and other related housing charges to be set from April. The purpose of this report is to agree the revision of these charges for the new financial year 2022/23.
- 2.2 The rental income is essential to the financial robustness of the Housing Revenue Account (HRA). Rental income offsets operational costs and financial charges, and the surplus is used to invest in capital improvements; in particular to fund the council's affordable homes new build programme.
- 2.3 Approval has already been granted by Cabinet on 8th January 2020 to increase rents by 2% in each of 3 financial years: 2020/21, 2021/22 and 2022/23. This report seeks approval for service charges and other rental charges only.
- 2.4 Service charges were frozen during 2021/22 as some of the services were interrupted during the pandemic. Service charges are outside of the government's legislative changes. The principle continues to be to recover the costs associated with the service provided.
- 2.5 The recommendation is to increase service charges by 4.1% (CPI+1%). This will reduce the gap between actual costs incurred and the amount currently recovered. A full review of service charges will be undertaken during the next 12-18 months.
- 2.6 Garages are within the council's general fund property portfolio. A large proportion of garages are rented by private homeowners although council tenants represent 44%. It is proposed that weekly rental is increased by £4.13 to £11 per week to bring garage rents up to a reasonable level that is comparable to charges in other areas.



Rents

- 2.7 Cabinet provided approval on 13th January 2021 to increase rents to HRA properties by the lower level of 2% or the movement in the consumer price increase (CPI) + 1% per annum for the financial years 2021/22 to 2023/24.
- 2.8 Appendix 1 sets out the proposed typical weekly rent levels for the main property types and sizes.
- 2.9 The additional income generated of £2.3 million will allow continued investment into HRA properties and to fund additional works relating to climate change in order to meet the council's ambition to reduce carbon emissions. It will also enable more high-quality housing to be built to meet the needs of our residents.
- 2.10 The rents for new tenants in existing council stock are set on a Sandwell social rent formula basis and it is proposed that this policy continues.
- 2.11 Affordable rents will be charged on any newly built or acquired properties in line with any funding conditions attached to grants received. A 2% increase in affordable rents was approved in January 2020. Please refer to Appendix 2.
- 2.12 As at 31 March 2021 there are 990 properties in Wednesbury currently managed by Riverside under the Private Finance Initiative (PFI) agreement. It is proposed that PFI property rents are increased by 2% and service charges by 4.1% from April 2022. This is in line with properties managed by the council.
- 2.13 There are a small number of properties that sit outside the Housing Revenue Account and their rental income contributes to the council's general fund. This includes service tenants for Parks, Sandwell Valley and Caretaking. It is proposed that rent and service charges on these properties are increased by 4.1% (CPI +1%) from April 2022.

Service Charges

- 2.14 Service charges were frozen during 2021/22 as some of the services were interrupted during the pandemic.



- 2.15 Service charges are outside of the government's legislative changes. The principle continues to be to recover the costs associated with the service. The recommendation is to increase service charges by 4.1% (CPI+1%). Even with this level of increase, the costs of service provision are still being subsidised by the HRA and do not cover actual costs. This will be addressed by a fuller review of service charges in 2022/23.
- 2.16 Cleaning charges relate to internal cleaning within blocks and other shared facilities, and the external cleaning of paths and gardens. There are higher costs associated with high rise blocks as they require more frequent inspections and cleaning.
- 2.17 Security charges are applicable in high and low-rise blocks. Most properties have a secure door entry service with a fob key and intercom / buzzer link. Full provision includes a door entry service with additional CCTV at the entrance and around the block, with a direct link to the control room at Roway Lane, which is monitored 24/7. The proposed block expansion project will increase this facility and ensure all residents in high-rise blocks benefit from the safety and security provided by a monitored CCTV system.
- 2.18 Aerial service charge relates to a digital aerial service provided to 10,125 tenants. There is a contract to maintain and repair this service. The service charge contributes to a replacement fund for when these are renewed or replaced.
- 2.19 Other service charges for specific schemes include furniture costs, warden services and lifts. It is proposed that these charges increase by CPI + 1% in line with other service charges.
- 2.20 There are other charges that relate specifically to some blocks such as heating and water costs. An estimate charge is set to recover the costs but there may be a retrospective adjustment between years to reflect actual costs. It is recommended that this policy continues to be adopted.

Garages

- 2.21 Garages are within the council's general fund property portfolio. As of October 2021, 56% of garages were rented by private home owners or by tenants as a second garage.





- 2.22 Increased revenue from garage rental would support the general fund and charges are currently set at £6.87 per week, exclusive of VAT. Garages that are rented by non-tenants or tenants that have a second garage are charged a higher rate as VAT is applied.
- 2.23 A large proportion of garage tenants use this facility as a much cheaper alternative to storage costs. It is recommended that the weekly garage rental is increased by £4.13 to £11.
- 2.24 Private garage rental is estimated at £24 per week which is significantly lower than a charge of £39 per square metre for a same size storage unit.

Leaseholder Management Fee

- 2.25 Leaseholders are charged a management fee to cover the resource costs of running the services. This includes employee costs, training, ICT costs, postage, printing. The charge is currently £100 per annum and has not been reviewed since 2014.
- 2.26 It is proposed that the leaseholder annual fee be increase by CPI + 1% in 2022/23 to £104.10.

3 How does this deliver objectives of the Corporate Plan?

	<p>Quality homes in thriving neighbourhoods</p> <p>Rental income is a key component of the financial wellbeing of the Housing Revenue Account. Funds support the council’s ambition to build more new and affordable council homes</p> <p>Rental income contributes to the maintenance and repairs of existing housing stock.</p>
	<p>A strong and inclusive economy</p> <p>Additional funds from rental and housing related charges will increase the capacity to build more affordable housing.</p>



4 Context and Key Issues

- 4.1 In line with the Welfare Reform and Work Act 2016, Sandwell Council reduced housing rent by 1% per annum in each of 4 years between 2016/17 to 2019/20.
- 4.2 From 2020 Sandwell Council has had control over its rent setting in line with the Ministry of Housing Communities and Local Government (MHCLG) Rent Standards, and Policy Statement on Rents for Social Housing. The MHCLG is now known as the Department for Levelling Up, Housing and Communities (DLUHC)
- 4.3 The DLUHC policy allows social landlords to increase their annual rents by Consumer Price Index (CPI) plus 1% from 2020 for a period of at least 5 years.
- 4.4 Cabinet provided approval in January 2021 to increase rents by 2% per annum for the next 3 financial years (2020/21- 2022/23).
- 4.5 Due to the pandemic, annual CPI fell to 0.5% (September 2020). In line with the allowable parameters set by DLUHC, rent increased by 1.5% (CPI +1%) for 2021/22.
- 4.6 Annual CPI has now risen to 3.1% (September 2021). Rents could be increased in line with Government policy by up to 4.1%.
- 4.7 A rental increase of 2% will be applied in 2022/23 as approved by Cabinet in January 2020 (Appendix 2)
- 4.8 Appendix 1 sets out the proposed typical rent levels for the main property types and sizes.
- 4.9 The additional income generated by increasing the rent charge is approximately £2.3 million. This will allow more investment in HRA funded initiatives.
- 4.10 Properties managed under Private Finance Initiative (PFI) arrangements are considered separately.



5 Alternative Options

- 5.1 It is recommended from April 2022 to increase rents by 2% for tenants within the Riverside managed PFI estate of Wednesbury. The council does have the discretion to set PFI rents. This increase is consistent with the increase in the council's rents.
- 5.2 The Department for Levelling up Housing and Communities (DLUHC) policy allows social landlords to increase their annual rents by Consumer Price Index (CPI) plus 1%. This would be a 4.1% increase for our tenants. The lower 2% increase proposed in January 2020 was agreed by Cabinet. The lower increase recognises the impact of the rise in fuel costs, the ending of furlough and ending of the universal credit uplift, on our tenants.
- 5.3 An alternative to increasing rental and service charges would be to reduce services where costs cannot be met through operational budgets.

6 Implications

Resources:	<p>Rent income is a key component of the HRA finances. As a ringfenced account, all costs must be met from this revenue source. This includes all day to day running costs and any financing costs associated with capital investment.</p> <p>In order to continue the investment in the Housing stock, rent increases are inevitably required. With increases in CPI and Building Cost Indices (BCI) following the COVID-19 pandemic, more pressure is being put on HRA finances to continue to deliver services to tenants and continue improvements to the stock to ensure high quality homes and services are provided to tenants.</p> <p>A review of the business plan will be undertaken during 2022 to ensure that the HRA can continue to meet its commitments to tenants and continue to provide the homes and services required.</p>
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	<p>Government policy allows an increase of up to 4.1% in 2022/23. However, prior to the pandemic it was agreed that a rent increase of 2% would be applied in 2022/23 & 2023/24.</p> <p>Included within this report are increases to garage rents. These properties are held outside the HRA within the council's general fund.</p> <p>When compared with neighbouring authorities, garage rents in Sandwell are significantly lower. Residents appear to be using these facilities as storage rather than garages and therefore it is felt that rents should reflect this use. When compared to the cost of self-storage units it is felt that the rent charged is not in line with the market and an increase to this is required. It will also generate an additional income to the general fund of approx. £398K. The income generated will support budget reductions and is not part of an investment strategy.</p>
<p>Legal and Governance:</p>	<p>The Local Government and Housing Act 1989 sets out the obligations for annual reviews of rent and service charges and to ensure that there is a balanced budget for the ring-fenced HRA.</p> <p>The Council has power under section 24 of the Housing Act 1985 to make reasonable charges for the tenancy or occupation of its flats and houses. The Council is required to review from time to time that the rents and service charges that it charges for the tenancy or occupation of its dwellings are fair and reasonable. The review of rents is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016.</p> <p>The Council may amend the rent for its tenants by giving at least 28 days notice. The notice period arises from section 102 (1)(b) of the Housing Act 1985 and in the terms of the Council's standard tenancy agreement.</p>



<p>Risk:</p>	<p>The corporate risk management strategy has been complied with identify and assess the risks associated with the decisions being sought. This has concluded that there are no significant risks. For all risks identified, there are measures in place to mitigate these to acceptable levels.</p> <p>There is a risk that increasing garage rental by £4.13 per week will impact demand. To mitigate this risk, a proactive marketing campaign will be launched to increase garage lettings</p>
<p>Equality:</p>	<p>There are no significant equality issues arising from this report</p> <p>With service charges there is a difficult and sensitive balance between charges and recovering costs and maintaining and improving services. The increases have been considered fair and it is appreciated full cost recovery in some instances is not possible since it would cause too onerous, and significant rises to tenants' current charges.</p>
<p>Health and Wellbeing and Social value</p>	<p>There are no direct implications from this report but rent and service charge income will continue to be used to protect residents such as through the funding of support for the anti-social behaviour service, cleaning of estates, fire protection measures and CCTV.</p>

7. Appendices

7.1 Appendix 1 – Average Rents and Service Charges

7.2 Appendix 2 – Cabinet report, Rents and Service Charges, January 2020

8. Background Papers

None



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Appendix 1 – Average Rent and Service Charges

<u>Average Weekly Rents</u>							
2021/22					2022/23 with 2% Increase		
Bedrooms	Bungalow	Flat	House	Avg. Rent	Bungalow	Flat	House
1	£75.12	£68.21	£73.26	£69.45	£76.63	£69.58	£74.73
2	£91.00	£73.66	£82.87	£77.50	£92.82	£75.13	£84.53
3	£94.39	£81.75	£89.15	£88.82	£96.27	£83.39	£90.94
4	£107.52		£99.40	£99.43	£109.67		£101.39
5			£108.36	£108.36			£110.53
6			£109.45	£109.45			£111.64
8			£116.21	£116.21			£118.53
Total	£77.08	£71.12	£88.30	80.63	£78.62	£72.54	£90.07

Impact on Weekly Rent by Applying 2% Increase

Bedrooms	Bungalow	Flat	House
1	£1.50	£1.36	£1.47
2	£1.82	£1.47	£1.66
3	£1.89	£1.64	£1.78
4	£2.15		£1.99
5			£2.17
6			£2.19
8			£2.32
Total	£1.54	£1.42	£1.77

Garage Income

	Current	Proposed	Variance
Garages let	1,853	1,853	
Weekly Charge	£6.87	£11.00	£4.13
Estimated annual Income	£661,966	£1,059,916	£397,950

Service Charges



		4.1% Increase	
Charge (Average)	2021/22	2022/23	Variance
	£ per week	£ per week	£ per week
Aerial	0.42	0.44	0.02
Cleaning - High/low rise blocks	4.45	4.63	0.18
Cleaning - Extra Care	9.53	9.92	0.39
Communal Facilities	0.63	0.66	0.03
Furniture (2 *schemes)	7.97	8.30	0.33
GAP - Management fee	28.74	29.92	1.18
Heating	9.83	10.23	0.40
LIFT (1* scheme)	6.87	7.15	0.28
Security - CCTV	3.60	3.75	0.15
Security - CCTV & Concierge	8.57	8.92	0.35
Security - Door entry & CCTV	5.39	5.61	0.22
Security- Door Entry	1.70	1.77	0.07
Supporting People Warden (Extra Care)	16.77	17.46	0.69
Security Services (Selby House)	6.07	6.32	0.25
Supporting People - Warden	0.82	0.85	0.03
Water	3.52	3.66	0.14
Leasehold Management fee (Annual)	£100.00	104.10	4.10

Income from service charges 2021/22	£2,804,525
Income from service charges 2022/23 (4.1% increase)	£2,919,511
Additional Income from Service Charges	£114,986

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REPORT TO CABINET

08 January 2020

Subject:	The review of council tenant rents and housing related property charges over 3 year period commencing 2020/21
Presenting Cabinet Member:	Councillor Joanne Hadley
Director:	Executive Director – Resources – Darren Carter Executive Director - Neighbourhoods - Alison Knight
Contribution towards Vision 2030:	 
Key Decision:	Yes
Cabinet Member Approval and Date:	Councillor Joanne Hadley 19/09/19
Director Approval:	Alan Caddick
Reason for Urgency	Urgency provisions do not apply
Exempt Information Ref	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Not applicable
Scrutiny Consultation Considered?	Scrutiny has not been consulted
Contact Officer(s):	Sundeep Sangha, Principal Accountant, 0121 569 2373

DECISION RECOMMENDATIONS

That Cabinet:

1. Approve the proposals for council tenant rents and housing related property charges from 2020/21 as set out in Appendix 1, to take effect from April 2020.

1 PURPOSE OF THE REPORT

- 1.1 Every year council tenants, leaseholders and other residents are notified of the rent and other related housing charges to be set from April. This report is to agree the revision of those charges.

2 IMPLICATION FOR THE VISION 2030

- 2.1 Rent income is a key component of the financial well-being of the Housing Revenue Account (HRA). Rent income more than offsets operational expenditure and financing charges and the surplus can then be used to invest in capital improvements, in particular the council's ambition to build more new and affordable council homes.
- 2.2 The council receives income towards the cost of providing CCTV and other security measures at blocks across the borough which are important in preventing crime and anti-social behaviour.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 In March 2016 central government passed the Welfare Reform and Work Act which included the direction that all social housing providers must reduce their housing rents by 1% per year. This policy was agreed for four years and it commenced in 2016/17.
- 3.2 As 2019/20 was the last year of reduction, the council now has the control to set its own rent charge.
- 3.3 Service charges are outside of the government legislative changes. The principle continues to be the recovery of cost associated with the service including an appropriate proportion of overhead costs. This policy will continue to be applied by the council.
- 3.4 Properties managed by organisations under Private Finance Initiative (PFI) arrangements will be separately considered.
- 3.5 There are other properties and garages within the General Fund portfolio which can also be considered separately outside of the government restraints.
- 3.6 There are agreements with leaseholders for the recharge of council services and administration costs. These charges are annually reviewed in terms of operational costs at the relevant blocks and properties.

4 THE CURRENT POSITION AND PROPOSED FROM 1 APRIL 2020.

Rents

- 4.1 As at 31st March 2019 there were 28,765 council tenancies in the borough and while tenants are charged for 52 weeks this is collected over 48 weeks. The average rent per week at 48 weeks is currently £82.03.
- 4.2 It is proposed that rent is collected over 52 weeks from 2020/21. The removal of the 4 rent free weeks does not change the yearly chargeable rent debit, but reduces the amount paid per week over the 52-week period. Currently, the average rent per week over 52 weeks is £75.72.
- 4.3 In February 2019 Ministry of Housing, Communities and Local Government (MHCLG) has permitted the annual rent increase of up to Consumer Price Index (CPI) (as of September of the previous year) +1%. The current annual CPI as of September 2019 is 1.7%, which would allow an increase of up to 2.7%.
- 4.4 In line with the medium-term strategy for business plans is it proposed that rent increases are set for a 3-year period as long as it remains in line with government policy set. This will allow improved operational planning and provide certainty for tenants on what their rent is going to be over the period.
- 4.5 It is proposed that rents for existing tenants are increased by 2% each year for the 3-year period. In year one, the average 52-week rent will increase from £75.72 per week to £77.23. The average annual increase to tenants will be £78.52. Appendix 1 sets out the proposed typical rent levels at 52 weeks for the main property types and sizes.
- 4.6 The rents for new tenants in existing council stock are set on a Sandwell social rent formula basis and it is proposed that this policy continues.
- 4.7 As confirmed by Cabinet in December 2017 the council will continue to charge affordable rents for some properties. These are either new property acquisitions (including new sheltered housing accommodation) or former council house/flat properties, sold under Right to Buy, bought back into the council stock. An affordable rent can be up to 80% of market rent (inclusive of service charges) in the area and will be higher than the council housing social rent. It is proposed that current affordable rents are increased in to 2% in line with social housing rent. These rents will also be reviewed upon changes in tenancies to ensure that they remain in line with any fluctuations in market rents.

- 4.8 As at 31 March 2019 there are 1,015 properties in Wednesbury currently managed by Riverside under the Private Finance Initiative (PFI) agreement. It is proposed that PFI property rents are increased by 2% from April 2020.

Service Charges

- 4.9 Currently service charges are collected over a 48-week period. It is proposed that this is changed to 52 weeks in line with the rent charge.

Service Charges – Cleaning

- 4.10 These charges relate to both an internal cleaning service within the block and the external cleaning of paths and garden areas outside. There are two charges in place, one for high rise and one for low rise blocks.
- 4.11 There is a higher cost in cleaning high rise blocks than low rise since they will receive more frequent daily inspections and cleans. A review of cleaning frequencies and hourly charge rates has indicated a higher average cost for high rise than currently recharged rates. However, rather than an excessive increase it is proposed to raise charges for high rise by 1.7% from April 2020. This would be a rise in line with the Consumer Price Index current annual increase. It will raise the weekly charge from £4.55 to £4.63 at 52 weeks.
- 4.12 The charges for low rise blocks are proposed to increase 3% from April 2020 in line with current projected staff pay awards. This would increase charges from £4.06 to £4.18 per week at 52 weeks. Similarly, for tenants within supported accommodation it is proposed their cleaning charges increase 3%.

Service Charges - Security

- 4.13 Most low and high rise tenants will receive either a secure door entry service with fob key and intercom/buzzer link or the door entry but with additional CCTV at entrance and around the block with a direct link to the control room centre at Roway Lane providing 24 hour monitoring.
- 4.14 Service charge income is currently covering the costs of the door entry system and it is proposed that these charges are frozen from April 2020.
- 4.15 The costs of providing the concierge, CCTV cameras and control room has reduced in recent years with restructuring and other contractual maintenance savings but it is still a subsidised service to clients. The total estimated costs are £1.4 million with expected income of £1.3 million. It is proposed that charges for these three services are increased 1.7% which would be a rise in line with the current annual consumer price index. The security charges for all categories are detailed in appendix 1.

Service Charges - Aerials

- 4.16 This charge relates to a digital aerial service provided to 10,315 tenants. There is a contract to maintain and repair this service and the current service charges recover all costs. It is proposed that the current weekly charge of £0.42 per week at 52 weeks continues from April 2020.

Service Charges – Heating and other

- 4.17 There are other charges that relate specifically to some blocks such as heating and water costs. An estimated charge is set to recover costs but there may be retrospective adjustments between years to reflect actual costs. It is recommended that this policy continues to be adopted.

Other Property Rents

- 4.18 There are a small number of properties that sit outside of the Housing Revenue Account and their rent income contributes to the council's general fund finances. It is proposed for these properties that rents are increased 2% from April 2020 in line with the average rise in income built into general fund 20/21 budget assumptions.

Travellers Pitch Fees

The council provides a permanent site for Travellers at Hillside View, Tipton. Rental is payable on the pitches at this site and is subject to separate terms and conditions to council housing tenancies. Any increase to these pitch fees must be negotiated with and accepted by the tenants in line with these terms and conditions. It is proposed that these fees are increased by 2% per annum, subject to the negotiations with the residents of the site.

Garages

- 4.20 These properties are within the council's general fund property portfolio. The majority of garages are rented by private homeowners although council tenants represent approximately 40% of those let. The rent is used to maintain and manage the sites but also for potential investment and renovation. It is proposed that garage rents are increased 2% from April 2020 to reflect the council's budget assumptions for external income in 2020/21.
- 4.21 The current weekly rent for garages is £6.74 per week at 52 weeks and with a 2% rise this will increase to £6.87 per week from April 2020. For private homeowners the cost inclusive of VAT will rise to £8.25 per week from April 2020.
- 4.22 Due to the new government initiative of making tax digital, private homeowners who rent garages will be invoiced through the councils accounts receivables system from 20/21.

Leaseholders

- 4.23 As at 31 March 2019 there are 1,193 leaseholders in ex-council stock. Leaseholders are charged for cleaning and security services on a similar basis as council tenants but they will be charged for other services and maintenance relevant to their property block. The authority must be able to substantiate all charges and they must be seen as reasonable and fair.
- 4.24 There is a separate recharge to leaseholders for management and administration. This is either set at £100 or higher at 10% of all the elements within the service charges if that is greater than £100. It is proposed to leave the administration recharge as it is from April 2020.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 All tenants must be given 4 weeks notice of the intention to amend rents and service charges and all tenants will be notified by letter in the new year of proposed changes. In addition this will be communicated at any tenant management forums and tenant review panel.

6 ALTERNATIVE OPTIONS

- 6.1 It has been recommended from April 2020 to increase rents by 2% for tenants within the Riverside managed PFI estate in Wednesbury. The council does have the discretion to set PFI rents. It would be seen to be very unfair for other council tenants in neighbouring areas to have council rent increased and not have the same with the PFI estate in Wednesbury.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Rent income is important to the funding of the HRA. It is expected to generate £116.9m of income in 2019/20 which will more than cover the operational costs of maintenance and supervision of the council stock. The surplus is used to meet debt financing costs but any remaining surplus is used to directly fund capital improvements and the building of new council properties. In 2019/20 a projected contribution of £2.2m is currently forecast to be made from the revenue surplus to directly fund capital improvements and reduce future borrowing costs.
- 7.2 The proposed rents and service charges referred to in this report will be incorporated into the next medium-term budget and HRA business plan 2020-2023 which will be presented to Cabinet in February.

- 7.3 Service charge income contributes towards meeting the operational costs of providing services to tenants. The total service charge income is approximately £2.6m income to the HRA while garage rents generate approximately £0.7m into the council's general fund accounts.
- 7.4 The corporate risk management strategy has been complied with identify and assess the risks associated with the decisions being sought. This has concluded that there are no significant risks. For all risks identified, there are measures in place to mitigate these to acceptable levels.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Local Government and Housing Act 1989 sets out the obligations for annual reviews of rent and service charges and to ensure that there is a balanced budget for the ring-fenced HRA.
- 8.2 The Council has power under section 24 of the Housing Act 1985 to make reasonable charges for the tenancy or occupation of its flats and houses. The Council is required to review from time to time that the rents and service charges that it charges for the tenancy or occupation of its dwellings are fair and reasonable. The review of rents is now subject to further restrictions arising from the provisions of the Welfare Reform and Work Act 2016.
- 8.3 The Council may amend the rent for its tenants by giving at least 28 days notice. The notice period arises from section 102 (1)(b) of the Housing Act 1985 and in the terms of the Council's standard tenancy agreement.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 There are no significant equality issues arising from this report
- 9.2 With service charges there is a difficult and sensitive balance between charges and recovering costs and maintaining and improving services. The increases have been considered fairly and it is appreciated full cost recovery in some instances is not possible since it would cause too onerous and significant rises to tenants current charges.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 There are no specific data protection issues relating to this report.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no crime and disorder issues needed to be considered as part of this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 The proposals in this report will be included within the funding plans and overview of budgets to be presented within the next business plan to the council. The HRA must be budgeted to be at least self financing over the period of the business plan.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE AND IMPACT OF STAFFING ARRANGEMENTS)

13.1 There are no direct implications from this report but rent and service charge income will continue to be used to protect residents such as through the funding of support for the anti-social behaviour service, cleaning of estates, fire protection measures and CCTV.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There are no direct impacts on the council's management and allocation of land from this report

15 IMPACT ON COUNCIL'S ASSET MANAGEMENT PLAN AND/OR REGISTER

15.1 There are no direct implications for the Council's Asset Management Plan arising from this report.

16 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

16.1 Rent will be paid over 52 weeks rather than the current 48 week period. The removal of the four rent 'free' weeks does not change the annual chargeable rent debit. Tenants will still have the option to pay over 48 weeks if they wanted to.

16.2 Rent will increase by 2% each year for the next three financial years; 2020/21, 2021/22 and 2022/23.

- 16.3 MHCLG have permitted an increase of CPI+1%. The increase of 2% on social rent falls below this policy as current annual CPI is 1.7%. Therefore, the increase of 2% for social rents is CPI+0.3%. The income generated by increasing the rent charge will allow more investment into the HRA funded programme to build new and affordable council homes.
- 16.4 Setting the rent increase at 2% each year for the next three years falls in line with the Medium Term Financial Strategy for business plans. This will allow more certainty for the council and tenants on what the increase is going to be over the next three financial years.
- 16.5 There has been a review of current operational costs for providing services to tenants in low and high rise blocks. For some services, such as cleaning and CCTV, costs are not being fully recovered by income but it is appreciated that significant rises will cause hardship to many tenants. It is proposed that a rise of 1.7% from April is set for high rise cleaning and CCTV security charges which is in line with the current consumer price index level of inflation. Other service charges are recommended to be set at a 3% rise with some such as digital aerials and door entry charges frozen at current levels.
- 16.6 Some income from other council properties and garages is outside of the HRA and the council's general fund is facing continuing pressures to make efficiency savings. It is proposed for these properties that rents rise 2% which is the increase being included into council external income assumptions for 20/21.

17 BACKGROUND PAPERS

- 17.1 The latest HRA funded housing investment programme was taken to Cabinet in October 2017. The proposals link in to planned rental income anticipated over the 10 year investment period.

18 APPENDICES:

Appendix 1 – Average rents and service charges

Darren Carter
Executive Director – Resources

Alison Knight
Executive Director – Neighbourhoods

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Report to Cabinet

15 December 2021

Subject:	Provision of 10 new council homes at Britannia Road, Rowley Regis – Award of contract
Cabinet Member:	Cabinet Member for Housing (Cllr Ahmed)
Director:	Director Regeneration and Growth Tony McGovern Director of Housing Gillian Douglas
Key Decision:	Yes
Contact Officer:	Partnerships and Programme Manager Alan Martin alan_martin@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director Regeneration and Growth be authorised to award a contract to Seddon Construction Ltd, in the sum of £2,297,287.00 through Exemption to Procurement and Contract Procedure rules (rule 15, rule 8.11 regarding single tender returns) for the Construction of 10 Houses (8x 2 bed semi-detached and 2x 4 bed semi-detached) at Britannia Road, Rowley Regis as tendered using the Homes England Delivery Partner Panel 3 Framework, West Midlands Lot.
- 1.2 That the Director – Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to award of the contract and/or other agreements as may be deemed necessary.



1.3 That any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable to course of action referred to in 1.2 above to proceed.

2 Reasons for Recommendations

2.1 The original Cabinet approval 20 March 2019 (minute 34/19 refers) gave approval for the demolition of a science block and the construction of circa 10 housing units (subject to planning consent) at Britannia Road, Rowley Regis.

2.2 The cost of the proposed contract with Seddon Construction Ltd is covered within the original capital allocation of adequate resources to fund the proposed project. Project costs were originally split between the HRA and Homes England grant funding, now funding is proposed to be split between the HRA and Right to Buy 1-for-1 capital receipts in accordance with clause 7.3 of the original approval. The funding sources for all schemes within the Council New Build programme are constantly monitored to ensure that the most beneficial funding source is selected, that all Homes England grant commitments are achieved and that all RTB capital receipts are allocated to prevent any loss of the receipts due to not expending them within the designated time periods.

2.3 Procurement and Contract Procedure Rules 2018-2019 clause 16.2 provides authority to the Cabinet to award contracts above the value of £250,000.

2.4 Expression of Interest documents were issued to the Homes England DPP3 framework, West Midlands Lot in July 2021 and four contractors responded.

2.5 They were considered suitable and all four contractors were invited to submit tenders.

2.6 One Contractor returned a tender within the stipulated timescale.

2.7 The tender was evaluated on a 80:20 (price:quality) most economical advantageous tender basis.



2.8 The scores for the evaluation are:

Tenderer	Price Score	Quality Score	Total Score
Seddon Construction Ltd	80.00	11.25	91.25

2.9 The tender of Seddon Construction Ltd., in the sum of **£2,297,287.00** has been checked and found to be technically and arithmetically correct.

2.10 The 90 day tender expiry date is 6 January 2022.

2.11 The estimate for the scheme was prepared in March 2020 and was £2.08M. This assumed a commencement date of fourth quarter 2020.

2.12 The tender commencement date is January 2022. Approximately one year after the initial estimate.


2.13 The construction industry has experienced significant cost increases over this period. Contractors are very reluctant to take on the risk of construction cost inflation with many not accepting the risk of fixed price tenders (see also item 4.5).

2.14 The contractor in this instance has confirmed that their tender sum includes an allowance for construction cost inflation and is a fixed price.


2.15 This tender sum of £2,297,287.00 is, therefore, considered to represent reasonable value for money.

2.16 The successful contractor will work with officers from Building Services/Urban Design in the management of the construction works.

3 How does this deliver objectives of the Corporate Plan

	<p>Quality homes in thriving neighbourhoods The redevelopment of this under-utilised site with modern residential accommodation will improve the immediate area, public realm, street scene and the asset base of the borough by providing much needed affordable housing.</p> <p>The provision of this proposed scheme will provide Homes that meet people's needs. Sandwell's population is</p>
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	<p>growing, and people need quality housing that fits their requirements.</p> <p>The development of this site will be guided by the Local Planning Authority in accordance with approved planning and development guidance. This will seek to achieve a development of a quality that sets the highest architectural standards and provides energy efficient buildings, in furtherance of the aims of the Environmental Policy and Climate Change Strategy for Sandwell.</p>
	<p>A strong and inclusive economy</p> <p>The development of this scheme will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements</p>

4 Context and Key Issues

- 4.1 This scheme will provide 10 new council-owned affordable homes that meet Building Regulations and current housing requirements.
- 4.2 Sandwell’s Housing Management Team have provided housing demand data in relation to bidding activity for different property types in the area which shows that there is demand for all proposed property types.
- 4.3 Subject to the approval and completing contractual arrangements it is envisaged that works could commence January 2022 and complete October 2022.
- 4.4 The development of these sites with new homes will result in the following benefits:
 - Increasing the levels of high quality stock to replace units lost under Right to Buy through the HRA investment programme. (Minute no. 1/13 of the joint meeting of Strategic Resources and Jobs & Economy)
 - Contributing positively to the financial position of the Council by



generating New Homes Bonus and new Council Tax receipts.

- Developing fit for purpose accommodation.
- Increased good quality, energy efficient housing provision in the Borough
- Increasing the levels of new build Council housing stock within the Borough contributing towards meeting target forecasts.
- Re-developing areas of vacant land reducing the quantity of vacant land in the Borough and improve the image of the local built environment thereby supporting the aim of creating a safe and clean place to live.
- Linking to the work of Think Local and Think Sandwell approaches that will offer significant employment and training opportunities as well as additional community benefits to the local economy, including working with local supply chains and use of local labour.
- Producing positive outputs for community safety through the redevelopment of a vacant site.

4.5 It should be noted that the full impact of the current Covid 19 pandemic on the construction industry and its supply chain is still yet unknown. It is apparent that schemes that are currently on site are experiencing delays to contract programmes due to changes in working practices as a direct result of risk assessments and safe working procedures being implemented. Extended programmes have cost implications to contractors due to increased preliminary costs and overheads. There is also emerging evidence that some material costs are increasing above the rate of inflation again because of safe working procedures being implemented within the manufacturing process. The extent to which contractors will price this risk in current and future tender price returns is uncertain at present and something that the Council will be monitoring.



5 Alternative Options

- 5.1 The alternative option is to not accept this tender through Exemption to Procurement and Contract Procedure rules and to go back out and re-tender. Recent tender activity for other schemes has shown a reduction in the number of tender returns which is probably a direct result of 4.5 above and the current construction market conditions. It is not recommended to re-tender as this will cause at least a 6 month delay to a start on site, there is no guarantee how many tenders will be returned and the tender sum is likely to increase considerably if the current trend continues.

6 Implications

<p>Resources:</p>	<p>The Cabinet meeting on 20 March 2019 approved the allocation of adequate resources to fund the Construction of Houses at Britannia Road, Rowley Regis. The minute number is 34/19.</p> <p>The cost of the proposed contract with Seddon Construction Ltd is covered within the capital allocation identified above and changing the funding source has no impact on the viability of the scheme.</p>
<p>Legal and Governance:</p>	<p>Procurement and Contract Procedure Rules 2016-2017 clause 16.1 provides authority to the Cabinet to award contracts above the value of £250,000.</p> <p>The Cabinet meeting on 20 March 2019 approved delegated authority to Chief Officers to award the contract for the Construction of Houses at Britannia Road, Rowley Regis. The minute number is 34/19.</p> <p>The Council has to comply with the Public Contracts Regulations 2015 and the Council's own Procurement and Contract Procedure Rules 2016/17. This report confirms that this tender exercise has been conducted in accordance with the required procedures.</p>



<p>Risk:</p>	<p>The Corporate Risk Management Strategy (CRMS) will continue to be complied with throughout, in identifying and assessing the significant risks associated with this strategic proposal. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks. A project risk register has been compiled and will be reviewed and updated on a regular basis. The risk register is monitored by the Project Team. Based on the information provided it is the officers' opinion that for the initial risks that have been identified, arrangements are in place to manage and mitigate these effectively.</p> <p>A risk assessment has been undertaken and no "red" risks were reported.</p> <p>This report does not relate to the collection of personal information and therefore a privacy impact assessment is not required.</p>
<p>Equality:</p>	<p>An Equality Impact Screening Assessment has been completed and has not highlighted any equality issues.</p>
<p>Health and Wellbeing:</p>	<p>The redevelopment of this under-utilised site with modern residential accommodation will improve the immediate area, public realm, street scene and the asset base of the borough by providing much needed affordable housing.</p> <p>The provision of this proposed scheme will provide Homes that meet people's needs. Sandwell's population is growing, and people need quality housing that fits their requirements.</p>
<p>Social Value</p>	<p>The development of this scheme will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements.</p>



7. Appendices

List appendices

8. Background Papers

Report to Cabinet 20 March 2019 – Construction of 10 New Affordable Homes and Clearance of former science block at Britannia Road School, Rowley Regis. (Minute 34/19 refers)

- 4 no. H1-H9 2 bed semis
- 1 no. H5-H5 4 bed semi



Report to Cabinet

15 December 2021

Subject:	Award a Contract Plant Hire Equipment
Cabinet Member:	Cllr Ahmad Bostan – Cabinet Member for Environment
Director:	Alice Davey – Director of Borough Economy
Key Decision:	Yes
Contact Officer:	Robin Weare – Service Manager, Highways

1 Recommendations

- 1.1 That Cabinet authorise the (Interim) Director of Borough Economy, to award a contract for the provision of Plant Hire Equipment once evaluation processes are complete and following compliant competitive tender processes.
- 1.2 That Cabinet authorise the Director of Law and Governance – Monitoring Officer to execute any documentation necessary to enable the above.
- 1.3 That any necessary exemptions be made to the Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 and 1.2 above to proceed.






2 Reasons for Recommendations

- 2.1 Procurement is required because the current contract for the supply of Plant Hire Equipment expired on 31st October 2021.



- 2.2 Plant hire equipment is essential for Highways Services to facilitate general maintenance, repairing footways and carriageways on the highways network around the Borough.
- 2.3 As the Local Highway Authority; the Council has a statutory duty to ensure the Highway Network is maintained in a safe and useable manner.
- 2.4 To meet this duty, the plant and equipment stipulated within this contract is used to enable our direct labour force to maintain carriageways and footways across the Borough.

3 How does this deliver objectives of the Corporate Plan?

	Best start in life for children and young people Good, well maintained highway infrastructure will encourage more walking and cycling increasing wellbeing, improving road safety and promoting cleaner air quality.
	People live well and age well The Highway environment plays an important role in the life of the community, particularly the positive opportunities that they can bring from social inclusion and interaction.
	Good quality Highways infrastructure will make our communities feel safe, more protected and confident in their homes and neighbourhoods.
	Well maintained highways bring increased economic and physical activity and reduces wear and tear and accident damage.
	Our highways are the arteries of our communities. They connect our residents to employment, education, local services and indeed the wider world. They enable economic growth, social mobility and are vital in ensuring good health outcomes.

4 Context and Key Issues

- 4.1 Cabinet approval is sought for delegated authority to approve the award of this contract for a period of up to 4 years for the supply of Plant Hire Equipment.



- 4.2 The current contract for the supply of Plant Hire Equipment expired on 31st October 2021.
- 4.3 The tendering exercise will aim to ensure seamless operations remain in place and to enable a smooth and efficient switch to the new contract.
- 4.4 The tender exercise will be carried out by Sandwell MBC as a stand-alone authority, who will utilise this contract to support their own Highway Maintenance Operations.
- 4.5 It is anticipated that the combined value of this contract over a 4-year period will be £280,000.
- 4.6 The tender will be evaluated by 60% price and 40% quality with tender evaluation completed by Sandwell MBC.

5 Alternative Options

- 5.1 There are no recommended affordable alternatives to obtain plant equipment to maintain our Highway Network.

6 Implications

<p>Resources:</p>	<p>The plant and equipment procured through this contract will either be delivered by the successful suppliers or collected by our own internal employees. No guarantee of expenditure is given to suppliers only an estimate value of the services to be procured by the Council over the life of the agreement, approximately £280,000.</p>
<p>Legal and Governance:</p>	<p>The principal statutory duty imposed on local highway authorities is to maintain the highway maintainable at public expense.</p>



	<p>The Council, in carrying out transportation, highways and infrastructure related work, will do so under the relevant primary legislation comprising the Highways Act 1980; Road Traffic Act 1974; Road Traffic Regulation Act 1984; Local Government Act 1972; Traffic Management Act 2004; and Transport Act 2000 and other related regulations, instructions, directives and general guidance.</p> <p>The Traffic Management Act 2004 imposes a network management duty on a council to manage day-to-day operational use of its highways to 'keep traffic moving'.</p>
Risk:	<p>The Council has a duty to meet its legal obligations to mitigate service risks related to third party liability claims arising from accidents and injury due to condition of the highway.</p> <p>The key service risk relates to third party liability claims arising from accident and injury due to condition of the highway or non-compliance with statutory obligations. The duty is not absolute, but decisions must be taken on reasonable grounds with due care and regard to relevant considerations as set out in best practice guidance 'Well-managed Highway Infrastructure'.</p>
Equality:	<p>There are no specific equality issues regarding the proposals contained in this report. The requirements of the Equality Act 2010 are included in the Framework Agreement Documentation to draw attention to the detail of, and the need to comply with, the Act.</p>
Health and Wellbeing:	<p>The Highway environment plays an important role in the life of the community, particularly the positive opportunities that they can bring from social inclusion and interaction.</p>
Social Value	<p>We require tenderers to say how they can deliver a positive impact on the social, economy and environmental well-being of the local area.</p>



7. Appendices

None

8. Background Papers

8.1 Tender documentation

8.2 Well-managed Highway Infrastructure – Code of Practice Last updated October 2016



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Report to Cabinet

15 December 2021

Subject:	Award a Contract for Coated Road Stone and Instant Road Repair Materials
Cabinet Member:	Cllr Ahmad Bostan – Cabinet Member for Environment
Director:	Alice Davey – Director of Borough Economy
Key Decision:	Yes
Contact Officer:	Robin Weare – Service Manager, Highways

1 Recommendations





- 1.1 That Cabinet approves Sandwell Metropolitan Borough Council (SMBC) working in collaboration with Dudley Metropolitan Borough Council and Wolverhampton City Council, with SMBC acting as lead Authority, in the supply of Coated Road Stone and Instant Road Repair Materials.
- 1.2 That Cabinet authorise the Director of Borough Economy, to award contracts and accept tenders for the provision of Coated Road Stone and Instant Road Repair Material; for general maintenance, repair of footways and carriageways on the highways network around the Borough once evaluation processes are complete and following compliant competitive tender processes.
- 1.3 That Cabinet authorise the Director of Law and Governance – Monitoring Officer to execute any documentation necessary to enable the above.
- 1.4 That any necessary exemptions be made to the Procurement and Contract Procedure Rules to enable the course of action referred to in 1.2 above to proceed.



2 Reasons for Recommendations

- 2.1 Procurement is required because the existing contracts for the supply of Coated Road Stone Materials and Instant Road Repair are about to expire.
- 2.2 The current contract for the supply of Coated Road Stone Materials originally expired on 30 June 2021 but was extended to 31 December 2021 using Regulation 72(1)(c).
- 2.3 The current contract for Instant Road Repair, now part of the Coated Road Stone procurement, expired July 2021 and was extended to 10 January 2022 using Regulation 72(1)(c).
- 2.4 The framework tender is a collaboration with Dudley Metropolitan Borough Council and Wolverhampton City Council with Sandwell acting as lead Authority with SMBC benefitting from economies of scale and reduced tendering costs.
- 2.5 The tender exercise will aim to ensure continuity of operations and enable a smooth and efficient switch to the new contract.

3 How does this deliver objectives of the Corporate Plan?

	Best start in life for children and young people Good, well maintained highway infrastructure will encourage more walking and cycling increasing wellbeing, improving road safety and promoting cleaner air quality.
	People live well and age well The Highway environment plays an important role in the life of the community, particularly the positive opportunities that they can bring from social inclusion and interaction.
	Good quality Highways infrastructure will make our communities feel safe, more protected and confident in their homes and neighbourhoods.
	Well maintained highways bring increased economic and physical activity and reduces wear and tear and accident damage.





Our highways are the arteries of our communities. They connect our residents to employment, education, local services and indeed the wider world. They enable economic growth, social mobility and are vital in ensuring good health outcomes.

4 Context and Key Issues

- 4.1 As the Local Highway Authority, SMBC has a statutory duty to ensure the Highway Network is maintained in a safe and useable manner.
- 4.2 To meet this duty, the material stipulated within these contracts are used to maintain carriageways and footways across the Borough.
- 4.3 Road users and the wider community also place a high value on keeping traffic moving safely around the Borough.
- 4.4 Failure to adequately maintain our Highway Network can result in accidents, avoidable congestion, consequent adverse economic and social impacts, public dissatisfaction, claims and significant reputational damage.
- 4.5 Cabinet approval is sought for delegated authority to approve the award of a framework tender in collaboration with Dudley Metropolitan Borough Council and Wolverhampton City Council for a period of up to 4 years for the supply of Coated Road Stone and Instant Road Repair Materials.
- 4.6 The tender exercise will be carried out by Sandwell MBC acting as lead authority, in collaboration with Dudley MBC and Wolverhampton City Council who will utilise the contract to support their own Highway Maintenance Operations.
- 4.7 It is anticipated that the combined value of the framework agreement over a 4-year period will be £4.1 million, of which SMBC's proportion is estimated to be approximately £1 million.
- 4.8 The tender is split into 3 Lots as follows:

Lot 1 – Aggregates and Asphalts

Lot 2 – Ready-mix Concrete

Lot 3 – Instant Road Repairs



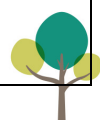
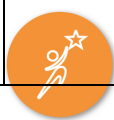
4.9 Each Lot will be evaluated by 60% price and 40% quality with tender evaluation completed by Sandwell, Dudley MBC and Wolverhampton City Council.

5 Alternative Options

5.1 There are no recommended affordable alternatives to obtain material to maintain our Highway Network.

6 Implications

Resources:	The actual material procured through these contracts will either be delivered by the successful supplier or collected by our own internal employees. no guarantee of expenditure is given to suppliers only an estimated that the services to be procured by the Council over the life of the agreement will be approximately £1,000,000.
Legal and Governance:	<p>The principal statutory duty imposed on local highway authorities is to maintain the highway maintainable at public expense.</p> <p>The Council, in carrying out transportation, highways and infrastructure related work, will do so under the relevant primary legislation comprising the Highways Act 1980; Road Traffic Act 1974; Road Traffic Regulation Act 1984; Local Government Act 1972; Traffic Management Act 2004; and Transport Act 2000 and other related regulations, instructions, directives and general guidance.</p> <p>The Traffic Management Act 2004 imposes a network management duty on a council to manage day-to-day operational use of its highways to ‘keep traffic moving’.</p>
Risk:	<p>The Council has a duty to meet its legal obligations to mitigate service risks related to third party liability claims arising from accidents and injury due to condition of the highway.</p> <p>The key service risk relates to third party liability claims arising from accident and injury due to condition of the highway or non-compliance with statutory obligations.</p>



	The duty is not absolute, but decisions must be taken on reasonable grounds with due care and regard to relevant considerations as set out in best practice guidance 'Well-managed Highway Infrastructure'.
Equality:	There are no specific equality issues regarding the proposals contained in this report. The requirements of the Equality Act 2010 are included in the Framework Agreement Documentation to draw attention to the detail of, and the need to comply with, the Act.
Health and Wellbeing:	The Highway environment plays an important role in the life of the community, particularly the positive opportunities that they can bring from social inclusion and interaction.
Social Value	We are asking tenderers to explain how they can deliver a positive impact on the social, economy and environmental well-being of the local area.

7. Appendices

None

8. Background Papers

8.1 Tender documentation

8.2 Well-managed Highway Infrastructure – Code of Practice Last updated October 2016



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Report to Cabinet

15 December 2021

Subject:	The Appropriation of Flat 148 Tower Road, Oldbury B69 1PE
Cabinet Member:	Cabinet Member for Regeneration and Growth - Councillor Iqbal Padda
Director:	Tony McGovern Director for Regeneration and Growth
Key Decision:	Yes
Contact Officer:	Principal Lead – Commercial Property Stefan Hemming stefan_hemming@sandwell.gov.uk

1 Recommendations







- 1.1 That approval be given to declare the premises known as flat 148 Tower Road, Oldbury B69 1PE, as identified on site plan identification reference SAM/48660/008, surplus to the requirements of Property Services.
- 1.2 Subject to 1 above, authorise the Director – Regeneration and Growth to appropriate the premises from the general fund to the housing revenue account.
- 1.3 Authorise the Director – Housing to manage and let the premises as part of the council’s housing stock.
- 1.4 Authorise the Director – Finance to make the appropriate adjustments to the Capital Financing Requirements to reflect the appropriation between the General Fund and HRA.



2 Reasons for Recommendations

- 2.1 The purpose of this report is to authorise the appropriation of the premise identified under section one of the report to accommodate subsequent use by housing as part of the housing stock within the remit of the housing revenue account.

3 How does this deliver objectives of the Corporate Plan?

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods The appropriation will make better use of a council asset to provide much needed residential accommodation.
	A strong and inclusive economy
	A connected and accessible Sandwell

4 Context and Key Issues

- 4.1 The flat was previously included as part of a commercial lease for the shop premises at 144 Tower Road, Oldbury. Currently the commercial property market does not support demand for this type of hybrid accommodation.

- 4.2.1 Returning the property to housing stock will assist in meeting demand for flatted residential accommodation.



5 Alternative Options

- 5.1 Currently the commercial property market does not lend itself to this type of hybrid accommodation where a commercial premise with residential accommodation are let by way of a single lease. The Council can continue as per the original letting but the property will be more difficult to market as a commercial lease.
- 5.2 The premises can be appropriated to housing stock to provide residential accommodation in the Tividale area where there is a demand for flatted accommodation.

6 Implications

Resources:	The flat has an asset valuation of £60,500, which will be transferred to the housing revenue account.
Legal and Governance:	Section 122 of the Local Government Act 1972 allows a council to appropriate land that belongs to the council which is no longer required for the purposes it was acquired for and subsequently held.
Risk:	If the flat remains empty it may attract anti-social behaviour. As a social housing property, it will be let quickly because there is demand for this type of housing.
Equality:	An Equality Impact Assessment form has been completed and no equality issues were identified (appendix B).
Health and Wellbeing:	Not applicable to this report.
Social Value	Not applicable to this report.

7. Appendices

- 7.1 Site plan reference SAM/48660/008 appendix A.
- 7.2 Equality Impact Assessment appendix B.



8. Background Papers

8.1 None.




REGENERATION AND PLANNING

STRATEGIC ASSET MANAGEMENT



NORTH



LEGEND	DESCRIPTION	SANDWELL	TERRIER
	148 TOWER ROAD OLDBURY	S09789SW	251
AREA	PLAN NUMBER	SCALE	CENTROID
	SAM/48660/008	1:1250	397024/289182
 Sandwell Metropolitan Borough Council Page 255		DRAWN	DATE
		DM	03-AUG-2021
THIS MAP IS BASED UPON ORDNANCE SURVEY MATERIAL WITH THE PERMISSION OF ORDNANCE SURVEY ON BEHALF OF THE CONTROLLER OF HER MAJESTY'S STATIONERY OFFICE ©CROWN COPYRIGHT UNAUTHORISED REPRODUCTION INFRINGES CROWN COPYRIGHT AND MAY LEAD TO PROSECUTION OR CIVIL PROCEEDINGS SANDWELL MBC LICENCE NO 100032119 2021			

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Equality Impact Assessment Template

Please complete this template using the [Equality Impact Assessment Guidance document](#)

Version 2: March 2012

Title of proposal <i>(include forward plan reference if available)</i>	Appropriation of Flat 148 Tower Road, Oldbury to housing services revenue account
Directorate and Service Area	Strategic Assets and Land Property Services
Name and title of Lead Officer	Stefan Hemming Principal Lead Commercial Services
Contact Details	07825 280337
Names and titles of other officers involved in completing this EIA	Mary Mooney Commercial Property Officer
Partners involved with the EIA where jointly completed	
Date EIA completed	3 August 2021
Date EIA signed off or agreed by Director or Executive Director	
Name of Director or Executive Director signing off EIA	Tammy Stokes
Date EIA considered by Cabinet Member	

See [Equality Impact Assessment Guidance](#) for key prompts that must be addressed for all questions

**1. The purpose of the proposal or decision required
(Please provide as much information as possible)**

The proposal is to transfer flat 148 Tower Road, Oldbury from Property Services to the housing revenue account.

The building will provide much needed social housing in the area.

2. Evidence used/considered

1. Commercial rent opportunities for shop with tied accommodation.
2. Availability of social housing in Tividale.

3. Consultation

Cabinet members
Ward members

4. Assess likely impact

Please complete the table below at 4a to identify the likely impact on specific protected characteristics

4a. Use the table to show:

- Where you think that the strategy, project or policy could have a negative impact on any of the equality strands (protected characteristics), that is it could disadvantage them or if there is no impact, please note the evidence for this.
- Where you think that the strategy, project or policy could have a positive impact on any of the groups or contribute to promoting equality, equal opportunities or improving relationships within equality characteristics.

Protected Characteristic	Positive Impact	Negative Impact ✓	No Impact	Reason and evidence (Provide details of specific groups affected even for no impact and where negative impact has been identified what mitigating actions can we take?)
Age			x	
Disability			x	

Gender reassignment			x	
Marriage and civil partnership			x	
Pregnancy and maternity			x	
Race			x	
Religion or belief			x	

Sex			x	
Sexual orientation			x	
Service delivery			x	

Does this EIA require a full impact assessment? Yes No

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, then you do not need to go any further. You have completed the screening stage. You must, however, complete sections 7 and 9 and publish the EIA as it stands.

If you have answered yes to the above, please complete the questions below referring to the guidance document.

5. What actions can be taken to mitigate any adverse impacts?

Not applicable.

6. As a result of the EIA what decision or actions are being proposed in relation to the original proposals?

None. The EIA has confirmed the merits of the proposals.

7. Monitoring arrangements

None.

8. Action planning

You may wish to use the action plan template below

Question no. (ref)	Action required	Lead officer/ person responsible	Target date	Progress

9. Publish the EIA

Yes, as part of the Cabinet report process.

Where can I get additional information, advice and guidance?

In the first instance, please consult the accompanying guide “Equality Impact Assessment Guidance”

Practical advice, guidance and support

Help and advice on undertaking an EIA, using the electronic EIA toolkit or receiving training related to equalities legislation and EIAs is available to **all managers** across the council from officers within Improvement and Efficiency. The officers within in Improvement and Efficiency will also provide overview quality assurance checks on completed EIA documents.

For all managers, please contact:

Managers within the People theme have access to additional support from your thematic equality officers and they should be your first port of call.

For managers in People please contact:

Equality champions

Equality champions have been appointed representing each area of the Council.

Chief Executive’s areas –

Place –

People –

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Report to Cabinet

15 December 2021

Subject:	Domestic Abuse Safe Accommodation Strategy 2021-24
Cabinet Member:	Councillor Bob Piper Cabinet Member for Community Safety
Director:	Interim Director of Borough Economy, Nicholas Austin
Key Decision:	Yes
Contact Officer:	Maryrose Lappin Domestic Abuse Team Manager maryrose_lappin@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to adopt the Domestic Abuse Safe Accommodation Strategy 2021-2024.
- 1.2 That the Director of Borough Economy, in consultation with the Cabinet Member for Community Safety, be authorised to review and approve subsequent reviews and amendments to the Domestic Abuse Safe Accommodation Strategy except where the changes are major or involve amended legislation.

2 Reasons for Recommendations

- 2.1 The Domestic Abuse Act 2021 placed a new statutory duty for local authorities to provide specialist support for victims of domestic abuse in safe accommodation and includes a requirement for each local authority to produce a safe accommodation strategy by 5 January 2022.






- 2.2 Final [Statutory guidance](#) on the new duty for local authorities was issued by the Department of Levelling Up, Housing & Communities (DLUHC) on 1 October 2021.
- 2.3 Under the duty, local authorities are required to:
- assess the need for victims of domestic abuse and their children in safe accommodation services in their areas;
 - produce a strategy to detail how they will respond to the duty;
 - commission support to victims and children in safe accommodation
 - appoint a domestic abuse local partnership board for the purposes of providing advice to the authority about the exercise of the authority's functions;
 - report back annually to central government that they have met these obligations.
- 2.4 Sandwell Domestic Abuse Strategic Partnership (DASP) were already responsible for the development, co-ordination and delivery of the local domestic abuse strategy. DASP has been established as the new statutory board and the terms of reference have been updated to reflect the new requirements and responsibilities.
- 2.5 Linxs Consultancy were commissioned to undertake a full domestic abuse needs assessment and develop a new domestic abuse strategy for Sandwell. The first phase of this work has focussed on the production of a safe accommodation needs assessment which has informed the Safe Accommodation Strategy 2021-24 (Appendix 1), to comply with the timescales required by the new statutory duty. Work on the wider needs assessment and strategy is continuing and it is intended that the full strategy will also be presented to Cabinet in early 2022. This work is being overseen by a multi-agency task and finish group which reports to the DASP.
- 2.6 The Safe Accommodation Strategy in Appendix 1 outlines the key points and recommendations from the needs assessment and how these will be addressed. The needs assessment has incorporated a range of data from partners; stakeholders feedback and feedback from domestic abuse victims-survivors.



- 2.7 The draft safe accommodation strategy was widely consulted on across SMBC and DASP partners and was published on the council’s website on 25 October 2021 to comply with the statutory requirement to publish a draft strategy by that date. The final safe accommodation strategy is required for publication by 5 January 2022.
- 2.8 An implementation plan will be developed to underpin the delivery of the safe accommodation strategy which will be regularly monitored by DASP.
- 2.9 New Burdens Funding has been allocated to the council to support the delivery of the new safe accommodation duty and proposals for this are currently being developed.

3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people - The draft safe accommodation strategy outlines commitments to provide specialist support to children residing in safe accommodation who have experienced domestic abuse.</p>
	<p>People live well and age well - The draft safe accommodation strategy outlines commitments to provide specialist support to victims of domestic abuse and their children residing in safe accommodation who have experienced domestic abuse.</p>
	<p>Strong resilient communities – The draft safe accommodation strategy outlines commitments to provide specialist support to vulnerable victims and their families residing in safe accommodation and help them to cope and recover from domestic abuse.</p>

4 Context and Key Issues

- 4.1 The Domestic Abuse Act 2021 included a new statutory duty on local authorities for the provision of specialist support for victims of domestic abuse in safe accommodation from April 2021. This duty requires that a safe accommodation needs assessment is undertaken which informs a safe accommodation strategy.



- 4.2 Safe accommodation is defined in the statutory guidance. This identifies that safe accommodation is classified as being refuge accommodation; specialist safe accommodation (i.e. dedicated specialist support to victims with relevant protected characteristics and/or complex needs); dispersed accommodation (safe self-contained and semi-independent accommodation); sanctuary schemes providing target hardening of properties along with specialist support and move-on and / or second stage accommodation.
- 4.3 Specialist support for victims is also defined in the statutory guidance to include:
- Advocacy support
 - Domestic abuse prevention advice
 - Specialist support for victims designed specifically for victims with relevant protected characteristics or with additional and / or complex needs
 - Children’s support
 - Housing-related support
 - Advice service
 - Counselling and therapy
- This list of support is not an exhaustive list and other relevant support services can be put in place (based on victims’ needs).
- 4.4 Work has been completed on the needs assessment which has informed the draft Safe Accommodation Strategy which is contained in Appendix 1. There has been wide consultation during the development of the needs assessment and strategy, which has been overseen by a multi-agency task and finish group and approved by the Domestic Abuse Strategic Partnership.
- 4.5 The safe accommodation needs assessment has identified that the existing safe accommodation system in Sandwell is highly effective. The range of accommodation types and levels of support provided by Black Country Women’s Aid (BCWA) mean that survivors are routinely accepted regardless of the level of risk or complexity of presenting needs. There is also good outcome tracking for those who are declined a space in accommodation.
- 4.6 However, the needs assessment also identifies a number of issues and gaps which the safe accommodation strategy aims to address, and the following strategy themes are identified:



1. Improving the survivors' recovery journey;
2. Enhancing the ability for survivors to stay in their own home;
3. Developing a more responsive and cohesive system.

4.7 The strategy commits to address these and outlines specific commitments including the need for: children's support; psychologically-informed interventions for adults and children in safe accommodation; dedicated sanctuary provision for adults and children; and the need for resettlement and floating support for victims and children leaving refuge. It is proposed to address the additional needs identified by the needs assessment using New Burdens funding and work is underway on proposals for this.

5 Alternative Options

5.1 It is a requirement under the Domestic Abuse Act 2021 that a domestic abuse safe accommodation strategy is published by 5 January 2022. Therefore, no alternative option is identified.

6. Implications

Resources:	<p>The delivery of the safe accommodation strategy will be funded via Sandwell's New Burdens grant funding. This funding is intended to cover revenue expenditure relating to the functions set out in the new statutory duty on Tier 1 Local Authorities in Part 4 of the 2021 Domestic Abuse Act, relating to the provision of support to victims of domestic abuse and their children residing within safe accommodation.</p> <p>Government has indicated they will announce specific funding allocations after the 2021 autumn spending review for 2022-23 onwards. At the time of writing, these are yet to be confirmed.</p>
Legal and Governance:	<p>Final Statutory guidance on the new duty for local authorities was issued by the Department of Levelling Up, Housing & Communities (DLUHC) on 1 October 2021.</p>



DLUHC requires that a final domestic abuse safe accommodation strategy is published by 5 January 2022.

The guidance relates to the functions under the Part 4 of the Domestic Abuse Act 2021. This guidance states that local authorities should also ensure they meet existing statutory requirements including (but not limited to) those set out in:

- [Equality Act 2010](#)
- [Human Rights Act 1998](#)
- [Housing Act 1996](#)
- [Homelessness Act 2002](#)
- [Crime and Disorder Act 1998](#)

The guidance indicates that the Part 4 duties are separate to local authority housing duties under the Housing Act 1996 and Homelessness Act 2002 and does not place a requirement on authorities to provide domestic abuse victims with accommodation.

However, local authorities must still comply with their duties under homelessness law in line with [Chapter 8 of the Homelessness code of guidance for local authorities](#).

The guidance states that local authorities should also consider their Part 4 duties alongside the following guidance:

- [Improving access to social housing for victims of domestic abuse](#) in refuges or other types of temporary accommodations: statutory guidance on social housing allocations for local authorities in England.
- [Homelessness Code of Guidance](#)
- [Keeping Children Safe in Education](#): Statutory guidance for schools and colleges
- [Working together to safeguard children](#): A guide to inter-agency working to safeguard and promote the welfare of children
- [Violence against women and girls](#) (including men and boys): national statement of expectations



<p>Risk:</p>	<p>The recommendations from this report will mitigate the risk of specialist support to vulnerable victims of domestic abuse and their children in safe accommodation not being available during 2021-2024. It will also mitigate the risk of SMBC not fulfilling the statutory duty for local authorities outlined in the Domestic Abuse Act 2021. The risk register addresses the potential risk of poor performance by the specialist provider, which is identified as Low Risk. It also addresses the potential for inadequate resources allocated to deliver the strategy, which is identified as Amber Risk. Inadequate governance and staffing to oversee, monitor and report on the implementation of the Safe Accommodation strategy, is also addressed and identified as Low Risk.</p>
<p>Equality:</p>	<p>An Equality Impact Assessment has been completed as part of Cabinet report process which has identified no adverse impacts or issues of concern for protected groups.</p>
<p>Health and Wellbeing:</p>	<p>The safe accommodation strategy would aim:</p> <ul style="list-style-type: none"> • To increase the safety of victims and children • To improve the physical and mental health and wellbeing of victims • To improve children’s safety • To regain/retain victims’ stability, resilience and autonomy
<p>Social Value</p>	<p>The safe accommodation strategy outlines commitments to provide specialist support for victims of domestic abuse and their children in safe accommodation. It will assist in addressing the significant issue of domestic abuse. It also aims to increase and improve the safety and wellbeing of adult and child victims, enabling them to cope and recover from the impact of domestic abuse and thus generating social value.</p>

7. Appendices

Appendix 1. Final domestic abuse safe accommodation strategy 2021-2024.



8. Background Papers

Final [Statutory guidance](#) on the new duty for local authorities was issued by the Department of Levelling Up, Housing & Communities (DLUHC) on 1 October 2021.



Sandwell Domestic Abuse Safe Accommodation Strategy - 2021-2024

Final – October 2021



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Foreword

Domestic abuse is a serious issue in Sandwell. It has a devastating impact upon the victim, children, families and the wider community, regardless of race, geography or social background. It is recognised that domestic abuse has a detrimental effect on the safety, security, health and wellbeing of both adults and children. Access to safe accommodation is vital to providing an opportunity for victims of domestic abuse and their families to escape their abuser and have a chance to live a life without fear.

The Domestic Abuse Strategic Partnership (DASP) and Sandwell MBC has a pivotal role in bringing together partner organisations and agencies in a coordinated and planned way to address domestic abuse. This strategy outlines how Sandwell MBC will work with partners to meet the new statutory requirements set out by government within the Domestic Abuse Act to provide specialist support to domestic abuse victims and their children in safe accommodation. We will work to ensure that all victims/survivors are supported to remain safe in their own home if they wish, or access alternative safe accommodation and support.

Currently we are working with our partners on a wider domestic abuse needs assessment to inform a new Domestic Abuse Strategy for Sandwell, which will be published in 2022. Supported safe accommodation is part of a range of specialist support and advice services that we offer in Sandwell to enable victims, children and their families to cope and recover from domestic abuse.

Councillor Bob Piper, Cabinet Member for Community Safety, Sandwell MBC

**Nicholas Austin, Chair of Sandwell Domestic Abuse Strategic Partnership & SMBC
Interim Director of Borough Economy**



Introduction

This strategy has been compiled in response to the new statutory duty to produce a safe accommodation strategy from the Domestic Abuse Act 2021. The Act also places a duty on Sandwell Council to support survivors of domestic abuse and their children in refuges or other safe accommodation. Additional New Burdens funding has been provided by central government to cater for this new duty. Safe accommodation is classified as being refuge accommodation, specialist safe accommodation (i.e. dedicated specialist support to victims with relevant protected characteristics and/or complex needs), dispersed accommodation (safe self-contained and semi-independent accommodation), sanctuary schemes providing target hardening of properties along with specialist support and move-on and / or second stage accommodation. These safe accommodation types are also the only types of accommodation that would be covered by the New Burdens funding.

In addition to these two duties, in relation to the provision of safe accommodation for survivors of domestic abuse and producing the safe accommodation strategy, the Act also outlines the requirement for support services to include a range of services namely: advocacy, prevention, advice, specialist support for both adults and children, counselling and therapy.

An enhanced definition of domestic abuse has been outlined which relates both to coercive control and including children witnessing domestic abuse. It should be noted, however, that specialist services have long recognised coercive control and have responded to it.

Scope

This safe accommodation chapter has been produced in advance of the comprehensive domestic abuse strategy for Sandwell. This will be published in early 2022 and will incorporate this chapter within it. This schedule has been followed in order to meet the Department of Levelling Up, Housing & Communities (DLUHC) deadline for production.

This strategy, and the comprehensive domestic abuse strategy to follow, has been produced following a detailed safe accommodation needs assessment. The needs assessment process is still continuing to inform the comprehensive domestic abuse strategy.

The needs assessment, undertaken for us by Linxs Consultancy Limited, was compiled after a data collection and analysis programme (based upon the DLUHC guidance), analysis of current services and a wide-ranging consultation programme. These consultations placed at the heart receiving the testimonies of survivors of domestic abuse. We thank all those survivors who took part in this exercise acknowledging their courage and openness in providing their experiences. Representatives from a variety of organisations have also provided their views and opinions.



Data and Issue Summary

The needs assessment contains a comprehensive analysis of the material gathered. Some of the most notable findings are outlined here. These have informed the thematic areas which we will focus upon.

- The existing safe accommodation system in Sandwell is highly effective. The range of accommodation types and levels of support provided by Black Country Women's Aid (hereafter BCWA) mean that survivors are routinely accepted regardless of level of risk or complexity of presenting needs. There is also good outcome tracking for those who are declined a space in accommodation. System effectiveness has been enhanced by the appointment of a dedicated Housing IDVA (Independent Domestic Abuse Advisor) and procedural changes bringing faster resettlement. The average length of stay was 122 days in safe accommodation in 2020/21, compared with 160 days in the preceding year.
- One tangible gap where the service could be enhanced concerns children's therapy and support. For the past six years an advocate funded by Children in Need has provided support for young people in refuge and community services, working with the survivor and child in parallel as the most effective engagement model. This funding period has now expired.
- Counselling is also not currently available to safe accommodation survivors unless there is a history of sexual abuse or violence. A recent short-term uplift in early 2021 through the Ministry of Justice enabled counselling to be offered to domestic abuse survivors across the domestic abuse provider's accommodation and community services. There were 95 immediate referrals, highlighting the level of unmet need.
- The experience of clients consulted who were in out of area safe accommodation was markedly more negative than those in Sandwell. There were a number of survivors who were critical of either the lack of information or communication that they had received from Housing Solutions and indeed regional refuge staff. The time taken to achieve resettlement for out of area survivors consulted was also noticeably longer compared with those in Sandwell safe accommodation. A new systems approach to extend the immediate direct offer system to out of area presentations is yet to be fully embedded into practice.
- The commissioning perspective is that sufficient units are currently being commissioned to meet demand. This is borne out by the fact that since 2019/20 there have been less than 10 survivors per annum placed in temporary accommodation (rather than refuge) following a homeless presentation. The number of referrals declined due to no space being available in safe accommodation has also fallen significantly, with a 50% reduction when comparing 2020/21 with the previous time period.
- A first available void policy (prioritisation for local residents) has also been successful, with Sandwell residents now more likely to receive safe accommodation within the Borough. However, there has also been a surprising decline in the overall number of referrals for safe accommodation made in relation to Sandwell residents. In 2018/19, 52.0% of all referrals, and 50.0% of accepted clients came from Sandwell. By 2020/21 these figures have fallen to 33.3% and 31.3% respectively. This could be a product of the concerted levels of investment into community services (or a local consequence of the pandemic). Nevertheless, further investigation will be carried out, especially given the fact that domestic abuse homeless



presentations to the Local Authority have increased in each of the last three years (with the 2020/21 figure of 276 almost twice as high as the level recorded in 2018/19).

- The demographics for the safe accommodation referral profile show that there have only been 11 referrals made for male survivors (just 1 accepted) in the past three years for safe accommodation, and all of these cases were in 2018/19. Similarly, there have been just 5 homeless presentations from male survivors in the past three years, representing a mere 0.8% of the total number of applicants.
- Demographic information relating to sexual identity shows 2% of referrals (2.2% accepted) were from LGBT survivors.
- The needs assessment examined the ethnicity profile for both the safe accommodation referral and homeless presentations datasets. The proportion of referrals and presentations for survivors from Asian, Black, Mixed and Other White backgrounds are in excess of the respective Sandwell population profile proportions, indicating that ethnicity is not an overall barrier to accessing safe accommodation locally.
- The use of temporary accommodation for domestic abuse survivors is problematic due to the lack of wraparound support, suitability assessments and safety measures in place. Domestic abuse workers provided examples where their clients had felt intensely isolated in temporary accommodation, leading to them deciding to return to the perpetrator and representing a missed opportunity to break the domestic abuse cycle.
- As part of a Sandwell Council Housing Solutions redesign, the bulk of temporary accommodation (for non-domestic abuse presentations) is to be located in specific managed units. This should ensure there is capacity in the remaining dispersed units of stock for any domestic abuse survivors still needing short-term temporary accommodation. However, the inclusion of dedicated domestic abuse support as part of their housing plan should also be considered essential.
- There is currently no dedicated Sanctuary service. However, Sandwell Council does offer a target hardening service for domestic abuse survivors delivered by Neighbourhood Officers in conjunction with the Building Surveying Team and Neighbourhood Repairs Officers. The service is tenure neutral and can also be provided to owner-occupiers, private rented accommodation and housing association properties. Between April 2019 and June 2021 there have been 84 properties 'target hardened', with works including enhanced security to entry doors, windows and gates, repaired fencing and external lighting installation. However, the tenure neutral aspect of this service appears to be not widely known, especially outside of the Local Authority. Indeed, there were two survivors consulted who stated they had been advised by their domestic abuse support workers that they were not eligible for target hardening.
- Once a survivor leaves refuge the specialist domestic abuse provider is not commissioned to provide any continued resettlement support. This lack of an interface or continuity of care at a crucial point in a client journey was described as an issue by a number of survivors who had left, or indeed were about to leave, safe accommodation.
- There is flexibility within the safe accommodation service's commission to subsidise or offer rent-free periods for working survivors to make refuge affordable as they are not in receipt of housing benefit. Nevertheless, working survivors interviewed indicated that they had been informed by various agency representatives that they would be unable to access safe accommodation, revealing a significant procedural barrier to support.



- Respondents representing the refuge provider stated that there is a lack of collaborative working once a survivor enters safe accommodation with the statutory agencies having fulfilled their responsibilities, leaving the specialist provider responsible for all their needs moving forward.
- Other supported accommodation providers (e.g. teenage pregnancy) were consulted as part of the needs assessment. Representatives stated that they all had domestic abuse survivors to a greater or lesser extent, either historic or current. They further indicated that in many cases, domestic abuse was not recorded within the referral information, and was only discovered through later conversations between worker and client. However, the extent to which providers subsequently proactively helped survivors to obtain specialist domestic abuse support varied considerably. Indeed, current commissioning specifications for supported accommodation providers do not include mandatory domestic abuse training for staff.

Thematic Areas

Based on this analysis the following will be the three themes that we will focus our activity upon. These themes will be delivered via a range of actions and initiatives that were also contained in the needs assessment. The themes are:

4. Improving the survivors' recovery journey;
5. Enhancing the ability for survivors to stay in their own home;
6. Developing a more responsive and cohesive system.

To make a start on delivering these themes we will use the recommendations from the safe accommodation chapter of the needs assessment. These recommendations have been translated into the three themes as follows.

1. Improving the survivors' recovery journey

We will:

- Address the gap in relation to children's support in safe accommodation. New Burdens funding will be used for two posts in 2021/22 but longer-term planning will be undertaken to ensure sustainability.
- Develop an offer for a therapeutic resource or more psychologically informed services (e.g. a visiting clinical psychologist) that can be accessed in safe accommodation or through the resettlement period in a timely manner.
- Commission a dedicated domestic abuse service to support resettlement for survivors, preserving specialist support throughout the safe accommodation journey. The resettlement service could also be used to support other specific cohorts, such as teenage



parents leaving supported accommodation and survivors who have presented as homeless who have been rapidly moved to a new permanent tenancy.

- Explore further the service offer and its marketing for male victims. There is an absolute paucity of male referrals for safe accommodation and homelessness presentations for domestic abuse. The forthcoming launch of the Black Country Women's Aid 'Ask Marc' male service should improve accessibility of services and provide greater awareness of the availability of dispersed safe accommodation. This should be bolstered though a combined communications initiative between Black Country Women's Aid and Sandwell Council/Domestic Abuse Strategic Partnership.
- Develop a domestic abuse specialist service to provide wraparound support for any domestic abuse survivors in short-term temporary accommodation, bringing a continuity of care through to refuge and resettlement.

2. Enhancing the ability for survivors to stay in their own home

We will:

- Support survivors to stay in their own homes and provide enhanced security and feelings of safety for survivors moving to new properties by working towards the instigation of a full Sanctuary scheme. The current scheme, despite being tenure neutral, does not appear to be well known outside of Local Authority departments. A Sanctuary scheme would also bring an even more holistic service for survivors than is currently in place, combining physical security with safety planning and integrated support from a specialist domestic abuse provider.
- Undertake a review, where necessary, of policies, practice and procedures relating to the rehousing of perpetrators. This will have the aim of establishing a more robust case management system to make rehousing a more viable option.

3. Developing a more responsive and cohesive system

We will:

- Use the Sandwell Council Housing Solutions redesign and training regime to foster a culture of enhanced and open conversations with survivors to remove ambiguity from the system and promote transparency concerning processes and housing outcomes. This is due to a number of survivors feeling uncertain and insecure about the bidding and direct offer processes despite the proactive Housing IDVA role.
- Introduce additional Housing staff to maximise communications with survivors and system efficiency. This will be particularly beneficial in preserving dialogue and support for survivors in out-of-area refuges.
- Continue to develop ownership by asking all agencies with a role in recovery to systematically review their processes. It is crucial for an effective recovery journey that safe accommodation becomes a 'process' for multi-disciplinary support for survivors, rather than



being seen as an end-point where other agencies' duties of care are discharged. All partners will reaffirm their commitment to developing the best outcomes for individuals.

- Raise standards and consistency of the process for accessing support and working with survivors of domestic abuse for supported accommodation providers. This will include mandating domestic abuse training within the commissioning of supported accommodation providers. This will increase staff knowledge of referral pathways and enable them to support domestic abuse disclosures more proactively.
- Use our Council's Domestic Abuse Team to co-ordinate communication work with partners to ensure there is awareness of the safe accommodation available and the nature of support offered, addressing the decline in the overall number of referrals for Sandwell residents.
- Remove the barrier preventing working survivors from entering safe accommodation. We will produce a clear position statement for all relevant agencies in Sandwell detailing how working/homeowner survivors can access safe accommodation provision.

Progress against these thematic areas and individual actions will be overseen by the Domestic Abuse Strategic Partnership along with any sub-groups or short-life groups that are formed. A detailed implementation plan outlining timescales and responsibilities for implementing these actions is also available and will be updated periodically.

New Burdens funding

Sandwell MBC has received £841,812 New Burdens funding in 2021-22 to support the implementation of the statutory domestic abuse duty. Central government has indicated its commitment to providing funding in future years to support the implementation, but at the time of publication, specific allocations are yet to be announced. New Burdens funding will be used to respond to the areas highlighted in the domestic abuse needs assessment and will be invested in:

- The provision of holistic, specialist support to adults and children living in domestic abuse refuge in Sandwell, including support for complex needs; children & family support; and provision of psychologically-informed therapeutic interventions in refuge
- Specialist community-based support to victims in safe accommodation outside refuge (including floating support & re-settlement of victims leaving refuge; support to victims in sanctuary and other safe accommodation)
- Officer and costs to support the implementation of the statutory duty and the New Burdens funding programme development and management



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Equality Impact Assessment Template

Please complete this template using the [Equality Impact Assessment Guidance document](#)

Version 4: January 2019

Title of proposal (include forward plan reference if available)	Domestic abuse safe accommodation strategy 2021-24
Directorate and Service Area	Domestic Abuse Team, Community Safety & Resilience, Borough Economy
Name and title of Lead Officer completing this EIA	Maryrose Lappin Domestic Abuse Team Manager
Contact Details	maryrose_lappin@sandwell.gov.uk
Names and titles of other officers involved in completing this EIA	None
Partners involved with the EIA where jointly completed	None
Date EIA completed	10 November 2021
Date EIA signed off or agreed by Director or Executive Director	
Name of Director or Executive Director signing off EIA	Nicholas Austin
Date EIA considered by Cabinet Member	15 December 2021

See [Equality Impact Assessment Guidance](#) for key prompts that must be addressed for all questions

1. The purpose of the proposal or decision required (Please provide as much information as possible)

The Domestic Abuse Act 2021 places a new statutory duty on local authorities for the provision of specialist support for victims of domestic abuse and their children in safe accommodation. This duty requires that a safe accommodation needs assessment is undertaken which informs a safe accommodation strategy, the final version of which should be published by 5 January 2022. The Cabinet report seeks approval for the domestic abuse safe accommodation strategy 2021-24 which has been informed by a robust needs assessment.

Final [Statutory guidance](#) on the new duty for local authorities was issued by the Department of Levelling Up, Housing & Communities (DLUHC) on 1 October 2021. The guidance outlines the definition of safe accommodation. The Act also outlines the requirement for support services to include a range of services namely: advocacy, prevention, advice, specialist support for both adults and children, counselling and therapy.

The domestic abuse safe accommodation strategy outlines commitments on the provision of specialist support to all victims of domestic abuse and their children in safe accommodation, thus enabling Sandwell MBC to meet the statutory duty.

2. Evidence used/considered

A Domestic Abuse safe accommodation needs assessment was undertaken in 2021 to inform the domestic abuse safe accommodation strategy 2021-24. The key findings from the needs assessment are included in the strategy, which also outlines how the identified issues will be addressed.

The needs assessment identified that the existing safe accommodation system in Sandwell is highly effective. However, it also identified some further work needed to improve the response which victims receive. The strategy identifies three themes that will be delivered via a range of actions and initiatives as follows:

1. Improving the survivors' recovery journey;
2. Enhancing the ability for survivors to stay in their own home;
3. Developing a more responsive and cohesive system.

3. Consultation

Linxs Consultancy were commissioned by Sandwell MBC to undertake an independent domestic abuse needs assessment and develop a domestic abuse strategy. The first phase of this work has focused on the safe accommodation element, in order to meet the statutory duty to publish a draft safe accommodation strategy by 25 October and a final safe accommodation strategy by 5 January 2022. Work on the wider domestic abuse needs assessment and domestic abuse strategy is underway and this will be covered in a separate report to Cabinet in early 2022.

Consultation to date has involved a range of stakeholders and victims-survivors of domestic abuse in the production of the safe accommodation needs assessment which has informed the safe accommodation strategy. Feedback from victims-survivors on their pathway journey through services was gained via an online survey and via one-to-one consultations. Data and feedback was also provided by a range of partner organisations and stakeholders. A multi-agency task and finish group has overseen the development of the safe accommodation needs assessment and strategy, which has reported to the Domestic Abuse Strategic Partnership (DASP).

All partners involved in the DASP have been consulted on the safe accommodation needs assessment and DASP/task and finish group has agreed the draft safe accommodation strategy.

4. Assess likely impact

The domestic abuse safe accommodation strategy outlined in the Cabinet report includes the delivery of specialist support to all victims of domestic abuse and their children in safe accommodation. The details of how this will be addressed are outlined in the Domestic Abuse safe accommodation strategy 2021-24.

The strategy reflects the cultural and demographic diversity of Sandwell and outlines specialist support which will be accessible to all victims and delivered in a sensitive way which considers individual needs in respect of age, ethnic origin, care and support needs, language, culture, religion or faith, sexuality, disability or any other lifestyle preference.

Please see further details below.

Please complete the table below at 4a to identify the likely impact on specific protected characteristics

4a. Use the table to show:

- Where you think that the strategy, project or policy could have a negative impact on any of the equality strands (protected characteristics), that is it could disadvantage them or if there is no impact, please note the evidence and/or reasons for this.
- Where you think that the strategy, project or policy could have a positive impact on any of the groups or contribute to promoting equality, equal opportunities or improving relationships within equality characteristics.

Protected Characteristic	Positive Impact	Negative Impact	No Impact	Reason and evidence (Provide details of specific groups affected even for no impact and where negative impact has been identified what mitigating actions can we take?)
	✓	✓	✓	
Age			✓	Anyone can experience domestic abuse. Overall in the UK, one in 4 women and one in 6 men will experience domestic abuse in their lifetime, often with years of psychological abuse. It happens across all cultures and whether you are rich or poor. It happens in all kinds of relationships: heterosexual, lesbian, gay, bisexual and transgender. Older victims are already less likely to report domestic abuse and seek help and support. The safe accommodation strategy will mean that opportunities for older victims to secure help and support will be enhanced. Domestic abuse also has a significant and detrimental effect on children's physical and mental health and well-being which have a long-term impact. The proposals in the strategy to deliver specialist support will ensure there is support to victims and their children in safe accommodation.

Disability			✓	As above. National and local data inform that victims with a disability are often reluctant to ask for help and support. For example, their perpetrator may be their partner who is also be their provider of care. The safe accommodation strategy will mean that opportunities for victims with a disability to secure help and support in safe accommodation will be provided.
Gender reassignment			✓	As above. Victims who have gender reassignment are often reluctant to seek help and support and are under-represented in support services. The safe accommodation strategy will mean that opportunities for victims with gender reassignment to secure help and support in safe accommodation will be provided.
Marriage and civil partnership			✓	See above. People in civil partnerships, where two people are of the same gender are known to be less likely to report domestic abuse and sexual violence. The safe accommodation strategy will mean that opportunities for those victims to secure help and support in safe accommodation will be provided.
Pregnancy and maternity			✓	Domestic abuse often starts or escalates during pregnancy. The safe accommodation strategy will mean that opportunities for those victims to secure help and support in safe accommodation will be provided.

Race			✓	See above. Victims from black and minority ethnic communities face additional barriers to reporting domestic abuse and accessing services. The safe accommodation strategy will mean that opportunities for those victims to secure help and support in safe accommodation will be provided.
Religion or belief			✓	See above. Victims from particular communities, including communities of religion or belief, can face additional barriers to reporting domestic abuse and sexual violence and accessing services. The safe accommodation strategy will mean that opportunities for those victims to secure help and support in safe accommodation will be provided.
Sex			✓	Whilst men do experience domestic abuse, the majority of victims reporting to police and seeking access to specialist services are women. The needs assessment identifies that men are reluctant to come forward and seek help and few referrals are made for safe accommodation for men. The safe accommodation strategy will mean that opportunities for male victims to secure help and support in safe accommodation will be provided.
Sexual orientation			✓	See above. Domestic abuse happens in all kinds of relationships: heterosexual, lesbian, gay, bisexual and transgender. However, those victims are often reluctant to report and seek help. The safe accommodation strategy will mean that opportunities for those victims to secure help and support in safe accommodation will be provided.

Other				
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Does this EIA require a full impact assessment? Yes No

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, then you do not need to go any further. You have completed the screening stage. You must, however, complete sections 7 and 9 and publish the EIA as it stands.

If you have answered yes to the above, please complete the questions below referring to the guidance document.

5. What actions can be taken to mitigate any adverse impacts?

Not applicable

6. As a result of the EIA what decision or actions are being proposed in relation to the original proposals?

To continue with the recommendations.

7. Monitoring arrangements

The implementation of the domestic abuse safe accommodation strategy will be regularly monitored, and reports provided to the Domestic Abuse Strategic Partnership.

8. Action planning

None

9. Publish the EIA

This EIA will be published as part of the Cabinet Report and will be available on Corporate Management Information System of Sandwell Council.

Where can I get additional information, advice and guidance?

In the first instance, please consult the accompanying guide “Equality Impact Assessment Guidance”

Practical advice, guidance and support

Help and advice on undertaking an EIA or receiving training related to equalities legislation and EIAs is available to **all managers** across the council from officers within Service Improvement. The officers within Service Improvement will also provide overview quality assurance checks on completed EIA documents.

Please contact:

Kashmir Singh - 0121 569 3828

Report to Cabinet

15 December 2021

Subject:	B2022 Commonwealth Games – Host Integration Project
Cabinet Member:	Cabinet Member for Tourism and Culture Cllr. Danny Millard
Director:	Director for Regeneration and Growth Tony McGovern
Key Decision:	Yes
Contact Officer:	Chris Jones Project Director chris2_jones@sandwell.gov.uk

1.0 Recommendations

That approval be given:

- 1.1 To authorise the Director of Finance to agree a budget of £1,000,000 from Council reserves to enable the delivery of the Host Integration Project.
- 1.2 To authorise the Director of Finance to submit funding and agree funding bids with third parties that could support the delivery of the Host Integration Project.
- 1.3 To authorise the Director of Regeneration and Growth in consultation with the Director of Finance and the Director – Law and Governance and Monitoring Officer to undertake procurements and sign legal agreements that support the delivery of the Host Integration Project.
- 1.4 To authorise the Director of Regeneration and Growth to create three new fixed term FTE posts (until 31 August 2022) as follows:
 - Sandwell Aquatics Centre Facility and Operations Manager (H Grade);



- Sandwell Aquatics Centre Deputy Facility and Operations Manager (G Grade); and
- Sandwell Commonwealth Games Volunteer Co-ordinator (E Grade).

1.6 To authorise the Director Regeneration and Growth to submit a further report to Cabinet in March 2022 detailing the final Operational Plan for the Host Integration Project.

2.0 Reasons for Recommendations

2.1 Hosting a venue for the Birmingham 2022 (B2022) Commonwealth Games is a once in a lifetime opportunity for the borough of Sandwell and one that Sandwell Council wish to make the most of for its residents. Being a host borough brings with it amazing opportunities. The delivery of the Host Integration Project will support the delivery of these opportunities.

2.2 As part of the bid to host the Games, Sandwell Council agreed a 'Host City Guarantee' with the Commonwealth Games Federation and Birmingham City Council in September 2017. This agreement detailed what the Council would be required to deliver as part of the overall Games delivery. The Host Integration Project will deliver all the requirements detailed within the 'Host City Guarantee'.


2.3 The Host Integration Project and the outputs that will be delivered are being designed in partnership with the Birmingham 2022 (B2022) Commonwealth Games and Transport for West Midlands (TfWM) and will ensure that Sandwell Council are able to deliver business as usual services as well as the enhanced services required for Games time.

2.4 To support the delivery and success of the Host Integration Project and the B2022 Commonwealth Games, additional resources outlined, both from a financial and staffing perspective are required for the project to be a success.

2.5 On this basis, the earlier recommendations have been put forward for the consideration of Cabinet.



3.0 How does this deliver objectives of the Corporate Plan?

	<p>Strong resilient communities</p> <p>The delivery of the Host Integration Project primarily supports the delivery of two of the objectives of the Corporate Plan:</p> <ul style="list-style-type: none">• C7 – We will deliver the operational requirements to ensure the smooth running of the Commonwealth Games and ensure a lasting legacy for Sandwell – the Host Integration Project will deliver this outcome of Sandwell Council’s Corporate Plan.• C8 – We will showcase local, regional, national and international talent in an engaging and inspiring programme – the Host Integration Project is essential for the delivery of the B2022 Commonwealth Games and the hosting of the swimming, para swimming, and diving events at the Sandwell Aquatics Centre. The Host Integration Project will also lead on the delivery of other events across the borough to celebrate the Games such as the Queens Baton Relay and an official B2022 Commonwealth Games Live Site.
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4.0 Context and Key Issues

4.1 Background

4.1.1 Sandwell Council supported Birmingham City Council with a bid to host the 2022 Commonwealth Games in 2017. To support the bid, Sandwell Council agreed a ‘Host City Guarantee’ with the Commonwealth Games Federation and Birmingham City Council in September 2017. This agreement detailed what the Council would be required to deliver as part of the overall Games delivery.

4.1.2 The agreement covered the delivery of the new Sandwell Aquatics Centre that will host the swimming, para swimming, and diving events (as approved at Cabinet on the 31 January 2018, 5 June 2019, and the 20 November 2019). This project is forecast to be delivered on time and in line with Sandwell Council’s capital contribution detailed cabinet report approved at the 20 November 2019 meeting of Cabinet.



4.1.3 The Host City Guarantee agreement also detailed the operational requirements, required to be delivered by Sandwell Council for the successful delivery of the B2022 Commonwealth Games. It is the operational requirements that are the primary subject of this report.

4.1.4 Subsequently, Birmingham City Council, and by association Sandwell Council, were awarded the Host City Contract to deliver the Birmingham 2022 B2022 Commonwealth Games in December 2017.

4.1.5 As a consequence of being awarded the Host City Contract, the B2022 Commonwealth Games will take place at venues across the West Midlands region from the 28 July 2022 to the 8 August 2022, with the Aquatics Events being hosted at the new Sandwell Aquatics Centre located in Smethwick.

4.1.6 The Host Integration Project forms part of the overall Sandwell 'B2022 Commonwealth Games' Programme which has a full governance structure in place to support and assure its delivery.

4.1.6 From a Sandwell Council perspective, the delivery of the Programme is overseen by the Sandwell B2022 Commonwealth Games Members Steering Group which is chaired by the Leader of the Council and meets monthly.

4.2 Host Integration Project

4.2.1 The Host Integration Project is responsible for the delivery of all Sandwell Council's Games time responsibilities and will ensure that the Games are run smoothly, and that the borough is shown for the great place to live and visit that it is.

4.2.2 The Host Integration Project is broken down into 7 workstreams. These are as follows:

- **Street Scene** – this workstream will deliver all requirements from a waste collection, street cleansing, grounds maintenance and parks perspective. It will ensure that the borough is well presented for residents and visitors.
- **Communications, Engagement, Volunteers, and Events** – this workstream focuses on communications and engagement with residents, the promotion of the Games and the borough, engagement of volunteers to support Games delivery, and events



including, but not limited to, the Sandwell B2022 Live Site and Queens Baton Relay.

- **Regulations and Enforcement** – this workstream focuses on the enforcement of the B2022 Games Act (no authorised trading of B2022 merchandise, ticket touting etc) during the 10 days of the Games.
- **Transport and Traffic Management** – this workstream is led by a multi-partner (Sandwell Council, TfWM, and B2022 Organising Committee) Venue Transport Management Group and focuses on getting spectators and athletes to the Aquatics Centre with the minimum of disruption to Sandwell residents.
- **City Dressing and Wayfinding** – this workstream will deliver the ‘look’ of the Games for residents and visitors across the borough and will ensure that routes are clearly marked for spectators attending competition sessions at the Aquatics Centre.
- **Command, Control, and Communications (C3)** – this workstream focuses on the overall management and co-ordination of Sandwell Council’s Games time responsibilities.
- **Sandwell Aquatics Centre Operation** – this workstream will support the operation of the building for which the B2022 Organising Committee will be responsible for at Games time prior to the building being passed back to Sandwell Council to complete the legacy construction phase.

4.2.3 Work to develop the scope and operational requirements for each of the above workstreams, and the associated budget detailed in section 4.4 of this report, has been and continues to be developed in partnership with the relevant Council Service Manager and partners including the B2022 Organising Committee and TfWM.

4.2.4 All workstream operations and deliverables are being designed and funded so that Council ‘business as usual’ operations can continue across the borough during the B2022 Commonwealth Games.

4.2.5 The first output of the Host Integration Project will be a detailed Operations Plan. This Operations Plan will detail all works and activities required to deliver Sandwell Council’s responsibilities as part of the Host Integration Project to discharge the Host City Guarantee.

4.3 Host Integration Project Delivery and Timeline

4.3.1 The Host Integration Project will be delivered in the following Phases:



- Phase 1 – Development of final Operational Plan in partnership with the B2022 Organising Committee and TfWM – December 2021 to March 2022.
- Phase 2 – This phase will concentrate on the pre-Games operation and maintenance of the Aquatics Centre, which is at this point in Sandwell Council’s control, including test events, and the delivery of those works required pre-Games to ensure the smooth running of the even in Phase 3 – April 2022 to June 2022.
- Phase 3 – The final phase of delivery includes all Games time operations, including handing the Aquatics Centre over to the B2022 Organising Committee and subsequent handback so that the legacy construction can be completed – July 2022 to August 2022.

4.3.2 Throughout all phases, engagement with those residents impacted by Games delivery will be undertaken by Sandwell Council and partners from the B2022 Organising Committee and TfWM. Sandwell Council will also send monthly newsletters to residents local to the Aquatics Centre keeping them apprised of progress.

4.3.3 To support the delivery of the Host Integration Project, there is a requirement to create three new posts that will be fixed-term FTE. These are as follows:

- **Sandwell Aquatics Centre – Facility and Operations Manager (H Grade)** – this position will manage the Aquatics Centre from when the building is handed over to Sandwell Council by Wates Construction Ltd at the end of the first phase of construction and until the building is handed over the B2022 Organising Committee for Games time operations. During Games time operations, the position will support the B2022 Organising Committee in their delivery. This position will also be responsible for the delivery of all required health & safety and operational document for the operation of the building and the management of the Deputy Facility and Operations Manager plus any lifeguards required. They will also be the manage the Facility Management Contract in place with Wates during Games time.



- **Sandwell Aquatics Centre – Deputy Facility and Operations Manager** (G Grade) – this position will support the Facility and Operations Manager in the discharge of their duties and cover where appropriate.
- **Commonwealth Games Volunteer Co-ordination** (F Grade) – this position will manage and co-ordinate the volunteers required for the delivery of the B2022 Commonwealth Games from a Sandwell Council perspective. The volunteers required to support this delivery will be assigned by the B2022 Organising Committee’s volunteering scheme.

4.3.4 The Facility and Operation Manger and Deputy Manager are required as there is no contractual or Cabinet Approval in place for an operator to manage the building during this phase of the project. As the building will be managed and staffed by the B2022 Organising Committee during Games time there is also not the need of a large contingency of staff from Sandwell Council other than the Facility and Operations Manager and Deputy Manager and required lifeguard provision.

4.4 Funding

4.4.1 As mentioned earlier in this report, the Sandwell Aquatics Centre Capital Project is on target to be delivered within Sandwell Council’s capital allocation of £28.6m. This report is not asking for any additional funding to support the capital project. All funding requested is solely for the purpose of delivering the Host Integration Project.

4.4.2 On this basis, the forecast funding required to deliver the Host Integration Project is as per the table below:

Workstream	Workstream Budget
Street Scene	£260,000
Communications, Engagement, Volunteers, and Events	£260,000
Regulations and Enforcement	£37,000
Transport and Traffic Management	£60,000
Borough Dressing and Wayfinding	£70,000
C3	£20,000
Sandwell Aquatics Centre Operation	£293,000
Total	£1,000,000



4.4.3 Whilst further work is being completed to determine the final operational plan for each of the workstreams, officers are comfortable that the Host Integration Project can be delivered within the overall budget identified above. However, it may be necessary to adjust budget lines within the overall funding to meet the need of individual workstreams.

4.4.4 Officers will continue to seek funding from third parties where possible to support the delivery of the Host Integration Project to reduce any funding requirement from the Council.

5.0 Alternative Options

5.1 Do nothing – this would leave Sandwell Council in breach of the ‘Host City Guarantee’ that was entered into in September 2017 and would leave Sandwell Council at risk of the recovery of funding towards the Aquatics Centre. Also, the non-delivery of the Host Integration Project would mean that the B2022 Commonwealth Games with all the excitement and benefits that it brings to the borough would not be able to be delivered.

6.0 Implications

Resources:	The £1,000,000 for the delivery of the Host Integration Project is being sourced from Council reserves.
Legal and Governance:	<p>The workstreams being delivered through the Host Integration Project are in line with the agreement that Sandwell Council signed in support of the Host City Contract in 2017. Failure to deliver these activities will leave Sandwell Council in breach of contract. Therefore, the delivery of the Host Integration Project is imperative for Sandwell Council and the delivery of the B2022 Commonwealth Games.</p> <p>Any procurement process required for the Host Integration Project to identify the most suitable supplier available to the Council, will be carried out in compliance with the Council’s Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.</p>
Risk:	The Host Integration Project forms part of the wider Sandwell B2022 Commonwealth Games Programme and is subject to the programme governance, including



	partners from the B2022 Organising Committee, the Department for Digital, Culture, Media, and Sport, Birmingham City Council, and Transport for West Midlands that has been set in place. A full risk register, including mitigative actions, is in place and is monitored monthly.
Equality:	The B2022 Commonwealth Games is an event for all people to be involved and the Host Integration Project is being designed as per this principle.
Health and Wellbeing:	<p>It is planned that opportunities to participate in physical activity and sport will be delivered as part of the events itinerary.</p> <p>The B2022 Commonwealth Games will also offer opportunity for residents to come together to celebrate being involved in an international sporting event.</p>
Social Value	<p>Social Value will be the high on the agenda of the Project as any procurement process will seek a 75% requirement for local spend within 10 miles of the Sandwell. Job opportunities will form part of the procurement process also.</p> <p>Within the Host Integration Project that are also plans to be developed to upskill volunteers and where possible move them into employment.</p>

7.0 Appendices

NA

8.0 Background Papers

NA



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Report to Cabinet

15 December 2021

Subject:	Draft General Fund Budget 2022/23
Cabinet Member:	Cllr Crompton – Cabinet Member for Finance & Resources
Director:	Simone Hines - Director of Finance
Key Decision:	Yes
Contact Officer:	Rebecca Maher (Head of Finance) Rebecca_Maher@sandwell.gov.uk

1 Recommendations

That Cabinet:

- 1.1 Note the draft budget position for 2022/23 and the savings required.
- 1.2 Approve the savings identified in para 4.13 onwards and Appendix B in principle for consultation and an Equality Impact Assessment where required.
- 1.3 That the Director of Finance submit a further report in February 2022 setting out the results of the consultation referred to in 1.2 above for Cabinet to consider prior to final budget proposals being approved.
- 1.4 That the draft budget and savings options be considered by the Budget and Corporate Scrutiny Management Board in January 2022.









2 Reasons for Recommendations

2.1 The Local Government Finance Act 1972 requires the Council to set a balanced, risk assessed budget each year and approve a Council Tax precept by 11th March.

3. How does this deliver objectives of the Corporate Plan?

The Council's financial position helps to underpin the Council's Corporate Plan and the associated aspirations.

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell

4 Context and Key Issues

4.1 The budget process for 2022/23 is particularly challenging due to the ongoing uncertainty around the long-term impact of the COVID-19 pandemic, as well as uncertainty around the Spending Review and Settlement 2021 and plans for local government funding reform.

4.2 The initial budget deficit for 2022/23 set out in the current Medium-Term Financial Plan was estimated to be in the region of £9m, but this has increased substantially to a gap of £25m, or £21m after applying COVID funding for appropriate cost and income pressures.



- 4.3 The increase in the deficit for 2022/23 is largely due to additional spend pressures and income losses. There are further inflationary pressures, especially as inflation has now hit a decade high of 4.2% in October and the Council is also seeing demand pressures from key services such as Adult Social Care and SEND transport.
- 4.4 A summary of the current draft budget position is shown in the table below. This is based on current assumptions and is subject to change as the budget process progresses:

	£m
Draft budget including inflationary assumptions	267.529
Spend Pressures	14.857
Growth Items	1.558
Total Net Budget	283.933
Funded by:	
Business Rates	101.451
Business Rates top-up	41.771
Collection Fund deficit	-1.900
Council Tax	116.844
Total Funding	258.592
Budget gap	25.341
One-off pressures funded from COVID grants	4.150
Ongoing Budget Gap after one-off pressures/savings	21.191
Ongoing Savings Identified	14.607
Ongoing Budget Gap	6.583
One-off funding 2022/23	5.126
Remaining Ongoing Budget Gap after savings	1.457

- 4.5 A summary of the spend pressures and growth items per Directorate are shown at Appendix A to the report.



- 4.6 The assumptions that have been applied when preparing the draft budget are:
- Inflation where contractual and unavoidable
 - Provision for an annual pay award
 - Pension contributions in line with the current triennial valuation
 - Business Rates income based on current trends and assuming there is not a re-set of business rates baselines or any change to the 100% pilot arrangements
 - 0.6% increase in the Council Tax Base, which is slightly lower than the 1% increase assumed in the Medium-Term Financial Plan.
 - 3.99% increase in Council Tax, made up of 1.99% 'core' increase and 2% Adult Social Care precept unused from 2021/22
- 4.7 The draft budget position does not yet include an estimate of the cost of the employers National Insurance Contribution rate which takes effect from April 2022. The government has confirmed that the cost for local government will be funded, and this is likely to come from the £1.6bn p.a. announced as part of the Spending Review (section 4.12 below) but there is no information on how this will be allocated. Further work is being carried out to understand what these costs are, but the government funding is only likely to extend to the Council's own pay bill and not that of its key contractors.
- 4.8 The spend pressure in relation to SEND Transport is partly due to increased demand and partly due to cost pressures linked to the extension of the current procurement arrangements. The Council is also seeing an increased demand for Adult Social Care, particularly in relation to Domiciliary Care. There are also some exceptionally high costs placements for specialist support. This is being monitored closely to identify mitigating actions to reduce the pressure or prevent any further increases.



- 4.9 The COVID-19 pandemic is still having an impact on Council finances, particularly in relation to income streams and levels of reserves and it is difficult to predict the speed of recovery at this stage. Income from services such as car parking and markets has not yet returned to pre-COVID levels and we are not anticipating any dividend from Birmingham airport for 2022/23. As these are short-term pressures as a result of the pandemic, these have been funded from COVID emergency grant funding carried forward from 2021/22. However, a longer-term view of these pressures will need to be considered in the Council's Medium Term Financial Plan as the COVID grant funding is limited and it may be that some of these pressures are reflective of more permanent changes in people's behaviour.
- 4.10 The Council Tax Base has not increased as much as in previous years, largely due to increased take up of Local Council Tax Support (LCTS). As this is linked to the economic impact of COVID, this gap will be funded by government funding aimed to support the increased cost of providing LCTS.
- 4.11 The funding assumptions are dependent on the announcement of the Local Government Finance Settlement. At the time of writing the report this was not available, but a verbal update will be given to Cabinet at the meeting.
- 4.12 **Spending Review 2021 – key points**
- 4.13 The Spending Review 2021 was announced on 27th October. The key points for Local Government were:
- Core referendum principle of 2%, a 1% Adult Social Care (ASC) precept, and a £10 Police precept.
 - confirms an additional £4.7 billion by 2024-25 for the core schools' budget in England. This is broadly equivalent to a cash increase of over £1,500 per pupil by 2024-25
 - Additional £1.6bn per year of funding through the Local Government Settlement for 'social care and other services'. We won't know how much Sandwell will receive until the Settlement in December.



- £3.6 billion will go directly to local government over the SR21 period to implement the cap on personal care costs and changes to the means test.
- To support businesses in the near term, the government has decided to freeze the business rates multiplier in 2022-23. Local authorities will be fully compensated for all measures announced in the review
- Business Rate Retention pilots will continue into 2022-23 and 2024-25. This means Sandwell will not lose any business rates growth in 22/23.
- Retail, hospitality and leisure properties will be eligible for a new, temporary £1.7 billion of business rates relief next year (funded by government).
- Government will maintain the Public Health Grant in real terms over the SR21 and it would continue to be ringfenced
- Business Rates and Fair Funding Reform – further information due in the settlement
- New Homes Bonus reform – further information due in the settlement
- No further COVID funding for local authorities

4.11 The reform to Fair Funding and Business Rates mentioned above refers to a national review of the way that funding is distributed across local government and the level of business rates that local government is able to keep. These reforms were due to be implemented in 2019 and are not likely to be implemented now until at least 2023, although this is still to be confirmed. This makes longer term financial planning very difficult.

4.12 Whilst the Spending Review sets out national government policy and the quantum of funding available for local government, the actual impact on Sandwell will not be known until the Local Government Finance Settlement is announced, which is usually in mid-December.

4.13 Savings options

4.14 Cabinet and Leadership Team have been working closely on the draft budget for 2022/23 and have undertaken a Star Chamber exercise with all Directorates to challenge existing budgets and identify savings options. The Council has also made use of benchmarking data to compare our current costs against our nearest neighbours.



- 4.15 Given the extent of the budget challenge and the need to ensure a balanced and sustainable budget is set in March while maintaining an adequate level of reserves, Directorates were set a 10% target to either achieve savings or increase income in their services.
- 4.16 The initial savings proposals following this exercise are attached at Appendix B. These total £14.6m.
- 4.17 Some of the savings require consultation, either with employees or service users and this will be carried out early in 2022 subject to Cabinet approval and in line with Council policies on consultation.
- 4.18 Where required, Equality Impact Assessments will be as part of consultation processes.
- 4.19 The Council currently makes grants and contributions to various third sector organisations and has not currently applied any savings target to those budgets. The Council plans to undertake a comprehensive review of these arrangements to ensure that they are achieving outcomes in line with the Council's corporate priorities. The Council will follow the Voluntary Sector Compact to do this and will consult and carry out Equality Impact Assessments before any changes are made. A progress update on this will be included in the final budget report to Cabinet in February.
- 4.20 The Local Government Finance Act also requires Council's to consult with Business Ratepayers in its area. It is proposed that this report and the savings proposals are shared with the Black Country Chamber of Commerce and Business Ambassadors Group.
- 4.21 As mentioned at section 4.6 above, the draft budget currently assumes a 3.99% Council Tax increase, of which 2% is the Adult Social Care precept which wasn't applied in 2021/22 and can be carried forward. The Council could also apply a further 1% increase to the Adult Social Care precept, in line with the SR21 announcement. This would increase council tax income by approx. £1.1m compared to the current draft budget forecast. A 3.99% increase on a Band C property is £53.36 per year and a 4.99% increase on a Band C is £66.57 per year.
- 4.22 Subject to Cabinet agreeing the savings proposals at Appendix B in principle, officers will carry out the appropriate consultation and Equality Impact Assessments and report these back to Cabinet in February so final budget decisions can be made.



4.23 If all savings at Appendix B are approved following consultation, there would still be a gap of approx. £1.5m remaining for 2022/23, dependent on the Local Government Finance Settlement announcements. There is a Fees and Charges review underway which may give additional income generation options, and Cabinet and Leadership Team will need to give consideration to other options available to ensure a sustainable budget can be set for 2022/23.

4.24 Reserves Position

4.25 The Council has two types of reserves – earmarked reserves which are for specific future projects, commitments or risks, and an unallocated reserve, which is to ensure the Council can manage unexpected financial challenges.

4.26 As part of the budget setting process the Council's earmarked and unallocated reserves position has been reviewed to ensure they are of a sufficient level to meet the financial commitments and risks that the authority is facing. The level of reserves the Council held at 31st March 2021 was £134m but this is projected to fall to £70m once COVID related funding has been used during this financial year.

4.27 The level of unallocated balances at the end of March 2022 was £8.4m, which is the lower end of a prudent level. Part of the budget strategy for 2022/23 is to restructure reserves to increase the level of unallocated balances and also create an Invest to Save reserve. This will allow transformational projects to be carried out to both improve the way the Council delivers services to its customers but also enable service to delivery to be done in a more efficient and effective way.

4.28 Next Steps

4.29 The assumptions and estimates currently being used in the draft budget will be constantly monitored and the funding position will be revised if necessary once the Local Government Finance Settlement has been announced.

4.30 The review of Fees and Charges will be completed before Christmas and any options for income generation will be considered by Leadership Team and Cabinet in early January.



4.31 The Council's Medium-Term Financial Plan will be refreshed early in 2022 and work will begin on developing a Three-Year savings plan. This will be reported to Cabinet in February alongside the final budget report. Key to this will be any further announcements about government plans to progress with Fair Funding Reform and 75% Business Rates Retention as this may have significant impact for the Council and at this stage gives huge uncertainty about the Council's financial position in the medium term.

5 Alternative Options

5.1 Cabinet could request that alternative savings options be proposed and agreed, although there is limited time to do this and still be able to carry out the appropriate consultation on alternative savings.

6 Implications

Resources:	Resource implications are contained within the main body of the report.
Legal and Governance:	No direct implications arising from the recommendations.
Risk:	This information is contained within the main body of this report.
Equality:	No direct implications arising from the recommendations.
Health and Wellbeing:	No direct implications arising from the recommendations.
Social Value	No direct implications arising from the recommendations.

7. Appendices

- A.) Spend Pressures and Growth items
- B.) Savings Options

8. Background Papers

None



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Appendix A

AREA OF BUDGET PRESSURE	GROWTH/P RESSURE	NET PRESSURE (£)	PRESSURE (£)	GROWTH (£)
AGREED PRE-TEMPLATES				
Equalities Commission	Pressure	430	430	
Graduate Programme	Pressure	350	350	
Human Rights Act Claims	Pressure	200	200	
General capital matchfunding/project/revenue costs	Growth	200		200
TOTAL		1,180	980	200
LEGAL				
Elections - Local Election Costs	Pressure	220	220	
Legal Services - Children's Trust Income for GDPR	Pressure	100	100	
Registration Services - new cemetery in West Bromwich	Pressure	2,225	2,225	
Governance Services	Growth	62		62
TOTAL		2,607	2,545	62
ADULTS				
Projected contractual inflation on care costs 2022/23	Pressure	2,750	2,750	
Increase Dom Care Packages	Pressure	2,500	2,500	
TOTAL		5,250	5,250	0
HR				
Income pressures in relation to income from schools	Pressure	400	400	
TOTAL		400	400	0
CHILDRENS				
SEND Transport	Pressure	1,871	1,871	
RAA	Pressure	48	48	

TOTAL		1,919	1,919	0
CORPORATE				
SHAPE Programme	Growth	125		125
SCT Contract Sum	Pressure	665	665	
Pay Award	Pressure	1,000	1,000	
Local Welfare Provision	Growth	275		275
Apprentice Pay	Growth	456		456
Support Partner - Oracle Fusion	Growth	90		90
Oracle Change Management Team	Growth	0		0
Business Rates Growth	Pressure	287	287	
Chief Executive salary increase	Pressure	25	25	
Reduction in CT Base	Pressure	426	426	
TOTAL		3,349	2,403	946
FINANCE				
Service Manager post to be reinstated	Pressure	100	100	
Additional Principal Accountant required	Growth	63		63
TOTAL		163	100	63
REGEN				
Highways Maintenance - pressure re high priority works	Pressure	70	70	
Car Parking - Post COVID	Pressure	500	500	
Markets - unachievable income due to Covid for indoor and outdoor market	Pressure	150	150	
Dangerous Structures Reserve	Pressure	190	190	
Mark Drake -PMA programme of works	Pressure	220	220	
Mark Drake - Schools repairs account loss of contracts	Pressure	120	120	
TOTAL		1,250	1,250	0
BUSINESS STRATEGY & TRANSFORMATION				
Increase in Comms Team	Growth	287		287
TOTAL		287		287
GRAND TOTAL		16,405	14,847	1,558

Adult Social Care Service	Proposal	Saving £m	Impact
Social Work and Therapy	Undertake strength based reviews of cases where weekly care costs are below £100 or above £2,200	£0.7	Reduction in payment to providers and reduction in commissioned support. May result in reduced support.
Social Work and Therapy	Develop an alternative approach to double handed care calls	£1.4	Reduction in the number of double handed care calls i.e. more calls dealt with by one carer rather than multiple. Will need investment in equipment.
Direct Services	Use vacant units at Walker Grange and Willow Gardens for placements of people with dementia to reduce external placement costs	£0.65	Using the Councils own properties rather than external placements. No impact on existing residents.
Meals on Wheels	Delete vacant posts	£0.03	No impact
Respite Service	Review policy on Respite Support to reduce from offering 56 days to 28	£0.1	This will reduce the level of service offered to some users
Commissioning	Fund Domestic Refuge services through use of New Burdens Grant	£0.5	Less funding to invest in extra commissioned services. No impact on existing service
Commissioning	De-Commission non-statutory Community Advocacy Services	£0.05	Service would not be available to residents. Alternatives are available through partners
Total		£3.5	

Service – Children’s and Education	Proposal	Saving £m	Impact
School improvement	Staffing reductions	0.09	Reduction in advisory support and more pressure on rest of the team. Linked to reduced DFE funding but subject to consultation
Early Years	Remove vacant post and reduce training budget	0.06	Workforce receive less training. Impact on the service will be monitored
Employment and Skills	Using staff in a different way to support employment fairs	0.02	Very little
Education Support	Restructure and remodelling of services	0.16	More efficient service and reduction in staff. Minimal impact.
Connexions	Various staffing reductions and increased income	0.25	Reduced staffing capacity
Post 16 Service	Delete Manager post	0.07	Reduced staffing capacity
Workforce Nursery	Review delivery model and charging structure to break even	0.06	May result in higher charges for users or different service being offered
Total		0.7	

Service – Public Health and Corporate	Proposal	Saving £m	Impact
Public Health	Fund Detached Youth Service, Air Quality and SHAPE from PH grant	0.4	None
Central – Waste Contract	Reduction in contract budget based on current trends	0.5	None – based on current costs
Central – Leisure	Reduction in fee paid to Sandwell Leisure Trust	0.2	Based on current forecasts. Dependent on negotiation with SLT
Central – technical changes	Use of COVID grant funding to cover airport dividend loss and reduced Collection Fund deficit	2.5	None
Total		3.6	

Service – Legal and Governance	Proposal	Saving £m	Impact
Legal	Staffing restructure	0.2	Reduction in staffing capacity but mitigated by improved processes
Legal	Increased income from providing services to others	0.02	None
Elections	Hand delivery of forms rather than postal and using tablets for canvassing	0.12	None – should have a positive impact on the service
Registration	Increase fees and charges by 4% above inflation.	0.16	Increased charges to customers. Options for charging structure being reviewed.
Total		0.5	

Service - Housing	Proposal	Saving £m	Impact
Housing Management	Increase Garage rents by 50%	0.4	Customers will need to pay more, but rents are low compared to others. May reduce demand.
Floating Support	Fund from Preventing Homelessness Grant	0.05	None
Communities	Reduce funding to SCVO	0.08	Relatively small proportion of total SCVO funding (£1.35m). Subject to consultation and Impact Assessment to understand full impact.
Housing Management	Staffing reduction and other minor savings	0.12	None – vacant post
Welfare Rights	Increase the HRA contribution towards this team.	0.14	None
Allocations	Charge providers for properties let through Choice Based Lettings	0.02	Minimal – charge based on current market rate
Total		0.81	

Service – Business Strategy and Change	Proposal	£m	Impact
HR	Reduce training, conferences, Management Development and professional training budgets	0.2	Reduced training for workforce. May impact on capability and recruitment and retention
HR – Graduate Scheme	Remove budget for graduate scheme and substitute with funding from vacant posts	0.17	None, assuming graduates are used for existing posts.
HR – staffing reductions	Senior HR Business Partners and Learning and Development Officer posts to be deleted	0.1	Reduced staffing capacity, likely to be voluntary under Planned Leavers
Contact Centre	Reduce staffing by 1.5 FTE and remove winter temporary workers budget	0.07	May impact on Contact Centre performance, but there will still be increased staffing due to additional 10 FTE recruited this year
Service Improvement	Minor staffing reductions	0.06	Minimal, but will reduce flexibility
ICT/Digital	Staffing reductions (Planned Leavers)	0.18	Less IT capacity to support the business
ICT/Digital	Various contract changes	0.32	None
Total		1.1	

Service – Finance	Proposal	Saving	Impact
Finance, Audit and Procurement	Staffing restructures	0.2	Less staffing capacity but more efficient to meet needs of the Council. Likely to involve redundancies.
Adult Social Care Charging	Review current policy for non-residential charging. Subject to consultation.	0.3	Consultation on options to increase the amount that people have to pay for their care. Currently 47% of income is taken into account. Many other authorities take 100% into account
Benefits	Fund Local Welfare Scheme from Council Tax Support Grant	0.3	None – funding service from government grant instead of Council budget. One-off saving
Council Tax	Increased the summons charge for Council Tax and Business Rates debts	0.17	Charge increased by £10 to £79. The amount the Council has to collect will increase.
Revenues and Benefits	Staffing reductions across the service	0.3	Mostly vacant posts so little impact. Possibly one redundancy but options for redeployment.
Cashiers	Review current provision and opening hours and consolidate service across the Council	0.05	Maintaining current reduced opening hours. Cashless Strategy is reducing the cash that the Council take and customers are paying by other means.
Total		1.3	

Service – Borough Economy	Proposal	Saving £m	Impact
Waste and Fleet	Charging for 2 nd Green Bin (£40)	0.17	Charges applied to residents 2 nd bin only, estimated 5,000 uptake, less admin costs
Waste and Fleet	Review Street Cleansing approach, review contract and move to bill of quantities	0.5	Depends on outcome of contract review
Libraries	Relocation of services and creation of hubs	0.2	Greater use of self-serve technology, relocation of some services and additional grant funding.
Museums	Review current Museum and Arts Service provision	0.1	Consolidation of services and rationalising management
Events, Sandwell Valley and Lightwood House	Review Business Plan and income targets with the aim of becoming cost neutral within 3 years	0.1	Increase number of events and charging structure for events and facilities
Corporate Fleet Review	Review current approach to fleet management	0.1	Minimal – savings should come from more efficient procurement and use of fleet
Pest Control	Review fees and charges to become cost neutral within 3 years	0.06	Increase in charges payable by customers
Total		1.25	

Service – Regeneration and Growth	Proposal	Saving	Impact
Strategic Assets and Facilities Management	Staffing restructures	0.06	Reduced staffing capacity
Strategic Assets	Reviewing property leases	0.6	Changes to property portfolio – combination of increased rental income and reduced rental costs
Building Control	Increase fees – between 10-20%	0.04	Increased charges to customers, may impact on demand
Planning	Introduce new pre-application charges	0.005	New charges for customers
Strategic Assets and Growth	Various staffing changes and reductions in supplies and service budgets	0.3	May reduce ability to carry out research for statutory service and reduced number of business events carried out
Strategic Assets	Capitalise some major repairs works	0.8	No impact on service – will fund from capital resources
Total		1.8	

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Report to Cabinet

15 December 2021

Subject:	Council Tax Base 2022/2023
Cabinet Member:	Councillor Maria Crompton - Cabinet Member for Finance and Resources
Director:	Simone Hines – Director of Finance
Key Decision:	Yes
Contact Officer:	Ian Dunn ian_dunn@sandwell.gov.uk Carl Jones carl_jones@sandwell.gov.uk

1 Recommendations

That approval be given to:

- 1.1 Recommend to Council that they approve the Council Tax Base for 2022/2023 to be set at 74,858.45
- 1.2 Authorise the Section 151 Officer to adjust the Council Tax Base as required following approval of the 2022-2023 Council Tax Reduction Scheme by Council on 18 January 2022.


2 Reasons for Recommendations

- 2.1 The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. It is used to determine the annual amount of collectable Council Tax.



2.2 The regulations set out the methodology to be used by authorities when calculating their Council Tax Base. They further dictate that the Council Tax Base should be set between 1 December and 31 January prior to the financial year to which it refers.

3 How does this deliver objectives of the Corporate Plan?

	<p>A strong and inclusive economy</p>	<p>Collection of Council Tax is important as it gives the council money to spend and invest locally</p>
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4 Context and Key Issues

- 4.1 The Council Tax Base is an assessment by each billing authority of the number of chargeable dwellings, converted to Band D equivalents (the average band), allowing for discounts, exemptions, non-collection and new properties. This information is used when setting the Council’s budget.
- 4.2 In four of the last five years, Sandwell has been rated the best performing metropolitan borough council in respect of Council Tax in-year collection.
- 4.3 This excellent performance maximises income levels for the council. It can therefore be argued that the recommendations in this report has implications for all 10 corporate ambitions.
- 4.4 In order to calculate the Council Tax Base, it is necessary to take the actual number of properties in each Council Tax band on the valuation list and then make adjustments to the Local Council Tax Reduction Scheme. In addition, assumptions need to be made for changes in the number of properties in each band between now and 31 March 2023 as a result of new builds and demolitions.
- 4.5 The adjusted numbers in each band are then converted to the equivalent number of Band D properties.



- 4.6 At the time of presenting this report, Sandwell's Local Council Tax Reduction Scheme has yet to be formally approved. Details of the Local Council Tax Reduction Scheme are contained within the Local Council Tax Reduction Scheme report to Cabinet on 15th December 2021. It is not anticipated that any changes will be made to the scheme which may adjust the assumptions made in the Council Tax Base collection. The Council Tax Base for 2022/23 has been calculated as 74,858.45
- 4.7 On 4th December 2012 the Council resolved to remove Council Tax exemptions on empty properties during the initial six months and introduced an empty homes premium of 150% for homes empty
- 4.8 Legislation was passed which allows for an empty home premium of 100% from 01 April 2019 for homes empty over 2 years, from 01 April 2020 onwards a 200% empty home premium for homes empty for over 5 years and from 01 April 2021 onwards a 300% empty homes premium for homes empty over 10 years. The additional Council Tax that will be collected next year as a result of these premiums has been taken into account when setting the Council Tax base for 2022/23.
- 4.9 The Council Tax Base for 2022/23 has been calculated as 74,858.45
- 4.10 The Council Tax Base must be reduced to reflect any anticipated losses on collection. In recent years this has meant a reduction of 1% as experience has shown that a 99% collection rate is ultimately achievable.
- 4.11 At the end of October 2021 the in-year collection rate had increased slightly by 0.10% compared to the same point last year. Compared to the same period prior to the on-set of the pandemic however the collection rate has decreased by 2.32%. A drop of 2.32% equates to approximately £3m of uncollected Council Tax.



4.12 The Council has received a hardship fund of £3.5m to help residents who are struggling to meet their Council Tax payments. To date we have awarded £1.2m of this fund to residents in receipt of a partial Local Council Tax Reduction and we will continue to spend the fund before the end of March 2022. This will help improve the in-year collection rate for 2021/22.

4.14 As its not yet know whether a hardship fund will be made available for 2022/23 and it is clear that many residents will move into the new financial year with previous-year Council Tax debt, the Council Tax Base for 2022/23 has been reduced by 2% thereby assuming a 98.5% collection will ultimately be achieved. This reduces the Council Tax Base as follows:

<u>Collection Rate %</u>	<u>Tax Base</u>
98.5	74,858.45

4.15 The actual levels of Council Tax for 2022/2023 will be dependent upon final decisions yet to be taken on both Sandwell budgets and those of the precepting bodies, together with consideration of any surplus or deficit on the Collection Fund.

5 Alternative Options

5.1 Not applicable.

6 Implications

Resources:	The calculation of Council Tax Base is based on the number of domestic properties in the valuation list in Sandwell. Statistical information indicates that the number of domestic properties in Sandwell is now starting to increase again after the pandemic.
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Legal and Governance:	The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and be determined between 01 December and 31 January of the financial year preceding the financial year to which it will apply.
Risk:	If Council Tax is not collected the Council's income could be affected and services provided by the Council may need to be cut.

7. Appendices

None

8. Background Papers

None



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Report to Cabinet

15 December 2021

Subject:	Business Rates Retention Forecast – 2022/23
Cabinet Member:	Councillor Maria Crompton - Cabinet Member for Finance and Resources
Director:	Simone Hines – Director of Finance
Key Decision:	Yes
Contact Officer:	Ian Dunn ian_dunn@sandwell.gov.uk Carl Jones carl_jones@sandwell.gov.uk

1 Recommendations

That approval be given to:

- 1.1 Subject to any changes arising from the issue of the National Non-Domestic Rate (NDR1) form by the Spending Review announcements, the business rate retention forecast for 2022/23, based on 99% Business Rates Retention, be set at £84.06m.
2. Authorise the Section 151 Officer to adjust the estimate to take account of any required changes arising from the issue of the National Non-Domestic Rate (NDR1) form, Department for Levelling up, Housing and Communities, Spending Review, Budget Statement announcements and funding arrangements for Business Rates Retention.




2 Reasons for Recommendations

- 2.1 To approve the Business Rates Retention yield forecast for 2022/23.
- 2.2 This report details the estimated Business Rates expected to be collected by the council next year. This information is used when setting the council's budget.
- 2.2 Effective collection of Business Rates maximises income levels for the council. It can therefore be assumed that it has implications for all 10 ambitions.
- 2.3 Based on information received from Planning regarding large businesses due to come into the rating list next year and large businesses due to be demolished we are not expecting Business Rates growth during 2022/23
- 2.4 Although on the surface this report appears to show a reduction in Business Rates income from last year's estimate, at the point of calculating the estimate last year there was no indication that the retail, hospitality, leisure industries and nurseries reliefs would continue.
- 2.5 The government later confirmed continuation of the reliefs for 2021/22.
- 2.5 The government have already announced that these reliefs will continue for 2022/23 at 50%. Reliefs have the effect of reducing the collectable rates, however the council receives a Section 31 grant which compensates us fully for the loss in income. This has been estimated to amount to £15.6m.
- 2.6 The government has also confirmed in the October 2021 budget that the business rates multiplier will be frozen for 2022/23 and that Local Authorities will be funded for the loss in income. This is approximately £2m.
- 2.6 When taking account of the estimate detailed in this report and the Section 31 grant the overall income from Business Rates is £101.6m. This is slight increase in the amount estimated for 2021/22.



3 How does this deliver objectives of the Corporate Plan?

	A strong and inclusive economy	Collection of Business rates is important as it gives the council money to spend and invest locally
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4 Context and Key Issues

- 4.1 There is a statutory requirement placed on all collection authorities to calculate how much Business Rates income each authority is likely to receive for the coming financial year.
- 4.2 The purpose of this report is for Cabinet to agree the business rates retention forecast for 2022/23.
- 4.3 The National Non-Domestic Rate (NNDR1) 2022/23 form (used to calculate the estimated Business Rates expected to be collected by the council next year) is yet to be received from the Department for Levelling up, Housing and Communities, assumptions regarding the information included and the final estimate have therefore been made.
- 4.4 All commercial property was revalued with effect from 01 April 2017. In Sandwell the majority of rateable values either stayed the same or reduced.
- 4.5 In the 2016 Budget, the Government committed to piloting approaches to 100% Business Rates Retention in London, Manchester and Liverpool from as early as 01 April 2017. The West Midlands Combined Authority agreed to take part in the pilot from April 2017.
- 4.6 The Business Rates retention forecast contained in this report assumes the following:
- That Sandwell will continue to take part in the 100% Business Rates Retention Pilot and will retain 99% of business rates collected for 2022/23



- The business rates multiplier is frozen for 2022/23 and this has been estimated to be worth £2m
- That the reliefs introduced in 2020/21 for retail, hospitality, leisure industries and nurseries will continue in 2022/23 at 50%. This is estimated to be £15.6m.

5 Alternative Options

5.1 Not applicable

6 Implications

Resources:	The calculation of the Business Rate Retention forecast is based on the number of hereditaments in Sandwell. Statistical information indicates that number of hereditaments in the borough is not currently increasing
Legal and Governance:	The Non-Domestic Rating (Rates Retention) Regulations 2013 specify the calculation and requirements for Business Rates Retention estimates
Risk:	If businesses rates aren't collected and/or businesses do close and there is no further growth, income from Business rates could be affected

7. Appendices

None

8. Background Papers

None



Report to Cabinet

15 December 2021

Subject:	Local Council Tax Reduction Scheme 2022/23
Cabinet Member:	Councillor Maria Crompton - Cabinet Member for Finance and Resources
Director:	Simone Hines – Director of Finance
Key Decision:	Yes
Contact Officer:	Ian Dunn ian_dunn@sandwell.gov.uk Carl Jones carl_jones@sandwell.gov.uk

1 Recommendations

That cabinet:

- 1.1 Recommend that no changes are made to the Local Council Tax Reduction Scheme for 2022/23.
- 1.2 Recommend that Council approve the Local Council Tax Reduction Scheme for 2022/23.


2 Reasons for Recommendations

- 2.1 The Local Council Tax Reduction Scheme (LCTRS) provides crucial support to low income families and our most vulnerable residents.
- 2.2 The LCTRS is based on income bands and residents on very low incomes can continue to receive 100% support.



2.3 Sandwell is now the only council in the West Midlands to provide up to 100% support and one of only a few nationally.

3 How does this deliver objectives of the Corporate Plan?

	People live well and age well	The LCTRS provides financial support to the lowest income households to pay their Council Tax.
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4 Context and Key Issues

4.1 Significant changes were made to the scheme on 1 April 2019.

4.2 The local scheme only applies to working age claimants as the Government prescribes how Council Tax Support is calculated for pensioners.

4.3 Sandwell made several changes to its LCTRS in 2019/20 to ensure the scheme worked effectively with the Government's Universal Credit (UC) system which was rolled out fully in Sandwell in November 2018.

4.4 Changes from 1 April 2019 included:

- Replacing the weekly means test approach with a series of income bands for different household sizes
- Simplifying the claim process for claimants receiving UC
- Introducing a £5 per week deduction for non-dependants not in work
- Two income bands for families with children as follows:
 - Families with 1 child
 - Families with 2 or more children
- Reducing the capital cut-off limit to £3,000

4.5 Positive features of the scheme were also retained to continue to support our most vulnerable residents and to incentivise work.



5 Alternative Options

- 5.1 Nationally 75% of local authorities have introduced a minimum Council Tax payment. This means that everyone, including those people on a very low income must pay something towards their Council Tax.
- 5.2 Sandwell does not want to introduce a minimum payment into its LCTRS as we want to protect our most vulnerable households and improve child poverty.

6 Implications

Resources:	The forecasted cost of the Council Tax Reduction Scheme for 2022/23 based on current caseload information is £30m. This does not take account of any council tax increase for 2022/23 which would increase the cost of the LCTRS.
Legal and Governance:	The LCTRS must be made in accordance with Schedule 4 paragraph 5 (2) of the Local Government Finance Act 2012 which states: The authority must make any revision to its scheme, or any replacement scheme, no later than the 11 th March in the financial year preceding that for which the revision or replacement scheme is to have effect.
Risk:	The calculation of the cost of LCTRS assumes that there will be no increase in caseload throughout 2022/23. If there was an increase in caseload this would lead to additional LCTRS costs.
Equality:	An equality impact assessment (EIA) was completed on the 2019/20 LCTRS. As we are proposing no changes to the scheme a further EIA is not required.
Health and Wellbeing:	The Sandwell's LCTRS is a generous scheme. It aims to protect our lowest income households by giving them 100% support towards their Council Tax and is one of only a few schemes nationally to do this.



7. Appendices

7.1 Appendix 1 - Local Council Tax Reduction Scheme Policy 2022/23.

8. Background Papers

None



Sandwell Metropolitan Borough Council
Council Tax Reduction Scheme
S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2022.

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 2022 for a period of one financial year.

1.3 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 (Prescribed Requirements) (England) (Amendment) Regulations 2018;
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020:
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021: and
- Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

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

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

The three prescribed classes are as follows;

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

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

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

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

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

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

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

Class C: alternative maximum Council Tax Reduction

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

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

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

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

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in

- accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
- (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

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

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

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

- 1.6 The adopted scheme for working age applicants is an income banded / grid scheme means test, which compares income against a range of discounts available. Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;
- a. has not attained the qualifying age for state pension credit; or
 - b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance, on an income-related employment and support allowance or on universal credit.
- 1.7 The Council has resolved that there will be **one** class of persons who will receive a reduction in line with adopted scheme. The scheme has qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

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

- universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
 - d. is not deemed to be absent from the dwelling;
 - e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
 - f. be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;
 - g. not have capital savings above £3,000;
 - h. not have income above the levels specified within the scheme;
 - i. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income* is within a range of incomes specified within Schedule 1; and
 - j. has made a valid application for reduction.

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Council Tax Reduction Scheme

Details of support to be given for **working age applicants** for the financial year 2022/23

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Sections 2- 8
Definitions and interpretation

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

2.1 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;

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

‘the Consequential Provisions Regulations’ means the Housing Benefit and Council tax reduction (Consequential Provisions) Regulations 2006;

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

‘council tax benefit’ means council tax benefit under Part 7 of the SSCBA;

‘council tax reduction scheme’ has the same meaning as **‘council tax reduction or reduction’**

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

‘couple’ means;

- (a) a man and a woman who are married to each other and are members of the same household;
- (b) a man and a woman who are not married to each other but are living together as 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;
the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

‘designated office’ means the office designated by the authority for the receipt of claims for council tax reduction;

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
- (c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

‘disability living allowance’ means a disability living allowance under section 71 of the Act;

‘dwelling’ has the same meaning in section 3 or 72 of the 1992 Act;

‘earnings’ has the meaning prescribed in section 25 or, as the case may be, 27;

‘the Eileen Trust’ means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

‘electronic communication’ has the same meaning as in section 15(1) of the 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’**;

‘enactment’ includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

‘extended reduction’ means a payment of council tax reduction payable pursuant to section 60;

‘extended reduction period’ means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;

‘extended reduction (qualifying contributory benefits)’ means a payment of council tax reduction payable pursuant to section 61;

‘family’ has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

‘the Fund’ means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

‘a guaranteed income payment’ means a payment made under article 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;

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

'non-dependant' has the meaning prescribed in section 3;

'non-dependant deduction' means a deduction that is to be made under section 58;

'occasional assistance' means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:

(a) meeting, or helping to meet an immediate short-term need;

- (i) arising out of an exceptional event or exceptional circumstances, or
- (ii) that needs to be met to avoid a risk to the well-being of an individual, and
- (b) enabling qualifying individuals to establish or maintain a settled home, and—
 - (i) ‘local authority’ has the meaning given by section 270(1) of the Local Government Act 1972 ;and
 - (ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:
 - (aa) in prison, hospital, an establishment providing residential care or other institution, or
 - (bb) homeless or otherwise living an unsettled way of life; and ‘local authority’ means a local authority in England within the meaning of the Local Government Act 1972;

‘occupational pension’ means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

‘occupational pension scheme’ has the same meaning as in section 1 of the Pension Schemes Act 1993

‘ordinary clothing or footwear’ means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

‘partner’ in relation to a person, means

- (a) where that person is a member of a couple, the other member of that couple;
- (b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
- (c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

‘paternity leave’ means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

‘payment’ includes part of a payment;

‘pensionable age’ has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

‘pension fund holder’ means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

‘pensioner’ a person who has attained the age at which pension credit can be claimed;

‘person affected’ shall be construed as a person to whom the authority decides is affected by any decision made by the council;

‘person from abroad’ means, subject to the following provisions of this regulation, a person who is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland

‘person on income support’ means a person in receipt of income support;

personal independence payment’ has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

‘person treated as not being in Great Britain’ has the meaning given by section 7;

‘personal pension scheme’ means—

- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- b. an annuity contractor trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

‘policy of life insurance’ means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums

for a term dependent on human life;

'polygamous marriage' means a marriage to which section 133(1) of the Act refers namely;

(a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and

(b) either party to the marriage has for the time being any spouse additional to the other party.

'public authority' includes any person certain of whose functions are functions of a public nature;

'qualifying age for state pension credit' means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)–

(a) in the case of a woman, pensionable age; or

(b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

'qualifying contributory benefit' means;

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996

'qualifying income-related benefit' means

(a) income support;

(b) income-based jobseeker's allowance;

(c) income-related employment and support allowance;

'qualifying person' means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

'reduction week' means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

'relative' means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

'relevant authority' means an authority administering council tax reduction;

'relevant week' In relation to any particular day, means the week within which the day in question falls;

'remunerative work' has the meaning prescribed in section 6;

'rent' means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

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

'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 adult' has the meaning given to it in Schedule 2;

'second authority' means the authority to which a mover is liable to make payments for the new dwelling;

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

'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.”.

‘service user group’ means a group of individuals that is consulted by or on behalf of;

- (a) a Health Board, Special Health Board or the Agency in consequence of a function under section 2B of the National Health Service (Scotland) Act 1978,
- (b) a landlord authority in consequence of a function under section 105 of the Housing Act 1985,
- (c) a public authority in Northern Ireland in consequence of a function under section 49A of the Disability Discrimination Act 1995,
- (d) a public authority in consequence of a function relating to disability under section 149 of the Equality Act 2010;
- (e) a best value authority in consequence of a function under section 3 of the Local Government Act 1999,
- (f) a local authority landlord or registered social landlord in consequence of a function under section 53 of the Housing (Scotland) Act 2001,
- (g) a relevant English body or a relevant Welsh body in consequence of a function under section 242 of the National Health Service Act 2006,
- (h) a Local Health Board in consequence of a function under section 183 of the National Health Service (Wales) Act 2006,
- (i) the Care Quality Commission in consequence of a function under section 4 or 5 of the Health and Social Care Act 2008,
- (j) the regulator or a private registered provider of social housing in consequence of a function under section 98, 193 or 196 of the Housing and Regeneration Act 2008, or
- (k) a public or local authority in Great Britain in consequence of a function conferred under any other enactment,

for the purposes of monitoring and advising on a policy of that body or authority which affects or may affect persons in the group, or of monitoring or advising on services provided by that body or authority which are used (or may potentially be used) by those persons;

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

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

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

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

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

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

‘student’ has the meaning prescribed in section 43;

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

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

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

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

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

Welsh Ministers;

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

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

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

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

'Up-rating Act' means the Welfare Benefit Up-rating Act 2013, the Welfare Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2015;

'voluntary organisation' means a body, other than a public or local authority, the activities of which are carried on otherwise than for profit;

'war disablement pension' means any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

'war pension' means a war disablement pension, a war widow's pension or a war widower's pension;

'war widow's pension' means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

'war widower's pension' means any pension or allowance payable to a man as a widower or to a surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

'water charges' means;

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

'week' means a period of seven days beginning with a Monday;

'Working Tax Credit Regulations' means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended¹; and

'young person' has the meaning prescribed in section 9(1) 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 in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 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;

¹ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

- (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 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 scheme, '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 Number²

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; and
 - iii. 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.

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

6.0 Remunerative work

- 6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.
- 6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;
- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
 - b. in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,
- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
 - b. no other payment is made or is expected to be made to him.

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

Persons treated as not being in Great Britain

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations;
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (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—
- (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 1971³ where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance; or
- (ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4).

7.6 A person falls within this paragraph if the person is a Crown servant or member of Her Majesty’s forces posted overseas.

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

7.8 In this regulation—
 “claim for asylum” has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
 “Crown servant” means a person holding an office or employment under the Crown;
 “EEA Regulations” means the Immigration (European Economic Area) Regulations 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.

³ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9

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

7A.0 Transitional provision

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker’s allowance.

7A.3 In this section “the Act” means the Local Government Finance Act 1992.

8.0 Temporary Absence (period of absence)

8.1 Where a person is absent from the dwelling throughout any day then no support shall be payable

8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.

8.3 In paragraph 8.2, a ‘period of temporary absence’ means—

- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
 - i. the person resides in that accommodation;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

- b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
 - iii. that period is unlikely to exceed 13 weeks; and
- c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
 - i. the person intends to return to the dwelling;
 - ii. the part of the dwelling in which he usually resided is not let or sub-let;
 - iii. the person is a person to whom paragraph 8.4 applies; and
 - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.4 This paragraph applies to a person who is;

- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
 - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
 - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
- b. resident in a hospital or similar institution as a patient;
- c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in the United Kingdom or elsewhere, a training course;
- e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- h. a student;
- i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
- j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

8.5 This paragraph applies to a person who is;

- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or the Mental Health (Scotland) Act 2015; and
- b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—

- a. if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- b. for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- c. If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident

8.7 In this section;

- ‘medically approved’ means certified by a medical practitioner;
- ‘patient’ means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; ‘residential accommodation’ means accommodation which is provided;
 - a. in a care home;
 - b. in an independent hospital;
 - c. in an Abbeyfield Home; or
 - d. in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- ‘training course’ means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

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Sections 9 - 11

The family for Council tax reduction purposes

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 remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- a. on income support ;
 - b. an income-based jobseeker's allowance or an income-related employment and support allowance; or has an award of Universal Credit; or
 - c. a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) 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

- ii. person who made that claim; or
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 and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

10.4 In accordance with Schedule 1 of this scheme, the number of dependants determined to be within the household shall be limited to two.

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

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is;

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he—

- a. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- b. has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- c. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 The authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household where;

- a. that child or young person lives with the applicant for part or all of that reduction week; and
- b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

12.0 – 14.0 Not Used

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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 provisions of this Part.

- 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 have an award of universal credit

- 15A.1 In determining the income of an applicant
- a. who has, or
 - b. who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

- 15A.2 The authority may adjust the amount referred to in sub-paragraph (1) to take account of
- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3) and housing costs;
 - (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings);
 - (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
 - (d) section 16 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
 - (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable)

- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

- 15A.4 sections 16 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

- 15A.5 In determining the capital of an applicant;
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award

16.0 Circumstances in which capital and income of non-dependant is to be treated as applicant's

16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.

16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

17.0 Calculation of income on a weekly basis

17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;

- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
- b. by adding to that amount the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 17.2 are met, from those earnings plus whichever credit specified in sub-paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

17.2 The conditions of this paragraph are that;

- 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 c) above refers shall be;

- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

18.0 Treatment of child care charges

18.1 This section applies where an applicant is incurring relevant child-care charges and;

- a. is a lone parent and is engaged in remunerative work;
- b. is a member of a couple both of whom are engaged in remunerative work; or
- c. is a member of a couple where one member is engaged in remunerative work and the

other;

- i. is incapacitated;
- ii. is an in-patient in hospital; or
- iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—

- a. is paid statutory sick pay;
- b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
- c. is paid an employment and support allowance;
- d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
- e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

18.3 This paragraph applies to a person who was engaged in remunerative work immediately before

- a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- b. the first day of the period in respect of which earnings are credited, as the case may be.

18.4 In a case to which paragraph 18.2 d) or e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply, and shall be calculated on a weekly basis in accordance with paragraph 18.10.

18.6 The charges are paid by the applicant for care, which is provided

- a. in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
- b. in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—

- 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 eight 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 eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
- b. by a child care 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 child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- 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 daycare 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 paragraph 18.1 c) 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.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person—

- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
- b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

- c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- 18.14 For the purposes of paragraph 18.1 a woman on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that—
- a. in the week before the period of maternity leave, paternity leave or shared parental leave effective from 5/4/2015 or adoption leave began she was in remunerative work or adoption leave began she was in remunerative work;
 - b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
 - c. she is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.
- 18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on—
- a. the date that leave ends;
 - b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
 - c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.
- whichever shall occur first.
- 18.16 In paragraphs 18.14 and 18.15
- a. **'qualifying support'** means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
 - b. **'child care element'** of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.
- 18.17 In this section 'applicant' does not include an applicant;
- a. who has, or
 - b. who (jointly with his partner) has, an award of universal credit
- 19.0 Average weekly earnings of employed earners**
- 19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—
- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - i. 5 weeks, if he is paid weekly; or
 - ii. 2 months, if he is paid monthly; or
 - b. whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.
- 19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)
- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment

- his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

19.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26

20.0 Average weekly earnings of self-employed earners

20.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme

21.0 Average weekly income other than earnings

21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 4 of this scheme

21.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that 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 product 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 product by 7.

24.0 Disregard of changes in tax, contributions etc.

24.1 In calculating the applicant's income the appropriate authority may disregard any legislative change

- a. in the basic or other rates of income tax;
- b. in the amount of any personal tax relief;
- c. in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
- d. in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act;

in the maximum rate of child tax credit or working tax credit,

25.0 Earnings of employed earners

25.1 Subject to paragraph 25.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes—

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
- g. (i) travelling expenses incurred by the applicant between his home and his place of employment;
- (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);

- j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
- m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended⁴.

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 the applicant's participation in a service user group or 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 l)

26.0 Calculation of net earnings of employed earners

26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
- d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.

26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the

⁴ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

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. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

27.0 Earnings of self-employed earners

27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

27.3 This paragraph applies to—

- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
- b. any payment in respect of any—
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by

- (a) the amount of the reduction under this scheme which would be payable had the payment not been made, plus
- (b) an amount equal to the total of the sums which would fall to be disregarded from the

payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be

- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
 - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.

28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.

28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less

- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- b. an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.8, 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 deductions 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. deductions shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
 - b. a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - iii. any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- a. income tax; and
 - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
 - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 28.12 In this section, ‘qualifying premium’ means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

29.0 Deduction of tax and contributions of self-employed earners

- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of–
- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be,

11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and

- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means—

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 28.3(a) or, as the case may be, 28.4 of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 30.2 to 30.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 30.1, 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 or 2013 as appropriate, 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 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 30.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

30.7 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—

$$\frac{A - (B \times C)}{D}$$

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 these dates is earlier

‘quarter’ in relation to an assessment period means a period in that year beginning on;

a. 1st January and ending on 31st March;

b. 1st April and ending on 30th June;

c. 1st July and ending on 31st August; or

d. 1st September and ending on 31st December;

‘relevant payment’ means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1

a. any payment to which paragraph 25.2 (payments not earnings) applies; or

b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

31.0 Capital treated as income

- 31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £3,000, be treated as income.
- 31.2 Any payment received under an annuity shall be treated as income.
- 31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.
- 31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 Act shall be treated as income
- 31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

32.0 Notional income

- 32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that support.
- 32.2 Except in the case of—
- a. a discretionary trust;
 - b. a trust derived from a payment made in consequence of a personal injury;
 - c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
 - d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
 - e. any sum to which paragraph 48(a) of Schedule 5 refers;
 - f. rehabilitation allowance made under section 2 of the 1973 Act;
 - g. child tax credit; or
 - h. working tax credit,
 - i. any sum to which paragraph 32.13 applies;
- any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.
- 32.3 – 32.5 Not used
- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made—
- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of

that family or is used for any council tax or water charges for which that applicant or member is liable;

- c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

32.7 Paragraph 32.6 shall not apply in respect of a payment of income made—

- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- c. pursuant to section 2 of the 1973 Act in respect of a person's participation—
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- d. in respect of a person's participation in the Work for Your Benefit Pilot Scheme
- e. in respect of a previous participation in the Mandatory Work Activity Scheme;
- f. in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- g. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.

32.9 Subject to paragraph 32.10, where—

- a. applicant performs a service for another person; and
- b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

32.10 Paragraph 32.9 shall not apply—

- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- b. in a case where the service is performed in connection with—
 - (i) the applicant's participation in an employment or training programme in accordance

with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or

(ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or

- c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group or an applicant participating as a service user

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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 £3,000 and no reduction shall be granted when the applicant has an amount greater than this level.

34.0 Calculation of capital

34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Disregard of capital of child and young person

35.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

36.0 Income treated as capital

36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.

36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.

36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

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

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

37.0 Calculation of capital in the United Kingdom

37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—

- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. the amount of any encumbrance secured on it;

38.0 Calculation of capital outside the United Kingdom

38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer, less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

39.0 Notional capital

39.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that support except to the extent that that capital is reduced in accordance with section 40 (diminishing notional capital rule).

39.2 Except in the case of

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 5; or
- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
- (f) any sum to which paragraph 48(a) of Schedule 5 refers; or
- (g) child tax credit; or
- (h) working tax credit,

any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made

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

39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made

- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the

- Jobseeker's Allowance Regulations;
- (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
- (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (bb) in respect of a person's participation in the Mandatory Work Activity Scheme; Enterprise Scheme;
- (bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- b. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

40.0 Diminishing notional capital rule

40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;

- a. in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
- b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.

40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that

- a. he is in receipt of council tax reduction; and

- b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.
- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- a. the additional amount to which sub-paragraph 40.2 (b) refers;
 - b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
 - c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
 - d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
 - e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
 - b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
 and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
 - c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
 - d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes

of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and

- e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case—

- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

40.6 The conditions are that

- a. a further claim is made 26 or more weeks after
 - (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
 - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
- b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.

40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.

40.8 For the purposes of this section

- a. 'part-week'
 - (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
 - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 40.4 (c),(d) and (e) means—
 - aa. a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - bb. any other period of less than a week for which it is payable;
- b. 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1
 - (i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or
 - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;and where more than one reduction week is identified by reference to heads (i) and (ii)

of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- c. 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

41.0 Capital jointly held

- 41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

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Sections 43 - 56

Definition and the treatment of students for Council tax reduction purposes⁵

⁵ Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

'academic year' means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

'access funds' means;

- a. grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- b. grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- c. grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- d. discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- e. Financial Contingency Funds made available by the Welsh Ministers;

'college of further education' means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

'contribution' means;

- a. any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
- b. any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;

'course of study' means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

'covenant income' means the gross income payable to a full-time student under a Deed of Covenant by his parent;

'education authority' means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

'full-time course of study' means a full time course of study which;

- a. is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;;

- b. is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—
 - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student’s learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- c. is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

‘full-time student’ means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

‘grant’ (except in the definition of ‘access funds’) means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

‘grant income’ means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

‘higher education’ means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

‘last day of the course’ means;

- a. in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- b. in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

‘period of study’ means—

- a. in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- b. in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year’s start and ending with either—
 - (i) the day before the start of the next year of the course in a case where the student’s grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- c. in the final year of a course of study of more than one year, the period beginning with that year’s start and ending with the last day of the course;

‘periods of experience’ means periods of work experience which form part of a sandwich course;

‘qualifying course’ means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations;

'modular course' means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

'sandwich course' has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

'standard maintenance grant' means—

- a. except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 ('the 2003 Regulations') for such a student;
- b. except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;
- c. in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as 'standard maintenance allowance' for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the Student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- d. in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

'student' means a person, other than a person in receipt of a training allowance, who is attending or undertaking—

- a. a course of study at an educational establishment; or
- b. a qualifying course;

'student loan' means a loan towards a student's maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Student's Allowances (Scotland) Regulations 2007

- 43.2 For the purposes of the definition of 'full-time student', a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course
- a. in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending:
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
 - b. in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.
- 43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;
- a. where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
 - b. any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

44.1 The following sections relate to students who claim Council tax reduction

45.0 Students who are excluded from entitlement to council tax reduction

45.1 Students (except those specified in paragraph 45.3) are not able to claim Council tax reduction under Classes D and E of the Council's reduction scheme.

45.2 To be eligible for 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) **but for the implementation of this scheme**, whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) **but for the implementation of this scheme**, whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

i) aged under 21 and whose course of study is not a course of higher education

ii) aged 21 and attained that age during a course of study which is not a course of higher education – this condition needs adding

iii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person)

(j) in respect of whom

i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support)

Regulations (Northern Ireland) 2000; or
(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

45.3A Paragraph 45.3(i)(ii) only applies to a claimant until the end of the course during which the claimant attained the age of 21

45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;

- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
 - (i) engaged in caring for another person; or
 - (ii) ill;
- (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

- (a) the day on which he resumes attending or undertaking the course; or
- (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course, which shall first occur.

46.0 Calculation of grant income

46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.

46.2 There shall be excluded from a student's grant income any payment;

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;

- (e) on account of any other person but only if that person is residing outside of the United Kingdom and ,**but for the implementation of this scheme**, there is no applicable amount in respect of him;
 - (f) intended to meet the cost of books and equipment;
 - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
 - (h) intended for the child care costs of a child dependant.
 - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;
- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).
- 46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
 - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.
- 47.0 Calculation of covenant income where a contribution is assessed**
- 47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.

- 47.2 The weekly amount of the student's covenant shall be determined–
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
 - (b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

48.0 Covenant income where no grant income or no contribution is assessed

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

49.0 Student Covenant Income and Grant income – non disregard

49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme

50.0 Other amounts to be disregarded

50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

51.0 Treatment of student loans

51.1 A student loan shall be treated as income.

51.2 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the

period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;

(ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,

(b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

(c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;

(i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

(d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;

(i) the first day of the first reduction week in September; or

(ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of June,

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

(a) a student loan has been made to him in respect of that year; or

(b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5

(a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to

(i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and

(ii) any contribution whether or not it has been paid to him;

(b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;

(i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and

(ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4
- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

51A.0 Treatment of fee loans

- 51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
 - b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

- 52.4 Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
 - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

53.0 Disregard of contribution

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

54.0 Further disregard of student's income

- 54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

55.0 Income treated as capital

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

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

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

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Sections 57 – 63

The calculation and amount of Council tax reduction

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 support in respect of a day for which he is liable to pay council tax, shall be 100 per cent, of the amount A/B where;

- (a) A is the **lower** of either;
- i. the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; or
 - ii. the amount set by the appropriate authority as the council tax for the relevant financial year in respect of a dwelling within Band C 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,

Less any deductions in respect of non-dependants, which fall to be made under section 58 (non-dependant deductions).

In this paragraph "relevant financial year" means, in relation to any particular day, financial year within which the day in question falls.

57.2 In calculating a person's maximum council tax 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.

57A.0 Minimum Council Tax Reduction

57A.1 Where an applicant's entitlement is less than £1.00 per reduction week in respect of a day for which he is liable to pay council tax, no amount shall be payable whatsoever.

58.0 Non-dependant deductions

58.1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum Council Tax Reduction) shall be;

- (a) in respect of a non-dependant aged 18 or over in remunerative work, £10.00 x 1/7;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £5.00 x 1/7.

58.2 Not used

58.3 Only one deduction shall be made under this section in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount shall be deducted.

- 58.4 In applying the provisions of paragraph 58.2 in the case of a couple or, as the case may be a polygamous marriage, regard shall be had, for the purpose of that paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.
- 58.5 Where in respect of a day–
- a. a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
 - b. other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
 - c. the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.
- 58.6 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is–
- a. blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
 - b. receiving in respect of himself:
 - attendance allowance, or would be receiving that allowance but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. an abatement as a result of hospitalisation; or
 - the care component of the disability living allowance, or would be receiving that component but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. an abatement as a result of hospitalisation; or
 - c. the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
 - d. an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- 58.7 No deduction shall be made in respect of a non-dependant if:
- a. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
 - b. he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
 - c. he is a full time student within the meaning of section 44.0 (Students); or
 - d. he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
 - e. 'patient' has the meaning given within this scheme, and
 - f. where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
 - g. he is not residing with the claimant because he is a member of the armed forces away on operations
- 58.8 No deduction shall be made in respect of a non-dependant who is a student as defined by this scheme.
- 58.9 In the application of paragraph 58.2 there shall be disregarded from his weekly gross income:
- a. any attendance allowance, disability living allowance or personal independence payment

- or an AFIP received by him;
- b. any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which had his income fallen to be calculated under section 30 (calculation of income other than earnings) would have been disregarded under paragraph 24 of Schedule 4 (income in kind); and
- c. any payment which had his income fallen to be calculated under section 30 would have been disregarded under paragraph 36 of Schedule 4 (payments made under certain trusts and certain other payments).

59.0 Not used

60.0 Extended reductions

60.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

60.3 For the purpose of this section, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they shall be treated as being entitled to and in receipt of jobseeker's allowance.

60.4 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where—

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

60.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

60A.0 Duration of extended reduction period

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts

on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

60B.0 Amount of extended reduction

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of—

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

60C Extended reductions – movers

60C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

- (a) the second authority; or
- (b) the mover directly.

60C.4 Where—

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

61.0 Extended reductions (qualifying contributory benefits)

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

61.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

61A.0 Duration of extended reduction period (qualifying contributory benefits)

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax, if that occurs first.

61B.0 Amount of extended reduction (qualifying contributory benefits)

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

61B .2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

61C.0 Extended reductions (qualifying contributory benefits) – movers

61C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to—

- (a) the second authority; or
- (b) the mover directly.

61C.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction— movers).

61E.0 Extended reductions: movers into the authority's area⁶

61E.1 Where;

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
 - (i) another billing authority in England; or
 - (ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

62.0 - 63.0 Not Used

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

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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 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that support shall be so entitled from 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 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.

67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

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Sections 68– 74A

Claiming and the treatment of claims for Council tax reduction purposes

68.0 Making an application⁷

68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.

68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;

- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
- (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
- (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.

68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.

68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);

- (a) it may at any time revoke the appointment;
- (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
- (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

68.7 The authority must;

- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
- (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
- (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

69.0 Procedure by which a person may apply for a reduction under the authority's scheme⁸

69.1. Paragraphs 2 to 7 apply to an application made under the authority's scheme. Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered. For the purposes of this scheme any Universal Credit claim, a Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall be treated as a valid claim

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or by means of an electronic communication from either the DWP or HMRC; or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

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

69.4 (1) Where an application made in writing is defective because—
(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
(b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,
the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5 (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

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

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

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

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered.

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

- (1) Where an applicant ;
- (a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and
- (b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

- (2) That date is the latest of;
- a. the first day from which the applicant had continuous good cause;
 - b. the day 6 months before the date the application was made;
 - c. the day 6 months before the date when the applicant requested that the application should include a past period.

69A.0 Date on which an application is made

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

- (a) in a case where;
- (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
 - (ii) the application is made within one calendar month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

- (b) in a case where;
- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
 - (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
 - (iii) the application is received at the designated office within one calendar month of the date of the change,

the date on which the change takes place;

- (c) in a case where;
- (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
 - (ii) the applicant makes an application for a reduction under that scheme within one calendar 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 calendar month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(e) in any other case, the date on which an application is received at the designated office.

69A.2 For the purposes only of sub-paragraph (1)(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 there is a defect in an application by telephone;
- (a) is corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
- (b) is not corrected within one calendar month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.
- 69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- 69A.5 The conditions are that—
- (a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one calendar 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 calendar 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 calendar 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 calendar month of the request or within such longer period as the authority considers reasonable.
- 69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.
- 69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under its scheme for a period beginning not later than;
- (a) in the case of an application made by;
- (i) a pensioner, or
- (ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,
the seventeenth reduction week following the date on which the application is made, or
- (b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,

the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

70.0 Submission of evidence electronically

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim

71.0 Use of telephone provided evidence

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim

72.0 Information and evidence⁹

72.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

72.2 This sub-paragraph is satisfied in relation to a person if—

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

72.3 Sub-paragraph (2) does not apply;

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who;
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.

72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one calendar month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

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

- (a) inform the applicant or the person to whom a reduction under its scheme has been

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

awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
(b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.

- 72.7 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 58.9.

- 72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
- (a) the name and address of the pension fund holder;
 - (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of application¹⁰

- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

74.0 Duty to notify changes of circumstances¹¹

- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
- (a) between the making of an application and a decision being made on it, or
 - (b) after the decision is made (where the decision is that the applicant is entitled to a

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) including at any time while the applicant is in receipt of such a reduction.

- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
- (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
 - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
 - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
 - (b) changes in the age of the applicant or that of any member of his family;
 - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 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.

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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 its scheme;

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;

(a) informing the person affected of the duty imposed by paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances;

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

(c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one calendar month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(3) who has power to apply or, as the case may be, receive benefit on the person's behalf; or

¹² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

77.0 Time and manner of granting council tax reduction¹⁴

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;

- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers;

- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
- (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom support is to be paid¹⁵

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount

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

¹⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

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 the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

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

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.

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

¹⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

¹⁸ Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

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

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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

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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 where that person is;
- a. an applicant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or 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 calendar 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 calendar 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 calendar 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

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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 grievance 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, The First-tier Tribunal and Upper Tribunal (Chambers) (Amendment) Order 2015 and The Tribunal Procedure (Amendment) Rules 2015

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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

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Section 101 – 106A²³
Electronic Communication

²³ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

101.0 Interpretation

- 101.1 In this Part;
“**information**” includes an application, a certificate, notice or other evidence; and
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

102.0 Conditions for the use of electronic communication

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme including any or all information received via DWP or HMRC.
- 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.

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

- 1 The authority's Council Tax Reduction scheme from 2022/23 shall be calculated on the basis of the following Banded Discount Scheme:

Single person		Single person with one child		Single person with two or more children	
Income from	Discount	Income from	Discount	Income from	Discount
£0	100%	£0	100%	£0	100%
£94.97	90%	£181.22	90%	£249.82	90%
£124.97	75%	£211.22	75%	£279.82	75%
£154.97	50%	£241.22	50%	£309.82	50%
£184.97	25%	£271.22	25%	£339.82	25%
£214.97	0	£301.22	0	£369.82	0

Couple		Couple with one child		Couple with two or more children	
Income from	Discount	Income from	Discount	Income from	Discount
£0	100%	£0	100%	£0	100%
£137.68	90%	£223.93	90%	£292.53	90%
£167.68	75%	£253.93	75%	£322.53	75%
£197.68	50%	£283.93	50%	£352.53	50%
£227.68	25%	£313.93	25%	£382.53	25%
£257.68	0	£343.93	0	£412.53	0

The income amounts specified above will be increased in line with any increase in welfare benefits announced by the Department for Work and Pensions.

- 2 The amount of discount to be granted is to be based on the following factors:
- The maximum Council Tax Reduction as defined within this scheme;
 - The Council Tax family as defined within this scheme
 - The income of the applicant as defined within this scheme;
 - 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.
- 5 Discount bands vary depending on both weekly income and the household (family as defined within this scheme). For the sake of clarity, it should be noted that in any application for reduction is limited to a maximum of two dependant children or young persons.

6. Any applicant whose capital is greater than £3,000 shall not be entitled to any Council Tax Reductions whatsoever.
7. The authority **may** increase the level of incomes within the grid specified in paragraph 1 on an annual basis by the appropriate level of inflation measured by the Consumer Price Index (CPI) at 1st October preceding the effective financial year **or** by a percentage representing the increase in personal allowance within the applicable amounts for Housing Benefit for the relevant financial year, **whichever is the lowest**.
8. Where an applicant or partner is in receipt of a relevant benefit namely Income Support, Income Related Employment and Support Allowance or Income Based Jobseeker's Allowance, discount will be awarded at 100%

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Schedule 2
Not Used

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Schedule 3
Sums to be disregarded in the calculation of earnings

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1. There shall be disregarded from an applicant's net earnings, £25 per week (the standard earnings disregard). This shall apply irrespective of the claimant's household and only one disregard shall be applied per claim

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Schedule 4

Sums to be disregarded in the calculation of income other than earnings²⁴

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²⁴ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the applicant and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is–
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant’s participation in a service user group or where the applicant is participating as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker’s allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker’s allowance, the whole of the applicant’s income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker’s allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker’s allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment–
 - (a) by way of an education maintenance allowance made pursuant to;

- (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
 - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14**
- (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
 - (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
 - (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15**
- (1) Subject to sub-paragraph (2), any of the following payments;
 - (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the applicant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or

- (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by–
 - (a) a former partner of the applicant, or a former partner of any member of the applicant’s family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant’s family.
- 16.** 100% of any of the following, namely
- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow’s pension or war widower’s pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
- (a) widowed mother’s allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent’s allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
- (2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of–
- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of ‘water charges’ in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words ‘in so far as such charges are in respect of the dwelling which a person occupies as his home’.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating–
- (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998, that student’s award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student’s bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
 - (c) the student’s student loan,
- an amount equal to the weekly amount of that parental contribution, but only in respect of the

period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to–
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non-dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family–
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to–
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.
- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

- 26.** (1) Any payment made to the applicant in respect of a person who is a member of his family—
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child’s maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child’s maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 27.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under—
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 28.** Any payment made to the applicant or his partner for a person (‘the person concerned’), who is not normally a member of the applicant’s household but is temporarily in his care, by—
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 29.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995(local authorities’ duty to promote welfare of children and powers to grant

financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.

- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare fund provision
- 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 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a

member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

37. Any housing benefit or council tax benefit.

38. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

39. - 40. not used

41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
42. Not used
43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
44. Not used
45. (1) Any payment or repayment made—
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
 (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
48. (1) Where, **but for the implementation of this scheme**, 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 1991;
 (b) the Child Support (Northern Ireland) Order 1991;
 (c) a court order;
 (d) a consent order;
 (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;
 'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that

definition.

- 49.** Not used
- 50.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 51.** Any guardian's allowance.
- 52.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- 53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55.** (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
 - (b) surviving civil partner of a person;
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Not used
- 56A.–56B.** Not used
- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person–
- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
 - (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,

in respect of which such assistance is or was received.

(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account

59. (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
60. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
61. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
62. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
64. Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017
65. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
66. Any payments made by the London Emergencies Trust" means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund" means the registered charity of that name (number 1173260) established on 30th May 2017
67. Any payment of child benefit.
68. Any Carer's Allowance
69. Any support component of Employment and Support Allowance, or where there is an award of the Limited Capability for Work and Work-Related Activity element within Universal Credit, it's equivalent value.
70. Any payments disregarded for Housing Benefits under the Social Security (*Emergency Funds*) Amendment) *Regulations 2017*

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Schedule 5
Capital to be disregarded²⁵

²⁵ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

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, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
 - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
 - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
 (2) The assets of any business owned in whole or in part by the applicant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

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

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

- (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.
- (4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
 - (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance

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

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

- (3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—
 - (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
 - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

10. Any sum
 - (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
 - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

11. Any sum–
 - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
12. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that support.
13. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
14. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A. (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.
 - (2) But sub-paragraph (1)
 - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
 - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
 - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
 - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.
 - (3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.
 - (4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
15. The value of the right to receive any income under a life interest or from a life rent.
16. The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
17. The surrender value of any policy of life insurance.
18. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
19. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the

applicant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

- 20.** Any social fund payment made pursuant to Part 8 of the Act.
- 21.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 22.** Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24.** (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) the person who is suffering from haemophilia or who is a qualifying person;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
 - (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.
- (4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—
- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
 - (b) the payment is made either;

(i) to that person's parent or step-parent; or
(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,
but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

28. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of

entitlement to housing benefit.

30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
 - (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
 - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),but only for a period of 52 weeks from the date of receipt of the payment or repayment.
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
41. Any payment made to such persons entitled to receive benefits as may be determined by or

under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

- 41A.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 42.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
- 43.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 44.** Not used
- 45.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
- 46.** (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax reduction), the whole of his capital.
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax reduction), sub-paragraph (1) shall not have effect.
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and
(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) 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 payments made by the London Emergencies Trust” means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017 or the We Love Manchester Emergency Fund” means the registered charity of that name (number 1173260) established on 30th May 2017
- 65.** Any bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017

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Report to Cabinet

15 December 2021

Subject:	External Audit Report – Value For Money Governance Review
Cabinet Member:	Leader of the Council Cllr Kerrie Carmichael
Director:	Interim Chief Executive Kim Bromley-Derry
Key Decision:	No
Contact Officer:	Strategic Lead – Service Improvement Kate Ashley Kate1_ashley@sandwell.gov.uk

1. Recommendations

- 1.1. That Council be recommended to receive Grant Thornton's Value for Money Governance Review report.
- 1.2. That the Leader of the Council and the Interim Chief Executive develop an action plan to address the statutory, key and improvement recommendations of the Governance Review for approval by Council on 18 January 2022.

2. Reasons for Recommendations







- 2.1. Under sections 20 and 21 of the Local Audit and Accountability Act 2014 auditors must determine whether the council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion and is reported publicly. As the council's external auditors, Grant Thornton have conducted a review into the council's governance arrangements and will be reporting their findings of this review to Full Council in January 2022.



2.2. At that stage the report must include the council's management response to the statutory and key recommendations. As the recommendations span the governance arrangements across the whole council, the action plan that supports this response must be developed by the Leader of the Council and the Interim Chief Executive to ensure corporate wide improvements are delivered and sustained.

3. How does this deliver objectives of the Corporate Plan?

3.1. The scope of the report focused on the governance arrangements of the council and areas of improvement across the organisation. Therefore, this impacts on the council's ability to deliver all the objectives in the Corporate Plan.

	Best start in life for children and young people
	People live well and age well
	Strong resilient communities
	Quality homes in thriving neighbourhoods
	A strong and inclusive economy
	A connected and accessible Sandwell



4 Context and Key Issues

4.1 Governance Review – Background and Scope

- 4.1.1 In their role as the council's external auditors since 2019, Grant Thornton's monitoring of the governance arrangements in place led to concerns around the council's ability to look forward and manage the challenges and opportunities that all local authorities currently face.
- 4.1.2 In July 2021, Grant Thornton gave notice of their intention to conduct a Value for Money Review of the council's governance arrangements in order for them to fulfil their responsibilities as external auditor and reach a satisfactory conclusion to their audit on Value For Money. The purpose of this review was for Grant Thornton to draw conclusions on a number of key lines of enquiry and determine the extent to which further action is required by the council if necessary.
- 4.1.3 The scope of the review covered seventeen key lines of enquiry, split into two categories of:
- Services and Management; and
 - Meetings, Complaints and Relationships



4.1.4 The review was conducted between August and October 2021 through a document review and interviews with a range of elected members, officers and external stakeholders.

4.1.5 The draft report was issued on 23 November 2021 to enable the council to consider the recommendations and develop a response that will be included in Grant Thornton's final report to Full Council in January 2022. The final version of the report was issued to the council on 03 December 2021 and is attached at Appendix 1.

4.2 Recommendations of the Review

4.2.1 Grant Thornton have identified three statutory and five key recommendations that relate to the overarching governance of the organisation. The council will need to include a response on how it will address these recommendations within Grant Thornton's final report when it is presented to Full Council. The current version of the report includes space for the council's response, which will be developed as set out in section 4.3 below.

4.2.2 The report also identified 37 further improvement recommendations which relate to the individual key lines of enquiry of the review. These will be addressed through an Improvement Plan that will also include the management response to the statutory and key recommendations of the Review.

4.3 Management Response - Improvement Plan

4.3.1 Grant Thornton have recognised that over the last few months the council has made progress towards resolving matters and improving the governance arrangements in place, and it is important that these changes are embedded. Therefore, the council's Improvement Plan will formally map out those actions already in place that will address the recommendations made by Grant Thornton as well actions to address any gaps.

4.3.2 An example of the key actions already in place includes:



- Established and currently implementing strategies to address the service issues highlighted in the Grant Thornton report, including SEND Transport, Lion Farm and the ERP system. Reports are scheduled for Cabinet in December 2021 and early 2022 to make key decisions on the way forward for these issues.
- Work has commenced on the development of a Corporate Commercial Strategy and training programme, bringing in expertise from CIPFA to ensure the council maximises the opportunities available
- Developing a performance management framework that underpins the delivery of the Corporate Plan and provides Leadership Team and members of collective oversight of progress towards the strategic outcomes in the Corporate Plan
- Regular meetings between Cabinet Members and Leadership Team held to discuss key issues and development opportunities
- Establishing a member working group to review and refresh the Member Development Programme, incorporating support from the LGA

4.3.3 These and other actions have contributed to Grant Thornton’s view that there are ‘green shoots of recovery. They also show a commitment on the part of the council’s leadership to move the organisation forward.

4.3.4 Work will take place over December 2021 and January 2022 to further develop the Improvement Plan and the reporting mechanism that will ensure that senior officers and members have oversight of progress. This work will be led by the Leader of the Council and the Interim Chief Executive and will be presented to Full Council in January 2022 when Grant Thornton present their report.



5 Alternative Options

5.1 The Governance Review was undertaken as part of the external auditor's role to provide assurance on the council's arrangements for securing economy, efficiency and effectiveness in its use of resources, and therefore the report is a public document and must be reported to Full Council. As the report includes statutory recommendations the council has a legal obligation to respond appropriately. There are no alternative options to consider.

6 Implications

Resources:	The development of the Improvement Plan will be carried out within existing resources. Additional resources may be required to implement agreed actions to address the recommendations in the Governance Review.
Legal and Governance:	<p>The Governance Review was conducted under Sections 20 and 21 of the Local Audit and Accountability Act 2014, and therefore the report must be presented to Full Council as a public document.</p> <p>The council is legally required to respond to any statutory recommendations made by the external auditor, and demonstrate action is being or will be taken to address issues raised in the report.</p>
Risk:	<p>If the Council fails to take appropriate action to address the recommendations of the Governance Review, or the external auditors do not have sufficient confidence that appropriate actions are being taken, then the council risks not having effective governance arrangements in place to manage current and future needs of the organisation and the borough.</p> <p>This could lead to increased costs, damage to reputation and government intervention.</p>



Equality:	The recommendations of the Governance Review considered the council's governance structures as a whole. Any changes to policies as a result of the recommendations will require Equality Impact Assessments during the development to ensure the implications of any proposals are fully understood before decisions are made.
Health and Wellbeing:	
Social Value	

7. Appendices

Sandwell Metropolitan Borough Council: Value for Money Governance Review – FINAL Report (03 December 2021)

8. Background Papers

List source/background documents



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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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Introduction

Context, background and scope of the review

Context to our VfM approach

Sections 20 and 21 of the Local Audit and Accountability Act 2014 (the Act) require auditors to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

Our VfM work is carried out in line with the Code of Audit Practice (the Code) which is prepared by the National Audit Office (NAO) under the Act, and its supporting statutory guidance: Auditor Guidance Note 3 (AGN 03).

A revised Code came into force on 1 April 2020, after being approved by Parliament. The Code requires auditors to structure their VfM commentary on arrangements under three specified reporting criteria:

- Improving economy, efficiency and effectiveness: how the Council uses information about its costs and performance to improve the way it manages and delivers its services;
- Governance: how the Council ensures that it makes informed decisions and properly manages its risks; and
- Financial sustainability: how the Council plans and manages its resources to ensure it can continue to deliver its services.

Background to this review

In our 2019/20 Audit Findings Report we noted that a number of governance issues had come to our attention during 2021. We considered that there was insufficient evidence to confirm that these matters impacted 2019/20 and as such noted that they will be dealt with as part of the 2020/21 audit.

We have continued to monitor Sandwell Metropolitan Borough Council's (the Council) ongoing governance arrangements, including member-officer relationships and have become increasingly concerned at the Council's ability to look forward and manage the challenges and opportunities that all local authorities currently face.

There is an increasing perception of poor progress in resolving service and governance issues, a lack of trust between key individuals charged with governance, of a significant amount of time being spent responding to allegations and complaints, and of reviews being reopened, such as the reopening of previous standards reviews. We feel that until these significant issues are resolved that the Council is at risk of not having adequate governance arrangements in place to ensure that it can effectively discharge its statutory responsibilities and maintain its financial sustainability.

Under the NAO Code, we are required to consider whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The auditor is no longer required to give a binary qualified / unqualified VfM conclusion. Instead, auditors report in more detail on the Council's overall arrangements, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

The purpose of this work has been to draw conclusions on the key lines of enquiry (KLOEs) identified as part of our scope, and if necessary determine the extent to which further action is required by the Council. This review, along with other VfM related activity, has been undertaken in order for us to consider whether there are any significant weaknesses in the Council's arrangements.

As already noted, our work is undertaken in accordance with the Local Audit and Accountability Act 2014, sections 20 and 24 and may result in Statutory Recommendations or a Public Interest Report.

Overview of the scope

Determining how much work to undertake on arrangements to secure VfM is a matter of auditor judgement. The focus of our review has been on the effectiveness of the Council's governance arrangements and how they are impacted by the matters detailed above.

We have identified seventeen KLOEs to assess the Council's governance arrangements, which are set out in the table below.

Whilst the focus of this review is on governance arrangements, where appropriate we will highlight findings in relation to the two other reporting areas set out in the Code.

	SERVICES & MANAGEMENT
A1	The Children's Trust
A2	Sandwell Leisure Trust
A3	Providence Place
A4	Special Educational Needs Transport
A5	Sandwell Land and Property Company
A6	MADE festival
A7	Waste service
A8	Governance and legal support re DPH
A9	Lion Farm
A10	Introduction of new ERP system (Oracle)

Our approach

Overview of the scope (cont'd)

	MEETINGS, COMPLAINTS & RELATIONSHIPS
B1	Chief Officers
B2	Senior Leadership
B3	Complaints
B4	Officers and members relationships
B5	Standards Committee
B6	Audit Committee
B7	Financial Reporting

Our approach

Our work in relation to this review was undertaken between August and October 2021.

Stage 1 – Review of key documents

We submitted an information request for key documents and then undertook a desk top review to reach an initial conclusion on the nature of further work required.

Stage 2 – Further Analysis and Clarifications

We then undertook interviews with key stakeholders in relation to each KLOE to clarify issues identified during stage one and to undertake more detailed analysis in relation to specific KLOEs. A total of 75 stakeholder interviews have been undertaken, representing a total of 122 discussions on individual KLOEs.

Our approach is designed to assess:

- Governance arrangements in place in relation to our scope;
- Council performance against these arrangements; and
- Identify any significant weaknesses and risks.

CfGS Governance Risk and Resilience Framework

We have drawn on the Centre for Governance and Scrutiny's (CfGS) Governance Risk and Resilience Framework, published in March 2021, to structure our work in relation to KLOE B4 - officer and member relationships. This Framework includes seven characteristics of good governance that have a particular focus on behaviours.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by council officers, council members, and external stakeholders with whom we have engaged during the course of our review.

Additional VfM Code Work

As already noted, we have identified governance arrangements as an audit risk. This requires additional work to inform our auditor's judgement on VfM. The work has been undertaken in line with the requirements of the Code and associated auditor guidance. This review helps us discharge our responsibilities under the Code and will include the reporting of any significant weaknesses in arrangements and other points for improvement identified during the review. Any fee variation is subject to approval from Public Sector Audit Appointments Ltd (PSAA) which is responsible for appointing auditors and setting audit fees for relevant authorities that have chosen to opt into its national scheme of auditor appointments.



Key Findings

Note: KLOE A8 has not yet concluded and will be reported separately.

Overview

Overview

The Council has seen deteriorating senior officer and senior member relationships over a number of years. This has resulted in a breakdown in trust, respect and confidence between those holding governance roles. This has limited the Council's ability to look forward and manage the challenges and opportunities it faces. This breakdown in relationships between senior officers and senior members is central to the governance issues identified by this review.

There has been poor progress in resolving service and governance issues, with a significant amount of time being spent responding to internal allegations and complaints. There is evidence of reviews and issues being reopened. This has impacted on the Council's ability to focus on service improvement.

The Council has been insular and siloed. Its focus has been on responding to external service-based challenges as well as managing the fallout from previous decisions or investigations. Senior officers and senior members have historically been unable to make the changes required to move away from this organisational culture and focus.

We note that since the appointment of the interim Chief Executive in August 2021, working with the then new Leader of the Council, that many of these matters are being resolved. The Council's senior leadership team, the majority of whom are recent external appointments, recognise the challenges and issues set out in this report and are supporting the interim Chief Executive on an improvement journey.

These 'green shoots' are positive and we have tried to reflect the improvements in this report. Without these changes we would have had concerns with regard to the Council's ability to manage and govern itself, and intervention by the Government may have been necessary.

Inevitably these changes are not yet embedded, and the Council will need to manage the transition to a permanent Chief Executive well, alongside maintaining continuity and stability of the wider leadership team, so that the new Chief Executive, working with the leadership team, continues to support the service and cultural changes that are being put in place and that momentum is maintained.

Due to the issues identified we have determined that it is appropriate to raise the following statutory recommendations under Section 24 of the Local Audit and Accountability Act:

Statutory recommendations

We have made a number of statutory and key recommendations which are set out page 12. Other improvement recommendations are made throughout the detailed findings of this report and are summarised in the Appendix.

Our statutory recommendations are:

- **It is imperative that senior officers and senior members take effective corporate grip of long-standing service issues highlighted by the findings in this report (including SLT, SCT, the waste service, the ERP system, and Lion Farm) and prioritise corporate effort in managing the issues identified, and embed the solutions into the Council.**
- **The Council must ensure that the learning in relation to commercial decisions, procurement and contract management highlighted in this report are understood through the organisation.**
- **Senior leadership, both officers and members, must demonstrate that they can continue to work together effectively, that they operate in line with the Council's values, codes, policies and procedures, and that there is zero tolerance to inappropriate behaviours. This includes changing the organisational culture in relation to complaints so that they restore balance and proportionality.**

Key findings

KEY FINDINGS

Corporate grip

Understandably COVID-19 has significantly impacted the leadership and organisational focus of all local authorities over the past eighteen months. Even taking account of this impact we consider that until recently the Council has failed to take an effective corporate grip on key issues facing the Council.

We note that it is hindered in taking a corporate grip by the lack of a clear performance management framework and agreed key corporate indicators, although we note recent progress has been made on this. This has impacted on the ability of the Leadership Team and Cabinet to have a single line of sight and single version of the truth. This has contributed to a culture of silo working, resulting in a lack of corporate ownership and accountability. This has, in turn, resulted in a lack of ownership and grip on key challenges and issues and an absence of intervention and decision making.

In failing to take ownership and seeking resolution, lessons have not been learned. This has resulted in a number of instances whereby the Council has repeated actions leading to similar outcomes. For example, the Wragge report continues to be an area of mistrust between members and between officers and members.

Procurement and commercial decision making

Our review has identified repeated instances where commercial decisions or procurement decisions have contributed to a number of key legacy challenges facing the Council, which have not been resolved.

These included legacy property related decisions such as those relating to Lion Farm, Providence Place and Sandwell Land and Property Company where there was either a lack of appropriate expertise and advice or failure to consider all appropriate options.

There are also more recent examples of poor procurement decisions relating to waste management and recycling, the Council's enterprise and resource planning (ERP) system and SEND Transport. In each case the procurements have either been poorly specified, did not provide adequate timescales, or those responsible for decision making have not been fully aware of the context and detail.

These property transactions and procurement decisions have created future service or delivery challenges. In some cases, they have impacted negatively on the Council's reputation. In each instance, until recently, the decisions have not had effective corporate ownership to allow appropriate management or resolution.

Contract management

Our review identified a number of key contracts having been impacted by either poor specification during procurement, a lack of clear contract management responsibility, or poorly defined approaches to contract management. These related to Sandwell Leisure Trust (SLT), Serco, Inoapps and Sandwell Children's Trust (SCT) and we note that the interim Chief Executive has recently commenced more effective engagement with these key suppliers and partners.

At varying times relationships between the Council and these key partners have been fraught with the lack of senior leadership grip significantly contributing to a deterioration of these relationships. A lack of clear corporate ownership has meant that issues with these contracts have not been resolved in a timely manner. This is particularly the case for SLT, Serco and Inoapps.

We also note that some key contracts such as SLT and SCT, have not previously had key performance indicators reviewed since the contracts were let, whilst others have not had appropriate focus on service quality (such as SEND Transport) or outcomes (such as SLT and Serco).

OTHER THEMES

Lack of longer-term planning

The insularity and short-term focus previously noted has meant that the Council has not had the necessary time and space to consider the long-term. Recent changes to the Council's leadership have seen a re-emphasis on longer-term planning, with time invested in a refresh of the Corporate Plan, which has now been approved by full Council.

However, as mentioned earlier, the lack of a corporate performance framework has meant that the Council has not received management information on key corporate indicators. We also note that the Leadership Team had not been receiving regular monthly budget monitoring reports and have not been effectively engaged in the budget setting process or medium-term financial planning. We understand that processes are being put in place to resolve these issues.

Key findings (cont'd)

Officer empowerment and decision making

The scheme of delegation and the involvement of senior members in key decision making has resulted in a lack of empowerment of officers in decision making and the agility of the Council to make, where necessary, prompt decisions. An example of which is the delay to taking a decision in relation to the rescheduled MADE Festival, which had been due to take place in August 2021. We consider that this reflects the lack of trust between senior members and senior officers at the time.

Capacity, experience and skills

The prevalence of interim and acting up arrangements in senior officer roles has in some places not seen effective back-fill arrangements put in place, resulting in capacity challenges for some key officers and teams such as Finance. These temporary arrangements have contributed to confusion over some key roles and responsibilities, such as those in relation to SLT and Oracle Fusion, impacting on effective contract management.

More generally, the lack of corporate ownership, again already discussed, has left some officers exposed in managing key service challenges and relationships without appropriate senior officer support and direction.

The impact of changes to senior officers and members

The Council has been through a period of significant change to its leadership, both in terms of senior officers and senior members. Following the local elections in May 2021 a new Leader was elected, who appointed a new Cabinet with effect from June 2021. Many of these Cabinet members had not previously held a Cabinet role, and some were fairly new to the role of councillor. There was a further change to the Council Leader in late November 2021, as we were finalising this report.

An interim Chief Executive has been in role since August 2021 and there has been significant changes to chief officers over the past year, with vacancies being filled by either external interims, or Council officers in acting up roles. These changes were driven in large part by a senior management review which concluded in October 2020, although we note that some chief officer departures were caused by unrelated circumstances.

Other than the Chief Executive there are currently ten chief officer roles, of these four are recent external appointments, and two other external appointments have been made with these officers starting in November 2021. Three officers remain from the previous leadership team, two in the same role and one appointed to one of the new roles created by the review.

Two roles remain vacant: the Chief Executive and the Deputy Chief Executive, with the recruitment of the former recently initiated. The Council has decided to not recruit the Deputy Chief Executive and to review the need for this role. In addition there is a Director of HR, which is not a permanent role and is being held by an external interim.

The impact of this recent period of change has been instability and uncertainty for the organisation. Whilst external interims are recognised positively for the experience they bring from working with other councils and having a “fresh pair of eyes” on some of the service challenges being faced, the wider organisation considers the use of interims as maintaining a holding pattern before permanent chief officers join. The Council will reach the position of having all roles filled by a permanent officers during November 2021, other than the two vacancies noted above.

The changes to key senior roles have led to a loss of corporate knowledge and history among senior officers and senior members. This has contributed to historic issues resurfacing and senior members making the initial decision to progress a major project or initiative not being the same group of members taking further decisions during the project's implementation, such as the SEND Transport procurement.

The current position

The themes set out in this section illustrate how the Council's recent behaviours and legacy issues impact on good governance and decision making.

The recent widespread changes at chief officer level and the election a new Leader and appointment of a new Cabinet, provide a significant opportunity for the Council to move away from this position. Indeed, there is a consensus that senior officers and members are in a much stronger, more effective and constructive position than in the recent past. There is also a clear desire to make the improvements required, and a greater understanding of roles and responsibilities.

The current Leader and interim Chief Executive have a positive working relationship and between them have introduced changes to manage some of the legacy issues noted above. These include the Leadership Team attending informal Cabinet, the introduction of “star chambers” as part of the budget setting process, enhancing the training programme for members, and a review of the Council's constitution including the scheme of delegation. Other changes are planned.

Key findings (cont'd)

Page 10

The current position (cont'd)

Many of these changes took place during the course of this review so it is too soon to judge if they are yet embedded. Key stakeholders we met during this review recognised that the Council is at the start of a necessary improvement journey.

Failure to maintain and embed current and planned changes will have a significant impact on the Council being able to realise its strategic ambitions and provide effective governance.

Whilst we recognise that recent changes have been positive, we remain concerned about the lack of trust across the wider organisation and continuing poor behaviours, for example, the leaking of the review into the Wragge report to local media in October 2021. It will take time for the wider organisation to regain trust in the senior leadership, see the stability required, and believe in the changes that have begun.

There was a change to the Council's Leader as we were finalising this report. This has highlighted the need for stability and continuity. The new Leader must use the platform for improvement which has been created to ensure a strong and positive working relationship both with the current Interim Chief Executive and the subsequent permanent Chief Executive.

The direction of travel is a necessary and positive one, but there is no quick fix for the challenges facing the Council. For these "green shoots" to deliver the widespread transformation and changes required, the Council's leadership needs to be relentless in its focus in delivering and embedding sustainable change, and use its past history as a reference point when focusing on improvement.

Recommendations and detailed findings

We now set out our statutory and key recommendations, followed by the detailed findings in relation to each individual KLOE.

We consider that these matters represent significant weaknesses in the Council's arrangements for ensuring that it makes informed decisions and properly manages its risks. We have also identified several improvement recommendations, which are summarised at Appendix A. Further details on the types of recommendations we make are set out at Appendix B.



Statutory and key recommendations

Statutory and key recommendations

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Improvement recommendations are made throughout this report and these are summarised in the Appendix. Our statutory and key recommendations are summarised below.

#	Recommendation
Statutory recommendations	
1.	It is imperative that senior officers and senior members take effective corporate grip of long-standing service issues highlighted by the findings in this report: (including SLT, SCT, the waste service, the ERP system, and Lion Farm) and prioritise corporate effort in managing the issues identified, and embed the solutions into the Council.
2.	The Council must ensure that the learning in relation to commercial decisions, procurement and contract management highlighted in this report are understood through the organisation.
3.	Senior leadership, both officers and members, must demonstrate that they can continue to work together effectively, that they operate in line with the Council's values, codes, policies and procedures, and that there is zero tolerance to inappropriate behaviours. This includes changing the organisational culture in relation to complaints so that they restore balance and proportionality.
Key recommendations	
4.	The Council's leadership needs be relentless in its focus in delivering and embedding sustainable change, and use its past history as a reference point when focusing on improvement.
5.	Critical to embedding the transformation and change required will be the appointment of the right permanent Chief Executive. The Council must ensure an effective recruitment process, including attracting a pool of appropriate candidates.
6.	The Council should ensure that a corporate performance framework is agreed so that the implementation of the Corporate Plan can be effectively monitored, and there is collective corporate responsibility rather than silo working.
7.	Members in key statutory roles, in particular in relation to Cabinet, scrutiny, standards and audit, need to be provided with effective induction and ongoing development, training and support. The member development programme should be reviewed to ensure corporate governance forms part of the training for members with governance roles.
8.	The Council should develop and agree an action plan in relation to the statutory, key and improvement recommendations included in this report, ensuring that they are specific, measurable, attainable, realistic and time-bound.

Statutory and key recommendations

Management responses to each statutory and key recommendation are summarised below.

#	Management responses
	Statutory recommendations
1.	
2.	
3.	
	Key recommendations
4.	
5.	
6.	
7.	
8.	

Detailed Findings

KLOE B4: Officer and member relationships

The purpose of this KLOE was to consider whether relationships between senior officers and senior members are appropriate in supporting good governance.

Introduction

We have set out our findings in relation to this KLOE before any of the other KLOEs due to the overarching importance of senior officer and senior member relationships for the discharging of effective governance and decision making.

We have drawn on the Centre for Governance and Scrutiny's (CfGS) Governance Risk and Resilience Framework, published in March 2021. The framework is designed to promote good governance practice and:

- recognises good governance is everyone's responsibility, and whatever their role, officers and councillors are likely to carry out work that intersects with the Council's governance framework every day;
- considers roles and responsibilities including those of the Council's statutory officers and political leadership
- includes a focus on behaviours;
- sets out seven characteristics for considering governance risk and management, designed to reflect and supplement the broader CIPFA/SOLACE: "Delivering good governance in local government" framework (2016).

We have structured our findings by the seven characteristics, which are:

- The extent of recognition of individual and collective responsibility for good governance;
- Awareness of political dynamics;
- How the council looks to the future to set its decision-making priorities;
- Officer and councillor roles;
- How the Council's real situation compares to its sense of itself;
- Quality of local / external relationships; and
- The state of member oversight through scrutiny and audit.

Twenty-five meetings were held with individual senior officers and senior members of the Council in relation to this KLOE, and our findings are based on our judgement of these key stakeholders' observations.

The extent of recognition of individual and collective responsibility for good governance

The Council is coming out of a period where there has been a breakdown in the trust, confidence and respect between senior officers and senior members, which has been characterised by:

- a perceived blame culture contributing to the siloed approach to directorates, with senior officers protecting their areas of responsibility and a lack of peer challenge within the Leadership Team and a risk of not giving bad news to members.
- a lack of collective responsibility and accountability in the absence of a corporate focus on key performance indicators and risks, weak corporate involvement in strategic financial planning, budget monitoring, and transparency.
- a lack of clarity on roles and responsibilities between officers and members.
- an inconsistent approach to the Council's scheme of delegation, including relatively low spending thresholds, and an overly bureaucratic approach to decision making, leading to unnecessary delays.

The characteristics set out above are a significant risk to good governance. However, we note that there have been recent improvements. We discuss these below.

The recent widespread changes at chief officer level and the election of a new Leader and appointment of a new Cabinet, provide a significant opportunity for the Council to move away from this position. Indeed, there is consensus that senior officers and members are in a much stronger, more effective and constructive position than in the recent past. There is a clear desire to make the improvements required, and greater understanding of roles and responsibilities.

The current officer and member leadership team have introduced changes to manage the legacy issues noted above, including the Leadership Team attending informal Cabinet, the introduction of "star chambers" as part of the budget setting process, enhancing the training programme for members, and a review of the Council's constitution including the scheme of delegation. All of these are positive actions.

Embedding the changes that have been made and that are planned will be critical if the Council is to realise its strategic ambition and provide effective governance. Whilst early indications are positive, the test of whether these changes become effectively embedded will be how the council's senior leadership manage legacy issues should they surface, and that they continue the work of the interim Chief Executive through the appointment of a high quality permanent Chief Executive.

An enhancement of the induction programme to new members of Cabinet, including on local government finance and their governance roles is recommended.

KLOE B4: Officer and member relationships (cont'd)

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Awareness of political dynamics

The Council has recently updated its Code of Member Conduct, incorporating updates to the Local Government Association (LGA) Model Code of Conduct. A member development programme is ongoing in relation to the Code and related areas such as gifts and hospitality, and arrangements for dealing with complaints under the Code. The Council has also commissioned the LGA to provide a mentoring programme for senior members.

There was consensus from our interviews that senior officers fully understood the need to act with neutrality when operating in a political environment. However, the recent history of the Council means that some senior officers remain impacted by the blame culture which was perceived to be in place. This, for example, has manifested itself in senior officers taking personally criticism of their service area, impacting on behaviours in meetings.

Whilst having in place effective codes, policies and procedures is good practice, it will be behaviours that determine whether the Council is able to successfully move away from its recent history. However, as already noted, the senior officers and members of the Council believe that there has been significant progress made in relation to how they operate and work together.

These changes in behaviour are recent and will need to be sustained to become embedded, so that the wider organisation - and external stakeholders - see and have confidence in this change.

The Council should consider how it provides appropriate support to those Chief Officers who were in role prior to the recent changes to senior officers, Leader and Cabinet. The Council should also ensure that corporate governance training is provided to members of the Cabinet and other members in governance related roles.

How the council looks to the future to set its decision-making priorities

There was consensus that the Council has not provided appropriate time and space to think clearly about the long-term, to horizon scan and undertake the strategic thinking required.

It was recognised that this was because the Council has spent recent years “fire-fighting” both in terms of managing day-to-day operational issues, as well as having an insular focus responding to internal allegations and complaints. There is also evidence of reviews and issues being reopened.

A Corporate Plan (Vision 2030) has been in place but there has been a lack of clarity about how the Plan’s ambitions, priorities and outcomes should be delivered. This has been recognised, and the Council has recently invested significant leadership time in a refresh of the Corporate Plan, including external consultation. More work needs to be done including the establishment of Directorate Plans and Service Plans which will set out how corporate priorities will be delivered, including KPIs. The Leader has recently restructured Cabinet portfolios to better reflect the updated Corporate Plan.

The Council should ensure that corporate KPIs are agreed so that the implementation of the Corporate Plan can be effectively monitored.

The forward plan of the Cabinet should be shared with the Audit Committee and Scrutiny Board to help structure their agenda planning.

There has been an ineffective approach to budget monitoring and budget setting with:

- monthly budget reports not being reported to the Cabinet or the Leadership Team, and
- Directors and Portfolio Holders not being effectively engaged in budget setting discussions.

This has been recognised and star chambers for Cabinet members and chief officers have been introduced to support the budget setting process. The Director of Finance has also introduced regular Cabinet briefings and monthly budget reporting to Cabinet.

The Leadership Team should agree key medium-term financial objectives and principles. There should be effective ownership of the principles that underpin the budget setting process, for example the Council’s approach to reserves, contingency and Minimum Revenue Provision (MRP).

KLOE B4: Officer and member relationships (cont'd)

Officer and councillor roles

As already noted there has been a breakdown in trust and mutual respect between senior officers and members in recent years, which is recognised by those in senior officer and senior member roles. However, in general, those in these roles felt that working relationships, including trust and respect, had improved in recent months and were currently no cause for concern. Nonetheless it was also recognised that a cultural shift needs to become firmly embedded, and that stability and continuity is required from those in these roles.

The Council has agreed the following values to define how people do things and are reflected in the way people behave:

- Trust – show respect, make personal impact, being open and honest.
- Unity – focusing on customers, working with a team, communicating effectively.
- Progress – being open to change, focusing on performance, getting team results.

Senior officers and senior members must lead by example to ensure that the “tone from the top” consistently reflects these values and behaviours. This is critical in ensuring that the wider organisation recognises that changes have been made and that all people are confident in adopting these values and behaviours. This should build on recently introduced staff briefings to include a programme of staff engagement including “pulse” checks to benchmark and monitor progress on the organisation’s wellbeing.

As with all councils, it was recognised that members come from different backgrounds, bringing different skills and capabilities. A member development programme is in place, with the Council being supported by the Local Government Association (LGA) in its update and delivery, and member personal development plans have been introduced, which is good practice.

The Council should ensure that the review of the member development programme is appropriate. In particular, thought should be given to how members with special responsibility roles are developed and supported. This should include succession planning for these roles.

How the council’s real situation compares to its sense of self

It was felt that Members have a good understanding of their communities’ needs and what outcomes are required to meet these needs, particularly in relation to their wards. However, it was recognised – as already mentioned – that the Council needs to ensure that these needs and outcomes are reflected in corporate priorities and outcomes and delivery is effectively monitored. Similarly, while improvements are being made in relation to public consultation on the Corporate Plan there remains no visible consultation on the Council’s budget setting priorities.

A key area of weakness is the lack of a performance management framework to manage corporate progress against key performance indicators. More also needs to be done to change the siloed approach to managing service delivery. We note that there has not been a structured or effective “early warning” system in place for the Council’s Leadership Team to identify key risks and issues.

This has been recognised and arrangements are being put in place so that the Leadership Team reviews strategic risks, budget monitoring and other performance data. **However, further work is required to establish a formal performance management framework and agree a set of key corporate indicators for the Leadership Team to collectively manage, receive appropriate management information to monitor progress, and set out clear lines of accountability, responsibility, and delegated authority.**

The Council has not had a consistent approach to financial benchmarking and so has had an absence of unit costs and financial trend data. The new Director of Finance has recently introduced financial benchmarking, which is good practice. **This will need to be sustained to create a culture of curiosity in services in how nearest statistical neighbours are performing, to support savings identification and to drive improvements.**

The recent restructuring of Council departments has resulted in a lack of clarity as to which department some services sit in, with the architects of the restructuring no longer working for the Council. Finance and services are currently working through such service allocations, but until this work is completed, financial reporting will not be fully aligned to departmental structures.

More generally there is good evidence that many senior officers are engaged in their respective professional bodies, which includes sharing learning, and that the Council is corporately engaged with the LGA.

KLOE B4: Officer and member relationships (cont'd)

Progress

Quality of local / external relationships

The quality of local / external relationships is mixed. The Council works with a variety of local public, private and third sector bodies, and these relationships vary by service. It is recognised that the pandemic has enhanced relationships with some local public sector organisations, such as the NHS and police, and with local voluntary and community organisations, and that the Council should ensure that these gains are maintained.

However, the Council has had an insularity in recent years, which in particular has impacted its engagement with businesses, and sub-regional bodies such as the LEP and the West Midlands Combined Authority. This is recognised by the current political leadership of the Council and there are signs of a move to more active participation in key sub-regional bodies. Rebuilding these key strategic relationships will take time for the Council to realise any benefits and “punch at its weight” as the 34th largest council in England. **It will be important that this more outward looking approach is sustained.**

The insularity of the Council has also meant that its communications to external organisations has been weak, for example resulting in a lack of external clarity on the Council’s key strategic priorities. This is also reflected in a passive approach to communicating to local residents and businesses. This too has been recognised and the Council is investing in its central communications team and aims to be more proactive in managing the narrative on the Council, including greater communication of positive news stories.

When investing in the communications team, the Council should also use this as an opportunity to ensure more effective internal communications, including with back-bench members.

The Council has a number of key external partners for the delivery of services such as waste and recycling, children’s social care, and leisure. These relationships are covered in separate KLOEs.

The state of member oversight through scrutiny and audit

The role that scrutiny and audit should play in holding a council’s decision-makers to account makes these roles fundamentally important to the successful functioning of local democracy and good governance. Effective scrutiny helps secure the efficient delivery of public services and can drive improvements within the Council. Conversely, poor scrutiny can be indicative of wider governance, leadership and service failure.

The effectiveness of the Scrutiny Boards and the Audit and Risk Assurance Committee were viewed as needing improvement by those interviewed and, in particular, by senior officers.

The Labour Party has been in control of the Council since 1979 and for many years had not had an official opposition. The position changed at the May 2021 local elections when the Conservative Party gained nine seats (having previously held no seats). From a governance perspective this was welcomed by both the senior officers and senior members who we met during the course of our review.

However, whilst areas of effective activity were recognised, the long period of having no opposition has meant that the audit and scrutiny functions have not always effectively held key decision makers to account. This was a widely held view amongst officers we interviewed.

There is a need to ensure that members of scrutiny and audit committees are aware of their governance roles including how to interrogate reports and ask the right questions. This is recognised by the Council who are working with the LGA to develop and provide a member training programme for members with scrutiny and audit roles.

KLOE A1: Sandwell Children's Trust

The purpose of this KLOE was to consider actions undertaken by the Council to secure improvement in children's social care outcomes.

Background

Following an inadequate / requires improvement Ofsted inspection in June 2015, at its meeting on 19 October 2016, Cabinet was advised of the Government's Statutory Direction (under Section 479A of the Education Act 1996) to set up a new arrangement in the form of a children's trust to deliver children's social care services. As a result, Sandwell Children's Trust (SCT) started operating on 1 April 2018. Any alternative to the current arrangement must be agreed by the Secretary of State for Education.

A 10-year service delivery contract (SDC) between the Council and SCT commenced 1 April 2018, setting out the requirements for the provision of children's social care. The SDC obligation was to reach an Ofsted judgement of 'Requires Improvement' by 2020 and to secure an Ofsted judgement of 'Good' by 2022. However, due to the impact of COVID-19 and the cessation of full inspections by Ofsted in 2020, a full Ofsted inspection may not take place in 2021 but is more likely to be in early 2022.

The Ofsted Inspection carried out in November 2017 and reported in January 2018 noted that most of the recommendations from the Ofsted 2015 inspection had not been fully met and some services have declined in effectiveness.

Our Audit Findings Report for 2019/20 noted that we had completed a risk-based review of the Council's value for money arrangements and concluded that the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources except for its arrangements around children's services which have been rated as 'inadequate' by Ofsted.

We concluded that there were weaknesses in the Council's arrangements for delivering services for children in need of help and protection, children looked after and care leavers. These matters were considered evidence of weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management. This led to a qualified 'except for' value for money conclusion for 2019/20.

KEY FINDINGS

Governance arrangements

There is a robust governance framework in place for the Council and other stakeholders to monitor the performance of SCT.

The contract requires that the Director of Children's Services, together with Council senior officers from finance and legal services, and the Chief Executive of the Trust meet on at least a monthly basis to consider performance and operational matters at an Operational Partnership Board (OPB). The Council's Lead Member for Children's Services and the Chief Executive meet quarterly with the Chair of the Trust Board and the Chief Executive of the Trust, at a Strategic Partnership Board (SPB).

The contract also requires the Trust to provide a comprehensive annual review for consideration by the OPB and the SPB and then by the Cabinet. Progress against the performance indicators for the period 1 April to 31 March is set out in an Annual Review, together with information about financial, workforce, and other performance areas.

On behalf of the Council, the Trust has developed an Improvement Plan in response to the Ofsted inspection findings published in January 2018. This plan was presented to Cabinet in September 2018 and covered a three-year period. The Trust has undertaken a refresh of the Improvement Plan. The delivery of the improvement plan is overseen by an Improvement Board, which is independently chaired, with representatives from the Council, Trust and Department for Education attending.

DfE appoint the Chair of the SCT Board, carry out six-monthly monitoring visits, are invited to attend OPB and meet regularly with the Chair and CEO of the Trust. They also attend the Improvement Board and have provided approximately £7m of improvement funding to the Trust over the past three years, to address specific improvement areas.

The Trust is required to report to the Council's Scrutiny Board twice each year as part of the obligations set out in the SDC. At the meeting of 23 August 2021, reports in respect of the annual review, the improvement plan, the pandemic response and the adoption service were presented to the Children's Services and Education Scrutiny Board. The Council's Audit and Risk Assurance Committee and Cabinet also received reports on the Trust, and the Cabinet approves the Trust's business plan.

KLOE A1: Sandwell Children's Trust (cont'd)

The purpose of this KLOE was to consider actions undertaken by the Council to secure improvement in children's social care outcomes.

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Governance arrangements (cont'd)

In addition to the above, SCT activity also features in wider children's services governance arrangements, the Children's Safeguarding Partnership and the Children and Young People Commissioning Partnership.

In summary, there are comprehensive governance arrangements in place relating to SCT. Given the complexity of these governance arrangements we recommend a review to ensure that officers and members with roles on the various governance bodies are clear on their responsibilities, to avoid duplication and ensure effective communication between those holding governance roles and that there is a collective understanding of the performance of SCT and how risks and issues are being managed.

Contract management

The SDC includes a set of 15 Key Performance Indicators (KPIs) which are monitored by the Council. We have been advised that when the SDC initially went live that this KPIs were not agreed, rather they were agreed during the first quarter of the Trust's operation. They have not been revised subsequently.

An officer with formal responsibility for managing the SDC was not appointed until Spring 2021, previously this role was spread across a number of different officers.

As part of contract management arrangements there is provision to negotiate the Council's annual funding with SCT (the contract sum) which feeds into Council's annual budget setting process.

The SDC sets out the steps and timing of the negotiation of the contract sum, which includes reviews by OPB, SPB, and the Council's Cabinet and Scrutiny Board.

The following contract sums have been agreed:

- 2018/19: £58,229,695
- 2019/20: £64,043,000
- 2020/21: £65,828,000
- 2021/22: £68,028,000

A request for additional £500,000 has been made by SCT during this financial year, which the Cabinet has approved and is being funded via a COVID-19 reserve. This will form a contract variation to the 2021/22 contract sum.

The Council has sought to reduce the contract sum since the creation of the Trust, seeking improvement and transformation from SCT. This has not happened and has negatively impacted on relationships during some annual contract sum negotiations. This was particularly the case during 2020 when the Council and SCT were unable to agree the contract sum. As a result, DfE became involved and the then Children's Minister supported mediation. DfE funded specialist financial support to provide assurances to the Council that SCT's contract sum request was reasonable. This led to the Council approving the contract sum. Such an impasse has not happened subsequently.

SCT financial performance

SCT has a track record of annual overspends and not achieving planned savings targets. The overspend in 2020/21 was approximately £2m, however one-off government COVID-19 funding resulted in the final outturn being an underspend. The Council has worked with SCT to re-profile the Trust's underlying overspend over the three years of the Council's current Medium-Term Financial Plan (MTFP).

Children's social care has significant demand pressures nationally, which have been exacerbated by COVID-19, and SCT has seen increased costs such as for placements for looked after children.

SCT did not deliver £250k of their planned savings target in 2020/21. SCT has a savings target of £1.8m in 2021/22. We have been advised that £1.3m of the planned £1.8m savings are on target to be achieved, with plans in place to deliver the remaining £500k. The savings primarily relate to staffing and placement costs, with the latter sensitive to increased demand.

SCT has Service Level Agreements (SLAs) to buy back services from the Council for specified back-office services. These SLAs total £2.1m for 2021/22 and represent an income to the Council.

KLOE A1: Sandwell Children's Trust

The purpose of this KLOE was to consider actions undertaken by the Council to secure improvement in children's social care outcomes.

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Council management of financial risks

The Council's main source of monitoring the financial performance of SCT is via SCT reports at monthly meetings of OPB and quarterly meetings of SPB. SCT provides updates on forecast overspends and mitigations.

Given the financial pressures on SCT, the Council has set aside the following reserves and contingencies:

- High-cost placements reserve of £1m (£500k for 2022/23 and £500k for 2023/24) with SCT having to submit evidence should they claim for an additional contract sum.
- Earmarked COVID-19 reserve of £1.9m for 2020/21 which SCT claims against on a quarterly basis by demonstrating need. The additional £500k contract sum already mentioned was funded via this reserve.
- General contingency of £1.6m for 2021/22

Leadership and relationships

The CEO of SCT and the Council's Director of Children's Services (DCS) are key roles and their working relationship is critical to the effectiveness of SCT delivery. There had been stability in both roles until this year, with the Council's DCS leaving in August and a change to the SCT CEO in March. Since the DCS left the Council in August, an officer is acting up in the role of DCS, supported by an external interim. A new, permanent DCS is due to start in November 2021. The working relationship of the CEO of SCT and the Council's new permanent DCS will be critical going forward

This is particularly the case as the Council did not transfer all children's services to SCT, retaining direct provision of services such as education, SEND transport and children's centres. The Council is also responsible for other services such as housing and has a key role in supporting SCT in relation to early intervention and prevention, and in reducing demand for children's social care. This includes how the Council and SCT work with children and families and other local agencies such as the police. We note that the Children and Young People Strategic Partnership has not yet agreed an early help plan and associated performance framework. The role of the DCS will be critical in collaborating with partner organisations to reach agreement on this plan.

SCT workforce

There have been a number of changes to SCT senior management including the Finance Director role and a restructure which reduced the number of Directors from three to two. However, the key workforce issue for SCT relates to operational roles with significant recruitment and retention challenges with social workers. SCT has invested in a recruitment campaign called 12 reasons to work in Sandwell but this has not been effective in resolving recruitment and retention issues, which we note is an issue for the West Midlands and children's social care nationally. The workforce are also initiative weary, which reflects the actions resulting from repeated Ofsted reviews.

Nonetheless, the use of agency staff to cover vacant roles, and staff sickness levels, pose a significant risk to the continuity and quality of service delivery, along with increasing costs for the Trust, which in turn is likely to impact on Council budgets.

Risk management

The Council has SCT on its strategic risk register, and updates on this are provided to the Audit and Risk Assurance Committee. SCT is also included in the Children's Services departmental risk register.

SCT have adopted a risk management framework and maintain a risk register which is reviewed quarterly and is reported to the Trust's Audit Committee. SCT management report to OPB on key risks facing the trust such as those relating to financial, performance and quality risks. SCT management discuss key risks with Council management outside the monthly OPB meetings. However, SCT does not share its full risk register with the Council.

KLOE A1: Sandwell Children's Trust (cont'd)

The purpose of this KLOE was to consider actions undertaken by the Council to secure improvement in children's social care outcomes.

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Outcomes for children

Ofsted inspections were suspended during COVID-19. The most recent focused visit was undertaken by Ofsted was in March 2021 which was reported in May 2021, which noted:

- Both the Council and SCT have risen to the challenge of the COVID-19 pandemic.
- The impact of the third lockdown and rising COVID-19 rates have had a significant impact on staffing, with increased staff turnover and sickness.
- The Trust continues to have serious weaknesses in some areas identified in previous inspections. Decisions that help to secure the living arrangements of children on a long-term basis are not timely, and placements are not always well matched. There is a lack of effective oversight and challenge to poor practice from team managers and independent reviewing officers. Support services to meet the mental health needs of care leavers are still not routinely in place.
- In some practice areas, not all managers have fully understood the full breadth of the issues, and this has impacted on the progress and pace of improvement. Many of the identified areas of weakness are longstanding and pre-date the pandemic. An understanding of practice deficits has not led to timely improvements and solutions for many children. The leadership team has plans in place to drive the required changes but has been slow to implement these successfully, and there is little evidence of impact.

During our review, in August 2021, Ofsted reviewed the fostering service which was rated Good. This was the first Good rating received by SCT and indicates positive progress is being made in relation to this service area. It also provides SCT with an opportunity of moving the narrative on its improvement trajectory, for example in relation to recruitment and retention issues.

Conclusion and recommendations

Whilst the recent Ofsted rating of fostering services demonstrates some positive progress, it is clear from the March 2021 Ofsted focus visit that some areas of significant improvement are still required. Staff turnover and quality of practice remain a risk to safeguarding children and the quality of their outcomes.

It is positive that Ofsted have reported the success of SCT and the Council's response to COVID-19, and we note that demand led pressures and recruitment and retention challenges are not unique to Sandwell.

However, during its time of operation SCT has struggled to move away from day-to-day firefighting and has not been able to invest in early intervention and prevention, or improve and transform to the extent required by the Council. Looked after children numbers and social worker caseloads, whilst both are reducing, remain high.

The statutory responsibility for children's social care sits with the Council via the role of the DCS. As such there is joint accountability for the successful delivery of services and outcomes for children. Relationships between the Council and SCT have on occasion been an "us and them" culture with a lack of collaborative approach and joint accountability.

The Council's senior leadership – both officer and member – should prioritise corporate effort and develop a clear strategy for working with SCT to ensure it remains on its improvement trajectory. This should include:

- **working with SCT to progress a multi-agency early intervention and prevention strategy.**
- **ensuring SCT has an appropriately resourced and skilled placements team in place to effectively manage the care market.**
- **conducting a review of KPIs to ensure they are effective for current circumstances.**
- **undertaking financial benchmarking in relation to children's social care, and take a realistic and pragmatic view on the level of funding required.**
- **reviewing the governance roles of officers and members in relation to SCT so that they are clear on their responsibilities, avoid duplication, ensure effective communication and that there is a collective understanding of the performance of SCT and how risks and issues are being managed.**

KLOE A2: Sandwell Leisure Trust

The purpose of this KLOE was to consider the Council's management of the contract with SLT and to understand the impact of recent industrial action.

Background

Sandwell Leisure Trust (SLT) was formed by the Council in 2004 due to underperformance of the in-house leisure service. SLT was contracted via a Management and Funding Agreement (MFA) for a 30-year period: 2004 to 2034, and SLT is currently in the 18th contract year (1 April 2021 – 30 March 2022). SLT manage all Council leisure facilities apart from one site, for which the Council has contracted with Places Leisure.

Funding for SLT was agreed for the first five years of the contract, which was extended in 2009 and 2011. Thereafter the annual management fee paid to SLT has been based on the approval of a rolling three-year business plan. The Council remains responsible for maintaining and investing in the leisure assets managed by SLT.

When SLT was created Council staff transferred to the Trust under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). A deed of variation was agreed in 2013 which permitted SLT to implement a separate single status agreement and move their staff from council terms and conditions of employment.

A deed of variation was agreed in 2016 that in the event of a new leisure facility being built in Smethwick to replace existing Smethwick facilities, SLT would be the operator. To that end SLT have been working with the Council as the assumed operator of the forthcoming Sandwell Aquatics Centre, which is being constructed as a venue for the 2022 Commonwealth Games.

OUR FINDINGS

Contract management

The MFA requires SLT to provide quarterly monitoring reports to the Council which is followed by a contract review meeting. The MFA sets out the KPIs for monitoring the contract. There have been attempts by the Council to update the KPIs during the delivery of the contract, for example to include outcomes such as contribution to the health outcomes in the borough, which has largely been unsuccessful. The key performance indicators are based on throughputs, such as the total number of visits, with a target to increase visits by 1% each year of the contract.

The contract with SLT stipulates an authorised officer from the Council should manage the contract and make decisions relating to the delivery of the contract. The long-standing officer in this role was seconded in January 2018 and a more junior officer was seconded to the authorised officer role. This has led to confusion within the Council and with SLT as to who is in the authorised officer role, due to more senior officers supporting the officer in the authorised role. This in turn has impacted on the agility of decision making by the Council and its effective working relationship with SLT.

SLT Business Plan

The MFA sets out that SLT should have at any one time a business plan agreed for a three-year period, which the Council agrees on a rolling annual basis. The business plan for 2021/22 has been agreed, but the Council has not yet agreed the business plan covering 2022/23 to 2023/24, which should have been approved by end of March 2021.

If the Council and SLT fail to agree a business plan the contract resolution approach is instigated. The Council is currently seeking external legal advice to clarify the resolution process. If resolution can't be reached either party can terminate the contract.

The current impasse has resulted from the Council wanting, over a number of years, to significantly reduce the management fee for the contract, in the context of ongoing funding reductions to the Council, and the Trust demonstrating progress towards achieving financial sustainability and less reliance on Council funding. The Council and SLT have not been able to agree the level of funding for 2022/23 and 2023/24.

As part of this process the Council has sought various clarifications on the draft business plan submitted by SLT and has engaged, via Sport England, a consultant to review the Trust's financial position. A feature of recent business plan discussions has been the Council seeking details and clarifications from SLT relating to its financial position, such as the Trust's financial and management accounts, and the Trust's approach membership data and marketing plans. Both the Council and SLT feel there have been delays in the responsiveness from the other party during this period.

On 2 August 2021 SLT sent the Council an early warning letter highlighting financial concerns and a £750k worse than expected financial position for 2021/22 and 2022/23. SLT suggested that the impact of any changes were likely to increase the management fee requested for 2021/22.

The Council management met SLT management on 11 August 2021 and the Council confirmed areas of outstanding information and clarification. The Trust advised that their audited 2020/21 accounts would be presented to the SLT Board on 14 September 2021, and thereafter be shared with the Council. SLT management also advised that by reprofiling their budgets the £750k was no longer being sought.

At the time of concluding this review the business plan and funding agreement for 2022/23 and 2023/24 had not been approved. Typically, the process for negotiating the 2024/25 business plan would have recently started, to conclude by the end of March 2022.

KLOE A2: Sandwell Leisure Trust (cont'd)

The purpose of this KLOE was to consider the Council's management of the contract with SLT and to understand the impact of recent industrial action.

Industrial relations

SLT, in line with the 2013 deed of variation with the Council, went through a process of withdrawal from the National Joint Council (NJC) staff pay and conditions, which are those used by the Council, and which had transferred with staff when they TUPEd to SLT from the Council in 2014.

This decision was taken in November 2020, with staff needing to agree to the new terms and conditions. Council management have reported they felt they were not involved in this decision, whilst SLT management have advised the decision was taken to reduce costs, an issue which formed part of business plan negotiations.

SLT management negotiated with trade unions and the Advisory, Conciliation and Arbitration Service (ACAS) were brought in by SLT to help mediate. The trade unions sought industrial action to reverse the decision, which has led to two episodes of strike action during 2021.

GMB have ceased industrial action, whilst Unison have continued. 16 Unison members have taken strike action out of a total SLT workforce of over 400, and the most recent Unison ballot for strike action was due to conclude on 13 October 2021.

We understand that all SLT staff have now agreed to the new terms and conditions, which SLT management have confirmed will not be reviewed until April 2022.

The strike action has seen one leisure facility close on one occasion, with some services impacted at other leisure facilities.

Conclusion and recommendation

The Council has sought over many years, via the annual business planning and funding agreement process, for SLT to become more commercially innovative in its operations, and to reduce its reliance on Council funding. This has not been successful, and relationships between the Council and SLT have now broken down, reflected in the significant delays in approving the 2022/23 to 2023/34 business plan and associated funding agreement.

The ultimate responsibility for the operation of leisure services sits with the Council as the commissioner of SLT and, as with SCT, the Council has at times appeared to lose sight of this joint responsibility and an "us and them" culture has been in evidence.

At the time of finalising our report the Council has triggered the contract escalation procedure and written to SLT management for the Leader of the Council and the CEO of SLT to meet and agree a definitive timescale for resolution.

The Senior Leadership - both officer and member - must take ownership of this issue, prioritise corporate effort and take urgent steps to either resolve the current position with SLT or consider the options for alternative provision should either party decide to terminate the current contract, to ensure the continuity of future leisure service provision and associated reputational impacts.



KLOE A3: Providence Place

The purpose of this KLOE was to consider the potential loss to the Council arising from the proposed sale of Providence Place.

Background

In 2007 the Council signed a 15-year Strategic Partnership Agreement with BT for the provision of various support services. As part of this arrangement BT agreed a pre-let from a company called Stofords, the long-leaseholders of 1 Providence Place (Providence Place) for a term of 15 years at a rent of £1.2m per annum. Following the demise of this Strategic Partner Agreement the Council decided to take an assignment of this lease, thereby becoming tenants and inheriting the lease obligations. Simultaneously the Council sub-let part ground, first and fourth floors to BT on flexible terms (with breaks) at a rent starting at £605k per annum (with uplifts).

In July 2014, Cabinet subsequently approved the purchase of the long leasehold interest in Providence Place at a cost of £23.558m. This purchase price was supported by an open-market valuation by DTZ of the long leasehold interest. The valuation reflected the guaranteed income stream.

In June 2019, the Department for Education (DfE) approved the provision of a new, 750 place secondary free school in West Bromwich, to be delivered in partnership with Shireland Academy and the City of Birmingham Symphony Orchestra (CBSO). It was proposed that the Council sell the freehold interest of Providence Place with vacant possession, along with a development plot to the DfE. DfE would invest up to £17m in converting the building into a school, with a provisional completion date of September 2023. The Council considered that the building of the Academy and the basing of the CBSO in the area would have significant economic and cultural benefits.

The Council undertook an assessment of its property needs, reviewing its office estate and space requirement for office workers. It was decided that the Council no longer required the capacity offered by Providence Place and on 22 July 2020, the Cabinet approved that Providence Place was surplus to the Council's office accommodation requirements.

A receipt of £8.46m was generated from the sale of Providence Place to DfE, which was significantly below the acquisition price of £23.558m in 2014. This is because the building is being sold with vacant possession, without the benefit of a secure income stream. The sale price is based on a valuation report by Lambert Smith Hampton dated 17th March 2020. It is possible that the Council could have achieved the acquisition price if it had sold with a long-term tenant. The Council is still committed to making the loan and interest payments related to the initial purchase. The total remaining loan and interest (for the period 2021 to 2055) are £31.69m.

As part of our 2019/20 financial statements audit we considered the actions taken by the Council in both 2014 and 2020. When viewed separately the actions do not appear unreasonable. The 2014 decision to purchase the asset with a long leasehold interest was based on external valuations at market value. Similarly, the sale to DfE was at the current market value based on there being no long leasehold in place.

However, when viewed together it is clear that the Council made a significant loss on the basis of these decisions. We estimated that the direct loss against the 2014 purchase price of Providence Place was c. £15m (Purchase price £23m, sale price £8.46m). We also noted that future loan and interest payments of £31m need to be made (against which only the capital receipt arising from the sale of £8.46m can be set). In effect the total loss to the Council is c£22.5m. This is a significant loss. We note that the Council has received rents from BT totalling £5.386m and it has also had beneficial occupation of part ground, second and third floors since 2014. However, it would also have incurred maintenance and running costs for the building.

Our 2019/20 audit findings report (AFR) considered the reasons for such a significant loss. Whilst difficult to determine we considered that:

- greater challenge should have been applied to the original purchase price, especially as the price paid appears to reflect a long leasehold period but break clauses existed in the leases.
- the original purchase was intended to support the Council's Office Accommodation Strategy. It was envisaged that by 2017, the Council's workforce would reduce by 20-30% and the premises could then be used to accommodate more staff from less efficient buildings, thereby rationalising the use of council assets. The later change in the estates strategy with Providence Place being considered to be surplus has significantly undermined the original basis on which it was purchased.

We noted that, as Providence Place was being sold at its current market value and the decision to purchase it was made in 2014 we do not consider that the sale impacts on our 2019/20 VfM conclusion. However, due to the significance of the loss we have raised this matter with the Chief Executive to ensure that future purchases or sales of land and property are clearly aligned with a long-term estate strategy. Our AFR recommended that management should ensure that all purchases and sales of assets are clearly aligned with the Council's accommodation strategy.

KLOE A3: Providence Place (cont'd)

The purpose of this KLOE was to consider the potential loss to the Council arising from the proposed sale of Providence Place.

Page 18 KLOE FINDINGS

The purchase and disposal of Providence Place went through the Council's governance and decision-making processes in place at these times, drawing on external property consultants and valuations advice.

Following the approach by DfE, and the Council determining there was no longer a use for Providence Place for office accommodation, an options appraisal was undertaken which was reported to Cabinet and Scrutiny. This options appraisal considered options in relation to Providence Place such as disposing of the site on the open market, retaining and leasing the property, and the Council funding the school instead of DfE.

The Council has a statutory duty to provide appropriate levels of school places, but the options appraisal did not consider alternative options for the location of the Academy outside of West Bromwich. Similarly, the options appraisal also did not represent a formal cost-benefit-analysis between alternate sites outside of West Bromwich. We note that other sites suggested by the DfE within West Bromwich would have impacted the highway network and / or led to financial loss by the Council.

We note that if an alternative site was approved, the Council could have continued to utilise the building or alternatively may have been able to lease the building on a long-term basis thereby reducing the loss incurred.

The Council's post pandemic workplace vision and strategy supported the Council's decision that it no longer had a use for Providence Place for office accommodation. Providence Place would then become solely a commercial property investment, and it is not clear how the decision taken to dispose of Providence Place formed part of the Council's property strategy including an asset disposal strategy.

British Telecom Lease

The Council agreed to dispose of Providence Place in August 2020 and contracts were exchanged with DfE provided that the Council agreed to the surrender of BT's lease by 30 June 2021 in order to vacate the building. BT held the lease until 2026 and had no contractual obligation to move. On 6 June 2021 Cabinet agreed to the terms of BT surrendering their lease at Providence Place.

These terms included the Council having no obligation to provide BT with alternative accommodation, the Council would pay BT a surrender premium equivalent to one year's rent of £446.4k + VAT, BT would be waived liability for dilapidation and decommissioning works and the Council would be liable for BT's legal costs for surrender. Contracts would be exchanged by the end of June 2021 and BT's surrender date be 31 December 2021 to satisfy the Council's obligations with DfE. The costs to the Council would be funded via a sinking fund for Providence Place to cover unforeseen costs.

Conclusions and recommendations

As stated as part of our 2019/20 financial statements audit we considered the action taken by the Council in both 2014 and 2020. Viewed separately the actions do not appear unreasonable. The 2014 decision to purchase the asset with a long leasehold interest was based on external valuations at market value. Similarly, the sale to DfE was at the current market value based on there being no long leasehold in place. However, when viewed together it is clear that the Council made a significant loss on the basis of these decisions.

Property transactions such as those relating to Providence Place are complex. **Where the Council considers similar transactions in future, those charged with making decisions must satisfy themselves that they fully understand the detail of the options being proposed. Council officers and their advisors have a responsibility to ensure that members making decisions do so having fully understood these complexities and risks.**

The Council should ensure that all future property or land acquisitions and disposals are clearly aligned with relevant Council property related strategies.

KLOE A4: SEND Transport

The purpose of this KLOE was to consider the circumstances relating to the recent procurement of SEND Transport and the Council's current approach to concluding the procurement.

Background

The Council's Special Education Needs and Disabilities Passenger Transport (SEND Transport) contract expired at the end of August 2021. Currently 19 operators deliver 122 contracts which are in place to meet the Council's statutory duty under Section 508B and Schedule 35B of the Education Act 1996, whereby local authorities are under a statutory duty to provide free school transport to eligible children.

The Council's budget for the provision of SEND Transport was significantly under pressure with a forecast spend of £6.1m in 2020/21 against a budget of £2.5m. This was caused by a combination of factors, in particular increasing demand.

The Council undertook a procurement exercise, pursuant to its Procurement and Contract Procurement Procedure Rules in relation to a new SEND Transport Contract for 2021-25 (the new Contract) to award a new contract – at a potential total cost of £22m over four years. The Council sought to achieve greater economies of scale and value for money alongside addressing new and emerging issues within the sector including the risk of modern-day slavery, and improving the overall delivery of the service.

In August 2020, the Council's Cabinet approved the establishing of a new Dynamic Purchasing System (DPS) for the new Contract. A DPS was used for the existing SEND Transport contract. Following stage one of the new DPS, a closed bidder tender process was undertaken as stage 2 in March and April 2021. An evaluation of the proposals took place and a Cabinet Report was prepared setting out the conclusion of the evaluation, and the recommended awarding passenger transport related contracts via the new DPS effective as from 1 September 2021.

The Council's Cabinet, at its meeting on 16 June 2021, considered the award of four lots as the outcome of the procurement, which would have provided a £300k saving on the previous contract as well as improving service quality. The Cabinet deferred the matter following various concerns being raised over the process which had been raised following the publication of Cabinet papers prior to the meeting taking place.

An internal audit fact finding exercise regarding the proposed award of the SEND Transport Contracts for 2021-25 was then undertaken.

The Council took external legal advice on the options available, and an emergency Cabinet meeting took place on 21 July 2021 which agreed to continue to use the existing contracts with providers for the continued provision of SEND transport until 23rd February 2022, in order that the Council meets its statutory duties.

KEY FINDINGS

Internal Audit review

Internal Audit undertook a review, reporting in June 2021, which examined the background to and decision making relating to the 2021-25 contracts, compliance with the Council's procurement and contract rules, the approach adopted to supplier inclusion to DPS and the associated tender, how the outcome of the tender evaluation was reported to Members, and considered if any inappropriate or fraudulent activity had taken place. This report noted:

- Some of the concerns raised related to the identity of the owner of the two companies initially selected as the successful bidders, and the fact he was a former employee of the Council and the son of a former Deputy Leader, who was investigated into a series of land sales involving the Council (known as the Wragge report). As neither individual had any known current role or association with the Council they did not form part of the scope of the review.
- Many of the concerns were raised by current suppliers of this service to the Council that have not been successful in the latest procurement exercise, so there would be an element of potential disappointment and disgruntlement behind parts of them. However, each of the concerns were dealt with objectively, and in certain cases they were found not to be fully accurate in their interpretation. For example, a number of officers from both procurement and the service area were involved in the assessment process.

The internal audit report concluded:

- The procurement was undertaken with the correct intentions.
- Some concerns and issues raised have an element of substance.
- A number of issues regarding the quality of certain information provided by bidders in support of their applications
- A number of key Council processes were not followed. In particular the need for officers involved in the exercise to formally declare if they have any potential conflict of interests, the completion of a Starting a Procurement form which captures key information from the outset, and to respond to bidder's applications within agreed timescales. However, while internal procedures within service areas had not always been followed, none of these were in themselves a direct breach of the Council's Procurement and Contract Procedure Rules.

KLOE A4: SEND Transport (cont'd)

The purpose of this KLOE was to consider the circumstances relating to the recent procurement of SEND Transport and the Council's current approach to concluding the procurement.

KEY FINDINGS (cont'd)

- Sufficient documented consideration does not appear to have been given to both financial modelling and the risks, particularly around resilience, associated with the potential placing of all four large contracts with just two companies, who in themselves come under the ownership of one individual.
- None of the officers interviewed indicated that they had been placed under any pressure by any other officer or elected member as part of the procurement exercise.
- While the significant reduction in lots would see a subsequent reduction in the number of companies the Council would be contracting with, from the evidence available to them, Internal Audit found nothing to suggest that the reduction of competition was undertaken with the sole aim of benefitting two particular companies. Similarly, they came across no evidence to suggest that any inappropriate or fraudulent activity had taken place.

The Internal Audit report concluded that the issues identified in the review in all likelihood will necessitate a need to revisit the procurement exercise. In particular the way in which use was made of the DPS including restricting the number of lots available, how initial decision making was considered, agreed and recorded, and how information and the lack of detail thereof, was relayed back to the Cabinet in order for them, and later Scrutiny, to make an informed decision, on what is in effect a £20m contract award.

Other reviews

The Council's Corporate and Budget Scrutiny Board and the Children's Services and Education Board have agreed to jointly examine existing and proposed arrangements for SEND transport provision. The Council's Audit and Risk Assurance Committee Chair is undertaking a fact-finding exercise into the original procurement exercise. Both activities had not been concluded during the course of our review.

The Council sought to commission an independent review of the original procurement. This review planned to assess the compliance and probity of the original procurement, including re-running the evaluation stage. This did not proceed due there being only one bidder, and the cost being deemed not best value.

Financial management

Since 2018 the overall cost of providing travel assistance including parent mileage, travel passes and more recently the offer of personal travel budgets has increased by 45% from £3m in 2018/19 to a projected cost of £6.4m for 2021/22. Over the same period SEND pupils requiring travel assistance has increased from 680 to 850 with the average cost per pupil increasing from £5.1k pa to £7.6k pa. This situation is not unique to the Council.

The pressure on the SEND Transport budget has been managed over recent years by using carried forward underspends in the Education Directorate budget or using one off contributions from reserves. These were fully utilised by the end of March 2021 and the Council agreed additional funding for 2021/22 with the budget increased to £5.6m. A projected budget pressure of £800k remains, which excludes the impact of continuing with the existing DPS framework from September 2021 to February 2022.

The Council's approach to managing the overspends prior to 2021/22 mean that the base budget for SEND Transport did not reflect the true cost of providing the service. This led to some of the criticisms in relation to the value of the planned procurement award.

The extension of the original DPS contract by six months has seen an increase in forecast costs for the service

Delegation and communication

Cabinet approved the procurement approach at its meeting in August 2020, delegating the detailed design, including lot structure, to the Travel Assistance Service team, working with the procurement and legal teams, with the procurement team managing the overall procurement process

A key change to the existing DPS framework, which focused on costs, was to introduce a greater focus on quality in the new DPS framework, in relation to children's safeguarding, and employment practices.

KLOE A4: SEND Transport (cont'd)

The purpose of this KLOE was to consider the circumstances relating to the recent procurement of SEND Transport and the Council's current approach to concluding the procurement.

Delegation and communication (cont'd)

Whilst the teams involved in developing the new contract design were aware of the planned service quality benefits, such as improved safety standards, reliability and quality of the service, more could have been done to ensure key decision makers were aware of the reasons for the change and the planned benefits when the new procurement approach was discussed and agreed in August 2020, and prior to the planned approval in June 2021, noting the significant changes to members of the Cabinet between these two dates.

A comparison between providers used on the current contract with those who were being proposed to be awarded contracts via the new DBS framework may have also helped managed a more effective contract award discussion.

The publication of the proposed award

The Council chose to include the recommendations for the award of the new DPS contracts on the public part of the agenda papers for the Cabinet meeting on 16 June 2021, including the results of the evaluation. This was the direct cause of challenges being made to members of Cabinet prior to the meeting taking place. It is unusual for such potentially commercially sensitive information being made public in advance of a decision being made on the award of a major contract.

The outcome of the June Cabinet meeting has significantly impacted on the Council's reputation, including the matter being raised in Parliament, and has further impacted on the relationship between officers and members including levels of trust. The pausing of the procurement has also increased the level of expenditure on the services placing further pressure on the Council's budget, and creates risks for the Council such as accusations of suppliers canvassing members during the intervening period.

Conclusion of the procurement

The procurement of the contract was initially paused, pending the outcome of the various reviews being undertaken. However, in order to not have to further extend the current DPS contract, work has been undertaken, including obtaining external legal advice, to review the structuring of the lots, and to consider whether the new DPS framework will be used. A report is planned to be presented to Cabinet on 3 November 2021 to agree how to proceed.

Conclusions and recommendations

The focus of service quality in the new DPS framework represents important and positive progress for the Council in managing a major contract of this type. However, weaknesses have been identified by Internal Audit in some aspects of the procurement approach, although these did not represent a breach of the Council's Procurement and Contract Procedure Rules.

The manner of the pausing of the procurement has damaged the Council's reputation, put further strain on officer and member relationships, and created uncertainty and risks over how the conclusion of the procurement will be viewed and opened the Council up to potential legal challenges.

The Council already uses a DPS for commissioning travel assistance services, so has familiarity with the approach, as do providers. Whilst not the only procurement option, DPS is considered an appropriate procurement approach for a public sector organisation procuring services of this type. Operators can bid to be appointed to lots on the framework, and if unsuccessful continue to try do so by meeting the Council's service standards. When the Council requires a service, operators on the DPS framework are asked to tender for the work.

This was a major and complex procurement. An Invitation to Tender was advertised on 12 March 2021, with a closing date of 2 April 2021, for the contract to go live on 1 September 2021. This time frame was inadequate for such a large and complex contract.

The Council's senior leadership – both officers and members – must place priority on agreeing the outcome of the SEND Transport procurement exercise to ensure a further contract extension is not required. This should include:

- **Not losing the significant progress made on the contract specification's focus on service quality.**
- **Greater support, involvement, dialogue and oversight with the officer teams with responsibility for progressing the procurement.**
- **Ensuring the contract provides the Council with effective management and oversight of the personal transport market.**

KLOE A4: SEND Transport (cont'd)

The purpose of this KLOE was to consider the circumstances relating to the recent procurement of SEND Transport and the Council's current approach to concluding the procurement.

Recommendations (cont'd)

For the conclusion of the SEND Transport procurement and for all future major procurements, the Council should ensure that:

- **Record keeping and declarations of interest are undertaken in line with Council policies and procedures.**
- **Decision making does not create real or perceived risks in relation to inappropriate procurement decisions.**
- **Procurement timescales provide adequate time for both suppliers to submit high quality bids, and the Council to undertake appropriate evaluation, scrutiny and decision making. This timescale should include appropriate time in advance of the procurement for the council to undertake the necessary strategic thinking and planning required, and mitigate the risk of not making an award in the planned timescale**



KLOE A5: Sandwell Land and Property

The purpose of this KLOE was to consider the background to the establishment of the company, actions undertaken by the Council to ensure the company complies with legislation, and delays to winding down the company.

Background

Sandwell Land and Property (SLaP) was incorporated on 14 January 2011 as a limited company. SLaP was established by the Council as a vehicle for protecting the freehold of the Council's schools and related sites. SLaP is a non trading company and has no employees.

The Council is the sole shareholder of the company. SLaP is the freeholder of 99 education assets and leases them to the Council for a nominal sum of £1 per year in the form of ground rent, with the Council responsible for the maintenance of the assets as a condition of the lease.

Our 2019/20 Audit Findings Report noted that we have had extensive discussions with officers around the accounting for SLaP property and around the history and purpose of the company.

We agreed with management's view that the company should be wound up as soon as possible and that Council representatives should discuss with the Directors of the company the ongoing purpose of the company and whether it could continue in its current form. We requested additional assurances around the security of schools' assets should the company be wound up before a decision is made on the future of the company, with the company expected to be wound up during 2021/22.

KEY FINDINGS

Reason for creating the company

At the time of establishing SLaP, the Council understood that new legislation relating to academy schools created a risk that schools converting to academy status could take over the freehold of the Council's education assets. On taking external legal advice after establishing SLaP it was confirmed the freehold of education assets would not pass to academies.

Given the cost and additional complexity of managing an arm's length company arrangement, it is unclear why the Council has not sought to take education assets back in house sooner.

KEY FINDINGS

Compliance with legislation

The company and its Directors are governed by Company Acts law. There is evidence that the Directors of the company were not familiar with their legal responsibilities in relation to proper record keeping and failing to meet statutory deadlines for example submitting company accounts.

A number of Council members and officers have been appointed to company Director roles during the period of the company's operation, with one Director in place at the time of this review.

SLaP has never formally appointed a company secretary. A former Council Chief Executive, when a Director of the company, undertook the company secretary role informally. When they left their Director role in January 2019 it has been unclear who has subsequently delivered this role.

The administration of the company's business has been undertaken by officers of the Council, such as legal and finance, supporting members in company director roles, including an understanding of their company roles and obligations. We have not been able to confirm if formal guidance and training has ever been provided to company Directors. This has created a risk that Directors have not fully understood their legal responsibilities, including the distinction between the Council as shareholder and leaseholder, and SLaP as freeholder of the education assets.

The company was created without secretary of state consent, the Council has subsequently sought counsel advice that broadly indicated that if no government challenge had arisen, it was not likely to occur.

The company's accounts have been qualified in relation to asset valuations and ownership. We note that shares in the company were not issued in accordance with the relevant legislation.

Council's governance arrangements

SLaP is a risk on the Education Service risk register, but has not had a profile with the Council's senior leadership, and nor has there been a senior individual, since the former Chief Executive left the Council, with effective understanding and organisational oversight of the company.

KLOE A5: Sandwell Land and Property (cont'd)

The purpose of this KLOE was to consider the background to the establishment of the company, actions undertaken by the Council to ensure the company complies with legislation, and delays to winding down the company.

Current position

The Council has appointed external legal advisors to advise on the winding up of the company. The legal advisors are advising both the Council as shareholder and leaseholder, and the company in the form of the company director.

In October 2021 the Cabinet acting as shareholder of the company approved instruction to the SLaP director to pursue voluntary liquidation. An insolvency practitioner has been engaged to administer the winding up of the company. The insolvency practitioner has appointed a tax advisor to advise on any tax implications and has advised the Council that due to the nature of the company and the company's assets, they are able to transfer the assets to the Council on the basis of their indemnity as liquidator, ensuring they are not responsible for any liabilities identified during the winding up process.

The Council's legal team is reviewing the legal title and beneficial interests of each asset to ensure the Council will have legal title when transferred from SLaP, and whether beneficial interests sit with the Council or, for example if this should be transferred to another body such as a governing body of a school. Should such examples be identified, the beneficial interests should have been transferred prior to the asset being transferred to SLaP.

The winding up process had not concluded at the time of our review.

Conclusions and recommendation

The Council has incurred additional costs to set up, administer and wind up SLaP when the purpose of establishing the company proved to be unnecessary.

There has been significant weaknesses in the understanding of roles and responsibilities, between those acting on behalf of the Council and those acting on behalf of the company. There has been a lack of consistent senior leadership oversight of the company, highlighted by delays in progressing its winding up. There are a number of instances where the relevant legislation has not been followed, such as the issue of shares.

The Council should ensure that when considering establishing an arm's length company in the future there is a clear purpose for doing so and that those officers / members of the Council in company director roles are clear of their role and responsibilities in relation to that company.

Where arms length companies already exist the Council should gain assurances that company directors fully understand their company roles and responsibilities, that the company administration is properly resourced and appropriate training is provided to company directors. The purpose of the company should be revisited on a regular basis to determine whether the company continues to be of benefit to the Council.



KLOE A6: MADE Festival

The purpose of this KLOE was to consider the governance arrangements and decision making relating to the Council hosting this festival.

Background

The Council was approached by the organisers of the MADE music festival, for the potential to use Sandwell Valley, a Council owned site, as the venue for the festival, to be held in August 2020. MADE festival was established in 2014 with aims of celebrating West Midlands contemporary music, creative arts and street food.

The Council agreed to host the event, recognising its alignment to the Council's ambition to strengthen Sandwell Valley's identity as a 'destination gateway' into the Sandwell / West Midlands region, and as part of the wider proposals for establishing Sandwell Valley as future major festival site. The event would generate income for the Council of £18,000-£20,000 for hosting the festival.

Due to the subsequent outbreak of COVID-19 the festival was postponed in 2020, to take place on 31 July and 1 August 2021. The ongoing pandemic during 2021 and uncertainty regarding the timing of changes to government guidelines led to a late decision not to allow the festival to take place on the rescheduled dates. This led to a breakdown in relationship with the festival promoter, who considered legal action against the Council, a situation which was resolved with the festival ultimately taking place on 18 and 19 September 2021.

KEY FINDINGS

The original decision to host the festival was made by the then Leader of the Council on 15 January 2020. The Council's events team managed the planning for the event, including liaising with other relevant statutory bodies such as the police, via the Council's Statutory Advisory Group (SAG). SAG also had a role to ensure the Council's statutory responsibilities were met in relation to issues such as safety, traffic management and licencing permissions.

In the months and weeks prior to the rescheduled 2021 event taking place SAG received updates on all events due to take place in the borough, those hosted by the Council and those hosted by other bodies. During this period there remained uncertainty over the timing and nature of the government's four stage road map for easing COVID-19 lockdown restrictions, and because of this there were delays in formally approving that the MADE festival could take place as planned, with government delaying until 19 July when all legal limits on social contact in England would be removed.

The Council's Strategic Incident Management Team (SIMT) which was set up to consider various COVID-19 related activities, considered the viability of the rescheduled 2021 event. This included infection rates and vaccine take up in the borough, and the risks associated with the high level of visitor numbers expected to attend the event. SIMT comprised the majority of Directors on the Council's Leadership Team and relevant Heads of Service.

SIMT raised concerns about the viability of holding the event on 31 July and 1 August which were shared with event organisers and promoter at a meeting on 23 June 2021.

The event promoter advised the Council that should restrictions lift on 19 July 2021 and the event was not permitted to go ahead it would have serious consequences on the future sustainability of the event.

On 30 June at a further meeting the Council advised the organisers that the Council was not able to grant permission for the event to proceed as scheduled, until the Council had seen and interpreted the revised government regulations and guidance after 19 July 2021 and assess the COVID-19 safety of the event. The Council advised the organisers that these timescales meant it would be unwise for them to advance their current plans and a later date should be considered for the event.

The Council received a COVID-19 risk assessment from the organisers on 6 July which was reviewed by the Director of Public Health and discussed with the portfolio holder for Strong and Resilient Communities. Both raised concerns about holding the event on the planned days. The organisers requested the opportunity to submit a revised proposal for the event to take place on 18 and 19 September 2021.

On 13 July the Council became aware that tickets were being advertised by the promoter for the event on the planned event days and queried with the organisers why the event was being promoted. The Council then received a letter from the promoter's solicitors seeking Council justification for the decision to postpone, believing the Council had approved the event booking. The Council sought counsel advice, as the event booking form had a disclaimer in relation to COVID-19 and, in its view, the organisers had not provided all relevant documentation, for example, in relation to road closures.

The organisers also undertook negotiations with an alternative site outside of the borough which proved unsuccessful. The promoter advised the Council that the financial impact of not holding the event as planned could result in bankruptcy and he would consider taking legal action against the Council seeking recovery of costs.

The Council met the organisers on 22 July to discuss alternate September dates and the promoter announced the postponement of the event the following day.

KLOE A6: MADE Festival (cont'd)

The purpose of this KLOE was to consider the governance arrangements and decision making relating to the Council hosting this festival.

Pages 5 to 6

KEY FINDINGS (cont'd)

SAF met on 26 July to consider the alternate September dates and confirmed with the organisers on 29 July approval for the new dates, subject to satisfactory finalisation of all relevant plans and compliance with terms and conditions of booking.

The event took place on 18 and 19 September 2021.

Conclusions and recommendations

There was uncertainty on the timing and detail of government regulations relating to the staged removal of lockdown restrictions being faced by all organisations and individuals during this period. However, the Council demonstrated a lack of decisiveness and clarity of decision making with the organisers of the event, with the governance around this decision making unclear.

The strategic reason for originally making the decision to host what was planned to be an annual event was its alignment to the Council's ambition to strengthen Sandwell Valley's identity as a 'destination gateway' into the Sandwell / West Midlands region, and as part of the wider proposals for establishing Sandwell Valley as future major festival site. We note that the Council's relationship with the organisers has been negatively impacted by how the decision making process was managed. There is a risk that the organisers may not seek the borough as a venue for future events.

As part of the planned review of the scheme of delegation the Council should ensure that there is clarity of decision making on hosting events, and that the governance arrangements relating to such decisions are effective and clearly communicated.



KLOE A7: Waste service

The purpose of this KLOE was to consider the performance of the waste service, the Council's management of the contract with Serco, and understand the impact of recent industrial relations issues.

Background

The Council chose to outsource its waste and recycling service and in November 2010, following a procurement exercise, the Council confirmed the appointment of a consortium led by Serco to deliver a 25 year, £650m integrated waste and recycling services contract. Council staff were transferred to Serco under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

Serco are responsible for the collection of household food and garden waste and recycling, street cleansing, the associated vehicle fleet, and the household recycling centre (HRC).

During the course of COVID-19 the Council has become increasingly concerned about the performance of a number of aspects relating to the delivery of the contract.

Service delivery has also been impacted by industrial action from some of the Serco workforce.

KEY FINDINGS

Contract management

The contract includes 34 Key Output Targets (KOTs) which are the basis for contract performance management. The contract is self-monitoring and Serco provide the Council with monthly performance data. Penalty points are accrued for failure to meet KOTs and these are reviewed each month by the Council, with financial penalties based on penalty points accrued each month. Failure to regularly meet KOTs over a twelve-month period can trigger a contractual default. There have been no defaults during the contract to date.

There had been formal contract monitoring meetings every six months between the Council and Serco in the form of a Waste Management Board. The Council Leader and relevant portfolio holder attend these board meetings and the Board is the formal decision making body. The Board meetings were suspended as a result of the onset of COVID-19 but have been subsequently re-introduced on a three-monthly basis.

The KOT in relation to recycling rates sets out a sliding scale of annual improved rates, with 60% being the target for 2021 and the actual rate being 32%. This is calculated on the tonnage of recycling against refuse collected. Serco have failed to meet these annual targets and may incur financial penalties of up to £1.2m per year. The reasons for under achievement of the target are considered to be household behaviour and weekly collections, the latter forming part of the original contract specification. The Council has provided Serco with a letter of comfort reducing this target and reducing the annual financial penalty.

The Serco contract was the first major outsourcing of its type undertaken by the Council. There is a perception that the approach to managing the contract did not adequately change from the way these services were managed when the Council operated a direct labour organisation model. Over the past ten years of the contract there have been a limited number of contract variations and requests made for additional services were not effectively specified.

The KOTs are considered well defined, but they are generally based on annual quantity rather than frequency and service quality. The Council is intending to engage an external consultant to review the KOTs to determine whether these contract specifications can be amended.

The vehicle workshop is operated by the Council and the Council maintains the vehicles through a separate maintenance contract with Serco. The contract terms meant that Serco were to replace fleet vehicles after 8 years of the contract (five years for smaller vehicles) which did not happen. This was identified during 2018 and discussions were held between the Council and Serco on whether the Council would borrow to fund the capital expenditure. The Council took external legal advice which confirmed such an action would represent state aid. A Fleet Board was introduced in May 2021 for Serco and the Council to progress a fleet replacement programme and Serco have committed to replace 18 refuse collection vehicles with delivery due in December 2021, as well as investing in mixed domestic recycling trucks. Serco have also hired newer sweeper vehicles, pending their replacement.

Financial management

Serco submit a monthly bill in line with the contract payment mechanism.

In recent years the Council's budgets for waste management has underspent and an underspend is forecast for 2021/22. The underspend is a result of financial penalties incurred by Serco, and income the Council receives from recycle sales. The prices for the latter are dependent on market fluctuations. The underspend is used to maintain a reserve, currently £3.5m, which is used to manage fluctuations in disposal market rates and contract fees.

KLOE A7: Waste service (cont'd)

The purpose of this KLOE was to consider the performance of the waste service, the Council's management of the contract with Serco, and understand the impact of recent industrial relations issues.

Service performance

COVID-19 impacted on service delivery – which was common across the sector – as the workforce were impacted by absences, for example due to self-isolation via shielding or because of other COVID-19 regulations, as well as social distancing measures introduced for those who were at work. Garden and food waste collection were suspended during the first lockdown and the HRC was closed. Serco is still not operating a full service in particular food waste collection.

The pandemic has impacted on both waste collection and street cleansing, with street cleansing staff backfilling waste collection roles. Vehicle reliability has also contributed to service performance.

The pandemic shone a light on working practices and performance at Serco, contributing to service performance issues. During 2021 Council management have taken action to work with Serco to ensure necessary improvements are introduced. We understand, that as a result Serco's performance management of poor performing crews has improved, which has led to suspension of some staff and others leaving. This has contributed to industrial relations issues.

In early October the 100% in-day completion of waste collection rounds was achieved for the first time in approximately 9 months.

Serco have developed a waste and recycling recovery plan, and a recovery plan for street cleansing. At the time of this review they were being appraised by Council officers and were to be approved by the Waste Management Board.

Industrial relations

Council staff were TUPE'd to Serco on the council's terms and conditions for the first ten years of the contract. Industrial relations issues arose in May 2021 when trade unions (Unite, Unison and GMB) raised issues with Serco management in relation to staff grievances, salary benchmarking, health and safety concerns and staff complaints relating to bullying.

We understand that Serco management have investigated the complaints and have concluded that the staff complaints related to management seeking to improve working practices and did not represent bullying. Serco management have also investigated staff grievances and health safety concerns and believe these to be resolved. Unite and Unison agree, but GMB believe they remain unresolved.

The Advisory, Conciliation and Arbitration Service (ACAS) are involved in arbitration with GMB. At the time of this review strike action was planned and GMB introduced a 2-month overtime ban for their members. 120 of the 300 workforce are GMB members. Serco's senior management continue to engage GMB to try to bring resolution to the dispute.

Leadership and staff continuity

There have been changes to the senior officers at the Council with the relevant Executive Director and Director leaving in the past twelve months. An interim Director has been in role since May 2021 with a permanent Director due to start in November 2021. Until the interim Director was in role there was inadequate senior officer involvement in relation to the contract at time when this was needed to manage Serco's contract performance during the pandemic. The interim Director has brought focus to the situation including engaging with senior management of Serco.

The Council's contract manager has been in role for seven years. There had been similar stability in this role at Serco until there were changes in early 2020. More generally there have been a high number of management changes at Serco over the past year including the regional manager, regional managing director, operations manager and the senior contract manager. These changes have led to a lack of continuity in relationships with the Council and impacted on effective partnership working. In August 2021 a new senior contract manager and operations manager started but both left in September. The Serco managing director has introduced a new structure responding to concerns raised by the Council, and has instigated a programme of staff engagement. Serco are also taking steps to better manage poor performing staff, which is also leading to some further staff changes.

As noted elsewhere in this report, the Council's Leadership Team has not received effective corporate monitoring information on key council service indicators, which includes the Serco contract. This has been recognised and changes are being made to address the situation.

KLOE A7: Waste service (cont'd)

The purpose of this KLOE was to consider the performance of the waste service, the Council's management of the contract with Serco, and understand the impact of recent industrial relations issues.

Other findings

The performance issues associated with the Serco contract have seen an increase in complaints from residents, and increased enquiries to the Council's contact centre. Fly tipping has increased in the borough and the closure of, and then waiting time delays at, the household recycling centre are considered a contributory factor.

There is a need to review enforcement of public realm issues so the Council is clearer if the ownership sits with Serco or Council services such as parks, housing and grounds maintenance.

On 22 July 2021 the Council's Economy Skills Transport and Environment Scrutiny Board agreed to carry out a review of Waste Services and the Cleanliness of the Borough. The working group undertaking the review had not reported at the time of producing this report

Conclusions and recommendations

Serco have not brought the innovation and investment expected by the Council, and the culture of the workforce has impacted on Serco's ability to deliver the contract. Whilst there are issues relating to Serco management, it is only recently that Council management have taken a robust approach to managing poor contract performance, which has led to some performance improvement. Serco remains on an improvement journey.

The Council should prioritise corporate effort to ensure that the recovery plans are approved and appropriate senior management oversight is given to monitoring their effective delivery.

The Council should ensure robust contract management arrangements are in place, and review the Key Output Targets (KOTs) and work with Serco to ensure they are line with Council expectations and the data is available to allow effective monitoring of contract outcomes.

The Council should ensure that the investments specified in the contract with Serco are made, such as a new vehicle fleet.



KLOE A9: Lion Farm

The purpose of this KLOE was to consider the Council's governance arrangements and decision making in relation to the Lion Farm development.

Background

Following approval of the Asset Management Land Disposal Cabinet Committee (AMLDC) at its meeting on 19 December 2012, the Council entered into an option agreement with a local developer in respect of the proposed development of Lion Farm Playing Fields in Oldbury (Lion Farm). The proposed development related to a premium designer outlet centre, which could support significant economic, environmental and social benefits to the borough and wider region. The minutes of the AMLDC were received by Cabinet on 9 January 2013 and full Council on 5 March 2013.

An option agreement is a legally binding agreement that gives a potential developer a period within which to investigate the development of a site and the owner of the site agrees to sell the land to the developer at a future point. Any costs incurred by the developer during the option period are at the developer's risk.

The option agreement was dated 21 May 2013 and the developer paid the Council an option fee of £245k plus a contribution to the Council's legal costs. The option agreement gave the developer the option to acquire the freehold of the Lion Farm site should planning permission be granted.

The agreement gave the developer 12 months to undertake pre-development activity with an option to extend for a further 12 months. The agreement also provided for a secondary option agreement to be entered into by the Council and the developer.

After the initial 12-month period in 2014 the Council approved the request to extend the agreement by a further 12 months. In 2015, before the second 12-month period had concluded the Council confirmed that the developer had complied with their obligations and the parties began discussing the secondary option agreement.

In 2017 the developer was made aware of a rival premium designer outlet scheme in Cannock that had received full planning permission. The developer approached the Council for approval to progress the development. On 15 November 2017 the Cabinet approved variation to the existing option agreement with conditions including resident consultation, re-provision of current football pitches, undertake an economic impact assessment, submit a full planning application, and the site should be developed as a premier retail/leisure development which will attract high-end outlets.

In 2018 the Council sought counsel advice on whether the options agreement was legal with the QC confirming in August 2018 that the options agreement was a legally binding decision.

Governance relating to the original decision

A review by the Council in 2018 identified governance weaknesses in relation to the original decision to grant the option agreement and made the following recommendations:

- Enhanced member training to improve awareness on declaration of interests.
- The need to ensure resolutions are enacted in a timely way – the original AMLDC decision requested a follow up report on progress which was not progressed until 2017 with a report to Cabinet.
- A clearer record of the decision-making process to support recommendations being made to members
- A new protocol for the disposal of Council owned land and buildings is developed.

External review

The Council engaged a consultancy firm to review the governance and decision making in relation to Lion Farm and three unrelated property transactions. They reported in January 2020. The report was not made available to us until we commenced this review.

We have reviewed the findings of the report but under the terms of its agreement with the Council we are unable to quote from this report. We are considering the powers available to us under the Local Audit and Accountability Act 2014 to require the release of the report. However, to ensure the timely release of our report we have set out our overall conclusions below.

Current position

The Council's procurement regulations do not apply to property transactions, and so there is no legal requirement to publicly advertise the granting of an option to purchase a piece of land.

The principal senior officers and senior members involved in the initial agreement are no longer Council employees or a member of the Council. We note that there were weaknesses in record keeping, which means the current senior officers do not have access to all the information relating to the original decision.

KLOE A9: Lion Farm (cont'd)

The purpose of this KLOE was to consider the Council's governance arrangements and decision making in relation to the Lion Farm development.

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Current position (cont'd)

The secondary options agreement has not concluded and the developer has not yet submitted a planning application.

As a result of the 2013 options agreement, the asset will be valued following planning approval, before its disposal.

Conclusions and recommendations

The original sale of the option to develop Lion Farm with a limit of 12 months to put a development forward appears reasonable. Subsequent decisions to extend the secondary option negotiations without an end date were ill-judged. It has meant that the Council has little recourse with the developer.

There has been a lack of recent engagement with the developer and the situation has been allowed to drift with the senior leadership of the Council not placing priority on seeking to agree resolution and a way forward. We understand that the Interim Chief Executive has recently re-started dialogue with the developer and is placing priority on resolving the impasse, and an options appraisal is being prepared for the Cabinet to consider.

The Council must ensure that the recent re-engagement with the developer results in agreeing a clear way forward, including an action plan and timescale so there is clarity on the responsibilities for the Council and developer in order to progress the finalisation of the secondary option agreement, or to be clear on the legal process for both parties extricating themselves from the agreement and the associated terms.

The Council must ensure that it has taken all necessary steps to ensure that arrangements are in place so that issues identified in the external review are appropriately mitigated and managed.

The Council should review its procurement regulations and consider updating them to include land sales, including options agreements, to ensure that best value can be achieved.



KLOE A10: Introduction of new ERP System

The purpose of this KLOE was to consider the Council's management of the introduction of Oracle Fusion and understanding implementation delays and their impact.

Background

The main Enterprise and Resource Planning (ERP) business system currently used by the Council is Oracle E-Business Suite (EBS), which provides a range of key functions that support various service areas, including Finance, Human Resources, Payroll, and Procurement. The Council's EBS is also used by maintained schools in the borough, Sandwell Children's Trust and the West Midlands Fire Service. It has been in place since 2003.

The current version of EBS used by the Council will become unsupported from 31 December 2021. Remaining on unsupported software is considered an unacceptable risk to the Council due to the loss of support patches from Oracle. The Council agreed to replace EBS in 2019. This decision followed an options appraisal, which concluded that a new cloud-based ERP system would be the preferred option.

The Council decided that Oracle Corporation UK Ltd were the only suitable available provider – their Oracle Fusion product. An exemption from conducting a formal tender process, to allow negotiation with Oracle for purchase of the appropriate licences, was considered permissible under the provision of the Public Contracts Regulation 2015. The Council published a voluntary ex-ante notice to inform the market of its intention to conclude these negotiations with Oracle and meet its obligations for compliance with the 2015 Regulation.

The Council also agreed to engage an implementation partner on the basis that the Council did not have capacity or relevant expertise to transition to the new system. The Crown Commercial Services framework was used to identify suitable implementation providers and it was determined that only Inoapps could meet all requirements for implementation partner services. The Council contracted with Inoapps for this role for £1.2m. Inoapps had provided managed services to the Council since July 2016 and were a platinum Oracle partner. The appointments of Oracle and Inoapps were approved by Cabinet on 9 October 2019.

The contract with Oracle was for five years, with an option to extend to seven years at £700k per annum. The overall cost of the project, for the duration of the five-year contract with Oracle, including implementation partner costs, was estimated to be £5.64m.

There have been repeated delays to the implementation with changes to the go live date for the new system, which will not now go live before EBS becomes unsupported at the end of 2021.

KEY FINDINGS

Business case for change

An options appraisal and financial appraisal were used to make the decision on the future of the Council's ERP system. Whilst these would form part of a business case, no outline or full business case for change was developed and approved. We would have expected a business case to have been developed for a project of such strategic importance and cost. Failure to do so has impacted on the implementation stage of the project.

Transformation potential

The introduction of a new ERP system is typically used to support wider organisational transformation, improvement, efficiencies and savings. Indeed, one of the reasons for replacing EBS was long-term user dissatisfaction with reference to inefficiencies, inadequate reporting functionality and prolonged processes to access necessary data, with inefficient "work around" solutions being applied.

The lack of a formal business case has meant that benefits relating to the transformation potential of the new system have not been clear and have not been at the forefront of the implementation. This has been compounded by a lack of corporate ownership of the project and engagement by services, with the project seen as Finance or HR related, and not an enabler for organisational transformation and improvement.

Instead a "lift and shift" approach has been adopted minimising the opportunities for change and improvement and the use of the functionality of the new system. Once the new system has gone live there is an intention to undertake "development sprints" to identify transformation opportunities. However, the system will have already been implemented by this time, limiting the potential for such improvements without incurring additional costs in enhancements to the system. The Council has also used funding set aside for these sprints to fund cost overruns during the implementation stage.

KLOE A10: Introduction of new ERP System (cont'd)

The purpose of this KLOE was to consider the Council's management of the introduction of Oracle Fusion and understanding implementation delays and their impact.

Project finances

The options appraisal set out the total costs as follows.

Description	Costs 2019/20 to 2023/24 £000
EXPENDITURE	
Implementaiton Costs	
Implementaton Suppprt	1,206
Development sprints	600
Internal project team	386
Ongoing Costs	
SaaS subscriptions	3,240
Managed service support partner	70
Archiving system	140
Total costs	5,642
FUNDING	
Earmarked reserve	2,625
Redirection of budgets for current system costs	2,458
Resources revenue budget	682
Total funding	5,765
Contingency	123

The earmarked reserve of £2.625m was to be used to cover implementation costs and included £600k for post go live activity (development sprints) and £363k as contingency, in addition to the £123k contingency identified via the original funding proposal.

An additional £605k was added to the reserve from COVID-19 emergency funding to fund additional costs incurred due to delays.

A breakdown of the planned allocation of the earmarked reserve is set out below.

Description	£
Oracle Subscriptions	438,000
Inoapps Implementation Contract	1,224,150
Development Sprints (4 x £150k)	600,000
Project Team/Contingency	362,850
Total funded by earmarked reserve	2,625,000
Covid Emergency Funding	605,000
Total Funding	3,230,000

The development sprint, project team / contingency and COVID-19 emergency funding are currently over committed by £7.8k. Additional costs have been incurred in relation to extension to EBS licences, use of additional support due to the delays to going live, and contract variations with Inoapps.

Governance Arrangements

There is a programme board which includes officers from the Council and representatives from Inoapps, and a programme team including representatives from both organisations. The Council has established a programme management office (PMO).

The Board reporting includes risk and issues logs and highlight reports. During the pandemic and when renegotiating the contract position with Inoapps and the subsequent focus securing clarity from Inoapps on their position, these have not always received appropriate focus.

Due to changes in the Council's senior officers there has not been stability with those attending the project board. This includes the chair of the Board, which was originally the then Executive Director of Resources, followed by the then Chief Executive, and is currently chaired by the Director for Strategy and Change.

The contract includes a statement of works which defines key project roles. Whilst the Council has a defined programme lead and programme manger for the project, the changes to senior officers involved in the project have created confusion over who is in the Senior Responsible Officer role, both within the Council and within Inoapps. It is a position which remains unclear.

KLOE A10: Introduction of new ERP System (cont'd)

The purpose of this KLOE was to consider the Council's management of the introduction of Oracle Fusion and understanding implementation delays and their impact.

Governance arrangements (cont'd)

The Cabinet approved the decision to progress the new ERP system and appoint Oracle and Inoapps. There have been limited subsequent updates to Cabinet, with the portfolio holder receiving updates via director briefings.

Contract management

The programme manager and PMO, supported by the programme lead, are responsible for managing the contract with Inoapps. Where a contract variation is proposed by Inoapps the PMO discusses with relevant Council stakeholders and is then passed to the Programme Board for approval. The programme lead then completes the change request which becomes an addendum to the original contract.

The impact of COVID-19 led to a review of the implementation timetable during Summer 2020, given its impact on for example system testing and training activity. At the same time Inoapps identified the need for significant contract variations, believing they had under-scoped the resources requisite to implement the project. The original contract was awarded on a time and materials basis. The Council, in negotiating revised contract terms with Inoapps moved to fixed price terms with payment based on Inoapps meeting specified milestones, which was agreed in November 2020.

The role of Oracle

Inoapps are a platinum implementation partner to Oracle, and Oracle are the provider of the new system being implemented. Having purchased Oracle Fusion the Council has not been able to effectively escalate the implementation issues with Oracle, in order for Oracle to support a resolution.

Organisational involvement

During the majority of the implementation stage of Oracle Fusion there has been ineffective engagement from across directorates and services. This has started to change, with greater Director ownership, but as already noted, there remains a need for greater senior leadership oversight.

The current position

Since the fixed price contract was agreed, with Inoapps taking a greater commercial risk on implementation, and having under-scoped their original bid, there has been increasing tensions between the Council and their implementation partner and frustrations from the Council at the level of support being provided by Inoapps.

This has led to an "us and them" culture rather than a joint implementation focus. At the time of this review relationships between the Council and Inoapps had broken down, further impacting on the progress of the implementation stage.

The go live date for the new system was deferred from October 2019 to April 2019, and subsequently deferred to October 2020. There is currently no go live date pending the Council agreeing a way forward with Inoapps.

Because the go live date will not take place prior to 31 December 2021 when EBS, the current system, becomes unsupported, the Council has approached Oracle, who also provide the EBS, to negotiate temporary support from January 2022. Oracle are seeking a 12-month extension to EBS which the Council would like to reduce due to the impact on unplanned costs, but the lack of a firm go live date is not helpful to these negotiations.

We understand that a report is being prepared for Cabinet on 24 November which will set out the Council's options and include a cost benefit analysis of these options.

Conclusions and recommendations

The risk to the Council of having no ERP system available from the 1 January 2022 is significant.

The Council must prioritise corporate effort to:

- ensure that temporary support is agreed with Oracle for EBS continuity.
- have an honest and frank discussion with Inoapps and urgently agree a clear resolution on the way forward.
- review governance arrangements so that good practice (such as Managing Successful Programmes) is in place and embedded, including clarity on the SRO role and approach to risk management.
- review the resourcing and scope of the implementation to ensure that it is realistic, given current circumstances, focuses on outcomes as well as costs, and there is organisation wide engagement and ownership of the programme.
- confirm a realistic and achievable go live date.
- ensure for future major projects a full business case is developed and approved.

KLOE B1: Chief Officers

The purpose of this KLOE was to consider the Council's compliance with JNC guidance in relation to the recent departure of certain chief officers.

Background

The Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities is the national negotiating body for the pay and conditions of service of chief executives in England and Wales.

The JNC sets out the national conditions of service for chief officers of local authorities, which include model procedures in relation to performance management, capability, disciplinary and redundancy.

There is a different negotiating body for pay and conditions for other local government workers, the National Joint Council (NJC) for Local Government Services.

KEY FINDINGS

The Council's former Executive Director of Resources received a complaint in relation to certain actions that were believed to be outside Council policies and procedures. The actions related to matters over 5 years old and appear to have been precipitated by a change in control of the labour group. The then Chief Executive, after undertaking a fact-finding exercise and reviewing the position, invoked the model JNC disciplinary procedure. The Executive Director was suspended in March 2020 and the Council engaged the LGA to undertake an independent investigation. Prior to the conclusion of this investigation the Council finalised its senior management review which created a new structure for the Council's leadership team, resulting in the deletion of all Executive Director roles and the creation of new Director roles. The Executive Director chose not to apply for a new Director role, which led to the officer being made redundant by the Council before the investigation by the LGA was completed.

The Council's former Chief Executive departed the Council very quickly in July 2021 as a result of the breakdown in their working relationship with the new Leader of the Council. A decision was made by the two individuals concerned that the Chief Executive would leave the Council by mutual agreement, before the JNC model procedure could be invoked.

Following the decision being made the Council took external legal advice on employment law and sought advice from the LGA and various options were retrospectively considered, including the Chief Executive remaining in post, the Chief Executive claiming constructive dismissal, early retirement and mutual agreement, with the latter being considered the best value for money option.

The prior to previous Chief Executive also left before the JNC model procedure was invoked. The context was a Standards investigation, and the officer chose to resign rather than progressing to the formal procedure

Conclusions and recommendations

The Chief Executive and Leader are key roles in any Council, and their working relationship is critical to the effective running of the organisation. There are many examples in the local government sector where Chief Executives have left councils by mutual consent and not followed model procedures, for example, when there is a change in Leader.

However, given the context at the Council, the departure of the two previous Chief Executives in a similar manner will have contributed to the lack of trust and uncertainty in the organisation which is highlighted elsewhere in this report. This has been exacerbated by the departure of the Executive Director of Finance through a restructure

We also note that the speed of the decision for the former Chief Executive to leave, and the lack of other senior officer involvement (such as from the Monitoring Officer and Director of HR) and not taking legal advice prior to the decision being made created a risk that each party may have had a different interpretation of the outcome of the discussion and the decision being made.

The Council needs to consider how it can restore trust between officers and members. **The Council should ensure that at the very least, appropriate internal and external advice is sought should the departure of a chief officer by mutual consent is agreed.**

KLOE B2: Senior leadership

The purpose of this KLOE was to consider the background to senior leadership changes and the impact of interim officers in place.

Background

The Council has been through a period of significant change to its leadership, both in terms of senior officers and senior members. Following the local elections in May 2021 a new Leader was elected, who appointed a new Cabinet with effect from June 2021. Many of these Cabinet members had not previously held a Cabinet role, and some were fairly new to the role of councillor.

An interim Chief Executive has been in role since August 2021 and there has been significant changes to chief officers over the past year, with vacancies being filled by either external interims, or Council officers in acting up roles. These changes were driven in large part by a senior management review which concluded in October 2020, although we note that some chief officer departures were caused by unrelated circumstances. The changes are summarised in the table below.

Posts Prior to Senior Management Review	Leaving Date	Posts following Senior Management Review	Interim Status	Interim Start Date	Permanent status	Permanent start date
Chief Executive	Jul-21	Chief Executive	External interim	Aug-21	Vacant	n/a
Deputy Chief Executive	n/a	Deputy Chief Executive	Vacant	n/a	Vacant	n/a
Executive Director - Adult Social Care, Health & Wellbeing	Jul-19					
Director - Adult Social Care	Dec-20	Director - Adult Social Care	External interim	Apr-21	In role	July 2021
Director - Public Health	n/a	Director - Public Health	n/a	n/a	No change	n/a
Director - Prevention & Protection	n/a					
Executive Director - Resources	Sep-20					
Director - Law & Governance / Monitoring Officer	n/a	Director - Law & Governance / Monitoring Officer	n/a	n/a	No change	n/a
Director - Finance	n/a	Director - Finance	Acting up	Mar-20	In role	Aug 2021
Director - Business Strategy and Change	n/a	Director - Business Strategy & Change	n/a	n/a	Internal appointment	Dec 2020
Executive Director - Neighbourhoods	Dec-20					
Director - Homes & Neighbourhoods	Mar-21					
Director - Housing	n/a	Director - Housing	External interim	Apr-21	In role	July 2021
Director - Borough Economy	n/a	Director - Borough Economy	External interim	Apr-21	Appointed	Nov 2021
Director - Regeneration & Growth	Mar-20	Director - Regeneration & Growth	Acting up	Mar-20	In role	Sept 2021
Executive Director - Children's Services	Aug-21					
Director - Education & Skills	Apr-21					
Director - Children's Services	n/a	Director - Children's Services	Acting up, supported by external interim	Aug-21	Appointed	Nov 2021

Post created
Post deleted

Key findings

Other than the Chief Executive there are currently ten chief officer roles, of these four are recent external appointments, and two other external appointments have been made with these officers starting in November 2021. Three officers remain from the previous leadership team, two in the same role and one appointed to one of the new roles created by the review.

Two roles remain vacant: the Chief Executive and the Deputy Chief Executive, with the recruitment of the former recently initiated. The Council has decided to not recruit the Deputy Chief Executive and to review the need for this role.

In addition there is a Director of HR, which is not a permanent role and is being held by an external interim.

The impact of this recent period of change has been instability and uncertainty for the organisation. Whilst external interims are recognised positively for the experience they bring from working with other councils and having a “fresh pair of eyes” on some of the service challenges being faced, the wider organisation considers the use of interims as maintaining a holding pattern before permanent chief officers join. The Council will reach the position of having all roles filled by a permanent officers during November 2021, other than the two vacancies noted above.

The leadership of senior members and senior officers is critical to good governance and decision making, and more generally for the ability for the Council to deliver its services effectively and to progress its medium-to-long-term priorities.

All key stakeholders met during the course of this review recognised that the changes to senior officer and members has led to some immediate and positive changes. However, it was further recognised that the Council is at the start of a necessary improvement journey, and for these “green shoots” to deliver the widespread changes required, the Council’s leadership needs be relentless in its focus in delivering and embedding sustainable change. We note that these 'green shoots' only occurred on appointment of the current interim chief executive and we do not consider that they are embedded in the Council.

Critical to this sustainable change will be the appointment of the right permanent Chief Executive, and the Council must ensure an effective recruitment process, including maximising the chances of attracting a pool of appropriate candidates. Should the appointment of a permanent Chief Executive not be successful the Council should seek to retain the current interim Chief Executive and move this to a full time contract.

KLOE B3: Complaints

The purpose of this KLOE was to consider the appropriateness of complaints made against senior officers and the responses to these complaints.

Background

The Council has arrangements in place setting out how to make a complaint that an elected member has failed to comply with the Council's Code of Conduct. This is in line with the Localism Act 2011 (the Act). The Council's Monitoring Officer, or in their absence or where there is a conflict of interest, the Deputy Monitoring Officer, administers the system for dealing with complaints. The arrangements set out the stages of a complaint should be dealt with: no further action, local resolution or requires investigation.

The Act requires the Council to appoint at least one Independent Person whose views must be sought before it takes a decision on whether an investigation should proceed. The Council has agreed to there being three Independent Persons, who attend the Standards Committee as observers.

There are separate arrangements in place for complaints against senior officers which follow national JNC model procedures, with the Council's Chief Executive (unless conflicted) deciding if the thresholds are met to instigate an investigation.

There are separate procedures for whistleblowing complaints, which do not form part of the scope of this review.

KEY FINDINGS

The Council has had a history of complaints against members, many of which were not found to be circumstances that were in breach of the Code of Conduct. These complaints have been from other members, officers and members of the public.

We note that the Monitoring Officer has been subject to a number of complaints from members which have not met the threshold for investigation, and there is a perception that at least some of these complaints have been spurious and reflect a blame culture. We note that no complaint has been upheld against the monitoring officer. Similarly, in the case of other complaints against officers, rather than complaints relating to breaches of Council policies and procedures, they are based on the dislike of an individual or of an individual's response or actions during meetings.

This forms part of a wider culture and a deterioration in trust and respect between members, and between members and officers. This is arguably also reflected in a culture of written communications in relation to member enquiries. For example, in many instances officers want to have a written record of their response due to the culture of the organisation.

Again, due to the organisational culture, there is a perception that historically for some officer complaints, investigations have been undertaken due to concern of the consequences of deciding no further action was required.

The level complaints at the Council has been described as a "mini industry" which takes up valuable time and resource, should the complaints be spurious.

At its most recent meeting of the Standards Committee on 11 June 2021 an update was provided on live member complaints. There were twelve complaints, which had been received between July 2019 and May 2021, all alleging breaches of the Member Code of Conduct. Investigations had been invoked for all 12 and of these 7 had concluded there had been no breach, 2 had recommended local resolution, 2 could not be progressed (the member was no longer a councillor or the complainant did not engage in the process) with the outcome of one complaint outstanding.

There are signs that the new political administration has moved away from this culture, but this is not yet evident across the wider councillor group.

The Council's senior leadership – both officer and member – must act to change the culture and organisational ethos in relation to complaints, and to restore balance and proportionality.

KLOE B5: Standards Committee

The purpose of this KLOE was to consider the appropriateness of the work undertaken by the Standards Committee.

Background

In 2018, the Committee on Standards in Public Life conducted a review of local government ethical standards and invited the submission of comments and recommendations from local authorities and representative bodies. The Committee published its final report in January 2019, which included a recommendation that the Local Government Association (LGA) should draft a Model Code of Conduct.

The LGA Model Code of Conduct was drafted in consultation with representative bodies of councillors and officers of the local government. The final Code was published in December 2020. The LGA published a supplementary guidance document to support the Code in April 2021.

During the 2020-21 municipal year, the Council's Ethical Standards and Member Development Committee (the Standards Committee) undertook a wide-ranging review of the Members Code of Conduct and associated arrangements. This included the creation of an Ethical Standards Working Group which was established to guide improvement in the Council's Ethical Framework. Engagement with members included five engagement sessions in December 2020. These sessions covered:

- A review of the Member Code of Conduct, and members were supportive of the adoption of the LGA Code of Conduct, subject to an amendment to the interests of family members and close associates.
- The Council's revised social media policy which included ensuring that issues with social media were addressed and appropriate support provided to members.
- Members Interests to ensure that members were confident and clear in understanding disclosure of interests, their obligations, and how to deal with issues if they emerge. Members suggested that greater clarity around the issue of lobbying should be provided. Separately and in line with the recommendations within the LGA Model Code of Conduct, the Council's Gift and Hospitality arrangements were revised, and the limit was lowered from £100 to £50.
- Review of the arrangements for dealing with complaints under the Code of Conduct – these were amended to include an assessment criteria and indicative timescales for monitoring and clarity purposes, including reporting on the progress of the complaint in the case of delays.
- Duty to promote and maintain high standards of conduct, which focused on raising awareness of the role and work of the councillor and promoting high standards, particularly on the specifics relevant to individuals in their respective wards, towns and across the borough

For those members unable to attend these sessions a questionnaire was sent to ensure that all members could contribute. The feedback from the sessions was collated and presented to members at three further sessions held in February 2021.

KEY FINDINGS

March 2021 Standards Committee

At its meeting on 12 March 2021 the Standards Committee recommended the approval of :

- The revised Member Code of Conduct, and that these would be reviewed on an annual basis, alternating between a desk top review and a more detailed review.
- The revised arrangements for dealing with complaints under the Code
- The revised social media policy and that the Monitoring Officer be authorised to make any revisions/updates to the guidance which accompanies the social media policy, in consultation with the Chair of Standards Committee.
- The revised gifts and hospitality guidance
- The protocol for meetings to take place on a regular basis between senior officers, political group leaders and chief whips to talk about standards issues.
- The retention policy for Members' Register of Interests be set for as long as a person remains a Councillor, plus three months which represents the relevant limitation period for disclosure of information.
- A review of the recruitment process for Independent Persons be undertaken, in consultation with the Standards Working Group, and a further report submitted to a future meeting of the Standards Committee.
- a further report be submitted to the Ethical Standards and Member Development Committee/Standards Working Group in respect of DBS Basic Checks for elected Members.
- That a review of the composition of the Ethical Standards and Member Development Committee and operation be undertaken in the new municipal year

These were subsequently approved by full Council with effect from the 2021/22 municipal year

KLOE B5: Standards Committee

The purpose of this KLOE was to consider the appropriateness of actions taken by the Standards Committee.

KEY FINDINGS (Cont'd)

The Standards Committee also agreed that the member development programme be updated to include training on:

- the Code of Conduct;
- members' interests;
- gifts and hospitality;
- lobbying;
- arrangements for dealing with complaints;
- use of social media;
- promoting high standards, and
- that the induction programme for new members to be updated to include the same training, and to incorporate in member Personal Development Plans (PDPs) for any issues on an individual basis.

Progress on actions

The new Code and associated guidance and arrangements have been in place since the start of the 2021/22 municipal year. The Monitoring Officer has not yet needed to update the social media policy.

The training on the Code of Conduct, lobbying, and gifts and hospitality has been completed. A working group of the Standards Committee is updating the member development programme and engaging members on their development needs, including those members who chair committees and are hold appointments to outside bodies.

The Standards Committee working group has completed its review of the recruitment of Independent Persons who attend the Standards Committee as observers. There are currently three Independent Person roles, with one currently vacant.

Changes to how complaints were reported were introduced at the 11 June 2021 meeting of the Standards Committee, to provide assurance that complaints are being dealt with in a timely way and to provide the Committee with updates on progress. Importantly, these updates are reported on the basis of anonymity, and allows the Committee to identify trends and issues based on the nature of complaints raised

A Standards Committee working group has been established to consider the need for DBS checks for members, which has not yet reported to its parent committee

Reopening of old complaints

At its meeting on 11 June 2021 a member of the Standards Committee put forward a resolution to review all previous cases of complaints, to ensure appropriate processes had been followed and to identify any lessons learned. This was not approved due to there being unclear reasons on justifiable cause, and no advice having been sought on the implications of reopening cases which had concluded in line with the Council's policies and procedures.

Conclusions and recommendations

The unsuccessful resolution to reopen closed complaints is an example of the challenge the Council has in moving on from the past, and as highlighted in relation to KLOE B4, in changing the culture and organisational ethos in relation to complaints, to restore balance and proportionality.

More generally, the recent actions being led by the Standards Committee are good practice and are important given the recent history of the Council. More critical than approving the updated Code and related arrangements will be member compliance, and the **member training and development programme must play a key role in ensuring members fully understand the expectations and standards relating to their role**. It will take time for the wider organisation to believe that change is happening and embedded, from observing consistency in member behaviour in line with the Code, and that are all respectful of those they work with and of the Council as a civic institution.

No meetings have yet taken place between senior officers, political group leaders and chief whips. **These meetings should take place to ensure that these stakeholders are able to discuss emerging issues and trends, recognise good behaviours and discuss how to manage behaviours not in line with the Code.**

KLOE B6: Audit Committee

The purpose of this KLOE was to consider the actions undertaken by the Audit Committee during 2021 in relation to the review into the Wragge report.

Background

In Autumn 2014 allegations about the then Deputy Leader were made on social media, which led to police involvement, a standards complaint being made against the Deputy Leader, which in turn led to an internal audit investigation and senior officers commissioning an independent investigation by Wragge and Co Solicitors. During the course of this investigation a complaint was made in relation to the solicitor conducting the review, which led to the Council engaging a QC to review the investigation.

The report from Wragge and Co (the Wragge report) was eventually finalised in April 2016. Following publication further standards complaints, investigation and legal action took place, including a judicial review on behalf of the (by then) former Deputy Leader. A further internal review was undertaken at the request of the then Leader into the circumstances surrounding the Wragge report and issues which subsequently emerged, which reported in June 2020 (the Cox report).

On the 18 March 2021 the Audit and Risk Assurance Committee (the Audit Committee) met to discuss the Cox report, based on a report from Audit and Governance Panel, which had been established by the Audit Committee Chair with the objective to provide a safe space to consider this long-standing governance matter and to make recommendations to the Audit Committee with a view to determine if the matter had been addressed sufficiently to enable closure, or whether there were further steps or actions necessary to enable the matter to be concluded.

The Audit and Governance Panel report recognised:

- that over recent years the Council has dealt with and continues to deal with a number of governance concerns and issues. Whilst some are historic in nature, a number have had a tendency to resurface periodically sometimes due to concerns over how they may have been addressed previously.
- in order to address these issues effectively and enable the council to move on and focus on its ambitious objectives as detailed within its corporate plan, considerable time and resources have been expended to examine the identified governance issues and related concerns.
- a number of matters have reached a point whereby the Council has to either been able to identify and address shortcomings, or despite its endeavours, it is unlikely that the council will be able to fully understand the history, chronology or be able to restore the council to its previous position. This can be for various reasons, such as key individuals no longer employed by the council.

- the Council needs to ensure that its conducts itself legally and consistently with recognised good governance principles and practices. The Council is required to consider serious allegations in respect of its conduct or behaviours which could give rise to action against it, reputational harm, or lost confidence. The Council is obliged to consider relevant arrangements in relation to which their legality or whether their ongoing continuance could expose the Council to harm or claims. However, the consideration of such allegations needs to be proportionate and in the public interest.

KEY FINDINGS

The meeting of the Audit Committee on 18 March 2021 lasted almost six hours and adjourned before considering the matter in its entirety. The meeting was contentious with members being concerned about the late provision of papers and a lack of consensus on decisions (with the Audit Committee Chair taking the casting vote on a number of decisions). Due to the length of the meeting a decision on the final matter under discussion about the Wragge report was deferred. Following the committee meeting a complaint was raised against the monitoring officer. This has not yet been resolved.

Due to the pre-election period relating to the May local elections, the Audit Committee did not reconvene until 24 May 2021, where discussions were able to conclude.

The Chair and a number of other members of the Audit Committee changed in June 2021 for the new municipal year. The Audit Committee met on 24 June of 2021 and the minutes of the March and May meetings were presented for approval. However, members of the Committee did not approve the minutes as a correct record and requested that they be submitted to a future meeting for further consideration, with a potential for a further review to be undertaken.

At the next meeting of the Audit Committee on 16 September 2021 the minutes of the March and May meetings were approved with the central action to arrange for appropriate apologies to be made where this had been agreed as appropriate to individuals involved in the original Wragge review, and that the Monitoring Officer update the Committee when these apologies have been made.

KLOE B6: Audit Committee

The purpose of this KLOE was to consider the actions undertaken by the Audit Committee during 2021 in relation to the review into the Wragge report.

Conclusions and recommendations

The Wragge and Cox reports concerned significant governance related issues and, as the Audit and Governance Panel stated, the Council needs to ensure that it conducts itself legally and consistently with recognised good governance principles and practices. However, we note that:

- The matters relate to events in 2014.
- The matters have been subject to significant scrutiny since 2014 including a judicial review.
- The review in 2020 and the Audit Panel and Committee in 2021 took place when there were significant service issues within the Council and used a significant amount of member and officer capacity.
- The matters continue to divide opinions and have resulted in a further lengthy process to agree a resolution.

Now that the Audit and Risk Assurance Committee has agreed the actions to bring this long-standing matter to resolution, it will be important that – as the Audit and Governance Panel recognised - the Council manages its position so that the matter does not resurface, so that it can move on and focus on its corporate objectives.



KLOE B7: Financial reporting

The purpose of this KLOE was to consider the Council's response to recommendations raised in our 2019/20 audit findings report.

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Background

Our 2019/20 Audit Findings Report (AFR) highlighted a number of concerns about the Council's financial reporting in relation to the 2019/20 financial statements, including late submission of the draft accounts, incorrect working papers, the basis for provisions, a material error between cash and creditors, a material error on the cashflow forecast, and the basis for some asset valuations in particular in relation to leisure centres and the Public sixth form centre, and the impact of this on the Council's group accounts.

Our 2019/20 AFR noted that at that time we did not consider that these were sufficient to warrant a qualification of the VfM conclusion. However, should these matters reoccur in relation to the 2020/21 financial statements audit, we will issue a qualified VfM conclusion on financial reporting and consider the use of our wider reporting powers.

KEY FINDINGS

Management created an AFR action plan in response to the recommendations made as part of our 2019/20 audit and an associated project team to take forward these actions. As some of the key recommendation related to asset valuations, interim resource has been allocated to the asset management and valuations teams to progress associated actions.

We have reviewed this action plan which includes an owner and finance lead relating to each recommendation. The plan also sets out the actions required, delivery timescale and updates on progress.

In total there were 22 recommendations of which 13 were high priority and 9 medium priority. The latest version of the action plan reviewed confirms that ten associated actions had been completed (five each for high and medium priority) with the remainder in progress, with some of these having an inter dependency with the introduction of the new Oracle Fusion ERP system. As such, the delays in implementing the Council's new ERP system have an impact on successfully completing some actions

Four of the recommendations did not include required actions in the action plan, and 5 had no target date for completion

The Council does not currently have a corporate asset management database, instead relying on spreadsheets. The Council is taking steps to procure an asset management system, with a report planned to the December Cabinet. This system will take 12 to 18 months to procure and implement.

Acting up arrangements due to the vacant Director of Finance role until August 2021 has contributed to capacity constraints in delivering financial reporting responsibilities.

RELATED FINDINGS

Whilst the focus of this KLOE concerned the Council's annual financial statements, we identified the following in relation to other aspects of financial planning and reporting in the Council:

- There is not a comprehensive understanding across services of the make up and profile of individual budgets.
- There has not been a culture of undertaking financial benchmarking to help an understanding of unit costs.
- Budget management has been based on service bottom line rather than individual budgets.
- The Leadership Team has not received regular budget monitoring reports.
- Director and service engagement in the annual budget setting process has been limited

The above has been recognised and changes introduced by the new Director of Finance and interim Chief Executive, such as the introduction of financial benchmarking, "star chambers" for budget setting, and more regular budget monitoring by the Leadership Team.

Recommendations

Management should ensure that the AFR action plan sets out actions and completion dates in relation to all recommendations. It should also identify where the new ERP system implementation and the planned asset management system could cause delays or impacts on planned actions.

Management should ensure that the changes in relation to budget setting and budget management recently introduced are sustained, and take steps to manage any weaknesses not yet addressed.

Management should ensure the Finance team has appropriate skills and capacity to manage the Council's financial reporting responsibilities.

Appendices

Appendix A: Improvement recommendations

This appendix summarises our improvement recommendations by KLOE.

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	Improvement recommendations	Page #
	KLOE B4: Officer and member relationships	
1.	Embedding the changes that have been made by the Leadership Team and those that are planned will be critical if the Council is to realise its strategic ambition and provide effective governance.	15
2.	Enhancement of the induction programme to new members of Cabinet, including on local government finance and their governance roles is recommended.	15
3.	The Council should ensure that corporate KPIs are agreed so that the implementation of the Corporate Plan can be effectively monitored.	16
4.	The forward plan of the Cabinet should be shared with the Audit Committee and Scrutiny Board to help structure their agenda planning.	16
5.	The Leadership Team should agree key medium-term financial objectives and principles. There should be effective ownership of the principles that underpin the budget setting process, for example the Council's approach to reserves, contingency and Minimum Revenue Provision (MRP).	16
6.	Senior officers and senior members must lead by example to ensure that the "tone from the top" consistently reflects these values and behaviours. This is critical in ensuring that the wider organisation recognises that changes have been made and that all people are confident in adopting these values and behaviours. This should build on recently introduced staff briefings to include a programme of staff engagement including "pulse" checks to benchmark and monitor progress on the organisation's wellbeing.	17
7.	The Council should ensure that the review of the member development programme is appropriate. In particular, thought should be given to how members with special responsibility roles are developed and supported. This should include succession planning for these roles.	17
8.	Further work is required to establish a formal performance management framework and agree a set of key corporate indicators for the Leadership Team to collectively manage, receive appropriate management information to monitor progress, and set out clear lines of accountability, responsibility, and delegated authority.	17
9.	The recent introduction of financial benchmarking will need to be sustained to create a culture of curiosity in services in how nearest statistical neighbours are performing, to support savings identification and to drive improvements	17

Appendix A: Improvement recommendations (cont'd)

This appendix summarises our improvement recommendations by KLOE.

Page 535	Improvement recommendations	Page #
	KLOE B4: Officer and member relationships (cont'd)	
10.	The Council should continue its more outward looking approach is sustained and develop key local and sub-regional relationships.	18
11.	When investing in the communications team, the Council should also use this as an opportunity to ensure more effective internal communications, including with back-bench members.	18
12.	There is a need to ensure that members of scrutiny and audit committees are aware of their governance roles including how to interrogate reports and ask the right questions.	18
	KLOE A1: Sandwell Children's Trust	
13.	The Council's senior leadership – both officer and member – should prioritise corporate effort and develop a clear strategy for working with SCT to ensure it remains on its improvement trajectory. This should include: <ul style="list-style-type: none"> working with SCT to progress a multi-agency early intervention and prevention strategy. ensuring SCT has an appropriately resourced and skilled placements team in place to effectively manage the care market. conducting a review of KPIs to ensure they are effective for current circumstances. undertaking financial benchmarking in relation to children's social care, and take a realistic and pragmatic view on the level of funding required. reviewing the governance roles of officers and members in relation to SCT so that they are clear on their responsibilities, avoid duplication, ensure effective communication and that there is a collective understanding of the performance of SCT and how risks and issues are being managed. 	22
	KLOE A2: Sandwell Leisure Trust	
14.	The Senior Leadership - both officer and member - must take ownership of this issue, prioritise corporate effort and take urgent steps to either resolve the current position with SLT or consider the options for alternative provision should either party decide to terminate the current contract, to ensure the continuity of future leisure service provision and associated reputational impacts.	24
	KLOE A3: Providence Place	
15.	Where the Council considers similar transactions in future, those charged with making decisions must satisfy themselves that they fully understand the detail of the options being proposed. Council officers and their advisors have a responsibility to ensure that members making decisions do so having fully understood these complexities and risks.	26
16.	The Council should ensure that all future property or land acquisitions and disposals are clearly aligned with relevant Council property related strategies.	26

Appendix A: Improvement recommendations (cont'd)

This appendix summarises our improvement recommendations by KLOE.

Page # 536

	Improvement recommendations	Page #
	KLOE A4: SEND Transport	
17.	<p>The Council's senior leadership – both officers and members – must place priority on agreeing the outcome of the SEND Transport procurement exercise to ensure a further contract extension is not required. This should include:</p> <ul style="list-style-type: none"> • Not losing the significant progress made on the contract specification's focus on service quality. • Greater support, involvement, dialogue and oversight with the officer teams with responsibility for progressing the procurement. • Ensuring the contract provides the Council with effective management and oversight of the personal transport market. 	29
18.	<p>For the conclusion of the SEND Transport procurement and for all future major procurements, the Council should ensure that:</p> <ul style="list-style-type: none"> • Record keeping and declarations of interest are undertaken in line with Council policies and procedures. • Decision making does not create real or perceived risks in relation to inappropriate procurement decisions. • Procurement timescales provide adequate time for both suppliers to submit high quality bids, and the Council to undertake appropriate evaluation, scrutiny and decision making. This timescale should include appropriate time in advance of the procurement for the council to undertake the necessary strategic thinking and planning required, and mitigate the risk of not making an award in the planned timescale 	30
	KLOE A5: Sandwell Land and Property	
19.	The Council should ensure that when considering establishing an arm's length company in the future there is a clear purpose for doing so and that those officers / members of the Council in company director roles are clear of their role and responsibilities in relation to that company.	32
20.	Where arms length companies already exist the Council should gain assurances that company directors fully understand their company roles and responsibilities, that the company administration is properly resourced and appropriate training is provided to company directors. The purpose of the company should be revisited on a regular basis to determine whether the company continues to be of benefit to the Council.	32
	KLOE A6: MADE Festival	
21.	As part of the planned review of the scheme of delegation the Council should ensure that there is clarity of decision making on hosting events, and that the governance arrangements relating to such decisions are effective and clearly communicated.	33

Appendix A: Improvement recommendations (cont'd)

This appendix summarises our improvement recommendations by KLOE.

Page 537	Improvement recommendations	Page #
	KLOE A7: Waste Service	
22.	The Council should prioritise corporate effort to ensure that the recovery plans are approved and appropriate senior management oversight is given to monitoring their effective delivery.	36
23.	The Council should ensure robust contract management arrangements are in place, and review the Key Output Targets (KOTs) and work with Serco to ensure they are line with Council expectations and the data is available to allow effective monitoring of contract outcomes.	36
24.	The Council should ensure that the investments specified in the contract with Serco are made, such as a new vehicle fleet.	36
	KLOE A9: Lion Farm	
25.	The Council must ensure that the recent re-engagement with the developer results in agreeing a clear way forward, including an action plan and timescale so there is clarity on the responsibilities for the Council and developer in order to progress the finalisation of the secondary option agreement, or to be clear on the legal process for both parties extricating themselves from the agreement and the associated terms.	39
26.	The Council must ensure that it has taken all necessary steps to ensure that arrangements are in place so that all the issues identified in the external review are appropriately mitigated and managed.	39
27.	The Council should review its procurement regulations and consider updating them to include land sales, including options agreements, to ensure that best value can be achieved.	39
	KLOE A10: Introduction of new ERP System	
28.	<p>The Council must prioritise corporate effort to:</p> <ul style="list-style-type: none"> • ensure that temporary support is agreed with Oracle for EBS continuity. • have an honest and frank discussion with Inoapps and urgently agree a clear resolution on the way forward. • review governance arrangements so that good practice (such as Managing Successful Programmes) is in place and embedded, including clarity on the SRO role and approach to risk management. • review the resourcing and scope of the implementation to ensure that it is realistic, given current circumstances, focuses on outcomes as well as costs, and there is organisation wide engagement and ownership of the programme. • confirm a realistic and achievable go live date. • ensure for future major projects a full business case is developed and approved. 	42

Appendix A: Improvement recommendations (cont'd)

This appendix summarises our improvement recommendations by KLOE.

Page	Improvement recommendations	Page #
538	Improvement recommendations	
	KLOE B1: Chief Officers	
29.	The Council should ensure that at the very least, appropriate internal and external advice is sought should the departure of a chief officer by mutual consent is agreed..	43
	KLOE B2: Senior Leadership	
30.	Critical to this sustainable change will be the appointment of the right permanent Chief Executive, and the Council must ensure an effective recruitment process, including maximising the chances of attracting a pool of appropriate candidates. Should the appointment of a permanent Chief Executive not be successful the Council should seek to retain the current interim Chief Executive and move this to a full time contract.	44
	KLOE B3: Complaints	
31.	The Council's senior leadership – both officer and member – must act to change the culture and organisational ethos in relation to complaints, and to restore balance and proportionality.	45
	KLOE B5: Standards Committee	
32.	Member training and development programme must play a key role in ensuring members fully understand the expectations and standards relating to their role	47
33.	Meetings between senior officers, political group leaders and chief whips should take place to ensure that these stakeholders are able to discuss emerging issues and trends, recognise good behaviours and discuss how to manage behaviours not in line with the Code	47

Appendix A: Improvement recommendations (cont'd)

This appendix summarises our improvement recommendations by KLOE.

Page	Improvement recommendations	Page #
539	KLOE B6: Audit Committee	
34.	Now that the Audit and Risk Assurance Committee has agreed the actions to bring this long-standing matter to resolution, it will be important that – as the Audit and Governance Panel recognised - the Council manages its position so that the matter does not resurface, so that it can move on and focus on its corporate objectives.	49
	KLOE B7: Financial Reporting	
35.	Management should ensure that the AFR action plan sets out actions and completion dates in relation to all recommendations. It should also identify where the new ERP system implementation and the planned asset management system could cause delays or impacts on planned actions	50
36.	Management should ensure that the changes in relation to budget setting and budget management recently introduced are sustained, and take steps to manage any weaknesses not yet addressed.	50
37.	Management should ensure the Finance team has appropriate skills and capacity to manage the Council's financial reporting responsibilities.	50

Appendix B: The scope of the auditor's work on value for money arrangements

Page 540

Revised approach to value for money work for 2020/21

- On 1 April 2020, the National Audit Office introduced a new Code of Audit Practice which comes into effect from audit year 2020/21. The Code introduced a revised approach to the audit of value for money.
- There are three main changes arising from the NAO's new approach:
 - A new set of key criteria, covering financial sustainability, governance and improvements in economy, efficiency and effectiveness
 - More extensive reporting, with a requirement on the auditor to produce a commentary on arrangements across all of the key criteria
 - Auditors undertaking sufficient analysis on the local authority's value for money arrangements to arrive at far more sophisticated judgements on performance, as well as key recommendations on any significant weaknesses in arrangements identified during the audit.
- The Code requires auditors to consider whether the body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under the three specified reporting criteria.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the body delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.



Financial Sustainability

Arrangements for ensuring the body 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 body makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the body makes decisions based on appropriate information

Potential types of recommendations

A range of different recommendations could be made following the completion of work on the body's arrangements to secure economy, efficiency and effectiveness in its use of resources, which are as follows:



Statutory recommendation

Written recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements



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Minutes of Cabinet Petitions Committee

13th October 2021 at 5:00pm
Sandwell Council House, Oldbury

Present: Councillor Crompton (Chair);
Councillors I Padda and Piper.

In attendance: Councillor Simms.

Also present: Robin Weare (Service Manager – Highways) and
Trisha Newton (Senior Democratic Services Officer).

10/21 **Declaration of Interest**
There were no declarations of interest.

11/21 **Minutes**

Agreed that the minutes of the meeting held on 1st
September 2021 be confirmed as a correct record.

12/21 **Progress Report**

Details were submitted of petitions received and of the action
taken or proposed in each case, as detailed in the Appendix.

Agreed that the action taken or proposed, as detailed
in the second column of the Appendix, be approved.

Meeting ended at 5:44 pm

Appendix

Petition Received From	Action Taken/Proposed
<p>1. Residents near Price Road junction requesting for traffic calming measures on William Green Road.</p>	<p>Having considered representations made by the head petitioner and ward councillor, the Committee requested that Highways undertook an assessment of the location, along with police accident statistics to determine whether traffic calming measures could be implemented at the site. An update would be provided to a future meeting of the Cabinet Petitions Committee.</p>
<p>2. Residents of Lightwoods Hill requesting traffic calming measures.</p>	<p>Having considered the issues raised by the head petitioner, the Committee requested that Highways undertook a traffic survey, once traffic patterns had normalised. Officers confirmed that a traffic calming scheme was proposed for Lightwoods Hill and a consultation process with residents would be conducted during October 2021. An update would be provided to a future meeting of the Cabinet Petitions Committee.</p>
<p>3. Residents of West Park Road concerning the new entrance and exit for West Smethwick Park.</p>	<p>Significant consultation had been undertaken prior to the project commencing. Furthermore, while officers from Highways were consulted and no concerns were raised, discussions were in place to address the concerns highlighted by the residents. Officers continued to work alongside partners in the local community to address the issues raised. The issues highlighted were addressed as part of the local town forum to identify appropriate measures to mitigate any concerns. All existing entrances into the Park would be improved as part of the restoration project, with an exception of the existing car park entrance which was proposed to be relocated. Properties on</p>

Petition Received From	Action Taken/Proposed
	<p>West Park Road received letters notifying residents of the Planning Application on the 10th April 2017. New litter bins would be installed as part of the restoration project and Officers continue to deal with any flytipping and littering as it arises. Officers confirmed that work on the new entrance had commenced. It was agreed that officers undertook an assessment on the impact of traffic calming from other roads as soon as the work had been completed and a further update be provided to a future meeting of the Committee.</p>
<p>4. Road users and residents in Wednesbury requesting a traffic light system at the junction of Park Lane/Manor House Road and Hobs Road/ Hawthorn Road, Wednesbury.</p>	<p>The funding for road safety schemes, such as traffic signals was prioritised where injury accidents were occurring. A five-year injury accident analysis showed there had been three recorded injury accidents during this period which was low when compared to other locations that were being considered for major traffic calming schemes. Although this junction did not meet the criteria for the installation of traffic signals, a road safety scheme to implement additional carriageway markings and vehicle activated speed signs either side of the junction would be undertaken, which would help to warn drivers and reduce vehicle speeds on the approach to the junction. The Committee requested that the junction be monitored to ensure that the traffic calming measures made a difference. Arrangements had been made for a further traffic survey to be undertaken along Park Lane. The data would then be compared to the traffic survey which was undertaken prior to the installation of the vehicle activated speed sign. Officers confirmed that the traffic survey had been</p>

Petition Received From	Action Taken/Proposed
	conducted and officers were awaiting the results. An update would be provided to a future meeting of the Cabinet Petitions Committee.
5. Residents of View Point requesting installation of night and day gates in the gully located at View Point.	Greenbelt Group wished to assist in reducing anti-social behaviour and would not oppose the installation of gates in principle, if this represented the wishes of the 299 households which were currently billed in respect of the areas. However, Greenbelt Group had specified that the Council would need to be responsible for the maintenance thereafter, agree to indemnify Greenbelt Group in respect of the gates (e.g. to cover any injury) and agree to fund the removal of the gates, if and when required. The head petitioner had advised that residents were not prepared to contribute. As the land was not in Council ownership the Council could not take on the liability or maintenance of the gates. No further action was proposed by the Council. Following representations, further investigation would be undertaken, and a report would be submitted to a future meeting of the Cabinet Petitions Committee.
6. Residents of Steven Drive, Bilston, requesting traffic calming measures.	Officers confirmed that the funding made available for traffic calming measures was targeted in areas where injury collisions were occurring in accordance with Sandwell's Strategic Road Safety Plan. A three-year injury collision analysis had been undertaken for Steven Drive and it showed there had not been any recorded injury collisions during this period. The most recent incidents were not yet showing on the reports, but they may appear on a future report if injuries had been sustained. Steven Drive did not currently meet the criteria for a

Petition Received From	Action Taken/Proposed
	vertical traffic calming scheme, however, the recent incidents where vehicles had collided with a property had been addressed with the installation of bollards on the footway alongside the property. The head petitioner had been informed.
7. Residents of Essex Avenue concerning insufficient parking and request for removal/maintenance of trees.	Following representations from the head petitioner and local ward member, officers had undertaken an investigation into the removal or maintenance of the trees and grass. Parking bays were in place adjacent to the highway along Essex Avenue which accommodated around 12 vehicles. To increase the number of parking bays, the layout would need to be changed so that parking ran perpendicular to the highway. To achieve this, part of the grass verge would need to be removed, along with 4 mature trees. If the trees were removed, these would need to be replaced with 8 trees in the local vicinity in accordance with Council policy. The new layout could create a further 12 parking spaces giving a total of 24 spaces. Officers confirmed that the cost of any required diversion work would be established and the total scheme costs reported to housing services to confirm that a budget was available. Housing had advised the cost of the scheme was deemed to be disproportionate to the benefits that would be gained. In addition, town funding was not available to support parking issues as it was not one of the priorities set for estate and housing improvements. There was also concern the scheme would not support the Council's commitment to encourage sustainable methods of travel. The additional parking bays could also only be achieved by removing several trees which

Petition Received From	Action Taken/Proposed
	<p>did not support the Council's commitment to protect and expand the borough's green and open spaces, which included trees. The head petitioner had been informed.</p>
<p>8. Residents of Church Road, Smethwick, requesting a residents parking scheme</p>	<p>Officers confirmed that the grass verge along Church Road was Council owned and maintained by housing management. The grass verge opposite property numbers 51-63 accommodated three utility boxes and also had apparatus present beneath the verge. It would not be possible to construct parking bays along this section in its current state. The utility boxes and apparatus would have to be moved by the utility company incurring substantial costs to the Council. In addition, alternative locations to accommodate the utility boxes would need to be identified. There were also level differences between the grass verge and the footpath that would need to be addressed before parking bays could be constructed which would require retaining walls to support the land incurring further substantial costs. The grass verge opposite property numbers 1-49 also accommodated a utility box that would need to be removed and relocated. This section was also lined with mature trees, 6 of which would need to be removed before parking bays could be constructed. The removal of trees and green spaces was usually met with objection, although if this was agreed, they would need to be replaced with 12 new trees in the local vicinity in accordance with Council policy. Approximately 40 additional parking spaces could be achieved at this location, although the costs to undertake the work was estimated to be in excess of £230,000 for which housing</p>

Petition Received From	Action Taken/Proposed
	<p>would need to identify a budget. Housing confirmed that removing grass verges to create parking bays would not support the Council's commitment to encourage sustainable methods of travel.</p> <p>Furthermore, the implementation of parking bays would result in a number of healthy trees being removed which would not support the Council's commitment to protect and expand the borough's trees and green spaces. Following further representations made the head petitioner, the Committee requested that Highways investigate whether it was feasible to convert part of the grass verge to accommodate a maximum of 7 parking spaces, as opposed to 40 spaces. An update on this petition was to be presented at a future meeting.</p>
<p>9. Residents of Queens Road, Smethwick regarding speeding and traffic accidents on Queens Road, Smethwick.</p>	<p>A seven-day traffic survey had been undertaken for Queens Road between Basons Lane and the traffic island at the junction with Warley Road. It showed that 85% of vehicles were travelling at 32.8mph or less (includes both directions). A three-year injury collision analysis had also been undertaken and it showed there had been 1 recorded injury collision. When Queens Road was compared to other roads in Sandwell it had a very low number of injury collisions and did not therefore meet the criteria for the implementation of a traffic calming scheme. Although the vehicle speeds were slightly higher than the 30mph speed limit, this was still within the parameters of 35mph set by the Police for enforcement purposes. However, a carriageway lining scheme was implemented in October last year in response to enquiries received from residents at Queens Road. Following</p>

Petition Received From	Action Taken/Proposed
	<p>representations submitted to the Committee, a further traffic survey was requested to be undertaken in spring/summer to compare to the survey results from the winter. Consequently, a seven-day traffic survey was undertaken between the 4th August and the 10th August and showed 85% of motorists were travelling at 34.2mph or less. Although this was slightly higher than the 30mph speed limit, it was less than the parameters set by the Police for enforcement, which was over 35mph. A further 3-year injury collision analysis had been undertaken for Queens Road and it showed there had been two recorded injury collisions during this period. This was very low when compared to some other areas in Sandwell where funding must be prioritised to reduce the injury collisions in accordance with Sandwell's Strategic Road Safety Plan. It was for this reason there were currently no plans to implement a traffic calming scheme along Queens Road during this financial year. Following representations from the head petitioner, the Committee requested that officers investigate whether the speed limit could be reduced to 20mph and look at the costs and funding options available for additional signs to be erected to remind drivers to reduce their speed. An update would be submitted to a future meeting.</p>

Contact: democratic_services@sandwell.gov.uk

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