NOTICE OF MEETING

BUDGET FULL COUNCIL

Monday, 2nd March, 2026, 7.30 pm - Tottenham Town Hall Town Hall Approach Road London N15 4RY (watch the live meeting, Here watch the recording here)

Councillors: Anna Abela, Gina Adamou , Peray Ahmet, Ibrahim Ali, Kaushika Amin, Emily Arkell, Dawn Barnes, Nicola Bartlett, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Cathy Brennan, Lester Buxton, Dana Carlin, Carroll, Luke Cawley-Harrison, Seema Chandwani, Lotte Collett, Pippa Connor, Eldridge Culverwell, Nick da Costa, Lucia das Neves, Isidoros Diakides, Erdal Dogan, George Dunstall, Sarah Elliott, Scott Emery, Ruth Gordon, Mark Grosskopf, Makbule Gunes, Holly Harrison-Mullane, Emine Ibrahim, Marsha Isilar-Gosling, Thayahlan Iyngkaran, Sue Jameson, Cressida Johnson, Anna Lawton, Ahmed Mahbub(Mayor), Mary Mason, Khaled Moyeed, Sean O'Donovan, Felicia Opoku, Ajda Ovat, Ruairidh Paton, Sheila Peacock, Reg Rice, Alessandra Rossetti, Michelle Simmons-Safo, Adam Small, Anne Stennett, Joy Wallace, Elin Weston, Matt White, Sarah Williams and Alexandra Worrell

Quorum: 15

1. FILMING AT MEETINGS

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

2. TO RECEIVE APOLOGIES FOR ABSENCE

3. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972

4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
(ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

5. TO ASK MEMBERS WHETHER THEY NEED TO MAKE A DECLARATION IN ACCORDANCE WITH SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RELATION TO UNPAID COMMUNITY CHARGE OR COUNCIL TAX LIABILITY WHICH IS TWO MONTHS OR MORE OUTSTANDING

6. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 24 NOVEMBER 2025 (PAGES 1 - 20)

7. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL

8. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

To receive an update Political Composition and Appointments to Committees 2025/2026 – Report to follow

9. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND DIRECTOR OF LEGAL AND GOVERNANCE

10. TO MAKE APPOINTMENTS TO OUTSIDE BODIES

Report to follow.

11. APPROVAL OF THE COUNCIL TAX REDUCTION SCHEME 2026/27 (PAGES 21 - 248)

12. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 249 - 348)

a) The Cabinet –
-Housing Revenue Account 2026/27 - 2030/31
-Adoption of the Capital Strategy 2026 - 2036

b) General Purposes Committee
- Pay Policy Statement 2026/27

c) Audit Committee
- Treasury Management Strategy Statement for 2026/27

13. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM

In accordance with Council Standing Order 2(vi) to hear deputations and receive petitions related to the budget, accepted under rules 11 &12.

14. 2026/27 BUDGET AND 2026/2031 MEDIUM TERM FINANCIAL STRATEGY REPORT (PAGES 349 - 662)

Approval of the final budget, MTFS and Council Tax for 2026/27 by Full Council in accordance with the Council's Constitution.

Please note that Annex 6 – MHCLG Exceptional Financial Support Letter (not yet received and will be a supplementary paper to Council when received)

Ayshe Simsek, Democratic Services and Scrutiny Manager
Tel – 020 8489 2929
Email: ayshe.simsek@haringey.gov.uk

Fiona Alderman
Director of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Friday, 20 February 2026

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Agenda Item 6

MINUTES OF THE Full Council HELD ON Monday, 24th November, 2025, 7.30pm - 9.40pm

PRESENT:

Councillors: Anna Abela, Gina Adamou , Peray Ahmet, Ibrahim Ali, Kaushika Amin, Emily Arkell, Dawn Barnes, Nicola Bartlett, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Cathy Brennan, Dana Carlin, Liam Carroll, Luke Cawley-Harrison, Seema Chandwani, Lotte Collett, Pippa Connor, Eldrige Culverwell, Nick da Costa, Lucia das Neves, Erdal Dogan, Sarah Elliott, Scott Emery, Ruth Gordon, Mark Grosskopf, Makbule Gunes, Mike Hakata, Emine Ibrahim, Marsha Isilar-Gosling, Thayahlan Iyngkaran, Sue Jameson, Anna Lawton, Ahmed Mahbub(Mayor), Khaled Moyeed, Sean O'Donovan, Felicia Opoku, Ajda Ovat, Ruairidh Paton, Sheila Peacock, Reg Rice, Michelle Simmons-Safo, Adam Small, Joy Wallace, Elin Weston, Matt White and Sarah Williams

35. FILMING AT MEETINGS

The Mayor referred to the filming at meetings notice at agenda item 1 and attendees noted this information.

36. TO RECEIVE APOLOGIES FOR ABSENCE

There were apologies for absence noted from:

Cllr Buxton
Cllr Worrell
Cllr Mason
Cllr Rossetti
Cllr Stennett

37. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972

The Mayor accepted the following items as late business for the reasons outlined below.

In relation to the reports under item 10d, reports from Committees, the Standards Committee report was late as the meeting took place close to the publication of the

Council papers and there was a need to consider these recommendations prior to the March Council meeting.

In relation to Item 12, Questions and Written Answers, the reason for lateness was that notice of questions was not requested until 10 clear days before the meeting, following which the matters raised have to be researched and replies prepared to be given at the meeting.

In relation to 13 – Motions - The amendments to motions were not requested until 10am on the day of the Council meeting and amendments to Motions E and F been received and published and distributed today in the tabled pack.

38. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

39. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 21 JULY 2025 AND 16 OCTOBER 2025

RESOLVED

To approve the minutes of the Council meetings held on the 21st of July 2025 and 16th of October 2025 as a correct record of the meeting.

40. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL

The Mayor had been saddened to hear of the recent passing of former Councillor Julia Glenn who served as a Councillor for Muswell Hill Ward between 1998 and 2002 .The Mayor had also heard of the sad passing of former Councillor Jaqueline Goodwin, Councillor for Woodside ward between 1978 and 1979.

The Mayor invited Cllr da Costa to speak in memory of former Councillor, Julia Glenn.

Councillor da Costa expressed deep sorrow at the sad passing of former Councillor Julia Glenn, who had served as a Councillor for Muswell Hill Ward between 1998 and 2002. She had died peacefully at home on 6 November 2025 after a short illness, spending her final weeks as she had wished surrounded by close friends and supported by the NHS and the Hospice Trust. It was noted that Julia Glenn had been part of the first group of Liberal Democrat Councillors elected in Haringey, winning Muswell Hill in 1998 alongside Lynne Featherstone and June Anderson. Although she had stepped down in 2002, her influence had extended far beyond her four years in office. She had mentored new activists, supported candidates, and inspired many who later became Councillors, MPs, and even members of the House of Lords.

Her involvement in local community work had begun in the early 1990s and throughout her life, Julia Glenn had given her time, knowledge, and experience generously. Even after her M.E. diagnosis, she had remained active in the community.

Friends had described her as warm, humorous, quietly strategic, and deeply committed. Lynne Featherstone had said that Julia “looked sweet but was fiercer and more persistent than anyone she had ever met.” Julia’s final message had reflected her pride in a rich and varied life and her lifelong commitment to Liberal Democrat activism. She had left behind friends across all parts of her life and a legacy of public service carried forward by those she had inspired. She would be deeply missed.

Councillor Peacock spoke about former Councillor Jacqueline Goodwin, noting her long friendship with the former Councillor and recalling that Jacqueline had served only a short time on the Council before moving into senior roles in supported housing, where she had worked for many years. Many long-standing Councillors had known her.

Councillor Peacock spoke warmly of Jackie’s involvement in her pensioners’ group and the joy she had taken in community activities. After retiring, the former Councillor had developed dementia, and Councillor Peacock had supported her, taking her to local physical and cultural activities. Her sudden passing had been a source of deep sadness, though it had been a comfort to know that her husband had been with her in hospital at the end.

Councillor Peacock thanked colleagues for allowing her the opportunity to speak about her dear friend.

The Mayor called on all Councillors and attendees to observe a minute silence in the memory of former Councillor Julia Glenn and former Councillor Jacquline Goodwin.

A one minute silence was observed by attendees.

The Mayor had already circulated by email a list of events he had attended. He provided some highlights including:

- Remembrance Sunday which was a key civic duty within the borough. He expressed appreciation for the warm and welcoming presence of Councillors who had attended services across Haringey, and thanked the Democratic Services team for their work in organising events during that period.

- Spending time with the Youth Council and pleasure of seeing significant youth participation in the previous Council meeting which had addressed a range of issues affecting the borough.

The Mayor had continued the action of young people in civic life and informed the meeting that he had been working with Captain Peter Baker, the representative of the Deputy Lieutenancy for the London Borough of Haringey to appoint Haringey’s first Mayoral Cadets.

Following a strong application process, two young people had been selected, and they were in attendance at the meeting.

The Mayor first invited Issa Smith an RAF air cadet from 16F squadron ATC as the deputy mayoral cadet to come forward.

The Mayor then announced that Luka Eridano will be the Mayoral cadet for 2025/26.Luka was part of Lima Company Royal Marines Cadets Which is the Royal Marines Cadet Section of London Area Sea Cadets

The Mayor expressed his pleasure in appointing the borough's first Mayoral Cadet and deputy cadet and presented them both with the Mayoral Crest.

Council attendees applauded the newly appointed cadets. The Mayor outlined that the Mayoral Cadets would represent the best of Haringey's young people, promote the Cadet Service and support civic duties. The Mayor congratulated them and stated that the Council was proud of their achievements.

In accordance with Standing Order 3.1, sub-paragraph 6, the Leader was invited by the Mayor to make her announcements.

The Leader of the Council outlined the 16 Days of Action for the prevention of violence against women and girls, beginning on 25 November 2025, emphasising that violence against women and girls remained a significant issue in Haringey. She reaffirmed the Council's commitment to implementing its 10-year strategy to end gender-based violence. She outlined that the Council would be undertaking a range of projects, events, and public demonstrations during the campaign. She also confirmed her participation in the Haringey Walk for Women and stressed the importance of working with partners and the community to ensure the safety of women and girls.

The Leader of the Council further reported that she had written to the Home Secretary, a letter co-signed by Councillor Lucia das Neves, Haringey Welcome, and the Haringey multi faith forum, expressing concerns about the government's proposed immigration and asylum reforms. She had emphasised Haringey's diversity, noting that residents came from over 100 countries and spoke more than 180 languages. This diversity, she said, strengthened the borough and shaped its identity.

The Leader of the Council stressed the responsibility of local leaders to reassure communities, promote cohesion, and uphold shared values. She had expressed concerns to the government that the proposed changes, particularly those affecting access to public funds, would have implications for frontline services. She had stated that the Council must counter misinformation spread by the far right and advocate for a positive, inclusive alternative that recognised shared needs across communities. She had concluded that this approach was essential to building a strong, integrated community in which everyone could belong and thrive.

41. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

The Chief Executive had no matters to report on.

42. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES

The Monitoring Officer had no matters to report on.

43. TO MAKE APPOINTMENTS TO OUTSIDE BODIES

This item was deferred.

44. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

The Mayor outlined that there were four reports from Committees to consider as part of this item. These were reports from the Audit Committee, Licensing Committee, Overview and Scrutiny Committee and the Standards Committee.

The Mayor, called on the Chair of the Audit Committee to move his report and recommendations

Cllr Dogan MOVED the Treasury Management Q1 Report 2025/26 in accordance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which required the Council to approve treasury management reports on a semi-annual and annual basis.

RESOLVED

1. To note the treasury management activity undertaken during the financial year to 30th June 2025 and the performance achieved which was attached as Appendix 1 to the Audit Committee report.

2. To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

The Mayor called on The Chair of Licensing to move her report and recommendations.

Cllr Abela MOVED that the revised Statement of Licensing Policy 2026– 2031 be agreed. The meeting noted that the Council in its role as a Licensing Authority under the Licensing Act 2003 (LA03) had a duty to determine, publish and keep under review its Statement of Licensing Policy, which had a five-year shelf life but can be replaced at any time during that five-year period.

RESOLVED

To adopt the draft revised Statement of Licensing Policy 2026– 2031, noting and taking into account the EQiA at Appendix 3 of the attached report.

The Mayor invited Cllr White , Chair of the Overview and Scrutiny Committee to move his report.

Cllr White MOVED his report which outlined two changes proposed to the Scrutiny Protocol. The first change was to paragraph 9.2 which clarified that a Committee Member from the largest opposition group was responsible for chairing the Budget

Scrutiny process. The second change was to add a new section (Section 10) to set out the formal role of Overview & Scrutiny in the scrutiny of local health services as specified in national legislation and guidance.

RESOLVED

To note the updated Overview and Scrutiny Protocol in line with the practice for noting Committee protocols.

The Mayor invited Cllr Ali , Chair of Standards Committee to introduce his report

Cllr Ali, MOVED his report which contained changes to the Council Constitution including Financial regulations, Contract Standing orders and the Planning Protocol.

RESOLVED

1. To approve the proposed changes to the Planning Protocol in Annex 1, Appendix 2.

2. To approve the proposed changes to the Financial Regulations in Annex 2, Appendix 1.

3. To approve the proposed changes to Part Four of the Constitution, Section J Contract Standing Orders in Annex 3, Appendix 3.

4. To approve the following key amendments outlined in Annex 3, Appendix 3:

   - Directors may approve extensions and variations of contracts with an aggregated value of less than £500,000.

   - Letters of Intent would be restricted to 50% of the contract value, where the contract value is £100,000 or less.

   - Directors would record decisions to novate contracts and notify the Chief Procurement Officer of such decisions.

45. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM

The Mayor invited a deputation from Charlotte Grey of the Community Spaces Campaign on Haringey, which supported local community food banks in need of premises. Charlotte Grey was joined by Rose Dakuo, Jenny Lindvao, and Carmel Cadden. This was the group's second deputation to a full Council meeting. They had attended a meeting in the previous year, requesting Council support to secure empty Council properties for community food projects.

The deputation reported that the situation had worsened since their last meeting. Two of the four food projects, they represented, had lost their premises in the last year and were operating without premises. By this year, three projects were without premises, and the fourth had halved its activities due to rising costs.

The deputation outlined that on 5 August 2025, two projects, Blossom Three Food View and Home Grow, were invited by the Council to view the Down Lane Park Community Hub. They had confirmed their willingness to proceed with a joint short-term lease, with a verbal agreement that the Council would expedite arrangements.

The members of the deputation subsequently expressed concern that the Council had decided to put the lease out to tender, and they queried the expected duration of the tender process and reopening of the hub for community use.

Councillor Collett asked about the group's communication with the Council. The deputation explained that contact over the past year had been minimal. Following last year's deputation, they held an online meeting with the Cabinet Member for Communities in January and subsequently met with the Council liaison officer and the manager of Haringey Community Collaborative. After four meetings in which all premises suggestions were dismissed, they had sought a cabinet-level meeting at the end of April but received no response.

Cllr Wallace queried how the lack of a premises had affected the group's ability to operate. The deputation highlighted the impact on food distribution. Previously, they had been able to feed 1,300–1,400 households; operating outside without refrigeration reduced this to approximately 350 households, significantly affecting local families.

The deputation responded to a question from Cllr Mark Blake on the security arrangements at the empty Down Lane Park Community Hub. The deputation noted that there were 24-hour surveillance by two guards paid the London Living Wage and double for bank holidays and they questioned the cost of this rather than providing the premises to the food bank.

The Mayor asked the cabinet Member to respond to the issues raised in the deputation.

In response, the Cabinet Member for Placemaking and Local Economy, Councillor Gordon, thanked the deputation and acknowledged the work of food banks across the borough. She reassured members that all community centres remained open and none were being closed down, despite the deputation indicating this. She explained that the Down Lane Park Community Hub had been temporarily closed due to the previous tenant withdrawing from an agreement, this facilitated an incursion into the premises, which then led to the premises being occupied during the course of the summer. This had meant that there was a delay to the process and there were health and safety reasons for not allowing access to the building .The Council was now opening an expression of interest to all community groups to secure a new tenant for this building . This was an open and transparent process. There was also a community building policy developed which was robust and so that there was a fair and equal opportunities for access to those tenancies.

Councillor Gordon noted that administration had invested millions in the borough's parks and confirmed that the Down Lane Park Community Hub would receive a £2.5 million investment, becoming a state-of-the-art facility with garden, hiring, and community spaces.

Councillor Gordon expressed that the Council were trying to have a balanced approach towards all of the community centres and again reiterated that no centres were being closed. Sometimes there would be difficulties and these would continue to be managed in a fair and open way.

The Mayor thanked the deputation for their representations.

46. TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10

The Council continued to RECEIVE the response to written questions.

Oral questions one to nine were then asked and responded to.

47. TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13

Cllr Barnes introduced the Liberal Democrat motion, Better Rented Homes for Haringey, stating that it was based on legal evidence and residents lived experience in the private rented sector. The motion highlighted concerns about rogue landlords operating substandard Houses in Multiple Occupation (HMOs), including cases where vulnerable residents were placed in such properties by the Council. It questioned the effectiveness of the Council's management of compulsory HMO licensing, particularly in light of the introduction of additional selective licensing schemes.

She outlined the wider housing context, including rising homelessness, increasing use of temporary accommodation, and disruption in the private rented sector following changes to renters' rights.

The motion set out a series of measures, including ending the practice of treating HMOs as licensed on application, requiring full inspections before licences were granted, and introducing proactive inspections of all HMOs and selectively licensed properties. It also proposed stronger planning enforcement, a more robust "fit and proper person" test for landlords, and a commitment that the Council would not place households in unlicensed or illegal properties. In addition, the motion called for increased transparency through regular publication of enforcement data and reporting to the Housing Improvement Board.

Cllr Barnes also acknowledged the proposed Labour amendment and urged members to

support the motion unamended, arguing that it set out the minimum standards necessary to protect residents and ensure consistent enforcement across the borough.

The Mayor called on Cllr Cawley Harrison to second the motion.

Members were advised that the motion had been brought to ensure Haringey upheld the highest possible housing standards, particularly in relation to licensed and unlicensed properties in the private sector. Recent national press coverage had highlighted shortcomings in HMO licensing within the borough, and the motion was intended to introduce tangible actions to improve Council processes and standards.

It was stated that the Council should only guide residents towards accommodation that had been properly checked and deemed safe, legal, and compliant, and should not recommend properties without planning permission, landlords subject to enforcement action, or properties that had not met full compliance requirements.

The importance of setting clear and high expectations for landlords operating in the borough was emphasised, particularly to protect vulnerable residents seeking accommodation through the Council. It was noted that discussions had already taken place with the Chief Executive and Corporate Director, and that the proposed actions were intended to deliver necessary improvements rather than serve political purposes.

Concerns were raised about an amendment suggesting existing arrangements were adequate, with members asserting that further action and transparency were required. The motion was presented as a means of ensuring residents in the private rented sector were assured their homes were licensed, legal, and safe, and it was confirmed that efforts to improve policies and procedures would continue regardless of the outcome.

The Mayor had received an amendment to the motion, he invited Cllr Williams to move the amendment.

Cllr Williams explained that the motion had been amended for two key reasons. Firstly, to correct some factual inaccuracies and secondly due to some of the proposed actions already being place or lacking practical merit. It was clarified that the Council did not consider HMOs to be licensed upon application submission, as this would breach the Housing Act, and that licensing required applications to be properly assessed. Members explained that safety compliance was verified through certified documentation, such as gas safety certificates, rather than solely through physical inspections by Council officers.

It was further stated that Haringey's approach was consistent with other London boroughs operating large-scale licensing schemes, where inspections were carried out during the licence period rather than prior to granting licences. It was argued that inspecting all properties at the outset would be impractical and could worsen housing pressures.

Cllr Bartlett seconded the amendment. She noted that Haringey was one of the largest Council house builders in the UK, having delivered 800 Council homes in the past five years and remaining on track to meet its target of 3,000 homes by 2031. It was reported

that rough sleeping and the use of nightly paid accommodation had reduced by 33% since 2022, alongside significant action to move residents out of temporary accommodation.

Cllr Bartlett informed the meeting of enforcement activity undertaken, including 4,468 HMO compliance inspections, 4,262 selective licensing inspections, 286 enforcement notices, and 113 civil penalty notices. The Council's licensing scheme had resulted in fines of up to £20,000 for non-compliant landlords. It was stated that the Council had improved conditions for private renters, working alongside national reforms introduced through the Renters Rights Act, which had been passed in the previous month.

The Act was described as a generational shift in the balance of power from landlords to tenants, including the abolition of Section 21 evictions and measures to prevent rental bidding practices. It was noted that the legislation also provided local authorities with additional enforcement powers.

Concerns were raised regarding opposition proposals to fund additional enforcement through rent repayment orders. It was highlighted that such orders were difficult to obtain and enforce, particularly given the backlog of approximately 100,000 cases at the First-tier Tribunal. Questions were raised about the practicality of relying on these measures and why the Council should undertake work that should be the responsibility of landlords. It was emphasised that landlords must take full responsibility for managing and maintaining their properties, and that renting out property required a clear commitment to maintaining standards and safeguarding tenants' welfare.

There was a debate in accordance with CSO 15.1.

Cllr Isilar-Gosling expressed concern that the amendment significantly removed the clear and actionable commitments contained in the original motion, including mandatory inspections, enforcement against illegal HMOs, strengthened fit and proper person tests, and transparent performance reporting. It was stated that these measures had been replaced with general commentary rather than measurable actions.

It was argued that the amendment removed the requirement for proactive inspections prior to licensing, relied on comparisons with other boroughs rather than aspiring to best practice, and reframed concerns about unlicensed HMOs as administrative issues rather than safeguarding matters.

She also raised concern that the amendment deleted requirements to report key performance indicators to the Housing Improvement Board, reducing transparency and accountability. It was concluded that the amendment weakened the operational substance of the original motion and failed to provide the level of action required to protect residents.

Cllr O'Donovan moved to support the amendment. Cllr O'Donovan reaffirmed his support for the rental sector in Haringey and endorsed the amendment, stating that it clarified the original motion and provided detailed information on residents' housing conditions, the legal framework, achievements to date, and plans for the future. He highlighted recent

successes, including the development of 271 new Council homes with high energy efficiency, and emphasised the Council's ongoing work with residents, renters, and landlords to ensure properties were safe, well-managed, and affordable.

The introduction of the Government's Rental Rights Act and licensing of Houses in Multiple Occupation (HMOs) was noted as a significant step in improving private rental standards, tackling issues such as mould and damp. Members referenced the impact of poor housing on residents' well-being, education, and safety, and stressed the positive effects that high-quality housing could have on individuals, families, and communities.

In accordance with CSO 15.13, (c) Councillor Barnes responded to the debate and amendment. She expressed support for building additional Council homes but noted that the 3,000 planned units would not significantly reduce Haringey's housing waiting list of 14,000, which continued to grow. It was stated that HMOs and private landlords were necessary but needed to be properly licensed, and concerns were raised regarding the effectiveness of the current "fit and proper person" test for landlords.

Cllr Barnes highlighted cases where landlords with enforcement histories continued to hold multiple HMO licences and where properties remained unlawfully used despite court action. It was noted that current monitoring and enforcement systems had weaknesses, including investigations into whether residents had been placed in unlicensed properties.

Comparisons were made with other London boroughs, contending that Haringey was not following best practice in inspecting properties prior to licensing. Concerns were also raised about the lack of public reporting on key performance metrics, and the deletion of interim management orders from the amendment was criticised, as these were seen as an effective legal tool to address rogue landlords.

Cllr Barnes concluded that the amendment removed concrete actions, reduced accountability, and failed to address the issues identified in the original motion, and urged support for the original motion instead.

Following a vote on the amendment to the Motion, the amendment was AGREED.

Following a vote on the Motion as amended, this was AGREED.

Better rented homes for Haringey

Proposer: Cllr Williams
Seconder: Cllr Bartlett

Council notes that:

1. Mandatory HMO licensing is boroughwide and has been in place since it became operational in 2006.

2. Haringey has an Additional HMO Licensing Scheme under section 56 of the Housing Act which applies to all buildings that are HMOs as defined by sections 254 of the Act other than HMOs that are subject to mandatory licensing under section 55(2) (a) of the Act subject to any statutory exemption or exception with licenses granted for up to five years.
3. In addition to these two schemes, we also successfully applied to government for the additional Selective Licensing Scheme, which applies to all privately rented homes let to a single person, 2 people, or a single household (e.g. a family) in thirteen wards across the borough (Bounds Green, Bruce Castle, Harringay, Hermitage and Gardens, Noel Park, Northumberland Park, Seven Sisters, South Tottenham, St Ann's, Tottenham Central, Tottenham Hale, West Green, White Hart Lane, Woodside).
4. Almost every local Council in London with a large-scale scheme does not inspect HMOs for safety before granting licences to landlords, including Southwark, Brent, Waltham Forest. This is because it is advantageous to undertake a written assessment of the landlord at the outset as to their suitability as a landlord, which can then be legally enforced upon during the tenure of the property. Checks before an HMO is approved would radically reduce capacity to deliver housing placement and address the crisis in housing demand. Just like Brent, Haringey does in fact inspect properties at the outset where concerns are flagged in the initial written assessment.
5. The Renters' Rights Act 2025, introduced by the current Labour Government, enshrines vital rights and protections for tenants and represents a generational rebalance of power in the relationship between landlord and tenant. While landlords have a critical role to play in improving the housing crisis, the fundamental rights and welfare of tenants should and will remain sacrosanct. While an effect is noted, this yet-to-be activated law has not had a significant impact on housing supply.
6. The Renters' Rights Act 2025 gives Councils new powers and responsibilities to enforce higher standards through Awaab's Law and Decent Homes Standards. Awaab's law is expected to be activated in late 2026, while the Decent Homes Standards will not be operational for several years.
7. Awaab's Law represents a huge victory for housing campaigners in response to escalating damp and mould issues, placing new requirements on landlords to tackle damp and mould, when the legislation is activated.
8. The Council currently makes use of the Private Rental Sector, including HMOs, to provide Temporary Accommodation to Haringey Residents, and to direct Haringey Residents to private assured shorthold tenancy agreements through the Council's Private Sector Renting team, including by making Private Rented Sector Offers.
9. The Council considers that a landlord has fulfilled his duty under sec 87 Housing Act 2004 when an application is considered. The Act states 'An application for a licence must be made to the local housing authority'.
   The Council does not consider HMO's as licensed as soon as a licence application is submitted. Under sec 87 Housing Act 2004 a landlord has fulfilled their duty in terms of HMO licensing by virtue of submitting a full licence application to the Council. Once submitted the local authority must consider a licence application under various criteria before determining if a licence should be refused or granted.

10. An application once submitted goes through a series of legal checks. If further information, documentation, or site inspections are required before a draft licence can be granted then this is undertaken.
11. If the Council is aware of unlicensed premises, then the formal process to investigate these properties is commenced.
12. During COVID restrictions, the number of CPN's issued by Haringey was impacted by unavoidable recruitment issues and illness, as was the case with many other London boroughs. However, to date, Haringey has delivered –
    - 4468 HMO compliance inspections undertaken.
    - 4262 Selective compliance inspections undertaken
    - 286 Enforcement Notices Issued
    - 5 Prosecutions with legal
    - 113 Civil Penalty Notices issued.
13. The Council recently reviewed its Civil penalty Notice policy and as a result the threshold for fines has increased. CPN money is ring-fenced for use by the directorate for further enforcement work.
14. Interim Management Orders are notoriously time and resource intensive and costly, requiring the Council to take possession, collect rents, deal with arrears, and make repairs to the property. They are therefore not a viable option for local authorities – who simply do not have the resources to manage every private-rented property in their area.
15. The housing crisis has created a binding challenge for local authorities: reduce severe housing demand, while building Council homes and helping to improve the quality of private-rented sector homes, all under extreme financial pressure following 14 years of austerity.
16. Under this Council, we are the second highest builders of Council homes in London: 800 new Council homes; 1,000 by Christmas 2025; and on track to build 3,000 by 2031.
17. Under this Council we are also taking major action to help residents out of temporary accommodation:
    - Home-buying initiative for temporary accommodation (with hundreds bought already).
    - Incentives for private landlords to rent to families currently in temporary accommodation.
    - Ended the outsourcing of housing repairs – investing in faster void turnarounds.
18. Under this Council, we have reduced rough sleeping by 33% since 2022, despite a 20% increase nationally. This has been delivered through collaboration and partnership working, embedding a strong foundation of trauma-informed, evidence-led practice, co-produced with people with lived experience.

Council believes that:

1. This Council has made huge progress since 2022, under enormous financial pressure, to relieve housing demand and reduce homelessness and the use of temporary accommodation.
2. With the delivery of the Renters' Rights Act, the Labour Government has shifted the balance of power to tenants. This will go on to reduce the endemic of poor quality private-rented housing across the UK, although it will take time to realise.
3. Decent housing is a fundamental human right, and everyone should have a home which is safe and well-maintained.
4. The Council has a crucial role to play, both as a landlord responsible for its own housing stock, and as the enforcement body for the private rented sector in ensuring the highest safety standards of housing across the borough.
5. The Council also has a duty to ensure that any property that Haringey either directly places residents in, or signposts tenants towards, whether it is Temporary Accommodation, Private Sector Lease Accommodation (PSLs) or Private Rental Sector Accommodation is compliant with the relevant legislation and Code of Guidance to make it safe, fit for purpose, and properly licensed, before the Council makes that placement or recommendation. Enforcement powers are only effective if landlords and tenants believe they will be used.
6. If an owner is found to be not fit and proper, and continues to own and rent a licensable property, then they must nominate an alternative agent or person. This person or agents must be fit and proper to manage the property in their place. This is determined by legislation and is out of the Council's control.

Council therefore resolves to:

1. Work with the government to understand how the Council can support with the rollout of the Renters' Rights Act to ensure bad private landlords are held accountable within Haringey.
2. Continue to hold the highest standards for the "fit and proper person" test, including our checks to ensure landlords successfully prosecuted by Haringey Council are flagged when applying the test, ensuring that convicted rogue landlords cannot operate in our borough.
3. Continue reviewing all properties that hold an HMO license or Selective License within Haringey to ensure they have the requisite planning permission, and where they do not, to immediately proceed to planning enforcement, as is common practice.
4. Continue ensuring the Council does not place residents in, make private rented sector offers to, or signpost residents towards, properties which lack the required planning permission, have not had licenses granted, or have not had and passed safety inspections or compliance checks.
5. As per the Council's new Homelessness Strategy, we will ensure that every resident contacting the Council for housing assistance, and every resident in private rented accommodation, is given clear information about:
    a. their new rights;
    b. the new, higher standards for landlords;
    c. how to spot an unlicensed property; and
    d. how to report any problems to the Council.

6. As well as this, through 2026 and 2027 we will conduct planned and sustained renters' rights campaigns, including through communications targeted at groups of renters, especially those who are traditionally hard to reach.
7. Train officers across the Council to provide information, advice, and signposting to private renters about their new rights under the Renters Rights Act
8. As per the revision of our CPN policy and recent recruitment, continue to ramp up the use of fines, which remain ring-fenced for further enforcement work.
9. Continue following the legal guidance under the Housing Act 2004 and the Council's enforcement policy with regards to the issuing of enforcement notices and the most appropriate and best course of action as part of that decision making process.
10. Continue to report progress on the above and all measures related to enforcement and HMO measures through the Council's CDP Performance and working closely with the Housing, Planning and Development Scrutiny Panel.

Motion F - Ending Rough sleeping in Haringey

Cllr Williams proposed Motion F, ending rough sleeping in Haringey, delivering a fairer borough for all. She reported that under the current administration, rough sleeping in Haringey had been reduced by 33% since 2022. She attributed this to the work of the rough sleeping team, partnerships with statutory services, community organisations, and the administration. It was noted that the aim remained to end rough sleeping entirely.

Cllr Williams highlighted support from the London Mayor and the government, including funding and legislative backing. Locally, a trauma-informed, evidence-led rough sleeping strategy had been implemented, co-produced with people with lived experience. Key measures included securing £4 million in government funding to build or purchase new homes, providing 24/7 wrap-around support services, implementing a rapid access accommodation model, and repurposing Osborne Grove to provide 37 units of accommodation. A female-only crash pad had also been opened, with 20% of beds allocated to individuals with no recourse to public funds.

Members noted that many rough sleepers had previously been in private rented accommodation or asylum support, underlining the impact of housing insecurity and immigration policy. Haringey had been named the second largest Council house builder in the UK, with 800 homes already built, approaching 1,000, and 2,000 completions or starts on site, supporting residents in temporary accommodation and reducing housing demand.

Cllr Ali seconded the motion. He emphasised that behind the reported figures were real individuals who had benefited from the Council's work under the administration. Several case examples were highlighted including those involving partnership working.

Cllr Ali outlined that ending homelessness required sustained Council house building and questioned opposition parties' commitment to Council housebuilding. He spoke about

progress that could only be achieved through continued house building, with Members encouraged to support the continuation of the current housing programme to sustain progress in reducing homelessness in Haringey.

Cllr Cawley- Harrison, Leader of the Liberal Democrat Group, moved a point of order in regard to Cllr Ali's speech concerning claims by Cllr Ali of the opposition stopping the House Building programme. Following advice, the Mayor confirmed that this was not a point of order or point of correction as the Council Standing Order that had been broken could not be referred to by the member as required by CSO 15.14 . Following a request for clarification on this point, the Monitoring Officer advised the meeting that if there was an allegation that another member had lied in the chamber that a written complaint could directed to her after the meeting.

Cllr Ali indicated speaking again and the Mayor advised that this segment of the item was completed.

The Mayor continued to advise the meeting that he had received an amendment to motion F. The Mayor invited Cllr Emery to move the amendment.

Cllr Emery spoke about people forced to sleep outside during subzero temperatures and the hardship they endured. He was pleased that a motion to address homelessness was being bought forward to Council and commended the service team for phasing out the use of hotels, acknowledging the high cost of such accomodation.

Cllr Emery then highlighted areas needing improvement, particularly the number of empty Council homes and the slow pace of house building, which contributed to high rents and homelessness. He stated that Haringey had built only eight new private-sector homes in the last six months and criticised reductions in affordable housing targets. Finally, he emphasised the importance of government support, stressing that people experiencing homelessness wanted immediate shelter rather than policy discussions. He urged the Council to do everything possible to help vulnerable residents and to work toward ending homelessness by 2030.

Cllr da Costa seconded the amendment. He explained that the goal was to strengthen the motion so it actually met residents' needs, rather than just describing what the Council already did. While the original proposal highlighted the moral urgency of rough sleeping and pressures causing homelessness, he had added three points that he felt were essential for credibility and continued to refer to these in the meeting.

In accordance with CSO 15.13 Cllr Williams responded referring to the amendments and additional letters indicated which she felt unnecessary. She emphasised that the Council already had a strong voice on homelessness, close relationships with government officials, and an award-winning team that focused on prevention, more than other London boroughs.

She stressed that people experiencing rough sleeping wanted support and that wrap around services were essential. Cllr Williams highlighted the Council's efforts during severe weather, noting that the Severe Weather Emergency Protocol (SWEP) was often

exceeded, allowing the Council to reach the most difficult-to-reach rough sleepers and provide the support needed to address the causes of their homelessness.

Cllr Williams acknowledged shared goals of ending rough sleeping and reducing families in temporary accommodation, noting a 44% reduction in one hotel over the past month. She also outlined plans to build new lodges in the borough, stressing the importance of ensuring families especially children received stability and did not face long commutes, while recognising the political challenges of introducing housing projects in local wards.

Following a vote on the amendment, this was NOT AGREED

Following a vote on the Original Motion, this was AGREED.

Labour Group Motion F Ending Rough Sleeping in Haringey – Delivering a fairer borough for all

Proposer: Cllr Sarah Williams
Seconder: Cllr Ibrahim Ali

This Council notes:

- Homelessness and rough sleeping are some of the most challenging and complex social issues, spanning housing, mental health, domestic abuse, and immigration and asylum.
- The number of people rough sleeping hit a historic low in 2010. However, since then numbers have spiralled. An estimated 4,667 people slept rough on any given night in autumn 2024 – a 164% increase on the 2010 estimate. (HoC Library).
- **The current government has introduced several measures aimed at tackling rough sleeping and homelessness -**
    - Increased national funding to tackle homelessness by £233m.
    - Passed the Renters' Rights Act - ending no-fault evictions, the most common cause of statutory homelessness in London.
    - Abolishing the 200-year-old Vagrancy Act – an archaic law that criminalised rough sleeping and embedded myths and ignorance about homelessness.
    - Provided Haringey Council with almost £600,000 to help residents experiencing homelessness.
- **Under this Council in Haringey, rough sleeping has decreased 33% because of the local measures we have taken:**
    - Launched the Rough Sleeping Strategy 2023-2027, embedding a strong foundation of trauma-informed, evidence-led practice, co-produced with people with lived experience.
    - Secured £4m in government funding to expand housing stock and deliver 24/7 wraparound support, including access to mental health and substance misuse services.
    - Implemented a rapid-access accommodation model, enabling direct transitions from street homelessness into safe housing.

  - Osborne Grove has been repurposed to provide 37 units of accommodation, significantly boosting local capacity.
  - Opened a female-only crash pad to support women experiencing hidden homelessness, offering short-term emergency accommodation with minimal entry requirements, ensuring quick access to safety.
  - 20% of all beds are allocated to individuals with No Recourse to Public Funds (NRPF), addressing a critical gap in statutory support and ensuring that vulnerable individuals are not excluded from emergency housing.
- Alongside this, the newly launched Homelessness Strategy sets out an ambition to phase out the use of commercial hotels for temporary accommodation as well as enhancing our front door services for families by creating a new prevention hub.
- The 33% decrease in Haringey sits against a 20% increase nationally, positioning Haringey as one of the few areas demonstrating measurable progress.
- **Under this Council, we are building Council homes:** 800 new Council homes (the 2nd highest in London in that time); 1,000 by Christmas 2025; and on track to build 3,000 by 2031. Council homes at Council rents for families in need to stay locally.
- **Under this Council we are taking major action to help residents out of temporary accommodation:**
  - Home-buying initiative for temporary accommodation (with hundreds bought already).
  - Bringing in pension fund investment to fund more home-buying for temporary accommodation.
  - Incentives for private landlords to rent to families currently in temporary accommodation.
  - Ended the outsourcing of housing repairs – investing in faster void turnarounds.

This Council believes:

- The current government shares our mission to end rough sleeping.
- In the UK in 2025 no one should be without a home. We believe that every Haringey resident should have a safe, decent and comfortable home.
- It is imperative we prevent residents from becoming homeless and provide the best possible support for those in crisis as well as good quality temporary accommodation.
- Commercial hotels are not suitable for families in need. We aim to end our use of them, but the challenges imposed by the housing crisis mean this is not a quick process.

This Council resolves to:

- Set ambitious targets and milestones for our mission to end rough sleeping in Haringey.
- Continue to explore means that contribute to this strategic objective, including providing holistic wrap around support for the breadth of challenges faced by people experiencing homelessness.

- Celebrate the work of this Council and all officers and local and national partners involved in delivering the 33% decrease in rough sleeping since 2022.
- Write to the Secretary of State for Housing, Communities and Local Government to:
    - Showcase the policies and strategy that have contributed to Haringey's measurable progress.
    - Invite the Secretary of State or relevant minister to visit the borough to showcase some of these policies in action and further discuss how our local success might translate to the national picture.
- Recognise that our task is not complete until rough sleeping has been eradicated in Haringey.

CHAIR:

Signed by Chair ……..

Date ……

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Report for: Full Council - 2 March 2026

Title: Review of Council Tax Reduction Scheme Administration for 2026/27

Report authorised by : Barry Francis, Corporate Director for Environment & Resident Experience

Lead Officer: James Straw, Benefit Manager

Ward(s) affected: All wards

Report for Key/ Non Key Decision: Key decision

1. Describe the issue under consideration

1.1 This report sets out details of the review of Haringey's current Council Tax Reduction Scheme (CTRS) 2025/26 and recommends that it continues unchanged for 2026/27, save for minor updates mandated by legislation made by the Government.

1.2 The Council must approve the final scheme by 11th March 2026, even where the scheme remains unchanged, ready for implementation on the 1st April 2026.

2. Cabinet Member Introduction

2.1 Since the decision by the previous Government to abolish Council Tax Benefit in 2013, we recognise that there has been a significant financial burden on many of the lowest income households in Haringey.

2,2 Haringey has designed a CTRS (Council Tax Reduction Scheme) which increased the maximum protection to disabled claimants and working age claimants with children to that already given to pensioners.

2.3 Continuing the protection of these groups by maintaining the current scheme allows the council to provide essential financial support to some of the most vulnerable residents in the borough and contribute to the stated ambition of making Haringey a fairer borough for all to live in.

3. Recommendations

That the Council:

3.1 Agrees to adopt the Council Tax Reduction Scheme 2026/27 as contained in Appendix 1 and therefore retains the same Scheme agreed for 2025/26. This means that from 1 April 2026 there is a means-tested scheme which provides:

i. That pensioners continue to receive support for the payment of Council Tax up to 100%.
ii. That working-age claimants in receipt of certain disability benefits continue to receive support for the payment of Council Tax up to 100%.
iii. That working-age claimants with children continue to receive support for the payment of Council Tax up to 100%.
iv. That all other working-age claimants continue to receive support for the payment of Council Tax up to 80.2%.

3.2 Authority is given the Corporate Director for Finance and Resources, Corporate Director for Environment & Resident Experience and Delivery Director Tackling Inequality to take all appropriate steps to implement and administer the scheme

4. Reasons for decision

4.1 The Council is obliged to consider whether to revise or replace its CTRS each year. However, it is not obliged to revise or replace it. If any revision or replacement is to be made, the Council must follow the consultation process set out in the legislation and the decision must be made by Full Council.

4.2 The CTRS is a way the Council can redistribute the financial burden on Council Taxpayers and provide additional support to those in financial need.

4.3 The recommendation to retain the current scheme. This would help to ensure that already protected claimants will not be further disadvantaged and pay due regard to the challenging financial climate, recognising the continuing cost of living pressures on residents. It would also ensure the CTRS scheme remains affordable for the Council. The reduction in Council resources and service pressures have required the Council to implement significant annual expenditure reductions over several years. These are forecast to continue for 2026/27 and future years. The affordability to the Council of the CTRS scheme therefore continues to be an important consideration.

5. Alternative options considered

5.1 **Change the Council Tax Reduction Scheme**

Consideration was given to revisiting the current scheme. A decision was taken to delay this and review changes for 2027/28, for the reasons given above.

6. Background information

6.1 Haringey Council has a Council Tax Reduction Scheme to provide support to residents who need help to pay their Council Tax.

6.2 As part of the government's welfare reforms, responsibility for setting Council Tax support was devolved to Local Authorities. Council Tax Benefit was abolished and replaced with a locally managed CTRS from 1st April 2013. Nationally, CTRS had 10% less government funding than the previous Council Tax Benefit scheme. There was a mandate to protect pensioners from any changes.

6.3 Haringey's Council Tax Reduction Scheme protects pensioners (as prescribed by Central Government), those in receipt of certain disability benefits, and working age claimants with children, with support available for up to 100% of Council Tax liability, dependent on the means-test. The support for other claimants is capped at a maximum 80.2% of Council Tax liability.

6.4 The scheme for 2026/27 includes nationally-prescribed changes to allowances, premiums and non-dependant deductions, and the pension-age scheme by the Government. No other changes have been made which affect the administration of the scheme.

6.5 The Council must consider whether to revise or replace its CTRS for each financial year but can also choose to make no changes.

6.6 Before making any changes to the CTRS, the Council must follow the public consultation process set out in the legislation.

6.7 The final decision must be made by Full Council before 11 March 2026, to take effect from 1 April 2026.

6.8 The CTRS reduces the level of council tax which the Council and the GLA collect from Haringey residents. The current cost to the Council of the CTRS is £34.5m.

7. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

7.1 The CTRS contributes to the 'Adults, health and welfare' priority of the Corporate Delivery Plan 2024-26 and positively impacts on creating secure and resilient lives and supporting vulnerable residents.

7.2 Continuing to provide the maximum level of financial support for households with disabilities, and with children, will ease the financial burden for these households. There are clear links between socioeconomic and health inequalities, and therefore, reducing the financial burden on recipients of CTRS will contribute to wider positive life outcomes.

8. Carbon and Climate Change

8.1 Not relevant to this report.

9. Statutory Officers comments (Director of Finance (procurement), Director of Legal and Governance, Equalities)

Finance

The report seeks Cabinet approval to retain the current CTRS scheme to support the claimants, due to the challenging financial climate and the continuing cost of living pressures on residents.

The CTRS is a means tested scheme, which enables the Council to help the residents in need of financial support. The financial burden on vulnerable residents relating to Council Tax is redistributed across the community as the Council Tax is a core form of funding to the Council which helps to finance its statutory and non-statutory expenditure.

The current cost of the CTRS scheme to the Council is £34.5m and the CTRS scheme reduces the level of Council tax that could be collected based on the GLA and Government guidance. Despite financial challenges, CTRS costs have been built into the 2026/27 budget and the medium-term financial strategy.

There are nationally prescribed changes expected in 2026/27 to allowances, premiums, non-dependant deductions, and the pension-age scheme by the Government. No other changes are expected which would affect the administration of the scheme.

Due to the current financial landscape, it should be noted that the Council has requested for Exceptional Financial Support from the Government to balance the budget over the medium-term financial plan.

Procurement

Strategic Procurement has been consulted on the preparation of this report and notes the contents herein. There are no procurement implications arising from the recommendations stated at 3 above

Director of Legal & Governance

The Director for Legal and Governance has been consulted on this report. Under section 13A(2) of the Local Government Finance Act 1992, the Council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the 1992 Act.

Each financial year the Council must consider whether to revise its scheme, or to replace it with another scheme. The Council must make any revision to its scheme, or any replacement scheme, no later than 11 March in the financial

year preceding that for which the revision or replacement scheme is to have effect. The decision must be made by Full Council.

This report recommends that Full Council retains essentially the same provisions for the Council Tax Reduction Scheme 2026-27 as was agreed for 2025-26 so that it continues largely unchanged. Therefore, Full Council is being asked to agree the continuing adoption of the Council Tax Reduction Scheme from 1 April 2026 for the council tax year 2026-27.

Schedule 1A allows the Government to make regulations about the prescribed requirements for schemes. Any scheme that the Council adopts must comply with these regulations. Each year the Government has prescribed minor such updates to the CTRS for pensioners, to accord with national welfare changes. For example, to terminology or to the amount of allowances, premiums and non-dependent deductions for pension-age claimants. The Council must implement these and has no discretion to do otherwise: see the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026 and the Neonatal Care Leave and Pay Consequential Amendments to Subordinate Legislation Regulations 2025. Therefore, regardless of the Council's decision whether to revise or replace the scheme for 2025/26, certain national welfare changes will be reflected in the pension-age scheme by the Government.

Schedule 1A to the 1992 Act makes further provision about Council Tax Reduction Schemes including prescribing the consultation process that must be followed if the scheme is to be revised. However, there is no obligation to consult here as no changes which are not mandated by Government are being recommended for the 2026/27 scheme.

Equality

The Council has a public sector equality duty under section 149 of the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

9.10 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.11 This report sets out details of Haringey's current Council Tax Reduction Scheme (CTRS) 2026/27 which provides support to residents who need help to pay their Council Tax.

There are no changes being made to the scheme eligibility criteria or process for 2026/27, thus the positive impact on residents remains unchanged.

9.12 The scheme supports our lowest-income residents as follows:

i. Low income pensioners, who continue to receive support for the payment of Council Tax up to 100%.
ii. Low income working-age claimants in receipt of certain disability benefits continue to receive support for the payment of Council Tax up to 100%.
iii. Low income working-age claimants with children continue to receive support for the payment of Council Tax up to 100%.
iv. That all other low income working-age claimants continue to receive support for the payment of Council Tax up to 80.2%.

9.13 The council is not seeking to change the current scheme, and the continuation of the existing scheme is expected to have a positive impact on a variety of people with protected characteristics who are overrepresented among CTRS claimants. This decision will provide opportunities to advance equality and foster good relations by reducing the financial burden on groups in particular need.

10. Use of Appendices

Appendix 1: Haringey Council 2026/27 CTR scheme

Background papers

- Review of Council Tax Reduction Scheme Administration for 2025/26: https://www.minutes.haringey.gov.uk/documents/s150017/Full%20Council%20report%20-%20CTRS%202025-26%20-%20final%2016.51.pdf
- The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2026: https://www.legislation.gov.uk/uksi/2026/27/contents/made
- The Neonatal Care Leave and Pay Consequential Amendments to Subordinate Legislation Regulations 2025: https://www.legislation.gov.uk/uksi/2025/201/contents/made

London Borough of Haringey Council Tax Reduction Scheme

2026

Introduction

This scheme is based on the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (SI 2012/2886) and incorporates the statutory obligations detailed in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885).

Certain elements of the Default Scheme have been removed or amended within this scheme and apply solely to persons who have not reached the qualifying age for state pension credit.

This scheme will be amended to take into account any circumstances subsequently identified, through government statute. This scheme will be treated as having been amended to accommodate any changes the government may make to The Prescribed Requirements. Where references are made to the Prescribed Requirements or Default Scheme, these will relate to the most recently published edition of those documents. Where either is revoked, the last published version(s) will apply.

Features of the scheme

Key changes from the Default Scheme (of which apply to persons who have not reached the qualifying age for state pension credit) are as follows:

- Applicants of working-age will have their Council Tax support assessed against 80.2% of their council tax liability
- Applicants of working age will be treated as having applied for Council Tax support if the Council is informed by the DWP that they have made a successful application for Universal Credit.
- Changes of entitlement of less than £3.25 per week will not be effected until such time as they cumulatively exceed £3.25 per week, in order to provide claimants with certainty.
- Applicants in receipt of certain disability benefits and premiums and applicants responsible for a child(ren) or young person(s) in the same household will receive protection from the above measure. These applicants will have their Council Tax support assessed against 100% of their council tax liability
- A minimum weekly Council Tax Support award of £1 has been introduced
- A capital savings limit of £10,000 has been introduced
- Child benefit and war pensions will be fully disregarded when calculating entitlement for all applicants
- The maximum period for backdating claims shall be 12 months for those of a working age or 3 months for pensioners.
- Any change of circumstance which is advantageous to council tax support entitlement and reported by the applicant outside one month, will take effect from the date on which it is reported

Application, appeals, revisions and superseded decisions

Provisions at Part 3 and Schedule 1 of this scheme set out how applications for a Council Tax Reduction must be made and how appeals are to be made to the authority.

General administration of the scheme

Apart from where statutorily required, advice of any award granted, removed or revised will be by an adjustment to the council tax bill and the bill itself will be the formal notification. Haringey Council reserves the right to include additional notifications.

Any excess award of Council Tax Reduction will be rectified by the amount being recovered by an adjustment to the council tax bill.

Uprating

This scheme proposes that certain figures for working age claimants set out in the scheme may be uprated in line with changes to social security benefit rates for Housing Benefit, as prescribed in the Housing Benefit Regulations 2006 as amended from time to time.

Data sharing, fraud and error

Information provided by applicants will be used by Haringey Council to process applications for Council Tax Reductions. Information may also be shared internally to facilitate the processing of applications.

Information provided by applicants will also be used by Haringey Council for the prevention and detection of fraud and may also be shared with external and internal bodies responsible for auditing or administering public funds for these purposes.

Haringey Council is the data controller for the purposes of the Data Protection Act.

Penalties

Haringey Council has a responsibility to protect taxpayers and the public purse by effectively fighting fraud. The Council takes all forms of fraud seriously and will take action to recover any money that has been claimed based on false information, a failure to provide (disclose) information or a failure to notify a change of circumstances, possession or supply of articles for use in fraud or more generally obtaining services dishonestly. Such action could include a civil penalty and/or prosecution.

Haringey Council is committed to developing a culture of honesty, and zero tolerance to fraud. Individuals can anonymously notify the Council of a potential fraud.

To report all cases of fraud or corruption please call Fraudwatch on Freephone 0500 500 777

Alternatively please contact:

Audit and Risk Management can be contacted at:
Level 7,Alexandra House,
10 Station Road, Wood Green,
London, N22 7TR
Telephone: 020 8489 3768

Email: fraudcall@haringey.gov.uk

London Borough of Haringey Council Tax Reduction Scheme

This Scheme is based upon the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (SI 2012/2886).

Application

The Scheme set out below is the reduction scheme for the London Borough of Haringey pursuant to section 13A(2) Local Government Finance Act 1992.

These rules may be cited as the Council Tax Reduction Scheme 2026 and come into force on 1 April 2026. These rules are decided by and apply to Haringey Council.

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Part 1
Introduction

Introduction

1

This scheme relates to the financial year beginning with 1st April 2026 and may be cited as the London Borough of Haringey Council Tax Reduction Scheme.

Part 2
Interpretation

Interpretation

2

(1) In this scheme--

"the 1992 Act" means the Local Government Finance Act 1992;

"Abbeyfield Home" means an establishment run by the Abbeyfield Society including all bodies corporate or unincorporated 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;

“adult disability payment” has the meaning given in regulation 2 of the DAWAP Regulations;

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

"alternative maximum council tax reduction" means the amount determined in accordance with paragraph 31 and Schedule 4;

"applicable amount" means--

(a) in relation to a pensioner, the amount calculated in accordance with paragraph 25 and Schedule 2, and

(b) in relation to a person who is not a pensioner, the amount calculated in accordance with--

(i) paragraph 26 and Schedule 3; or

(ii) paragraph 28,

as the case may be;

"applicant" means a person who has made an application;

"application" means an application for a reduction under this scheme;

“approved blood scheme” means a scheme established or approved by the Secretary of State, or trust established with funds provided by the Secretary of State, for the purpose of providing compensation in respect of a person having been infected from contaminated blood products;

"assessment period" means--

(a) in relation to pensioners--

(i) in relation to the earnings of a self-employed earner, the period determined in accordance with paragraph 43 for the purpose of calculating the weekly earnings of the applicant; or

(ii) in relation to any other income, the period determined in accordance with paragraph 40 for the purpose of calculating the weekly income of the applicant;

(b) in relation to persons who are not pensioners, such period as is set out in paragraphs 47 to 49 over which income falls to be calculated;

"attendance allowance" means--

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

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

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

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

"the authority" means the London Borough of Haringey by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

"basic rate" has the meaning given by the Income Tax Act 2007;

"the benefit Acts" means the SSCBA, the Jobseekers Act 1995, the State Pension Credit Act 2002 and the Welfare Reform Act 2007 and the Pensions Act 2014;

"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;

"care home" in England 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 Ire- land) Order 2003 or a residential care home within the meaning of Article 10 of that Order and in Wales means a care home service, within the meaning of Part 1 of the Regulation and Inspection of Social Care (Wales) Act 2016 which is provided wholly or mainly to adults;

“carer support payment” means carer’s assistance given in accordance with the Carer’s Assistance (Carer Support Payment) (Scotland) Regulations 2023, SSI 2023/302;

"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;

“child disability payment” has the meaning given by regulation 2 of the DACYP Regulations;

"child tax credit" means a child tax credit under section 8 of the Tax Credits Act 2002;

"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 2002 are charged;

"contributory employment and support allowance" means a contributory 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;

"couple" has the meaning given by paragraph 4;

“the DACYP Regulations” means the Disability Assistance for Children and Young People (Scotland) Regulations 2021 (SI 2021/174);

“the DAWAP Regulations” means the Disability Assistance for Working Age People (Scotland) Regulations 2022;

"designated office" means the office of the authority designated by it for the receipt of applications--

(a) by notice upon or with a form supplied by it for the purpose of making an application; 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 and without charge; or

(c) by any combination of the provisions set out in paragraphs (a) and (b);

"disability living allowance" means a disability living allowance under section 71 of the SSCBA;

"earnings" has the meaning given by paragraph 41, 44, 51 or 53 as the case may be;

"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 SSCBA 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;

"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 claimants for job-seekers allowance to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search);

"employment zone" means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and an "employment zone programme" means a programme established for such an area or areas designed to assist claimants for a jobseeker's allowance to obtain sustainable employment;

"enactment" includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament or the National Assembly for Wales;

“the Energy Rebate Scheme 2022” means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022

"extended reduction" means a reduction under this scheme for which a person is eligible under Part 12 (extended reductions);

"extended reduction period" means the period for which a person is in receipt of an extended reduction in accordance with paragraph 89, 96 or 101;

"extended reduction (qualifying contributory benefits)" means a reduction under this scheme for which a person is eligible in accordance with paragraph 88 or 95;

"family" has the meaning given by paragraph 6;

"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;

"Grenfell Tower support payment" means a payment made for the purpose of providing compensation or support in respect of the fire on 14th June 2017 at Grenfell Tower;

"guarantee credit" is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002;

"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;

“historical child abuse payment” means a payment made under—

(a) Part 1 of the Historical Institutional Abuse (Northern Ireland) Act 2019;

(b) Part 4 of the Redress for Survivors (Historical Child Abuse in Care) (Scotland) Act 2021;

"the Horizon system" means any version of the computer system used by the Post Office known as Horizon, Horizon Legacy, Horizon Online or HNG-X;

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

on 14th March 2022;

"housing benefit" means housing benefit under Part 7 of the SSCBA;

"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;

"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 given 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;

"LGBT Financial Recognition Scheme payment" means a payment under the Lesbian, Gay, Bisexual and Transgender Financial Recognition Scheme administered under the authority of the Secretary of State for Defence;

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

“the 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;

"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 or the applicant is a member of the work-related activity group except in Part 1 of Schedule 3;

"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;

"maximum council tax reduction amount" means the amount determined in accordance with para-

graph 29;

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

“member of the work-related activity group” means a person who has or is treated as having limited capability for work under either--

(a) Part 5 of the Employment and Support Allowance Regulations 2008 other than by virtue of regulation 30 of those Regulations; or

(b) Part 4 of the Employment and Support Allowance Regulations 2013 other than by virtue of regulation 26 of those Regulations;

"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;

"miscarriage of justice compensation payment" means—

(a) a payment made under section 133(1) of the Criminal Justice Act 1988 (c.33); or

(b) any other payment made by the Secretary of State, the Scottish Ministers or, in Northern Ireland, the Department of Justice, for the purpose of compensating a person—

(i) for a miscarriage of justice in criminal proceedings, or

(ii) for being wrongfully charged with a criminal offence;

"mobility supplement" means--

(a) in relation to pensioners, a supplement to which paragraph 5(1)(a)(vii) of Schedule 5 refers;

(b) in relation to persons who are not pensioners, a supplement to which paragraph 13 of Schedule 8 refers;

"mover" means an applicant who changes the dwelling in which the applicant is resident, and in respect of which the applicant is liable to pay council tax, from a dwelling in the area of the authority to a dwelling in the area of a second authority;

"the National Emergencies Trust" means the registered charity of that name (number 1182809) established on 28th March 2019;

"neonatal care leave" means leave under section 80EF of the Employment Rights Act 1996;

"net earnings" means such earnings as are calculated in accordance with paragraph 42 or 52, as the case may be;

"net profit" means such profit as is calculated in accordance with paragraph 61;

"new dwelling" means, for the purposes of the definition of "second authority" and paragraphs 91, 98 and 103, the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

"non-dependant" has the meaning given by paragraph 9;

"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, and

(ii) that needs to be met to avoid a risk to the well-being of an individual, or

(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;

"parental bereavement leave" means leave under section 80EA of the Employment Rights Act 1996;

"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 paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

“pension age disability payment” has the meaning given in regulation 2 of the Disability Assistance for Older People (Scotland) Regulations 2024, SSI 2024/166;

"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;

"pensionable age" has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995;

"pensioner" has the meaning given by paragraph 3(2)(a);

"person on income support" means a person in receipt of income support;

"person treated as not being in Great Britain" has the meaning given by paragraph 21;

"person who is not a pensioner" has the meaning given by paragraph 3(2)(b);

"personal independence payment" has the meaning given by Part 4 of the Welfare Reform Act 2012;

"personal pension scheme" means--

(a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993;

(b) an annuity contract or 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) of that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 to 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 any marriage to which paragraph 5 applies;

"the Post Office" means Post Office Limited (registered number 02154540);

"Post Office compensation payment" means a payment made by the Post Office or the Secretary of State for the purpose of providing compensation or support which is—

(a) in connection with the failings of the Horizon system; or

(b) otherwise payable following the judgment in Bates and Others v Post Office Ltd ((No. 3) "Common Issues") [2019] EWHC 606 (QB);

"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 income-related benefit" means--

(a) income support;

(b) income-based jobseeker's allowance;

(c) income-related employment and support allowance;

"qualifying person" means—

(a) a person in respect of whom a Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, a Post Office compensation payment , a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment has been made or payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme 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 week", in relation to any particular day, means the week within which the day in question falls;

"remunerative work" has the meaning given by paragraph 10;

"rent" means "eligible rent" to which regulation 12 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer, less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non-dependant deductions);

"savings credit" is to be construed in accordance with sections 1 and 3 of the State Pension Credit

Act 2002;

"Scottish Adult Disability Living Allowance" has the meaning given in regulation 2 of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025 (S.S.I. 2025/3);

“Scottish basic rate” means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

“the Scottish Infected Blood Support Scheme” means the scheme of that name administered by the Common Services Agency (constituted under section 10 of the National Health Service (Scotland) Act 1978);

“Scottish taxpayer” has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;

"second authority" means the authority to which a mover is liable to make payments for the new dwelling;

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

“shared parental leave” means leave under section 75E or 75G of the Employment Rights Act 1996;

"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;

"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" means state pension credit under the State Pension Credit Act 2002;

“statutory neonatal care pay" means a payment to which a person is entitled in accordance with section 171ZZ16 of the SSCBA;

"statutory parental bereavement pay" means a payment to which a person is entitled in accordance with section 171ZZ6 of the Social Security Contribution and Benefits Act 1992;

"student" has the meaning given by paragraph 73;
"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, or the 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, that department or approved by that 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,

but 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 Employment and Training Act 1973, or is training as a teacher;

"the Trusts" (except where the context otherwise requires) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No 2) Trust and

"Trustees" is to be construed accordingly;

"universal credit" has the meaning given by section 1 of the Welfare Reform Act 2012;

"vaccine damage payment" means a payment made under the Vaccine Damage Payments Act 1979;

"the Victims of Overseas Terrorism Compensation Scheme" means the scheme of that name established by the Ministry of Justice in 2012 under section 47 of the Crime and Security Act 2010;

"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;

“the We Love Manchester Emergency Fund” means the registered charity of that name (number 1173260) established on 30th May 2017;

"the Windrush Compensation Scheme" means—

(a) the scheme of that name operated by the Secretary of State for the purpose of compensating individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom; and

(b) the policy entitled "Windrush Scheme: Support in urgent and exceptional circumstances" which was operated by the Secretary of State for the purpose of compensating individuals who, for urgent and exceptional reasons, required support in advance of the scheme referred to in paragraph (a) of this definition becoming operational;

“Windrush payment” means a payment made under the Windrush Compensation Scheme (Expenditure) Act 2020;

"working tax credit" means a working tax credit under section 10 of the Tax Credits Act 2002;

"young person" means a person who falls within the definition of qualifying young person in section 142 of the SSCBA.

(2) In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny must be disregarded if it is less than half a penny and must otherwise be treated as a whole penny.

(3) For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day--

(a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's

allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995 (circumstances in which a jobseeker's allowance is not payable);

(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 section 19 or 19A or regulations made under section 17A or 19B of that Act; or

(c) in respect of which an income-based 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).

(4) 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 2007 (disqualification); or

(b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act (employment and support allowance: supplementary provisions) 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.

(5) For the purposes of this scheme, two persons must be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

(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).

(7) In this scheme, references to a person in class A, B or C (as the case may be) is a reference to class A, B or C described in paragraphs 13-15 of Part 4.

(8) 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) a body which has a statutory duty to provide services in the field of health, social care or social housing; or

(ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services,

in their capacity as a user, potential user, carer of a user or person otherwise affected by the provision of those services;

(aa) 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) or (aa) where the carer is not being consulted as described in that sub-paragraph.

Application of scheme: pensioners and persons who are not pensioners

3

(1) This scheme applies to--

(a) pensioners who fall within any of classes A to C; and

(b) persons who are not pensioners who fall within any of classes D to F.

(2) In this scheme--

(a) a person is a "pensioner" if--

(i) he has attained the qualifying age for state pension credit; and

(ii) he is not, and, if he has a partner, his partner is not--

(aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or (bb) a person with an award of universal credit; and

(b) a person is a "person who is not a pensioner" 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--

(aa) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or

(bb) a person with an award of universal credit.

(3) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (2) an award of universal credit is to be disregarded;

(a) during the relevant period; or

(b) where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014, SI 2014/1230 (Regulation 60A was inserted by SI 2024/611) applies in respect of the award.

(4) In this paragraph –

"assessment period" has the same meaning as in the Universal Credit Regulations 2013;

"relevant period" means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends.

Meaning of "couple"

4

In this scheme "couple" means--

(a) two people who are married to, or civil partners of, each other and are members of the same household; or

(b) two people who are not married to, or civil partners of, each other but are living together as if they were a married couple or civil partners.

Polygamous marriages

5

(1) This paragraph applies to any case where--

(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.

(2) For the purposes of paragraph 4 (meaning of "couple") neither party to the marriage is to be taken to be a member of a couple.

Meaning of "family"

6

(1) In this scheme "family" means--

(a) a couple;

(b) a 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; or

(c) a person who is not a member of a couple and a member of the same household for whom that person is responsible and who is a child or a young person.

(2) The references to a child or young person in sub-paragraph (1)(b) and (c) include a child or young person in respect of whom section 145A of the SSCBA applies for the purposes of entitlement to child benefit, but only for the period prescribed under section 145A(1).

(3) The references to a young person in sub-paragraph (1)(b) and (c) do not include a young person who is--

(a) on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, or has an award of universal credit;

(b) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies; or

(c) entitled to an award of universal credit.

Circumstances in which a person is to be treated as responsible or not responsible for another

7

(1) A person is to be treated as responsible for a child or young person who is normally living with him, including a child or young person to whom paragraph 6(2) applies.

(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 must be treated for the purposes of sub-paragraph (1) as normally living with--

(a) the person who is receiving child benefit in respect of that child or young person, or

(b) if there is no such person--

(i) where only one claim for child benefit has been made in respect of him, the person who made that claim, or

(ii) in any other case the person who has the primary responsibility for him.

(3) For the purposes of this scheme a child or young person is the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this paragraph is to be treated as not so responsible.

Households

8

(1) Subject to sub-paragraphs (2) and (3), an applicant and any partner and, where the applicant or his partner is treated (by virtue of paragraph 7) as responsible for a child or young person, that child or young person and any child of that child or young person, are to be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

(2) A child or young person is 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 22C of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or section 81(2) of the Social Services and Well-being (Wales) Act 2014 (ways in which looked after children are to be accommodated and maintained), or in Scotland boarded out or placed with the applicant or his partner under a relevant enactment or in Wales placed with the applicant or the applicant's partner by a local authority under section 81 of the Social Services and Well-being (Wales) Act 2014 or by a voluntary organisation under section 59(1)(a) of the Children Act 1989; 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 or the Adoption (Northern Ire- land) Order 1987.

(3) Subject to sub-paragraph (4), sub-paragraph (1) does not apply to a child or young person who is not living with the applicant and who--

(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.

(4) The authority must treat a child or young person to whom sub-paragraph (3)(a) applies as being a member of the applicant's household in any reduction week where--

(a) that child or young person lives with the applicant for part or all of that reduction week; and

(b) the authority considers that it is reasonable to do so taking into account the nature and frequency of that child's or young person's visits.

(5) In this paragraph "relevant enactment" means--

(a) the Army Act 1955;

(b) the Air Force Act 1955;

(c) the Naval Discipline Act 1957;

(d) the Matrimonial Proceedings (Children) Act 1958;

(e) the Social Work (Scotland) Act 1968;

(f) the Family Law Reform Act 1969;

(g) the Children and Young Persons Act 1969;

(h) the Matrimonial Causes Act 1973;

(i) the Children Act 1975;

(j) the Domestic Proceedings and Magistrates' Courts Act 1978;

(k) the Adoption and Children (Scotland) Act 2007;

(l) the Family Law Act 1986;

(m) the Children Act 1989;

(n) the Children (Scotland) Act 1995;

(na) the Children's Hearings (Scotland) Act 2011; and

(o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

Non-dependants

9

(1) In this scheme, "non-dependant" means any person, except someone to whom sub-paragraph (2) applies, who normally resides with an applicant or with whom an applicant normally resides.

(2) This paragraph applies to--

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

(b) if the applicant is polygamously married--

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

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

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

(ii) in any other case, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;

(c) a child or young person who is living with the applicant but who is not a member of his household by virtue of paragraph 8 (households);

(d) subject to sub-paragraph (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 section 6 or 7 of the 1992 Act (persons liable to pay council tax);

(e) subject to sub-paragraph (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) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is 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 his 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 a 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 soliable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the change giving rise to the new liability was not made to take advantage of a council tax reduction scheme.

Remunerative work

10

(1) Subject to the following provisions of this paragraph, a person must 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.

(2) Subject to sub-paragraph (3), in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard must 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 the date of application, 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.

(3) Where, for the purposes of sub-paragraph (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 must be disregarded in establishing the average hours for which he is engaged in work.

(4) Where no recognisable cycle has been established in respect of a person's work, regard must 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.

(5) A person must be treated as engaged in remunerative work during any period for which he is absent from work referred to in sub-paragraph (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.

(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 is to be treated as not being in remunerative work in that week.

(7) A person must not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave, shared parental leave, parental bereavement leave, neonatal care leave or adoption leave, or is absent from work because he is ill.

(8) A person must 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.

Part 3
Procedural Matters

Procedure for reduction applications and appeals against reduction decisions

11

Schedule 1 contains provisions about the procedure--

(a) by which a person may apply for a reduction under this scheme;

(b) by which a person may make an appeal against certain decisions of the authority;

(c) by which a person can apply to the authority for a reduction under section 13A(1)(c) of the 1992 Act.

Part 4
Classes of Person Entitled to a Reduction Under this Scheme

Classes of person entitled to a reduction under this scheme

12

(1) The classes of person described in paragraphs 13 to 18 are entitled to a reduction under this scheme.

(2) In those paragraphs, references to the applicant's income or capital include, in a case where that income or capital cannot accurately be determined, references to the applicant's estimated income or capital.

(2A) In determining a person's entitlement to a reduction under the scheme, any payment made under the Energy Rebate Scheme 2022 is to be disregarded.

(2B) In determining a person's entitlement to a reduction under the scheme, any payment made in connection with the Homes for Ukraine scheme is to be disregarded.

Class A: pensioners whose income is no greater than the applicable amount

13

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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;

(e) whose income (if any) for the relevant week does not exceed his applicable amount, and

(f) who has made an application.

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

14

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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;

(e) whose income for the relevant week is greater than his applicable amount;

(f) in respect of whom amount A exceeds amount B where--

(i) amount A is the maximum council tax reduction in respect of the day in the applicant's case; and

(ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount, and

(g) who has made an application.

Class C: alternative maximum council tax reduction--pensioners

15

(1) 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;

(e) who has made an application; and

(f) in relation to whom the condition in sub-paragraph (2) is met.

(2) The condition referred to in sub-paragraph (1)(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 incomes, of one or more residents to whom this sub-paragraph applies.

(3) Sub-paragraph (2) 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 (persons disregarded for the purposes of discount), 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.

Class D: persons who are not pensioners whose income is no greater than the applicable amount

16

On any day class D consists of any person who is not 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;

(e) whose income (if any) for the relevant week is less than his applicable amount, and

(f) who has made an application.

(g) any such person identified in 16(a), 16(b), 16(c), 16 (d), 16 (e) and 16(f) shall not be entitled to a council tax reduction if, once calculated, their award would have been less than £1 per week.

Class E: persons who are not pensioners whose income is greater than the applicable amount

17

On any day class E consists of any person who is not 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;

(e) whose income for the relevant week is greater than his applicable amount;

(f) in respect of whom amount A exceeds amount B where--

(i) amount A is the maximum council tax reduction in his 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, and

(g) who has made an application.

(h) any such person identified in 17(a), 17(b), 17(c), 17 (d), 17 (e), 17(f) and 17(g) shall not be entitled to a council tax reduction if, once calculated, their award would have been less than £1 per week

Class F: alternative maximum council tax reduction--persons who are not pensioners

18

(1) On any day class F consists of any person who is not 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 19 (periods of absence from a dwelling), 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 not entitled to a reduction under this scheme;

(e) who has made an application; and

(f) in relation to whom the condition in sub-paragraph (2) is met.

(2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the person in question 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 incomes, of one or more residents to whom this sub-paragraph applies.

(3) Sub-paragraph (2) 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; and

(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 for the reduction 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 for reduction 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.

Periods of absence from a dwelling: pensioners

19

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

(2) In sub-paragraph (1), a "period of temporary absence" means--

(a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as--

(i) the person resides in that accommodation;

(ii) the part of the dwelling in which he usually resided is not let or sub-let; and

(iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

(b) subject to sub-paragraph (2B), a period of absence within Great Britain not exceeding 13

weeks, beginning with the first whole day of absence from the dwelling, where and for so long as--

(i) the person intends to return to the dwelling;

(ii) the part of the dwelling in which he usually resided is not let or sub-let; and

(iii) that period is unlikely to exceed 13 weeks;

(c) subject to sub-paragraph (2D), a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as--

(i) the person intends to return to the dwelling;

(ii) the part of the dwelling in which he usually resided is not let or sub-let;

(iii) the person is a person to whom sub-paragraph (3) applies; and

(iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period; and

(d) subject to sub-paragraphs (2F), (3C), (3E), (3G) and (3I) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as—

(i) the person intends to return to the dwelling;

(ii) the part of the dwelling in which he usually resides is not let or sub-let; and

(iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.

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

(2B) Where—

(a) a person returns to Great Britain after a period of absence from Great Britain (period A);

(b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and

(c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

then any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).

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

(2D) Where—

(a) a person returns to Great Britain after a period of absence from Great Britain (period A);

(b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and

(c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

then, any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(c).

(2E) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) immediately before that period of absence from Great Britain, the person was not absent

from the dwelling.

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

(a) the person's partner or a child or young person for whom the person or the person's partner is responsible;

(b) the person's close relative;

(c) the close relative of the person's partner; or

(d) the close relative of a child or young person for whom the person or the person's partner is responsible,

then the period of 4 weeks in the opening words of sub-paragraph (2)(d) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in sub-paragraph (iii) of that paragraph to a period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).

(3) This sub-paragraph applies to a person who--

(a) is a person to whom sub-paragraph (3A) applies;

(b) is resident in a hospital or similar institution as a patient;

(c) is undergoing, or whose partner or dependent child is undergoing medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

(d) is following a training course;

(e) is undertaking medically approved care of a person;

(f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;

(g) is receiving medically approved care provided in accommodation other than residential accommodation;

(h) is a student;

(i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or

(j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

(3A) This sub-paragraph applies to a person (“P”) who is—

(a) detained in custody on remand pending trial;

(b) detained pending sentence upon conviction; or

(c) as a condition of bail required to reside—

(i) in a dwelling, other than a dwelling P occupies as P's home; or

(ii) in premises approved under section 13 of the Offender Management Act 2007,

and who is not also detained in custody following sentence upon conviction.

(3B) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a member of Her Majesty's forces posted overseas, a mariner or a continental shelf worker;

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3C) Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

(a) the person intends to return to the dwelling;

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

(3D) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of sub-paragraph (3);

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3E) Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

(a) the person intends to return to the dwelling;

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

(3F) This sub-paragraph applies where—

(a) a person is temporarily absent from Great Britain;

(b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of sub-paragraph (3);

(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3G) Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

(a) the person intends to return to the dwelling;

(b) the part of the dwelling in which he usually resided is not let or sub-let;

(c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

(3H) This sub-paragraph applies where—

(a) a person was present in a country or territory immediately before His Majesty's Government—

(i) provided public information to advise British nationals to leave that country or territory, or

(ii) arranged the evacuation of British nationals from that country or territory;

(b) sub-paragraphs (2)(d), (2A), (2C), (2F), (3B), (3D) or (3F) applied to the person when the public information was issued or the evacuation began;

(c) the relevant authority is satisfied that it would be unreasonable to expect the person to return, or have returned, to Great Britain; and

(d) the person did not enter that country or territory when His Majesty's Government's public information was to advise British nationals to leave that country or territory.

(3I) Where sub-paragraph (3H) applies a period of absence not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence.

(3J) Where a person is temporarily absent from Great Britain, except where the circumstances in sub-paragraph (2C) apply, the total period which is to be treated as a period of temporary absence will not exceed 26 weeks.

(4) This sub-paragraph applies to a person who is--

(a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); 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.

(5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release--

(a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;

(b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;

(c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.

(6) In this paragraph—

"continental shelf worker" means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

"designated area" means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

"mariner" means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

(a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and

(b) the contract is entered into in the United Kingdom with a view to its performance (in whole

or in part) while the ship or vessel is on its voyage;

"medically approved" means certified by a medical practitioner;

“member of Her Majesty's forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty's regular forces or reserve forces;

"patient" means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;

“prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;

"residential accommodation" means accommodation which is provided in--

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

(d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

"training course" means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Periods of absence from a dwelling: persons who are not pensioners

19A

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

(2) In sub-paragraph (1), a "period of temporary absence" means--

(a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation 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 that absence, where and for so long as--

(i) the person intends to return to the dwelling;

(ii) the part of the dwelling in which he usually resided is not let or sub-let;

(iii) the person is a person to whom sub-paragraph (3) applies; and

(iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

(3) This sub-paragraph applies to a person who--

(a) is 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 sub-paragraph (1), or

(ii) in premises approved under section 13 of the Offender Management Act 2007,

or is detained in custody pending sentence upon conviction;

(b) is resident in a hospital or similar institution as a patient;

(c) is undergoing, or whose partner or dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

(d) is following, in the United Kingdom or elsewhere, a training course;

(e) is undertaking medically approved care of a person residing in the United Kingdom or elsewhere;

(f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;

(g) is, in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;

(h) is a student;

(i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or

(j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

(4) This sub-paragraph applies to a person who is--

(a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); 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.

(5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release--

(a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he

continues to be absent from the dwelling, despite any return to the dwelling;

(b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;

(c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.

(6) In this paragraph--

"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 in--

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

(d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

"training course" means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Transitional provision

19 B

(1) Subject to paragraph (2), paragraph 19 shall not apply in respect of a person who is temporarily absent from Great Britain on 1st April 2017 until the day that person returns to Great Britain.

(2) Paragraph (1) does not apply to a person who, on 1st April 2017, is temporarily absent from Great Britain and is—

(a) a member of Her Majesty's forces posted overseas;

(b) absent in the capacity of a continental shelf worker; or

(c) absent in the capacity of a mariner.

(3) In this regulation—

“continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

(a) the employment in that capacity is for the purposes of that ship or vessel or its crew or

any passengers or cargo or mails carried by the ship or vessel; and

(b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;

"member of Her Majesty's forces posted overseas" means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the dwelling that the person normally occupies as his home because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty's regular forces or reserve forces; and

"prescribed area" means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

Part 5
Classes of Person Excluded from this Scheme

Classes of person excluded from this scheme

20

The classes of person described in paragraphs 21 to 24 are not entitled to a reduction under this scheme.

Class of person excluded from this scheme: persons treated as not being in Great Britain

21

(1) The class of person described in this paragraph consists of any person treated as not being in Great Britain.

(2) Except where a person falls within sub-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.

(3) A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.

(4) For the purposes of sub-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 16 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.

(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—

(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.

"(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).

(5) A person falls within this sub-paragraph if the person is--

(za) a person granted leave in accordance with the immigration rules made undersection 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—

(i) the Afghan Relocations and Assistance Policy; or

(ii) the previous scheme for locally-employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);

(zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;

(zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act 1, or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—

(i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,

(ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or

(iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

(zf) a person who—

(i) was residing in a country or territory outside Great Britain immediately before His Majesty's Government—

(aa) provided public information to advise British nationals to leave that country or territory, or

(bb) arranged the evacuation of British nationals from that country or territory;

(ii) has left that country or territory and is present in Great Britain; and

(iii) has—

(aa) a right of abode in the United Kingdom within the meaning given in section 2 of the Immigration Act 1971 (c.77, Section 2 was substituted by section 39(2) of the British Nationality Act 1981 (c. 61) and amended by S.I. 2019/745),

(bb) no requirement of leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act (Section 3ZA was inserted by section 2(2) of the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (c. 20)),

(cc) leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of that Act, or

(dd) leave on a discretionary basis outside of rules made under section 3(2) of that Act; or

(zg) a person who, as part of a safe and legal humanitarian immigration route, has leave to enter or remain in the United Kingdom in accordance with immigration rules made under section 3(2) of the Immigration Act 1971 or leave on a discretionary basis outside of rules;

(a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;

(b) a family member of a person referred to in paragraph (a);

(c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;

(ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;

(cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;

(cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971;

(d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;

(e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971;

(f) a person who has humanitarian protection granted under those rules;

(g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;

(h) in receipt of income support or on an income-related employment and support allowance;

(ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4); or

(hb) in receipt of universal credit.

(5A) Paragraph (5)(zf) does not apply after the expiry of 6 months beginning on the day on which the public information is issued, or the evacuation is started.

(6) A person falls within this sub-paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.

(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.

(8) In this paragraph--

"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 national" has the meaning given in regulation 2(1) of the EEA Regulations;

"EEA Regulations" means the Immigration (European Economic Area) Regulations 2016 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;

"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);

"Her Majesty's forces" has the same meaning as in the Armed Forces Act 2006;

"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.

Transitional Provision

(1) Paragraph (ha) 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 (2) occurs.

(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.

(3) In this regulation "the Act" means the Local Government Finance Act 1992.

Class of person excluded from this scheme: persons subject to immigration control

22

(1) Subject to paragraph (1A), persons subject to immigration control are not entitled to a reduction

under this scheme.

(2) "Person subject to immigration control" has the meaning given in section 115(9) of the Immigration and Asylum Act 1999.

Class of person excluded from this scheme: capital limit

23

(1) The class of person described in this paragraph consists of any pensioner whose capital limit exceeds £16,000 and of any person who is not a pensioner whose capital exceeds £10,000.

(2) Capital for the purposes of sub-paragraph (1) is to be calculated in accordance with Part 10 of this scheme.

Class of person excluded from this scheme: students

24

The class of person described in this paragraph consists of any student to whom paragraph 75(1) applies (except to the extent that a student may be entitled to an alternative maximum council tax reduction by virtue of paragraph 18).

Part 6
Applicable Amounts

Applicable amounts: pensioners

25

(1) The applicable amount for a pensioner for a week is the aggregate of such of the following amounts as apply in his case--

(a) an amount in respect of his personal allowance, determined in accordance with paragraph 1 of Schedule 2 (personal allowance);

(b) an amount determined in accordance with paragraph 2 of that Schedule in respect of children or young persons who are members of his family;

(c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of that Schedule (family premium);

(d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums).

(2) In Schedule 2--

"additional spouse" means a spouse of either party to the marriage who is additional to the other party to the marriage;

"patient" means 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

regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

Transitional provision

25A

(1) This paragraph 25A applies where—

(a) on 31st March 2018, a person 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 Local Government Finance Act 1992 (“a section 13A(2) scheme”); and

(b) the person is, or the person and the person's partner are between them, responsible for more than two individuals who are either children or young persons and who are members of the same household (each such individual is referred to as a “protected individual”).

(2) Where this paragraph 25A applies, paragraph 25 does not apply to the person entitled to a council tax reduction referred to in paragraph (1) until—

(a) the person makes a new application for a reduction under an authority's section 13A(2) scheme; or

(b) the person or the person's partner (if any) becomes responsible for a new individual,

whichever is the first to occur.

(3) Paragraphs (4) to (8) apply where—

(a) the provisions of paragraph 25 apply by virtue of paragraph (2)(b);

(b) the child tax credit provisions do not apply; and

(c) the person has not made a new application for a reduction under an authority's scheme for a reduction under an authority's section 13A(2) scheme.

(4) Notwithstanding the default provisions, a child amount shall be included in the applicable amount in relation to any protected individual, in relation to any time when the person or the person's partner (if any) is responsible for the individual and the individual is a member of the same household.

(5) Paragraph (6) applies where—

(a) the person or the person's partner (if any) is responsible for one or more protected individuals who are members of the same household; and

(b) either of them is responsible for one or more new individuals who are members of the same household.

(6) Where this paragraph applies, any protected individual for whom the person or the person's partner is responsible is to be counted for the purpose of deciding whether, under the default provisions, an additional child amount is to be included in the applicable amount with respect to the new individual or individuals referred to in paragraph (5)(b).

(7) Paragraph (8) applies where—

(a) the number of protected individuals for whom either the person or the person's partner (if any) is responsible, and who are members of the same household, is one;

(b) the number of new individuals for whom either the person or the person's partner is responsible, and who are

members of the same household, is two or more; and

(c) a different child amount would apply to different individuals.

(8) Where this paragraph applies, the child amounts to be included in the applicable amount shall be—

(a) the child amount in relation to the protected individual; and

(b) a child amount in relation to such one of the new individuals as will result in the greatest possible total amount.

(9) Under paragraph (3), for the purposes of determining whether the child tax credit provisions apply, by virtue of paragraph 6(1B) of Schedule 1 to the 2012 Regulations, where the person or the person's partner is responsible for one or more protected individuals, the total amount that would be included in the applicable amount under the default provisions shall be taken to be the total that would be included under paragraphs (4), (6) and (8).

(10) For the purposes of this part—

(a) “the 2012 Regulations” means the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;

(b) “applicable amount”, “child”, “partner” and “young person” have the same meanings as in the 2012 Regulations;

(c) “child amount” means the amount determined under paragraph 2 of Schedule 2 to the 2012 Regulations;

(d) “child tax credit provisions” means the provisions of paragraph 6(1)(b) of Schedule 1 to the 2012 Regulations (as substituted by paragraph 6(1C) of that Schedule);

(e) “default provisions” means the provisions of paragraph 6(1)(b) of Schedule 1 to the 2012 Regulations (as substituted by paragraph 6(1C) of that Schedule);

(f) “new individual” means a child or young person who is not a protected individual;

(g) any reference to an individual being part of the same household means being part of the same household with the person who is entitled to a reduction under an authority's section 13A(2) scheme and the person's partner (if any);

(h) a person is to be treated as responsible for a child or young person in the circumstances set out in regulation 7 of the 2012 Regulations.

Applicable amounts: persons who are not pensioners

26

(1) Subject to paragraphs 27 and 28, the applicable amount for a week for a person who is not a pensioner is the aggregate of such of the following amounts as may apply in his case--

(a) an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 3;

(b) an amount in respect of any child or young person who is a member of his family, determined in accordance with paragraph 3 of that Schedule;

(c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of that Schedule (family premium);

(d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums);

(e) the amount of the support component which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);

(f) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

(2) In Schedule 3--

"additional spouse" means a spouse of either party to the marriage who is additional to the other party to the marriage;

"converted employment and support allowance" means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008;

"patient" means 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 regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

Polygamous marriages: persons who are not pensioners

27

(1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.

(2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in his case--

(a) the amount applicable to him and one of his partners determined in accordance with paragraph 1(3) of Schedule 3 as if he and that partner were a couple;

(b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of that Schedule in respect of each of his other partners;

(c) an amount determined in accordance with paragraph 2 of that Schedule (main phase employment and support allowance) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;

(d) if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of that Schedule (family premium);

(e) the amount of any premiums which may be applicable to him determined in accordance with Parts 3 and 4 of that Schedule (premiums);

(f) the amount of the support component which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);

(g) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

Applicable amount: persons who are not pensioners who have an award of universal credit

28

(1) Subject to sub-paragraph (2), in determining the applicable amount for a week of an applicant who is not a pensioner--

(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 maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).

(2) In determining the applicable amount for a week of an applicant who is a member of a polygamous marriage, the fact that two people are husband and wife is to be disregarded if--

(a) one of them is a party to an earlier marriage that still subsists; and

(b) the other party to that earlier marriage is living in the same household.

(3) The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.

(4) In this paragraph "maximum amount" means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012.

Part 7
Maximum Council Tax Reduction for the Purposes of Calculating Eligibility for a Reduction Under this Scheme and Amount of Reduction

Maximum council tax reduction amount under this scheme: pensioners and persons who are not pensioners

29

(1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is—

(a) 100 per cent of the amount A/B if the applicant is a pensioner;

(b) save as excepted for at (c) to (e) below, 80.2 per cent of the amount A/B if the applicant is a person who is not a pensioner;

(c) 100 per cent of the amount A/B if the applicant is not a pensioner but is in receipt of any of the following--

(i) Attendance Allowance including Constant Attendance Allowance;

(ii) Disability Living Allowance including Care and Mobility components;

(iii) Severe Disablement Allowance including Exceptionally Severe Disablement Allowance;

(iv) Mobility Allowance and Supplement;

(v) Long Term Rate Incapacity Benefit;

(vi) Working Tax Credits – Disability element;

(vii) Personal Independence Payment;

(viii) Armed Forces Independence Payment;

(ix) Support component of Employment and Support Allowance

(d) 100 per cent of the amount A/B if the applicant is not a pensioner but is responsible for a disabled child or young person of the same household and where the applicant is in receipt of any of the following premiums--

(i) Disability Premium;

(ii) Disabled Child Premium;

(iii) Enhanced Disability Premium;

(iv) Enhanced Disability Child Premium;

(v) Carer Premium;

(vi) Severe Disability Premium

(e) 100 per cent of the amount A/B if the applicant is not a pensioner but is responsible for a child or young person in the same household

where--

(A) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(B) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non-dependant deductions: pensioners and persons who are not pensioners).

(2) In calculating a person's maximum council tax reduction under this scheme 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 (other than a reduction under this scheme), is to be taken into account.

(3) Subject to sub-paragraph (4), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons, in determining the maximum council tax reduction in his case in accordance with sub-paragraph (1), the amount A is to be divided by the number of persons who are jointly and severally liable for that tax.

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

(5) The reference in sub-paragraph (3) to a person with whom an applicant is jointly and severally liable for council tax, where the applicant is a person who is not a pensioner, does not include a student to whom paragraph 75(1) (entitlement of students to a reduction under this scheme) applies.

(6) In this paragraph "relevant financial year" means, in relation to any particular day, the financial year within which the day in question falls.

Non-dependant deductions: pensioners

30

(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29 are--

(a) in respect of a non-dependant aged 18 or over in remunerative work, £15.95 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £5.20 x 1/7.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is--

(a) less than £279.00, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);

(b) not less than £279.00 but less than £485.00, the deduction to be made under this paragraph is £10.60 x 1/7;

(c) not less than £485.00 but less than £605.00, the deduction to be made under this paragraph is £13.30 x 1/7.

(3) Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) 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 is to be deducted.

(4) In applying the provisions of sub-paragraph (2) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.

(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 of the 1992 Act (liability of spouses and civil partners); and

(c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

the deduction in respect of that non-dependant must be apportioned equally between those liable persons.

(6) No deduction is to be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is--

(a) severely sight-impaired or blind or treated as such by virtue of by virtue of sub-paragraphs (12) or (13) below; or

(b) receiving in respect of himself--

(i) attendance allowance, or would be receiving that allowance but for--

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(bb) an abatement as a result of hospitalisation; or

(ia) pension age disability payment, or would be receiving that payment but for the application of regulation 20 (effect of admission to hospital on ongoing entitlement to Pension Age Disability Payment) of the Disability Assistance for Older People (Scotland) Regulations 2024; or

(ii) the care component of the disability living allowance, or would be receiving that component but for--

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(bb) an abatement as a result of hospitalisation; or

(iia) the care component of Scottish Adult Disability Living Allowance or would be receiving that payment but for the application of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025; or

(iii) 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);

(iiia) the daily living component of adult disability payment, or would be receiving that component but for the application of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations; or

(iv) 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.

(7) No deduction is to 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 youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

(c) he is a full-time student within the meaning of Part 11 (students); or

(d) he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes--

(i) "patient" has the meaning given in paragraph 19(6), and

(ii) 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 is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods; or

(e) he is not residing with the applicant because he is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006) who is absent, while on operations, from the dwelling usually occupied as their home.

(8) No deduction is to be made in respect of a non-dependant--

(a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers; or

(c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.

(9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant's weekly gross income--

(a) any attendance allowance, pension age disability payment, disability living allowance, Scottish Adult Disability Living Allowance, child disability payment, personal independence payment, adult disability 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, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme; the National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme or the Independent Living Fund (2006) which are paid as income in kind (see sub-paragraph (13)); and

(ba) any of the following payments which are paid as income in kind—
(i) any Grenfell Tower support payment;
(ii) any historical child abuse payment;
(iii) any Windrush payment;
(iv) any Post Office compensation payment;
(v) any vaccine damage payment;
(vi) any LGBT Financial Recognition Scheme payment;
(vii) any miscarriage of justice compensation payment;

(c) the payments set out in sub-paragraph (10).

(10) The payments mentioned in sub-paragraph (9) are—

(a) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an ap- proved blood scheme, the London Emergencies Trust, the We Love Manchester

Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme or the Independent Living Fund (2006);

(aa) any Grenfell Tower support payment;

(ab) any historical child abuse payment;

(ac) any Windrush payment;

(ad) any Post Office compensation payment;

(ae) any vaccine damage payment;

(af) any payment out of the estate of a person to that person's son, daughter, step-son or step-daughter, which derives from a payment to meet the recommendation of the Infected Blood Inquiry in its interim report published on 29th July 2022 made under or by the Scottish Infected Blood Support Scheme or an approved blood scheme;

(ag) any payment out of the estate of a person, which derives from a payment made under or by the Scottish Infected Blood Support Scheme or an approved blood scheme to the estate of the person as a result of that person having been infected from contaminated blood products;

(ah) any LGBT Financial Recognition Scheme payment;

(ai) any miscarriage of justice compensation payment;

(b) 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 paragraph (a) refers or from a Grenfell Tower support payment and which is made to or for the benefit of—

(i) 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;

(ii) 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

(iii) 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;

(c) 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 paragraph (a) refers or from a Grenfell Tower support payment and which is made to or for the benefit of—

(i) the person who is suffering from haemophilia or who is a qualifying person;

(ii) 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

(iii) 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;

(d) 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 paragraph (a) refers or from a Grenfell Tower support payment, where—

(i) 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

(ii) the payment is made either—

(aa) to that person's parent or step-parent, or

(bb) 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;

(e) 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 paragraph (a) refers or from a Grenfell Tower support payment, where—

(i) 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

(ii) the payment is made either—

(aa) to that person's parent or step-parent, or

(bb) 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;

(f) in the case of a person to whom or for whose benefit a payment referred to in this sub-paragraph is made, any income which derives from—

(i) any payment of income or capital made under or deriving from any of the Trusts referred to in paragraph (a); or

(ii) a Grenfell Tower support payment;.

(g) any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disability was caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

(11) An applicant or his partner is severely sight-impaired or blind or treated as such for the purposes of sub-paragraph (6)(a) if the applicant or his partner—

(a) is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014]; or

(b) is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults); or

(c) in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994.

(11A) For the purposes of sub-paragraph (8), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

(12) For the purposes of sub-paragraph (11), a person who has ceased to be registered as severely sight-impaired or blind on regaining his eyesight is nevertheless to be treated as such for a period of 28 weeks following the date on which he ceased to be so registered.

(12) The reference in sub-paragraph (9)(b) and (ba) 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.

Non-dependant deductions: persons who are not pensioners

30A

(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29 are--

(a) in respect of a non-dependant aged 18 or over in remunerative work, the figures as provided for at 30 (1) (a) above;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, the figures as provided for at 30 (1) (b) above.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is--

(a) less than the figures as provided for at 30 (2) (a) above, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);

(b) in accordance with the figures as provided for at 30 (2) (b) above;

(c) in accordance with the figures as provided for at 30 (2) (c) above.

(3) Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) 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 is to be deducted.

(4) In applying the provisions of sub-paragraph (2) in the case of a couple or, as the case may be, a polygamous marriage, regard must be had, for the purpose of that sub-paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.

(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 of the 1992 Act (liability of spouses and civil partners); and

(c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

the deduction in respect of that non-dependant must be apportioned equally between those liable persons.

(6) No deduction is to 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 10 of Schedule 3 (additional condition for the disability premium); or

(b) receiving in respect of himself--

(i) attendance allowance, or would be receiving that allowance but for--

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(bb) an abatement as a result of hospitalisation; or

(ii) the care component of the disability living allowance, or would be receiving that component but for--

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(bb) an abatement as a result of hospitalisation; or

(iii) 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); or

(iiia) the daily living component of adult disability payment; or

(iv) 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;

(v) the daily living component of Adult Disability Payment. Or would be receiving that allowance but for a suspension of benefit in accordance with regulations under regulation 28 (effect of admission to hospital on ongoing entitlement) of the DAWAP Regulations.

(7) No deduction is to 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 youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

(c) he is a full-time student within the meaning of Part 11 (students); or

(d) he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes--

(i) "patient" has the meaning given in paragraph 19(6), and

(ii) 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 is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.

(8) No deduction is to be made in respect of a non-dependant--

(a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance; or

(b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers.

(9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant's weekly gross income--

(a) any attendance allowance, disability living allowance, child disability payment, personal independence payment, adult disability 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, the Windrush Compensation Scheme, the National Emergencies Trust, We love Manchester Emergency Fund, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under

paragraph 28 of Schedule 8 (income in kind); and

(ba) any Grenfell Tower support payment which is paid as income in kind.

(bb) any historical child abuse payment;

(bc) any Windrush payment;

(c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

(d) Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purposes of giving relief and assistance to a disabled person whose disability was caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

Part 8
Alternative Maximum Council Tax Reduction for the Purposes of Calculating Eligibility for a Reduction Under this Scheme and Amount of Reduction

Alternative maximum council tax reduction under this scheme: pensioners and persons who are not pensioners

31

(1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council tax reduction: pensioners) or 18 (alternative maximum council tax reduction: persons who are not pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).

(2) Subject to sub-paragraph (3), 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, in determining the alternative maximum council tax reduction in his case, the amount determined in accordance with Schedule 4 must be divided by the number of persons who are jointly and severally liable for that tax.

(3) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9 of the 1992 Act (liability of spouses and civil partners), sub-paragraph (2) does not apply in his case.

Part 9
Amount of Reduction Under this Scheme

Amount of reduction under this scheme: Classes A to F

32

(1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.

(2) Where the person is within class A or D, that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.

(3) Where the person is within class B or E, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 14(f) or 17(f), as the case may be.

(4) Where the person is within class C or F, that amount is the amount which is the alternative maximum council tax reduction in respect of the day in the applicant's case.

(5) Sub-paragraph (6) applies where both--

(a) sub-paragraph (2) or sub-paragraph (3), and

(b) sub-paragraph (4),

apply to a person.

(6) The amount of the reduction to which the person is entitled is whichever is the greater of--

(a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and

(b) the amount of the reduction given by sub-paragraph (4).

(6A) In determining the amount of any reduction to which a person is entitled, any payment made under the Energy Rebate Scheme 2022 is to be disregarded.

(6B) In determining the amount of any reduction to which a person is entitled, any payment made in connection with the Homes for Ukraine scheme is to be disregarded.

Part 10
Income and Capital for the Purposes of Calculating Eligibility for a Reduction Under this Scheme and Amount of Reduction

Chapter 1
Income and Capital: General

Calculation of income and capital: applicant's family and polygamous marriages

33

(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.

(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.

(3) Except where paragraph 37 applies, 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.

Circumstances in which income and capital of non-dependant is to be treated as applicant's

34

(1) Sub-paragraph (2) applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependant has more income and capital than the applicant.

(2) Except where--

(a) the applicant is a pensioner and is on a guarantee credit, or

(b) the applicant is not a pensioner and is on income support, an income-based jobseeker's

allowance or an income-related employment and support allowance,

the authority must treat the applicant as possessing income and capital belonging to that non-dependant and, in such a case, any income and capital which the applicant does possess is to be disregarded.

(3) Where an applicant is treated as possessing income and capital belonging to a non-dependant under sub-paragraph (2) the income and capital of that non-dependant must be calculated in accordance with the following provisions of this Part in like manner as for the applicant and, except where the

context otherwise requires, any reference to the "applicant" is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

Chapter 2
Income and Capital: Pensioners in Receipt of Guarantee Credit or Savings Credit

Applicant in receipt of guarantee credit: pensioners

35

In the case of an applicant who is a pensioner and who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of his capital and income must be disregarded.

Calculation of applicant's income and capital in savings credit only cases: pensioners

36

(1) In determining the income and capital of an applicant who is a pensioner and who has, or whose partner has, an award of state pension credit comprising only the savings credit, subject to the following provisions of this paragraph, the authority must use the calculation or estimate of the applicant's or as the case may be, the applicant's partner's income and capital made by the Secretary of State for the purpose of determining the award of state pension credit.

(2) Where the calculation or estimate provided by the Secretary of State includes the amount taken into account in that determination in respect of net income, the authority may only adjust that amount so far as necessary to take into account--

(a) the amount of any savings credit payable;

(b) in respect of any dependent children of the applicant, child care charges taken into account under paragraph 57(1)(c) (calculation of income on a weekly basis);

(c) the higher amount disregarded under this scheme in respect of--

(i) lone parent's earnings; or

(ii) payments of maintenance, whether under a court order or not, which is made or due to be made by--

(aa) the applicant's former partner, or the applicant's partner's former partner; or

(bb) the parent of a child or young person where that child or young person is a member of the applicant's family except where that parent is the applicant or the applicant's partner;

(d) any amount to be disregarded by virtue of paragraph 10(1) of Schedule 5 (sums disregarded from applicant's earnings: pensioners);

(e) the income and capital of any partner of the applicant who is treated as a member of the applicant's household under paragraph 8, to the extent that it is not taken into account in determining the net income of the person claiming state pension credit;

(f) paragraph 34 (circumstances in which capital and income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;

(g) 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);

(h) any amount to be disregarded by virtue of paragraph 6 of Schedule 5 (exempt work).

(3) Paragraphs 39 to 46 (calculation of income: pensioners) and 57 to 61 (calculation of income: pensioners and persons who are not pensioners) do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).

(4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 63, 65 to 68 and 70 (calculation of capital: pensioners).

(5) This sub-paragraph applies if--

(a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines his capital as being £16,000 or less;

(b) subsequent to that determination the applicant's capital rises to more than £16,000; and

(c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002.

Chapter 3
Income and Capital Where there is an Award of Universal Credit

Calculation of income and capital: persons who are not pensioners who have an award of universal credit

37

(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 amount 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.

(2) The authority must adjust the amount of the income referred to in sub-paragraph (1) by multiplying the amount by 12 and dividing the product by 52.

(3) The authority may only adjust the amount of the income as adjusted in accordance with sub-paragraph (2) so far as necessary to take into account--

(a) the amount of the award of universal credit, determined in accordance with sub-paragraph (3);

(b) paragraph 34 (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;

(c) 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).

(4) The amount for the award of universal credit to be taken into account for the purposes of sub-paragraph (3)(a) is to be determined by multiplying the amount of the award of universal credit by 12 and dividing the product by 52.

(5) Paragraph 34 (income and capital of non-dependant to be treated as applicant's) applies for the purpose of determining any adjustments which fall to be made to the figure for income under sub-paragraph (3).

(6) 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 the award of universal credit.

Chapter 4
Income: Other Pensioners

Calculation of income and capital where state pension credit is not payable: pensioners

38

Where neither paragraph 35 (applicant in receipt of guarantee credit: pensioners) nor 36 (applicant in receipt of savings credit only: pensioners) applies in the applicant's case, his income and capital is to be calculated or estimated in accordance with paragraphs 39 to 46 and 57 to 62 (calculation of income) and Chapter 7 of this Part (calculation of capital).

Meaning of "income": pensioners

39

(1) For the purposes of classes A to C in this scheme, "income" means income of any of the following descriptions--

(a) earnings;

(b) working tax credit;

(c) retirement pension income within the meaning of the State Pension Credit Act 2002;

(d) income from annuity contracts (other than retirement pension income);

(e) a war disablement pension or war widow's or widower's pension;

(f) a foreign war disablement pension or war widow's or widower's pension;

(g) a guaranteed income payment;

(h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, in any case where article 31(2)(c) applies;

(i) income from capital other than capital disregarded under Part 1 of Schedule 9;

(j) social security benefits, other than retirement pension income or any of the following benefits--

(zi) universal credit;

(i) disability living allowance;

(ii) personal independence payment;

(iia) adult disability payment;

(iii) an AFIP;

(iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);

(v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of that Act (increase for exceptionally severe disablement);

(vi) child benefit;

(vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);

(viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of that Act (increases for dependants);

(ix) any--

(aa) social fund payment made under Part 8 of the SSCBA (the social fund), or

(bb) occasional assistance;

(x) Christmas bonus payable under Part 10 of that Act (Christmas bonus for pensioners);

(xi) housing benefit;

(xii) council tax benefit;

(xiii) bereavement support payment under section 30 of the Pensions Act 2014;

(xiv) statutory sick pay;

(xv) statutory maternity pay;

(xvi) statutory paternity pay payable under Part 12ZA of the SSCBA;

(xvia) statutory shared parental pay payable under Part 12ZC of the SSCBA;

(xvib) statutory parental bereavement pay under Part 12ZD of that Act;

(xvic) statutory neonatal care pay under Part 12ZE of that Act;

(xviii) statutory adoption pay payable under Part 12ZB of that Act (statutory adoption pay);

(xix) [omitted]

(xx) carer's allowance supplement payable under section 81 of the Social Security (Scotland) Act 2018;

(xxi) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;

(xxii) funeral expense assistance given in accordance with section 34 of that Act;

(xxiii) any Scottish child payment assistance given in accordance with section 79 of that Act;

(xxiv) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;

(xxv) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018;

(xxvi) winter heating assistance given in accordance with regulations under section 30 of that Act;

(xxvii) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;

(k) all foreign social security benefits which are similar to the social security benefits mentioned above;

(l) a payment made--

(i) under article 30 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (award for children who have reached the child's age limit), in any case where article 30(1)(b) applies; or

(ii) under article 12(8) of that Order (unemployability allowances: children who have reached the child's age limit), in any case where sub-paragraph (b) of that article applies;

(m) a pension paid by a government to victims of National Socialist;

(n) payments under a scheme made under the Pneumoconiosis etc (Worker's Compensation) Act 1979;

(o) payments made towards the maintenance of the applicant by his spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by his spouse, civil partner, former spouse or former civil partner, including payments made--

(i) under a court order;

(ii) under an agreement for maintenance; or

(iii) voluntarily;

(p) payments due from any person in respect of board and lodging accommodation provided by the applicant;

(q) royalties or other sums paid as a consideration for the use of, or the right to use, any copy- right, design, patent or trade mark;

(r) 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;

(s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;

(t) any sum payable by way of pension out of money provided under--

(i) the Civil List Act 1837,

(ii) the Civil List Act 1937,

(iii) the Civil List Act 1952,

(iv) the Civil List Act 1972, or

(v) the Civil List Act 1975;

(u) any income in lieu of that specified in paragraphs (a) to (r);

(v) any payment of rent made to an applicant who--

(i) owns the freehold or leasehold interest in any property or is a tenant of any property;

(ii) occupies part of the property; and

(iii) has an agreement with another person allowing that person to occupy that property on pay- ment of rent;

(w) any payment made at regular intervals under an equity release scheme;

(x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.

(2) Where the payment of any social security benefit referred to in sub-paragraph (1), or retirement pension income to which section 16(1)(za) to (e) f the State Pension Credit Act 2002 applies, is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit 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 sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(4) The adjustments specified in this sub-paragraph are those made in accordance with--

(a) the Social Security (Overlapping Benefits) Regulations 1979;

(b) the Social Security (Hospital In-Patients) Regulations 1975;

(c) section 30DD or section 30E of the SSCBA (reductions in incapacity benefit in respect of pensions and councillor's allowances);

(d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and sup- port allowance in respect of pensions and councillor's allowances) and regulations made under it;

(e) section 14 of the Pensions Act 2014 (pension sharing: reduction in sharer's section 4 pension);

(f) section 45B or 55B of the Social Security Contributions and Benefits Act 1992 (reduction in additional pension in Category A retirement pension and shared additional pension: pension sharing).

(g) regulation 16(2) of the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023.

(5) In sub-paragraph (1)(w), "equity release scheme" means a loan--

(a) made between a person ("the lender") and the applicant;

(b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and

(c) which is secured on a dwelling in which the applicant owns an estate or interest and which he occupies as his home.

Calculation of weekly income: pensioners

40

(1) Except in a case within sub-paragraph (2), (3A), or (4A) or (5), for the purposes of calculating the weekly income of an applicant who is a pensioner, where the period in respect of which a payment is made--

(a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;

(b) exceeds a week, the amount to be included in the applicant's weekly income is to 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 a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;

(iii) in a case where that period is a year, by dividing the amount of the payment by 52;

(iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.

(2) Sub-paragraph (3) applies where--

(a) the applicant's regular pattern of work is such that he does not work the same hours every week; or

(b) the amount of the applicant's income fluctuates and has changed more than once.

(3) The weekly amount of that applicant's income is to be determined--

(a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or

(b) in any other case, on the basis of--

(i) the last two payments if those payments are one month or more apart;

(ii) the last four payments if the last two payments are less than one month apart; or

(iii) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.

(3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

(a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or

(c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.

(4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.

(4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—

(a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or

(c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.

(5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that payment is to be treated as if made in respect of a period of a year.

(6) This sub-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;

(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; and

(c) any payment which is made on an occasional basis.

(7) The period under which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(8) Where payments are made in a currency other than Sterling, the value of the payment is to be determined by taking the Sterling equivalent on the date the payment is made.

(9) The sums specified in Schedule 5 are to be disregarded in calculating--

(a) the applicant's earnings; and

(b) any amount to which sub-paragraph (6) applies where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book or work referred to in sub-paragraph (6)(b).

(10) For the purposes of sub-paragraph (9)(b), and for that purpose only, the amounts specified in sub-paragraph (6) is to be treated as though they were earnings.

(11) Income specified in Schedule 6 is to be disregarded in the calculation of the applicant's income.

(12) Schedule 9 (capital disregards: pensioners) has effect so that--

(a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and

(b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 71 (calculation of tariff income from capital: pensioners).

(13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

Earnings of employed earners: pensioners

41

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner who is a pensioner, means 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;

(d) any holiday pay;

(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--

(i) travelling expenses incurred by the applicant between his home and 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;

(g) 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;

(h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;

(i) statutory paternity pay payable under Part 12ZA of that Act;

(ia) statutory shared parental pay payable under Part 12ZC of the SSCBA;

(j) statutory adoption pay payable under Part 12ZB of that Act;

(ja) statutory shared parental pay under Part 12ZC of that Act;

(jb) statutory parental bereavement pay under Part 12ZD of that Act;

(jc) statutory neonatal care pay under Part 12ZE of that Act;

(l) statutory adoption pay payable under Part 12ZB of that Act;

(m) any sums payable under a contract of service—

(i) for incapacity for work due to sickness or injury; or

(ii) by reason of pregnancy or confinement.

(2) Earnings does not include--

(a) subject to sub-paragraph (3), any payment in kind;

(b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;

(c) any occupational pension;

(d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;

(e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996 in respect of unfair dismissal or unlawful discrimination;

(f) any payment in respect of expenses arising out of the applicant participating as a service user.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(g).

Calculation of net earnings of employed earners: pensioners

42

(1) For the purposes of paragraph 57 (calculation of income on a weekly basis), the earnings of an applicant who is a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 40(5) and Schedule 5 (sums to be disregarded from earnings: pensioners), be his net earnings.

(2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) 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 SSCBA;

(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 sub-paragraph (4) 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, statutory shared parental pay, statutory parental bereavement pay, statutory neonatal care pay, or statutory adoption pay, any amount deducted from 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 un- der the SSCBA.

(3) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to 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.

(5) Where the earnings of an applicant are determined under paragraph 40(2)(b) (calculation of weekly income: pensioners) his net earnings is to 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 reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate,

or the Scottish basic rate, of tax is to be applied and the amount of the personal reliefs deductible under this sub- paragraph is to 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 SSCBA 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.

Calculation of earnings of self-employed earners: pensioners

43

(1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self-employed earner, the weekly amount of his earnings is to be determined by reference to his average weekly earnings from that employment--

(a) over a period of one year; or

(b) where the applicant has recently become engaged in that employment or there has been a change which is likely to affect the normal pattern of business, over such other period ("computation period") as may, in the particular case, enable the weekly amount of his earnings to be determined more accurately.

(2) For the purposes of determining the weekly amount of earnings of an applicant to whom sub-paragraph (1)(b) applies, his earnings over the computation period are to be divided by the number equal to the number of days in that period and the product multiplied by 7.

(3) The period over which the weekly amount of an applicant's earnings is calculated in accordance with this paragraph is to be his assessment period.

Earnings of self-employers earners: pensioners

44

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner who is a pensioner, means the gross income of the employment.

(2) "Earnings" in the case of employment as a self-employed earner does not include--

(a) where an applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation for which payment is made, those payments;

(b) any payment made by a local authority to an applicant--

(i) with whom a person is accommodated by virtue of arrangements made under section 22C of the Children Act 1989 or, as the case may be, section 26 or 26A of the Children (Scotland) Act 1995 or in Wales placed with the applicant or the applicant's partner by a local authority under section 81 of the Social Services and Well-being (Wales) Act 2014; or

(ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009 or who is a kinship carer under those Regulations;

(c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);

(d) any payment made to the applicant or his partner for a person ("the person concerned") who is not normally a member of the applicant's household but is temporarily in his care, by--

(i) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(ii) a voluntary organisation;

(iii) the person concerned where the payment is for the provision of accommodation in respect of the meeting of that person's needs under section 18 or 19 of the Care Act 2014 (duty and

power to meet needs for care and support);

(iv) NHS England or an integrated care board established under Chapter A3 of Part 2 of the National Health Service Act 2006;

(v) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006; or

(vi) the persons concerned where the payment is for the provision of accommodation to meet that person's needs for care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult);

(da) any payment or part of a payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person ("A") which A passes on to the applicant where A—

(i) was formerly in the applicant's care;

(ii) is aged 16 or over; and

(iii) continues to live with the applicant;

(db) any payments made to an applicant under section 73(1)(b) of the Children and Young People (Scotland) Act 2014 (kinship care assistance: further provisions);

(e) any sports award.

Notional income: pensioners

45

(1) An applicant who is a pensioner is to be treated as possessing--

(a) subject to sub-paragraph (2), the amount of any retirement pension income--

(i) for which no claim has been made; and

(ii) to which he might expect to be entitled if a claim for it were made;

(b) income from an occupational pension scheme which the applicant elected to defer.

(2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred--

(a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;

(b) a shared additional pension payable under section 55A or 55AA of the SSCBA;

(c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965;

(d) a state pension under Part 1 of the Pensions Act 2014.

(3) For the purposes of sub-paragraph (2), entitlement has been deferred--

(a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;

(b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA;

(c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965;

(d) in the case of a state pension under Part 1 of the Pensions Act 2014, in the circumstances specified in section 17(7) and (8) of that Act.

(4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit--

(a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;

(b) fails to purchase an annuity with the funds available in that scheme; and

(c) either--

(i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or

(ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or

(iii) income withdrawal is not available to him under that scheme.

(5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.

(6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the rate of the annuity which may have been purchased with the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).

(8) In sub-paragraph (4), "money purchase benefits" has the same meaning as in the Pension Schemes Act 1993.

(9) Subject to sub-paragraphs (10), (11A), (11B) and (12), a person is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under this scheme or increasing the amount of the reduction.

(10) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension or benefit where a person, having made an election in favour of that increase of pension or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.

(11) In sub-paragraph (10), "lump sum" means a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005.

(11A) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension under section 8(2) of the Pensions Act 2014, alters that choice in accordance with Regulations made under section 8(7) of that Act in favour of a lump sum.

(11B) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension in accordance with Regulations made under section 10 of the Pensions Act 2014, which include provision corresponding or similar to section 8(2) of that Act, alters that choice in favour of a lump sum, in accordance with Regulations made under section 10 of that Act, which include provision corresponding or similar to Regulations made under section 8(7) of that Act.

(11C) In sub-paragraph (11A), “lump sum” means a lump sum under section 8 of the Pensions Act 2014.

(11D) In sub-paragraph (11B), “lump sum” means a lump sum under Regulations made under section 10 of the Pensions Act 2014 which include provision corresponding or similar to section 8 of that Act.

(12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or

earnings of an employed earner, arising out of the applicant participating as a service user.

(13) Where an applicant is in receipt of any benefit 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 must 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 selects to apply, to the date on which the altered rate is to take effect.

(14) In the case of an applicant who has, or whose partner has, an award of state pension credit comprising only the savings credit, where the authority treats the applicant as possessing any benefit at the altered rate in accordance with sub-paragraph (13), the authority must--

(a) determine the income and capital of that applicant in accordance with paragraph 36(1) (calculation of applicant's income in savings credit only cases: pensioners) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter; and

(b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the relevant authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

(15) For the purposes of sub-paragraph (9), a person is not to be regarded as depriving himself of income where--

(a) his rights to benefits under a registered pension scheme are extinguished and in consequence of this he receives a payment from the scheme, and

(b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004.

(16) In sub-paragraph (15), "registered pension scheme" has the meaning given in section 150(2) of the Finance Act 2004.

Income paid to third parties: pensioners

46

(1) Any payment of income, other than a payment specified in sub-paragraph (2) or (3), to a third party in respect of an applicant who is a pensioner is to be treated as possessed by the applicant.

(2) Sub-paragraph (1) does not apply in respect of a payment of income made 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--

(a) 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;

(b) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(c) the person referred to in paragraph (a) and his partner does not possess, or is not treated as possessing, any other income apart from that payment.

(3) Sub-paragraph (1) does not apply in respect of any payment of income other than earnings, or earnings derived from employment as an employed earner, arising out of the applicant participating as a service user.

Chapter 5
Income: Persons Who are Not Pensioners

Average weekly earnings of employed earners: persons who are not pensioners

47

(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as an employed earner his average weekly earnings must be estimated by reference to his earnings from that employment--

(a) over a period immediately preceding the reduction week in which the application 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 paragraph (a)(i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

(2) Where the applicant has been in his employment for less than the period specified in sub-paragraph (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 must be estimated by reference to those earnings;

(b) in any other case, the authority must estimate the applicant's average weekly earnings.

(3) Where the amount of an applicant's earnings changes the authority must 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 must not in any case exceed 52 weeks.

(4) For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraphs 51 and 52 (earnings of employed earners: persons who are not pensioners).

Average weekly earnings of self-employed earners: persons who are not pensioners

48

(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as a self-employed earner his average weekly earnings must 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 must not in any case exceed a year.

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61 and 62 (earnings, and net profit, of self-employed earners).

Average weekly income other than earnings: persons who are not pensioners

49

(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (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 must not in any case exceed 52 weeks; and nothing in this paragraph authorises an authority to disregard any such income other than that specified in Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners).

(2) The period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(3) For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 54 (calculation of income other than earnings: persons who are not pensioners).

Calculation of weekly income of employed earners: persons who are not pensioners

50

(1) For the purposes of paragraphs 47 (average weekly earnings of employed earners), 49 (average weekly income other than earnings) and 59 (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 is to be the amount of that payment;

(b) exceeds a week, the weekly amount is to 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.

(2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to 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.

Earnings of employed earners: persons who are not pensioners

51

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner of a person who is not a pensioner, means 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--

(i) travelling expenses incurred by the applicant between his home and 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;

(g) 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);

(h) 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);

(i) any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);

(j) any statutory sick pay, statutory maternity pay, statutory paternity pay, statutory shared parental pay, statutory parental bereavement pay under Part 12ZD of the SSCBA or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;

(k) 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 leave or adoption leave or is absent from work because he is ill;

(l) 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.

(2) Earnings does not include--

(a) subject to sub-paragraph (3), any payment in kind;

(b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;

(c) any occupational pension;

(d) any payment in respect of expenses arising out of the applicant participating as a service user.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(l).

Calculation of net earnings of employed earners: persons who are not pensioners

52

(1) For the purposes of paragraph 47 (average weekly earnings of employed earners: persons who are not pensioners), the earnings of an applicant who is not a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to sub-paragraph (2), be his net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (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 SSCBA;

(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 sub-paragraph (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, statutory shared parental pay, or statutory adoption pay, any amount deducted from 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 SSCBA.

(4) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(5) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to 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.

(6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to F), his net earnings is to 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 reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rates or the Scottish base rate, of tax is to be applied and the amount of the personal reliefs deductible under this sub-paragraph is to 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 SSCBA 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.

Earnings of self-employed earners: persons who are not pensioners

53

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.

(2) "Earnings" does not include any payment to which paragraph 31 or 32 of Schedule 8 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 does it include any sports award.

(3) This paragraph applies to--

(a) royalties or other sums paid as a consideration for the use of, or the right to use, any copy-right, 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 or work concerned.

(4) Where the applicant's earnings consist of any items to which sub-paragraph (3) applies, those earnings must 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 reduction under this scheme to which the applicant would have been entitled 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 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) as appropriate in the applicant's case.

Calculation of income other than earnings: persons who are not pensioners

54

(1) For the purposes of paragraph 49 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income: persons who are not pensioners).

(2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule 8.

(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 sub-paragraph (1) must be the gross amount payable.

(4) Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

(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 sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(6) Sub-paragraphs (7) and (8) apply where--

(a) a relevant payment has been made to a person in an academic year; and

(b) that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

(7) 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 sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula--

$(A - (B \times C)) / D$

Where

(a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);

(b) 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) 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 81(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

(d) D = the number of reduction weeks in the assessment period.

(8) 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 sub- paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula in sub-paragraph (8) but as if--

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 81(5).

(9) In this paragraph--

"academic year" and "student loan" have the same meanings as in Part 11 (students);

"assessment period" means--

(a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

(b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes--

(i) the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or

(ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person,

whichever of those dates is earlier;

"quarter" in relation to an assessment period means a period in that year beginning on--

(c) 1st January and ending on 31st March;

(d) 1st April and ending on 30th June;

(e) 1st July and ending on 31st August; or

(f) 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 76(7) or both.

(10) For the avoidance of doubt there must be included as income to be taken into account under sub-paragraph (1)--

(a) any payment to which paragraph 41(2) or 51(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.

Capital treated as income: persons who are not pensioners

55

(1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £10,000, be treated as income.

(2) Any payment received under an annuity is to be treated as income.

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

(5) Where an agreement or court order provides that payments must 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 by virtue of this Part), is to be treated as income.

Notional income: persons who are not pensioners

56

(1) An applicant who is not a pensioner is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.

(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 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);

(e) any sum to which paragraph 51(a) of Schedule 10 refers;

(f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;

(g) child tax credit;

(h) working tax credit, or

(i) any sum to which sub-paragraph (11) applies,

any income which would become available to the applicant upon application being made, but which has not been acquired by him, is to 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.

(3) Any payment of income, other than a payment of income specified in sub-paragraph (4), made--

(a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, 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) must, where it is not a payment referred to in 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) must 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.

(4) Sub-paragraph (3) does not apply in respect of a payment of income made--

(a) under or by 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 Employment and Training Act 1973 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 1996;

(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 person's 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 sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

(5) Where an applicant is in receipt of any benefit 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 must 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 selects, to the date on which the altered rate is to take effect.

(6) Subject to sub-paragraph (7), where--

(a) an 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 must 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.

(7) Sub-paragraph (6) does 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 1996, 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.

(8) In sub-paragraph (7)(c) "work placement" means practical work experience which is not undertaken in expectation of payment.

(9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.

(10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part 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 42(2) or 52(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and his net earnings are to 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 basic rate of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to 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 SSCBA 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.

(11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.

Chapter 6
Income: Further Provisions Applying to Pensioners and Persons Who are Not Pensioners

Calculation of income on a weekly basis

57

(1) Subject to paragraph 60 (disregard of changes in tax, etc), the income of an applicant is to be calculated on a weekly basis--

(a) by estimating the amount which is likely to be his average weekly income in accordance with this Part;

(b) by adding to that amount the weekly income calculated--

(i) if the applicant is a pensioner, under paragraph 71 (tariff income: pensioners);

(ii) if the applicant is a person who is not a pensioner, under paragraph 72 (tariff income: persons who are not pensioners); and

(c) deducting from the sum of paragraphs (a) and (b) any relevant child care charges to which paragraph 58 (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 sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.

(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 sub-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.

(3) The maximum deduction to which sub-paragraph (1)(c) above refers is to 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 per week.

Treatment of child care charges: pensioners

58

(1) This paragraph applies where an applicant (within the meaning in this paragraph) 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).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must 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 SSCBA;

(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 (General) 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.

(3) This sub-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.

(4) In a case to which sub-paragraph (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.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (9).

(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.

(7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (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 paragraph 7 (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.

(8) The care to which sub-paragraph (7) refers may be provided--

(a) out of school hours, by a school on school premises or by a local authority--

(i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or

(ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or

(b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or

(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 day care of children 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 2011 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

(ka) by a foster parent under the Fostering Panels (Establishment and Functions) (Wales) Regulations 2018 or a person with whom a child is placed under regulation 26 of the Care Planning, Placement and Case Review (Wales) Regulations 2015 (temporary approval of a relative, friend or other person connected with the child) or regulation 28 of those Regulations (temporary approval of a particular prospective adopter) in relation to a child other than one whom the foster parent is fostering or the person is looking after; or

(l) by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations or by a person who is employed, or engaged under a contract for services, to provide care and support by the provider of a domiciliary support service within the meaning of Part 1 of the Regulations and Inspection of Social Care (Wales) Act 2016; or

(m) by a person who is not a relative of the child wholly or mainly in the child's home.

(9) Relevant child care charges must 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.

(10) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where--

(a) he is aged not less than 80;

(b) he is aged less than 80, and--

(i) an additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and

(ii) he satisfies that conditions or would satisfy it 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 SSCBA;

(c) the other member of the couple would be a member of the support group or a member of the work-related activity group 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 the Employment and Support Allowance Regulations 2013;

(d) he 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 SSCBA (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 must be treated as one continuous period;

(e) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 [or the Employment and Support Allowance Regulations 2013] for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;

(f) there is payable in respect of him one or more of the following pensions or allowances--

(i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;

(ii) attendance allowance under section 64 of the SSCBA;

(iia) pension age disability payment;

(iii) severe disablement allowance under section 68 of the SSCBA;

(iv) disability living allowance under section 71 of the SSCBA;

(v) personal independence payment;

(vi) an AFIP;

(via) Scottish Adult Disability Living Allowance;

(vii) increase of disablement pension under section 104 of the SSCBA;

(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 sub- paragraph (ii), (iv), (v) or (vii) above;

(ix) main phase employment and support allowance;

(x) adult disability payment;

(g) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of 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 paragraph means 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 regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;

(ga) a pension age disability payment was payable on account of his incapacity but has ceased to be payable in accordance with regulation 20 of the Disability Assistance for Older People (Scotland) Regulations 2024;

(gb) an adult disability payment was payable on account of his incapacity but has ceased to be payable in accordance with regulation 28 of the DAWAP Regulations;

(gc) Scottish Adult Disability Living Allowance was payable on account of his incapacity but has ceased to be payable in accordance with regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;

(h) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for--

(i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(ii) an abatement as a consequence of hospitalisation;

(i) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(j) 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;

(k) paragraph (f), (g), (h) or (i) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

(l) he has an invalid carriage or other vehicle provided to him by the Secretary of State or an integrated care board under paragraph 9 of Schedule 1 to the National Health Service Act 2006 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.

(11) For the purposes of sub-paragraph (10), once sub-paragraph (10)(d) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

(12) For the purposes of sub-paragraph (10), once sub-paragraph (10)(e) applies to the person, 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 to apply to him for so long as he has, or is treated as having, limited capability for work.

(13) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person--

(a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for--

(i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(ii) an abatement as a consequence of hospitalisation;

(aa) in respect of whom child disability payment is payable;

(b) to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(ba) in respect of whom adult disability payment is payable, or has ceased to be payable solely by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations;

(c) who is registered as severely sight-impaired in a register kept under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), 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 is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or

(d) who ceased to be registered as blind or severely sight-impaired 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.

(14) For the purposes of sub-paragraph (1) a person on qualifying family leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (15) (“the relevant

period") provided that—

(a) in the week before the period of qualifying family leave began he was in remunerative work;

(b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and

(c) he is entitled to either—

(i) statutory maternity pay under section 164 of the SSCBA,

(ii) statutory paternity pay by virtue of section 171ZA or 171ZB of that Act,

(iii) statutory adoption pay by virtue of section 171ZL of that Act,

(iv) maternity allowance under section 35 of that Act,

(v) statutory shared parental pay by virtue of section 171ZU or 171ZV of that Act,

(vi) statutory parental bereavement pay by virtue of section 171ZZ6 of that Act,

(vii) statutory neonatal care pay by virtue of section 171ZZ16 of that Act, or

(viii) qualifying support.

(15) For the purposes of sub-paragraph (14) the relevant period begins on the day on which the person's qualifying family leave commences and ends 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 shared parental pay, statutory parental bereavement pay, statutory neonatal care 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, statutory paternity pay, statutory shared parental pay, statutory parental bereavement pay, statutory neonatal care pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends,

whichever shall occur first.

(16) In sub-paragraphs (14) and (15)--

(za) "qualifying family leave" means any of the following—
(i) adoption leave;
(ii) maternity leave;
(iii) neonatal care leave;
(iv) parental bereavement leave;
(v) paternity leave;
(vi) shared parental leave;

(a) "qualifying support" means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) 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 2002 (child care element).

(17) In sub-paragraphs (6), (8)(a) and (13)(d), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Treatment of child care charges: persons who are not pensioners

58A

(1) This paragraph applies where an applicant (within the meaning in this paragraph) 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).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must 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 SSCBA;

(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 (General) 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.

(3) This sub-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.

(4) In a case to which sub-paragraph (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.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (10).

(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.

(7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (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 paragraph 7 (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.

(8) The care to which sub-paragraph (7) refers may be provided--

(a) out of school hours, by a school on school premises or by a local authority--

(i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or

(ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or

(b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or

(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 day care of children 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 2011, 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

(ka) by a foster parent under the Fostering Panels (Establishment and Functions) Regulations 2018 or a person with whom a child is placed under regulation 26 of the Care Planning, Placement and Case Review (Wales) Regulations 2015 (temporary approval of a relative, friend or other person connected with the child) or regulation 28 of those Regulations (temporary approval of a particular prospective adopter) in relation to a child other than one whom the foster parent is fostering or the

person is looking after; or

(l) by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations or by a person who is employed, or engaged under a contract for services, to provide care and support by the provider of a domicillary support service within the meaning of Part 1 of the Regulations and Inspection of Social Care (Wales) Act 2016; or

(m) by a person who is not a relative of the child wholly or mainly in the child's home.

(9) In sub-paragraphs (6) and (8)(a), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

(10) Relevant child care charges must 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.

(11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where--

(a) the applicant is a pensioner and the other member of the couple is aged not less than 80;

(b) the applicant is a pensioner and the other member of the couple is aged less than 80, and--

(i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and

(ii) he satisfies that conditions or would satisfy it 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 SSCBA;

(c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the other member is a member of the work-related activity group on account of his having limited capability for work;

(d) the applicant is not a pensioner, 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 regulations made under section 171E of the SSCBA;

(e) the other member of the couple would be a member of the support group or a member of the work-related activity group 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 the Employment and Support Allowance Regulations 2013;

(f) he 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 SSCBA (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 must be treated as one continuous period;

(g) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;

(h) 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 SSCBA;

(ii) attendance allowance under section 64 of the SSCBA;

(iii) severe disablement allowance under section 68 of the SSCBA;

(iv) disability living allowance under section 71 of the SSCBA;

(v) personal independence payment;

(vi) an AFIP;

(vii) increase of disablement pension under section 104 of the SSCBA;

(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 sub- paragraph (ii), (iv), (v) or (vii) above;

(ix) main phase employment and support allowance;

(x) adult disability payment;

(i) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (h) 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 paragraph means 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 regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;

(j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for--

(i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

(ii) an abatement as a consequence of hospitalisation;

(k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(l) 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;

(m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

(n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or an integrated care board under paragraph 9 of Schedule 1 to the National Health Service Act 2006 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.

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

(13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the person, 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 to apply to him for so long as he has, or is treated as having, limited capability for work.

(14) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person--

(a) to whom an attendance allowance or the care component of disability allowance is payable or

would be payable but for—

(i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or

an abatement as a consequence of hospitalisation;

(aa) in respect of whom child disability payment is payable.

(b) to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(ba) in respect of whom adult disability payment is payable, or has ceased to be payable solely by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations;

(c) who is registered as severely sight-impaired in a register kept under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), 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 is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or

(d) 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.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave, shared parental leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (16) ("the relevant period") provided that--

(a) in the week before the period of maternity leave, paternity leave, shared parental leave or adoption leave began he was in remunerative work;

(b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and

(c) he is entitled to either statutory maternity pay under section 164 of the SSCBA, statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act, statutory shared parental pay by virtue of section 171ZU or 171ZV of that Act or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave, shared parental leave or adoption leave commences and ends 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, statutory shared parental pay or statutory adoption pay ends, the date thsat 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, statutory

paternity pay, statutory shared parental pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends,

whichever occurs first.

(17) In sub-paragraphs (15) and (16)--

(a) "qualifying support" means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) 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 2002 (child care element).

(18) In this paragraph "applicant" does not include an applicant--

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit.

Calculation of average weekly income from tax credits

59

(1) This paragraph applies where an applicant receives a tax credit.

(2) Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in sub-paragraph (3).

(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.

(4) For the purposes of this paragraph "tax credit" means child tax credit or working tax credit.

Disregard of changes in tax, contributions etc

60

In calculating the applicant's income the authority may disregard any legislative change--

(a) in the basic or other rates of income tax;

(aa) in the Scottish basic or other rates of income tax;

(b) in the amount of any personal tax reliefs under Chapters 2, 3, and 3A of Part 3 of the Income Tax Act 2007;

(c) in the rates of national insurance contributions payable under the SSCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, or the lower or upper limits

applicable to Class 4 contributions under that Act;

(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 SSCBA

or a state pension under Part 1 of the Pensions Act 2014;

(e) in the maximum rate of child tax credit or working tax credit,

for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective.

Calculation of net profit of self-employed earners

61

(1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners: persons who are not pensioners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must 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 who is a pensioner whose employment is carried on in partnership, 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 SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions of self-employed earners); and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium;

(c) in the case of a self-employed earner who is not a pensioner 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 SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(2) There must be disregarded from the net profit of an applicant who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (9) applies, be calculated by taking into account the earnings of the employment over the assessment period less--

(a) subject to sub-paragraphs (5) to (8), 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 SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(c) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(4) For the purposes of sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

(5) Subject to sub-paragraph (6), no deduction is to be made under sub-paragraph (3)(a) or (4), in respect of--

(a) any capital expenditure;

(b) the depreciation of any capital asset;

(c) any sum employed or intended to be employed in the setting up or expansion of the employment;

(d) any loss incurred before the beginning of the assessment period;

(e) the repayment of capital on any loan taken out for the purposes of the employment;

(f) any expenses incurred in providing business entertainment; and

(g) in the case of an applicant who is not a pensioner, any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.

(6) A deduction is to be made under sub-paragraph (3)(a) or (4) in respect of the repayment of capital on any loan used for--

(a) the replacement in the course of business of equipment or machinery; or

(b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

(7) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (3)(a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

(8) For the avoidance of doubt--

(a) a deduction must not be made under sub-paragraph (3)(a) or (4) in respect of any sum unless it has been expended for the purposes of the business;

(b) a deduction must 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.

(9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less--

(a) an amount in respect of--

(i) income tax; and

(ii) national insurance contributions payable under the SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(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 must not be offset against his earnings in any other of his employments.

(11) The amount in respect of any qualifying premium is to 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 paragraph the daily amount of the qualifying premium must be determined--

(a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and dividing 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.

(12) In this paragraph, "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 application.

Calculation of deduction of tax and contributions of self-employed earners

62

(1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or (9)(a)(i) (calculation of net profit of self-employed earners) must be calculated--

(a) on the basis of the amount of chargeable income, and

(b) 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 reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances.

(2) But, if the assessment period is less than a year, the earnings to which the basic rate, or the Scottish basic rate, of tax is to be applied and the amount of the personal reliefs deductible under this paragraph must be calculated on a pro rata basis.

(3) The amount to be deducted in respect of national insurance contributions under paragraph 60(1)(b)(i), (3)(b)(ii) or (9)(a)(ii) is the total of--

(a) the amount of Class 4 contributions (if any) which would be payable under section 15 of the SSCBA (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 must be reduced pro rata.

(4) In this paragraph "chargeable income" means--

(a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under sub-paragraph (3)(a) or, as the case may be, (5) of paragraph 61;

(b) in the case of employment as a child minder, one-third of the earnings of that employment.

Capital

Calculation of capital

63

(1) The capital of an applicant to be taken into account must be, subject to sub-paragraph (2), the whole of his capital calculated in accordance with this Part and (in the case of persons who are not pensioners) any income treated as capital under paragraph 64 (income treated as capital: persons who are not pensioners).

(2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in--

(a) Schedule 9, in relation to pensioners;

(b) Schedule 10, in relation to persons who are not pensioners.

(3) In the case of an applicant who is a pensioner, his capital is to be treated as including any payment made to him by way of arrears of--

(a) child tax credit;

(b) working tax credit;

(c) state pension credit,

if the payment was made in respect of a period for the whole or part of which a reduction under this scheme was allowed before those arrears were paid.

(4) The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

Income treated as capital: persons who are not pensioners

64

(1) This paragraph applies in relation to persons who are not pensioners.

(2) Any bounty derived from employment to which paragraph 9 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) applies and paid at intervals of at least one year is to be treated as capital.

(3) Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E is to be treated as capital.

(4) Any holiday pay which is not earnings under paragraph 41(1)(d) or 51(1)(d) (earnings of employed earners) is to be treated as capital.

(5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 50 or 51 of Schedule 10 (capital disregards: persons who are not pensioners), any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.

(6) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.

(7) 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 the Trusts, the Fund, the Eileen Trust, MFET

Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, the Windrush Compensation Scheme, the National Emergencies Trust, We love Manchester Emergency Fund, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, or the London Bombings Relief) is to be treated as capital.

(8) There is to 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.

(9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

(10) Any arrears of working tax credit or child tax credit must be treated as capital.

Calculation of capital in the United Kingdom

65

Capital which an applicant possesses in the United Kingdom is to 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.

Calculation of capital outside the United Kingdom

66

Capital which an applicant possesses in a country outside the United Kingdom must 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.

Notional capital

67

(1) An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to a reduction or increasing the amount of that reduction except to the ex- tent that that capital is reduced in accordance with paragraph 68 (diminishing notional capital rule).

(2) A person who is a pensioner who disposes of capital for the purpose of--

(a) reducing or paying a debt owed by the applicant; or

(b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,

is to be regarded as not depriving himself of it.

(3) Sub-paragraphs (4) to (6) apply in relation to applicants who are not pensioners.

(4) 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 9; 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 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a); or

(f) any sum to which paragraph 51(a) of Schedule 10 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, is to be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

(5) Any payment of capital, other than a payment of capital specified in sub-paragraph (6), 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) must, 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) must, where it is not a payment referred to in 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 the family) must 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.

(6) Sub-paragraph (5) does not apply in respect of a payment of capital made--

(a) under or by any of by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, the Windrush Compensation Scheme, the National Emergencies Trust, We love Manchester Emergency Fund, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, or the London Bombings Relief);

(b) pursuant to section 2 of the Employment and Training Act 1973 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 1996;

(ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

(iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;

(iv) in a qualifying course within the meaning specified in regulation 17A(7) of those

Regulations; or

(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(c) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

(d) in respect of a person's participation in the Mandatory Work Activity Scheme;

(e) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where--

(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 sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

(7) 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 must, notwithstanding paragraph 63 (calculation of capital) be disregarded; and

(b) he must, subject to sub-paragraph (8), 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 Chapter apply for the purposes of calculating that amount as if it were actual capital which he does possess.

(8) 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 sub-paragraph (7) is to be disregarded.

(9) Where an applicant is treated as possessing capital under any of sub-paragraphs (1), (4) or (5) the foregoing provisions of this Chapter apply for the purposes of calculating its amount as if it were actual capital which he does possess.

Diminishing notional capital rule: pensioners

68

(1) Where an applicant who is a pensioner is treated as possessing capital under paragraph 67(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 sub-paragraph (2) are satisfied; or

(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (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 sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week where the applicant satisfies the conditions that--

(a) he is in receipt of a reduction under this scheme; and

(b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) must be equal to the aggregate of--

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;

(b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002 (notional capital);

(c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (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 reduction week to which sub-paragraph (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 inrespect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under this scheme in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(b) is equal to the aggregate of--

(a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit 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;

(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 benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; 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 benefit 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.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that para- graph is to be determined by--

(a) dividing the relevant amount by the number equal to the number of days in that part-week, and

(b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under that sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case--

(a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that--

(a) a further application is made 26 or more weeks after--

(i) the date on which the applicant made an application in respect of which he was first treated as possessing the capital in question under paragraph 67(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

(b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (7) must 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 must continue to have effect.

(10) For the purposes of this paragraph--

"part-week"--

(a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction in council tax under this scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means--

(i) 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

(ii) any other period of less than a week for which it is payable;

"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 paragraph 67(1)--

(a) was first taken into account for the purpose of determining his entitlement to a reduction; or

(b) was taken into account on a subsequent occasion for the purpose of determining or redetermining his entitlement to a reduction on that subsequent occasion and that determination or re- determination resulted in his beginning to receive, or ceasing to receive, a reduction;

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Diminishing notional capital rule: persons who are not pensioners

69

(1) Where an applicant who is not a pensioner is treated as possessing capital under paragraph 67(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 sub-paragraph (2) are satisfied; or

(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (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 sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week (or, in the case of persons who are not pensioners, part-week) where the applicant satisfies the conditions that--

(a) he is in receipt of a reduction in council tax under this scheme; and

(b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of

capital he is treated as possessing for the purposes of sub-paragraph (1)(a) is equal to the aggregate of--

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (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 sub-paragraph (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 sub-paragraph (2) refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (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 sub-paragraph (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 the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is not a pensioner and would have been entitled to a reduction in council tax in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of--

(a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit 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;

(c) if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit 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;

(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 benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; 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 benefit 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.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that para- graph is to be determined by--

(a) dividing the relevant amount by the number equal to the number of days in that part-week, and

(b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case--

(a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that--

(a) a further application is made 26 or more weeks after--

(i) the date on which the applicant made an application for a reduction under this scheme in respect of which he was first treated as possessing the capital in question under paragraph 67(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which he last made an application under this scheme which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

(b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (6) must 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 must continue to have effect.

(10) For the purposes of this paragraph--

"part-week"--

(a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction under this scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a

week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means--

(i) 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

(ii) any other period of less than a week for which it is payable;

"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 paragraph 67(1)--

(a) was first taken into account for the purpose of determining his entitlement to a reduction; or

(b) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to a reduction on that subsequent occasion and that determination or re- determination resulted in his beginning to receive, or ceasing to receive, a reduction,

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Capital jointly held

70

Except where an applicant possesses capital which is disregarded under paragraph 67(7) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must 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 Chapter 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.

Calculation of tariff income from capital: pensioners

71

The capital of an applicant who is a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income of--

(a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and

(b) £1 for any excess which is not a complete £500.

Calculation of tariff income from capital: persons who are not pensioners

72

The capital of an applicant who is not a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income of--

(a) £1 for each £250 in excess of £6,000 but not exceeding £10,000;

(b) £1 for any excess which is not a complete £250.

Part 11
Students

Chapter 1
General

Interpretation

73

(1) In this Part--

"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 is to 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 sections 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, 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 considers that it is reasonable for the following persons 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, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 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, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 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, in the student's learning agreement signed on behalf of the establishment which is funded by the Secretary of State 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 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) 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, that 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 1996;

"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

includes, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Students' Allowances (Scotland) Regulations 2007.

(2) For the purposes of the definition of "full-time student" in sub-paragraph (1), a person must 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) subject to sub-paragraph (3), 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.

(3) For the purposes of paragraph (a) of sub-paragraph (2), the period referred to in that paragraph includes--

(a) where a person has failed examinations or has failed successfully to 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.

(4) In sub-paragraph (2), "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.

Treatment of students

74

This scheme has effect in relation to students who are not pensioners subject to the following provisions of this Part.

Students who are excluded from entitlement to a reduction under this scheme

75

(1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7)--

(a) full-time students, and

(b) students who are persons treated as not being in Great Britain.

(2) Sub-paragraph (1)(b) does not apply to a student--

(a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;

(b) who is a lone parent;

(c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;

(d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

(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 SSCBA (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 must 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 2008 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, or

(iii) a qualifying young person or child within the meaning of section 142 of the SSCBA (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) of 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 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.

(3) Sub-paragraph (2)(i)(ii) only applies to an applicant until the end of the course during which the applicant attained the age of 21.

(4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(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 sub-paragraph must, 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.

(5) In sub-paragraph (2)(i) 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.

(6) A full-time student to whom sub-paragraph (2)(i) applies must 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.

(7) Sub-paragraph (1)(b) does not apply to a full-time student for the period specified in sub-paragraph (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 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 sub-paragraph (8).

(8) The period specified for the purposes of sub-paragraph (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,

whichever first occurs.

Chapter 2
Income

Calculation of grant income

76

(1) The amount of a student's grant income to be taken into account in assessing his income must, subject to sub-paragraphs (2) and (3), be the whole of his grant income.

(2) There must 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 the United Kingdom and there is no applicable amount in respect of him;

(f) intended to meet the cost of books and equipment;

(g) intended to meet travel expenses incurred as a result of his attendance on the course;

(h) intended for the child care costs of a child dependant;

(i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.

(3) Where a student does not have a student loan and is not treated as possessing such a loan, there must 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.

(4) There must 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.

(5) Subject to sub-paragraphs (6) and (7), a student's grant income must be apportioned--

(a) subject to sub-paragraph (8), in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;

(b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

(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 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

(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 sub-paragraph (6) nor paragraph 80(2) (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

(8) In the case of a student on a sandwich course, any periods of experience within the period of study must be excluded and the student's grant income must 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.

Calculation of covenant income where a contribution is assessed

77

(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 must be the whole amount of the covenant income less, subject to sub-paragraph (3), the amount of the contribution.

(2) The weekly amount of the student's covenant must be determined--

(a) by dividing the amount of income which falls to be taken into account under sub-paragraph (1) by 52 or 53, whichever is reasonable in the circumstances; and

(b) by disregarding £5 from the resulting amount.

(3) For the purposes of sub-paragraph (1), the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 76(2)(g) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

Covenant income where no grant income or no contribution is assessed

78

(1) Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows--

(a) any sums intended for any expenditure specified in paragraph 76(2)(a) to (e) necessary as a result of his attendance on the course must be disregarded;

(b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;

(c) there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 76(2)(f) and (3) had the student been in receipt of the standard maintenance grant; and

(d) the balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.

(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 must be calculated in accordance with paragraphs (a) to (d) of sub-paragraph (1), except that--

(a) the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 76(2)(a) to (e); and

(b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 76(2)(f) and (g) and (3).

Relationship with amounts to be disregarded under Schedule 8

79

No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 8 (disregard of certain charitable and voluntary, etc, payments).

Other amounts to be disregarded

80

(1) For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 81 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 76(2) (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.

(2) But sub-paragraph (1) applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 76(2) or (3), 77(3), 78(1)(a) or (c) or 81(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

Treatment of student loans

81

(1) A student loan is to be treated as income.

(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 is to be apportioned equally between the weeks in the period beginning with--

(i) except in a case where sub-paragraph (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, the 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 is to be apportioned equally between the weeks in the period--

(i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and

(ii) 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 authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has 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 is to be apportioned equally between the weeks in the period beginning with--

(i) except in a case where sub-paragraph (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 coincides 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 is to 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 £10 is to be disregarded.

(3) A student is to 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.

(4) Where a student is treated as possessing a student loan under sub-paragraph (3), the amount of the student loan to be taken into account as income must be, subject to sub-paragraph (5)--

(a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to--

(i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and

(ii) any contribution whether or not it has been paid to him;

(b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if--

(i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and

(ii) no deduction in that loan was made by virtue of the application of a means test.

(5) There must be deducted from the amount of income taken into account under sub-paragraph (4)--

(a) the sum of £303 per academic year in respect of travel costs; and

(b) the sum of £390 per academic year towards the cost of books and equipment,

whether or not any such costs are incurred.

(6) A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

Treatment of payments from access funds

82

(1) This paragraph applies to payments from access funds that are not payments to which paragraph 85(2) or (3) (income treated as capital) applies.

(2) A payment from access funds, other than a payment to which sub-paragraph (3) applies, must be disregarded as income.

(3) Subject to sub-paragraph (4) of this paragraph and paragraph 40 of Schedule 8 (disregards in the calculation of income other than earnings: persons who are not pensioners)--

(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,

must be disregarded as income to the extent of £20 per week.

(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 must be disregarded as income.

Disregard of contribution

83

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 must be disregarded for the purposes of assessing that other partner's income.

Further disregard of student's income

84

Where any part of a student's income has already been taken into account for the purposes of assessing his entitlement to a grant or student loan, the amount taken into account must be disregarded in assessing that student's income.

Income treated as capital

85

(1) Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.

(2) An amount paid from access funds as a single lump sum must be treated as capital.

(3) An amount paid from access funds 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, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

Disregard of changes occurring during summer vacation

86

In calculating a student's income the authority must 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.

Part 12
Extended Reductions

Chapter 1
Extended Reductions: Pensioners

Extended reductions: pensioners

87

Paragraphs 88 to 93 apply in relation to applicants who are pensioners.

Extended reductions (qualifying contributory benefits): pensioners

88

(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes A to C is 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, those 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.

(2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes A to C where--

(a) the applicant ceased to be entitled to a reduction under this scheme 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 sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): pensioners

89

(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.

(2) For the purpose of sub-paragraph (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.

(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 who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): pensioners

90

(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of--

(a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within any of classes A to C 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 reduction under this scheme to which the applicant would be entitled under by virtue of falling within any of classes A to C for any reduction week during the extended reduction period, if paragraph 88 (extended reductions (qualifying contributory benefits): pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes A to C, if paragraph 88 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, the authority must not award a reduction in pursuance of that application during the extended reduction period.

Extended reductions (qualifying contributory benefits)--movers: pensioners

91

(1) This paragraph applies--

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefits) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme 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.

(3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to--

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C

92

(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 88(1)(b), that reduction does not cease to have effect until the end of the extended reduction period.

(2) Part 13 (when entitlement begins and change of circumstances) does not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 90(1)(a) or paragraph 91(2) (amount of extended reduction--movers: pensioners).

Continuing reductions where state pension credit claimed: pensioners

93

(1) This paragraph applies where--

(a) the applicant is entitled to a reduction under this scheme;

(b) sub-paragraph (2) is satisfied; and

(c) either--

(i) the applicant has attained the qualifying age for state pension credit; or

(ii) the applicant's partner has actually claimed state pension credit.

(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that--

(a) the applicant's award of--

(i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or

(ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit; and

(b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.

(4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)--

(a) the whole of the income and capital of the applicant is to be disregarded;

(b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.

(6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated--

(a) the applicant's council tax liability has increased; or

(b) a change in the deduction under paragraph 30 falls to be made.

Chapter 2
Extended Reductions: Persons Who are Not Pensioners

Extended reductions: persons who are not pensioners

94

Paragraphs 95 to 104 apply in relation to applicants who are not pensioners.

Extended reductions: persons who are not pensioners

95

(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is 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, those 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.

(2) For the purpose of sub-paragraph (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.

(3) For the purpose of this paragraph, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they must be treated as being entitled to and in receipt of jobseeker's allowance.

(4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where--

(a) the applicant ceased to be entitled to a reduction under this scheme 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 sub-paragraph (1)(b).

(5) This paragraph does not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987 (remunerative work: housing costs) applied to that applicant.

Duration of extended reduction period: persons who are not pensioners

96

(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.

(2) For the purpose of sub-paragraph (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.

(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.

Amount of extended reduction: persons who are not pensioners

97

(1) For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of--

(a) the amount of the reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F 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 reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 95 (extended reductions: persons who are not pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 95 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

Extended reductions--movers: persons who are not pensioners

98

(1) This paragraph applies--

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income-related benefit.

(3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to--

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction and entitlement to a reduction by virtue of classes D to F

99

(1) Where an applicant's entitlement to a reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 95(1)(b), that entitlement does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 do not apply to any extended reduction payable in accordance with paragraph 95(1)(a) or 98(2) (amount of extended reduction--movers: persons who are not pensioners).

Extended reductions (qualifying contributory benefits): persons who are not pensioners

100

(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is 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, those 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.

(2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where--

(a) the applicant ceased to be entitled to a reduction under this scheme 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 sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners

101

(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.

(2) For the purpose of sub-paragraph (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.

(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 entitled to the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners

102

(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of--

(a) the amount of reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F 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 reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 100 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 100 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

Extended reductions (qualifying contributory benefits)--movers: persons who are not pensioners

103

(1) This paragraph applies--

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded 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.

(3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to--

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to F

104

(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 100(1)(b), that reduction does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction--movers: persons who a re not pensioners).

Chapter 3
Extended Reductions: Movers in the Authority's Area

Extended reductions: applicant moving into the authority's area

105

Where--

(a) an application is made to the authority ("the current authority") for a reduction under this 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 this scheme by the amount of that extended reduction.

Part 13
When Entitlement Begins and Change of Circumstances

Date on which entitlement begins

106

(1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.

(2) Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

Tolerance for changes in circumstances for working age claimants

106A

Where any change of circumstances occurs which would result in an increase or decrease in a working age claimant’s entitlement of less than £3.25 per week, no change in council tax reduction will be effected until such time as the total changes cumulatively amount to at least £3.25 per week. Where this occurs, the change will be effective from the date of the last change.

Date on which change of circumstances is to take effect

107

(1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc) applies and

subject to the following provisions of this paragraph and (in the case of applicants who are pensioners) paragraph 108 (change of circumstance where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.

(2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.

(3) Subject to sub-paragraph (4), 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.

(4) 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 section 11 or 11A of that Act (discounts), it takes effect from the day on which the change in amount has effect.

(5) 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.

(6) 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.

(7) 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 sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

(8) Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances takes 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.

(9) Without prejudice to sub-paragraph (8), 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.

(10) Sub-paragraph (11) applies if--

(a) the applicant or his partner has attained the age of 65; and

(b) either--

(i) a non-dependant took up residence in the applicant's dwelling; or

(ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 30 increased.

(11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.

(12) In sub-paragraph (11), but subject to sub-paragraph (13), "the effective date" means--

(a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since--

(i) the date on which the applicant's entitlement to a reduction under this scheme first began; or

(ii) the date which was the last effective date in respect of such a change,

whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;

(b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.

(13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.

(14) Sub-paragraphs (15) to (19) apply to persons who fall within classes D, E and F.

(15) Where–

(a) the change of circumstances is a change of circumstances that is required by this scheme to be notified, and

(b) that change of circumstances is notified more than one month after it occurs, or such longer period as may be allowed under sub-paragraph (16), and

(c) the superseding decision is advantageous to the claimant

the date of notification of the change of circumstances shall be treated as the date on which the change of circumstances occurred.

(16) Subject to sub-paragraph (18), for the purposes of making a decision under this scheme a longer period of time may be allowed for the notification of a change of circumstances in so far as it affects the effective date of the change where the conditions specified in sub-paragraph (17) are satisfied. An application for the purposes of this sub-paragraph shall include:

(a) particulars of the change of circumstances and the reasons for the failure to notify the change of circumstances on an earlier date, and

(b) be made within 3 months of the date on which the change occurred.

(17) In determining whether it is reasonable to grant an application for the purposes of sub-paragraph (16), the authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the change of circumstances occurred and the date the application for a superseding decision is made, the more compelling should be the special circumstances on which the application is based. An application shall not be granted unless the authority is satisfied that–

(a) it is reasonable to grant the application;

(b) that change of circumstances notified by the applicant is relevant to the decision which is to be superseded; and

(c) special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to notify the change of circumstances within one month of the change occurring.

(18) In determining whether it is reasonable to grant an application, no account shall be taken of the following–

(a) that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by this scheme); or

(b) that the Valuation Tribunal or a court has taken a different view of the law from that previously understood and applied.

(19) An application under this part which has been refused may not be renewed.

Change of circumstances where state pension credit in payment

108

(1) Sub-paragraphs (2) and (3) apply where--

(a) the applicant is in receipt of state pension credit;

(b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and

(c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under this scheme.

(2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in--

(a) an increase in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or

(b) a decrease in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which--

(i) the authority receives notification from the Secretary of State of the increase in the amount of state pension credit; or

(ii) state pension credit is increased,

whichever is the later.

(3) Where the change of circumstance ("the relevant change") is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces--

(a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or

(b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which--

(i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or

(ii) state pension credit is reduced,

whichever is the later.

(4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction he receives under this scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which--

(a) the authority receives notification from the Secretary of State of the award of state pension credit; or

(b) entitlement to state pension credit begins,

whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is--

(a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and

(b) a change of circumstances which is a relevant determination,

each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in sub-paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 43 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.

(9) In this paragraph--

"official error" means an error made by--

(a) the authority or a person--

(i) authorised to carry out any function of the authority relating to this scheme; or

(ii) providing services relating to this scheme directly or indirectly to the authority; or

(b) an officer of--

(i) the Department for Work and Pensions; or

(ii) the Commissioners of Inland Revenue,

acting as such,

but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

"relevant calculation or estimate" means the calculation or estimate made by the Secretary of State of the applicant's or, as the case may be, the applicant's partner's income and capital for the purposes of the award of state pension credit;

"relevant determination" means a change in the determination by the authority of the applicant's income and capital using the relevant calculation or estimate, in accordance with paragraph 36(1).

Part 14
Applications (Including Duties to Notify Authority of Change of Circumstances)

Making an application

109

(1) In the case of--

(a) a couple or (subject to paragraph (b)) 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; or

(b) in the case of members of a polygamous marriage to whom paragraph 37 (income and capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

(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.

(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 this scheme and to receive and deal on his behalf with any sums payable to him.

(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).

(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 must terminate when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

(6) Anything required by this 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 per- son appointed or treated as appointed under this paragraph and the receipt of any such person so ap- pointed shall be a good discharge to the authority for any sum paid.

(7) The authority must--

(a) inform any person making an application of the duty imposed by paragraph 115(1)(a);

(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.

Date on which an application is made

110

(1) Subject to sub-paragraph (7), the date on which an application is made is--

(a) in a case where--

(i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and

(ii) the application is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

(b) in a case where--

(i) an applicant or his partner is a person in receipt of a guarantee credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where--

(i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and

(ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(d) in a case where--

(i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where--

(i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

(ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which the application is received at the designated office.

(2) For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under--

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 1 to this scheme (application by telephone)--

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

(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.

(5) The conditions are that--

(a) where paragraph 4(a) of Schedule 1 (incomplete form) applies, the authority receives at its designated office the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

(b) where paragraph 4(b) of Schedule 1 (application not on approved form or further information requested by authority) applies--

(i) the approved form sent to the applicant is received at the designated office properly completed within one month of it having been sent to him; or, as the case may be,

(ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request,

or, in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its designated office the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

(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 this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.

(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 this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of

circumstances he will be entitled to a reduction under this scheme for a period beginning not later than--

(a) in the case of an application made by--

(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.

(8) In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims for income support, a jobseeker's allowance or an employment and support allowance.

Back-dating of applications: pensioners

111

(1) Subject to sub-paragraph (2), the time for the making of an application under this scheme by a pensioner is as regards any day on which, apart from satisfying the condition of making an application, the applicant is entitled to such a reduction, that day and the period of three months immediately following it.

(2) In any case where paragraph 110(1)(a) applies, sub-paragraph (1) does not entitle a person to apply for a reduction under this scheme in respect of any day earlier than three months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987).

Back-dating of applications: persons who are not pensioners

112

(1) Where an applicant who is a person who is not a pensioner--

(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 fail- ing 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 12 months before the date the application was made;

(c) the day 12 months before the date when the applicant requested that the application should in- clude a past period.

Information and evidence

113

(1) Subject to sub-paragraph (3), a person who makes an application for a reduction under this 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.

(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.

(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.

(4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under this 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 the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

(5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

(6) Where a request is made under sub-paragraph (4), the authority must--

(a) inform the applicant or the person to whom a reduction under this scheme has been awarded of his duty under paragraph 115 (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 115, 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 is to be notified.

(7) This sub-paragraph applies to any of the following payments--

(a) a payment which is--

(i) disregarded under paragraph 28 of Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or

(ii) 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, the Windrush Compensation Scheme, the National Emergencies Trust or the London Bombings Relief Charitable Fund;

(aa) a Grenfell Tower support payment;

(b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);

(c) a payment which is disregarded under paragraph 30(9)(b) or (c) (payment made under certain trusts etc) or paragraph 2(b) or (c) of Schedule 4 (payments made under certain trusts etc) other than a payment under the Independent Living Fund (2006).

(8) Where an applicant or a person to whom a reduction under this scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information--

(a) the name and address of the pension fund holder;

(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

Amendment and withdrawal of application

114

(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.

(2) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the amendment may also be made by telephone.

(3) Any application amended in accordance with sub-paragraph (1) or (2) is to be treated as if it had been amended in the first instance.

(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.

(5) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

(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.

Duty to notify changes of circumstances

115

(1) Subject to sub-paragraphs (3), and (9), the applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time--

(a) between the making of an application and a decision being made on it, or

(b) after the decision is made (where the decision is that the applicant is entitled to a reduction under this scheme) including at any time while the applicant is in receipt of such a reduction.

(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 this 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 or for the purposes of Part 1 of Schedule 1 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.

(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 this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

(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.

(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.

(6) The duty imposed on a person by sub-paragraph (1) includes--

(a) in the case of a person falling within class C (pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs;

(b) in the case of a person falling within class F (persons who are not pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the date when this occurs.

(7) A person who has been awarded a reduction under this scheme who is also on state pension credit must report--

(a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;

(b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks or where the absence is from Great Britain, which exceeds or is likely to exceed 4 weeks.

(8) In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only the savings credit must also report--

(a) changes affecting a child living with him which may result in a change in the amount of reduction under this scheme allowed in his case, but not changes in the age of the child;

(b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £16,000;

(c) any change in the income or capital of--

(i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 34 (circumstances in which income of a non-dependant is to be treated as applicant's); or

(ii) a person to whom paragraph 36(2)(e) (partner treated as member of the household under paragraph 8) refers,

and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(9) A person who is entitled to a reduction under this scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).

Part 15
Decisions by Authority

Decision by authority

116

The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 110 and 113 and Part 1 of Schedule 1 being satisfied, or as soon as reasonably practicable thereafter.

Notification of decision

117

(1) The authority must notify in writing any person affected by a decision made by it under this scheme--

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

(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 115(1)(b);

(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.

(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.

(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 this scheme relating to the procedure for making an appeal.

(5) A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

(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.

(7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

(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 who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority under paragraph 109(3).

Part 16
Circumstances in Which a Payment May be Made

Payment where there is joint and several liability

118

(1) Where--

(a) a person is entitled to a reduction under this scheme in respect of his liability for the authority's council tax as it has effect in respect of a 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 refers would be inappropriate,

it may make a payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

(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.

(3) Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 109(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 109(5), the amount of the reduction may be paid to that person.

SCHEDULE 1
PROCEDURAL MATTERS

Paragraph 11

Part 1
Procedure for an Application for a Reduction Under this Scheme

Procedure by which a person may apply for a reduction under this scheme

1

Paragraphs 2 to 7 apply to an application for a reduction under this scheme.

2

An application may be made--

(a) in writing,

(b) by means of an electronic communication in accordance with Part 4 of this Schedule, or

(c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

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.

4

Where an application made in writing is defective because--

(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or

(b) it was made in writing but not on the form supplied 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 completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

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.

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.

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.

Part 2
Procedure for Making an Appeal

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

8

A person who is aggrieved by a decision of the authority which affects--

(a) the person's entitlement to a reduction under this scheme, or

(b) the amount of any reduction under this scheme,

may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

9

The authority must--

(a) consider the matter to which the notice relates;

(b) notify the aggrieved person in writing--

(i) that the ground is not well founded, giving reasons for that belief; or

(ii) that steps have been taken to deal with the grievance, stating the steps taken.

10

Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

Part 3
Procedure for Applying for a Discretionary Reduction

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

Act

11

(1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made--

(a) in writing;

(b) by means of an electronic communication in accordance with Part 4 of this Schedule; or

(c) where the authority has published a telephone number for the purposes of receiving such applications, by telephone.

(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 this scheme,

that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A(1)(c).

Part 4
Electronic Communication

Interpretation

12

In this Part--

"information" includes an application, certificate, notice or other evidence;

"official computer system" means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13

(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

(2) A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

(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.

(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.

(5) The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this Part of this Schedule.

(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.

(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.

(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 Part of this Schedule.

Use of intermediaries

14

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.

Effect of delivering information by means of electronic communication

15

(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 this scheme, on the day the conditions imposed--

(a) by this Part; and

(b) by or under an enactment,

are satisfied.

(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).

(3) Information must 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.

Proof of identity of sender or recipient of information

16

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.

Proof of delivery of information

17

(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 must be 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.

(2) If it is necessary to prove, for the purpose of any legal proceedings, that the use of anelectronic communication has resulted in the delivery of any such information, this must be presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

(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 must be presumed to be that recorded on an official computer system.

Proof of content of information

18

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 must be presumed to be that recorded on an official computer system.

SCHEDULE2
APPLICABLE AMOUNTS: PENSIONERS

Paragraph 25

Part 1
Personal Allowances

Personal allowance

1

The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 25(1)(a).

Column (1) *Person or couple*	*Column(2)* *Amount*
(1) Single applicant or lone parent who has attained pensionable age before 1st April 2021	£256.00 £383.35
(2) Couple where one or both members have attained pensionable age before 1st April 2021	
(3) If the applicant is a member of a polygamous marriage and one or more of the members of the marriage has attained pensionable age before 1st April 2021— (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a member of the same household as the applicant.	(a) £383.35 (b) £127.35. £238.00
(4) Single applicant or lone parent who has attained pensionable age on or after 1st April 2021	£363.25
(5) Couple where both members have attained pensionable age on or after 1st April 2021	(a) £363.25 (b) £125.25
(6) If the applicant is a member of a polygamous marriage and all members of the marriage have attained pensionable age on or after 1st April 2021— (a) for the applicant and the other party to the marriage; (b) for each additional spouse who is a member of the same household as the applicant	

Child or young person amounts

2

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of paragraph 25(1)(b).

Column (1) *Child or young person*	*Column (2)* *Amount*
Person in respect of the period-- (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	(a) £87.88
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	(b) £84.66

(2) In column (1) of the table "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Part 2
Family Premium

Family premium

3

The amount for the purposes of paragraph 25(1)(c) in respect of a family of which at least one member is a child or young person —

(a) is £20.22 in respect of a reduction week which begins in the period beginning with 1st April 2016 and ending with 30th April 2016;

(b) is nil in respect of a reduction week which begins after 1st May 2016.

Transitional provision

3 A

(1) Subject to paragraph (2), paragraph 3 does not apply to a person who, on 30th April 2016, is liable to pay council tax at a reduced rate by virtue of a council tax reduction under the authority's scheme established under section 13A(2) of the Act and is—

(a) a member of a family of which at least one member is a child or young person; or

(b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if—

(a) sub-paragraph (a) or (b) of that paragraph ceases to apply; or

(b) the person makes a new application for a reduction under the authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this paragraph—

(a) “the Act” means the Local Government Finance Act 1992;

(b) “child”, “family”, “partner”, “polygamous marriage” and “young person” have the meanings given by Part 2 (‘Interpretation’) of this scheme.

Part 3
Premiums

4

The premiums specified in Part 4 are, for the purposes of paragraph 25(1)(d), applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

(a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provision of those Regulations, he would be in receipt of that benefit;

(b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973, or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance; and

(c) in the case of carer support payment, any period during which, apart from regulation 16 of the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023, he would be in receipt of that payment.

(ca) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;

(2) For the purposes of the carer premium under paragraph 9, a person is to be treated as being in receipt of a carer's allowance by virtue of sub- paragraph (1)(a) or carer support payment by virtue of sub-paragraph (1)(c) only if and for so long as the person in respect of whose care the allowance or payment has been claimed remains in receipt of—

(a) attendance allowance;
(aa) pension age disability payment;
(b) the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA;
(c) the care component of child disability payment at the highest or middle rate in accordance with regulation 11(5) of the DACYP Regulations;
(d) the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012;
(e) the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations; or
(f) an AFIP.

Severe disability premium

6

(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if--

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)--

(i) he is in receipt of—

(aa) attendance allowance;

(aaa) pension age disability payment;

(bb) the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA;

(bba) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;

(cc) the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012;

(dd) the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations; or

(ee) an AFIP; and

(ii) subject to sub-paragraph (6), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or carer support payment or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 in respect of caring for him;

(b) in the case of an applicant who has a partner--

(i) the applicant is in receipt of–

(aa) attendance allowance;

(aaa) pension age disability payment;

(bb) the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA;

(bba) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;

(cc) the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012;

(dd) the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations; or

(ee) an AFIP;

(ii) his partner is also in receipt of such an allowance or payment or, if he is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance or payment; and

(iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance or carer support payment or has an award of universal credit that includes the carer element in respect of caring for only one of the couple or, if he is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance or payment or has such an award of universal credit in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if he is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994 or is registered as severely sight-impaired in a register kept by a local

authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014.

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of–

(a) A person receiving–

(i) attendance allowance;

(ia) pension age disability payment;

(ii) the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA;

(iia) the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025;

(iii) the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012;

(iv) the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations; or

(v) an AFIP; or

(b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated--

(a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if he would, but for his being a patient for a period exceeding 28 days, be so in receipt, notwithstanding section 86 of that Act and regulations made thereunder;

(ba) as being in receipt of the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations, if they would, but for payment ceasing by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of those Regulations, be so in receipt;

(c) as being in receipt of an AFIP if he would be so in receipt but for a 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;

(d) as being entitled to and in receipt of a carer's allowance or carer support payment or having an award of universal credit which includes the carer element if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt or have such an award of universal credit.

(e) as being in receipt of pension age disability payment if he would, but for payment ceasing by virtue of regulation 20 of the Disability Assistance for Older People (Scotland) Regulations 2024, be so in receipt.

(f) as being in receipt of the care component of Scottish Adult Disability Living Allowance at the highest or middle rate in accordance with regulation 6(4) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025, if that person would, but for regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of those Regulations, be so in receipt.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (b)--

(a) no account is to be taken of an award of carer's allowance or carer support payment to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and

(b) a reference to a person being in receipt of a carer's allowance or as having an award of universal credit which includes the carer element include reference to a person who would have been in receipt of that allowance or had such an award of universal credit but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit).

Enhanced disability premium

7

(1) The condition is that--

(a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act;

(aa) the care component of child disability payment is payable at the highest rate in accordance with regulation 11(5) of the DACYP Regulations;

(aza) the care component of Scottish Adult Disability Living Allowance is payable, or has ceased to be payable by virtue of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025, at the highest rate in accordance with regulation 6(4) of those Regulations;

(ab) the daily living component of adult disability payment is payable, or has ceased to be payable by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations, at the enhanced rate in accordance with regulation 5 of those Regulations;

(b) (as the case may be) the daily living component of personal independence payment is, or would, but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act; or

(c) an AFIP is payable,

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

Disabled child premium

8

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household--

(a) is in receipt of disability living allowance, personal independence payment or is no longer in

receipt of such allowance or payment because he is a patient, provided that the child or young person continues to be a member of the family; or

(aa) is in receipt of child disability payment; or

(ab) is a young person who is in receipt of Scottish Adult Disability Living Allowance or who would, but for payment ceasing by virtue of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025 be so in receipt, provided that the young person continues to be a member of the family; or

(b) is blind within the meaning of paragraph 6(4) or treated as blind in accordance with paragraph 6(5); or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

(d) is a young person who is in receipt of adult disability payment or who would, but for payment ceasing by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations be so in receipt, provided that the young person continues to be a member of the family; or

(e) is a young person who is in receipt of an AFIP.

Carer premium

9

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance or carer support payment.

(2) Where a carer premium has been awarded but--

(a) the person in respect of whose care the carer's allowance or carer support payment has been awarded dies; or

(b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance or carer support payment,

this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is–

(a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance or carer support payment has been awarded (or beginning with the date of death if the date occurred on a Sunday);

(b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance or carer support payment ceases to be entitled to it.

(4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance or carer support payment for any period not covered by an award but in respect of which a payment is made in lieu of an award.

Persons in receipt of concessionary payments

10

For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Person in receipt of benefit

11

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

Part 4
Amounts of Premium Specified in Part 3

12

(1) Severe Disability Premium—

Provision	*Amount*
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	(a) £86.05
(b) where the applicant satisfies the condition in paragraph 6(2)(b)—	(b)
(i) in a case where there is someone in receipt of a carer's allowance or carer support payment or who has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 or if he or any partner satisfies that condition only by virtue of paragraph 6(7);	(i) £82.90
(ii) in a case where there is no-one in receipt of such an allowance or payment or such an award of universal credit.	(ii) £172.10
(2) Enhanced disability premium	(2) £33.99 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 are satisfied
(3) Disabled Child Premium	(3) £84.46 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied
(4) Carer Premium	(4) £48.15 in respect of each person who satisfies the condition specified in paragraph 9.

SCHEDULE 3
APPLICABLE AMOUNTS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 26

Part 1
Personal Allowances

1

The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 26(1)(a) and 27(1)(a) and (b)—

Column (1) *Person or couple*	*Column (2)* *Amount*
(1) A single applicant who-- (a) is entitled to main phase employment and support allowance; (b) is aged not less than 25; (c) is aged not less than 18 but less than 25. (2) Lone parent. (3) Couple.	*Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time*

2

For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if--

(a) paragraph 18 is satisfied in relation to the applicant; or

(b) the applicant is entitled to a converted employment and support allowance.

3

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraphs 26(1)(b) and 27(1)(c)--

Column (1) *Child or Young person*	*Column (2)* *Amount*
Person in respect of the period-- (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday; (b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	*Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time*

(2) In column (1) of the table in sub-paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Part 2
Family Premium

4

(1) The amount for the purposes of paragraphs 26(1)(c) and 27(1)(d) in respect of a family of which at least one member is a child or young person is--

(a) where the applicant is a lone parent to whom sub-paragraph (2) applies,

(b) in any other case,

in both cases, the amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time

(2) The amount in sub-paragraph (1)(a) is applicable to a lone parent--

(a) who was entitled to council tax benefit on 5th April 1998 and whose applicable amount on that date included the amount applicable under paragraph 3(1)(a) of Schedule 1 to the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as in force on that date; or

(b) on becoming entitled to council tax benefit where that lone parent--

(i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and

(ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006,

and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.

(3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6th April 1998--

(a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to

(i) council tax benefit (in relation to the period prior to 1st April 2013), and

(ii) a reduction under a scheme made by this authority (in relation to the period commencing on 1st April 2013);

(b) the applicant has not ceased to be a lone parent;

(c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and support allowance or a combination of those benefits;

(d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and

(e) a premium under paragraph 9 or a component under paragraph ~~21 or~~ 22 has not become applicable to the applicant.

(4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where he was not, or had ceased to be, so entitled and--

(a) throughout that period, he had been awarded housing benefit and his applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or

(b) he would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and his applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

Part 3
Premiums

5

Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraphs 26(1)(d) and 27(1)(e) (premiums), applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.

6

Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is applicable to him and, if they are different amounts, the higher or highest amount applies.

7

The following premiums, namely--

(a) a severe disability premium to which paragraph 11 applies;

(b) an enhanced disability premium to which paragraph 12 applies;

(c) a disabled child premium to which paragraph 13 applies; and

(d) a carer premium to which paragraph 14 applies,

may be applicable in addition to any other premium which may apply under this Schedule.

8

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for--

(a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and

(b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973 or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, the care component of child disability payment at the highest or middle rate in accordance with regulation 11(5) of the DACYP Regulations; or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012, or the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations.

Disability premium

9

The condition is that--

(a) where the applicant is a single applicant or a lone parent, he has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 is satisfied; or

(b) where the applicant has a partner, either--

(i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) or (b) is satisfied by him; or

(ii) his partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) is satisfied by his partner.

Additional condition for the disability premium

10

(1) Subject to sub-paragraph (2) and paragraph 8, the additional condition referred to in paragraph 9 is that either--

(a) the applicant or, as the case may be, his partner--

(i) is in receipt of one or more of the following benefits: attendance allowance, pension age disability payment, Scottish Adult Disability Living Allowance, disability living allowance, child disability payment, personal independence payment, adult disability payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or

(ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act or a state pension under Part 1 of the Pensions Act 2014 and the applicant remained continuously entitled to--

(aa) council tax benefit (in relation to the period prior to 1st April 2013, or

(bb) a reduction under a scheme made by this authority (in relation to the period commencing on or after 1st April 2013), and

if the long-term incapacity benefit was payable to his partner, the partner is still a member of the family; or

(iii) was in receipt of attendance allowance or disability living allowance but payment of benefit

has been suspended in accordance with regulations made under section 113(2) of the SSCBA or otherwise abated as a consequence of the applicant or his partner becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(iv) was in receipt of personal independence payment, but payment of that benefit has been suspended in accordance with section 86 of the Welfare Reform Act 2012 as a consequence of the applicant becoming a patient within the meaning of paragraph 58A(11)(i) (treatment of child care charges); or

"(iva) was in receipt of adult disability payment that is no longer payable by virtue of regulation 28 of the DAWAP Regulations; or

(ivb) was in receipt of pension age disability payment that is no longer payable by virtue of regulation 20 of the Disability Assistance for Older People (Scotland) Regulations 2024; or

(ivc) was in receipt of Scottish Adult Disability Living Allowance that is no longer payable by virtue of regulation 23 (effect of admission to hospital on ongoing entitlement to Scottish Adult Disability Living Allowance) of the Disability Assistance (Scottish Adult Disability Living Allowance) Regulations 2025; or

(v) was in receipt of an AFIP, but payment has been suspended in accordance with any terms of the armed and reserve forces compensation scheme which allow for suspension because a person is undergoing medical treatment in a hospital or similar institution; or

(vi) he has an invalid carriage or other vehicle provided to him by the Secretary of State or an integrated care board under paragraph 9 of Schedule 1 to the National Health Service Act 2006

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; or

(vii) who is registered as severely sight-impaired in a register kept under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), 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 is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or

(viii) was in receipt of Adult Disability Payment, but payment of that benefit has been suspended in accordance with regulation 28 (effect of admission to hospital on ongoing entitlement) of the DAWAP Regulations as a consequence of the applicant becoming a patient within the meaning of paragraph 58A(11)(i) (treatment of child care charges); or

(b) the applicant--

(i) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work); and

(ii) has been incapable, or has been treated as incapable, of work for a continuous period of not less than--

(aa) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;

(bb) in any other case, 364 days.

(2) For the purposes of sub-paragraph (1)(a)(vii), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased

to be so registered.

(3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, if he then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work he is, on again becoming so incapable of work, immediately thereafter to be treated as satisfying the condition in sub-paragraph (1)(b).

(4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, he is to continue to be treated as satisfying that condition for any period spent by him in undertaking a course of training pro- vided under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(5) For the purposes of sub-paragraph (1)(b), where any two or more periods of incapacity are separated by a break of not more than 56 days, those periods are to be treated as one continuous period.

(6) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of section 30B(4)(a) of the Act (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt of short-term incapacity benefit at such a rate but for the fact that the rate of short-term incapacity benefit already payable to him is or was equal to or greater than the long-term rate.

(7) In the case of an applicant who is a welfare to work beneficiary (a person to whom regulation 13A(1) of the Social Security (Incapacity for Work) (General) Regulations 1995 applies, and who again becomes incapable of work for the purposes of Part 12A of the SSCBA)--

(a) the reference to a period of 8 weeks in sub-paragraph (3); and

(b) the reference to a period of 56 days in sub-paragraph (5),

in each case is to be treated as a reference to a period of 104 weeks.

(8) The applicant is not entitled to the disability premium if he has, or is treated as having, limited capability for work.

Severe disability premium

11

(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if--

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)--

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations, or an AFIP; and

(ii) subject to sub-paragraph (4), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 in respect of caring for him;

(b) in the case of an applicant who has a partner--

(i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations, or an AFIP; and

(ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, all the partners of that marriage are in receipt of such an allowance; and

(iii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer element in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any partner of a polygamous marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of--

(a) a person receiving attendance allowance, or disability living allowance by virtue of the care component at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations; or

(b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) and (2).

(5) For the purposes of sub-paragraph (2)(b) a person is to be treated--

(a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or the daily living component of adult disability payment at the standard or enhanced rate in accordance with regulation 5 of the DAWAP Regulations, or an AFIP if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being entitled to and in receipt of a carer's allowance or having an award of universal credit which includes the carer element if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.

(6) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b), no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the

date on which the award is first paid.

(7) In sub-paragraph (2)(a)(iii) and (b), references to a person being in receipt of a carer's allowance or having an award of universal credit which includes the carer element include references to a person who would have been in receipt of that allowance but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit provisions).

Enhanced disability premium

12

(1) Subject to sub-paragraph (2), the condition is that--

(a) the Secretary of State has decided that the applicant has, or is to be treated as having, limited capability for work-related activity; or

(b) the care component of disability living allowance is, or would be payable at the highest rate prescribed under section 72(3) of the SSCBA, but for a suspension of benefit in accordance with regulations made under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation be payable at the highest rate prescribed under section 72(3) of the SSCBA in respect of--

(i) the applicant; or

(ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit; or

(bb) the care component of child disability payment is payable at the highest rate in accordance with regulation 11(5) of the DACYP Regulations in respect of a child or young person who is a member of the applicant's family;

(c) the daily living component of personal independence payment is, or would be payable at either rate under Part 4 of the Welfare Reform Act 2012, but for a suspension of benefit in accordance with section 86 of the Welfare Reform Act 2012;

(d) the daily living component of adult disability payment is payable, or has ceased to be payable by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations, at the enhanced rate in accordance with regulations 5 of those Regulations;

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

(3) The condition is not satisfied if the person to whom sub-paragraph (1) refers is--

(a) an applicant who--

(i) is not a member of a couple or a polygamous marriage; and

(ii) is a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges) and has been for a period of more than 52 weeks; or

(b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11)(i) and has been for a period of more than 52 weeks.

Disabled child premium

13

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household--

(a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or

(aa) is in receipt of child disability payment; or

(b) is blind or treated as blind within the meaning of paragraph 10; or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death; or

(d) is a young person who is in receipt of adult disability payment or who would, but for payment ceasing by virtue of regulation 28 (effect of admission to hospital on ongoing entitlement to Adult Disability Payment) of the DAWAP Regulations be so in receipt, provided that the young person continues to be a member of the family;

Carer premium

14

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but--

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance,

the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is--

(a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;

(b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which--

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

Persons in receipt of concessionary payments

15

For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

16

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

Part 4
Amounts of Premiums Specified in Part 3

17

Premium	*Amount*
(1) Disability Premium-	
(a) where the applicant satisfies the condition in paragraph 9(a);	
(b) where the applicant satisfies the condition in paragraph 9(b).	
(2) Severe Disability Premium	
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	
(b) where the applicant satisfies the condition in paragraph 11(2)(b)--	*Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time*
(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 11(5);	
(ii) in a case where there is no-one in receipt of such an allowance	
(3) Disabled Child Premium	
(4) Carer Premium	
(5) Enhanced disability premium	

Part 5
The Component

18

Subject to paragraph 20 the applicant is entitled to the support component in paragraph 22 if--

(a) the applicant or the applicant's partner has made a claim for employment and support allowance;

(b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity; and

(c) either--

(i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or

(ii) regulation 7 of the Employment and Support Allowance Regulations 2008 (circumstances where the condition that the assessment phase has ended before entitlement to the support component arises does not apply) applies.

19

Subject to paragraph 20, the applicant is entitled the support component in paragraph 22 if the applicant or his partner is entitled to a converted employment and support allowance.

20

(1) The applicant has no entitlement under paragraph ~~21 or~~ 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10.

(2) Where the applicant and the applicant's partner each satisfies paragraph ~~21 or~~ 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

The work-related activity component

21

Not in use

The support component

22

The applicant is entitled to the support component if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity.

Part 6 Amount of Component

23

Not in use

The amount of the support component is the amount as specified in the Housing Benefit Regulations 2006 as amended from time to time.

Part 7
Transitional Addition

25

(1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")--

(a) is entitled to a converted employment and support allowance; or

(b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2008 and--

(i) is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2008; and

(ii) is not in receipt of an income-related employment and support allowance,

unless the amount of the transitional addition calculated in accordance with paragraph 28 would be nil.

(2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

(a) the reduction of the transitional addition to nil in accordance with paragraph 29;

(b) the termination of the applicant's award of reduction under this scheme;

(c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;

(d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;

(e) 5th April 2020.

26

(1) This paragraph applies where--

(a) the applicant's entitlement to a transitional addition ends, by virtue of the termination of the applicant's award of reduction, under--

(i) paragraph 25(2)(b);

(ii) sub-paragraph (3)(b); or

(iii) paragraph 27(3)(b);

(b) within 12 weeks of that termination but before 5th April 2020 the applicant again becomes entitled to a reduction under this scheme;

(c) in the reduction week in which the applicant again becomes entitled to a reduction under this scheme the relevant person is entitled to an employment and support allowance which is not income-related; and

(d) at the date on which the applicant again becomes entitled to a reduction under this scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

(a) the reduction of the transitional addition to nil in accordance with paragraph 29;

(b) the termination of the applicant's award of a reduction under this scheme;

(c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);

(d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;

(e) 5th April 2020.

27

(1) This paragraph applies where--

(a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under--

(i) paragraph 25(2)(c);

(ii) paragraph 26(3)(c); or

(iii) sub-paragraph (3)(c);

(b) before 5th April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;

(c) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and

(d) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

(a) the reduction of the transitional addition to nil in accordance with paragraph 29;

(b) the termination of the applicant's award of a reduction under this scheme;

(c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);

(d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;

(e) 5th April 2020.

Part 8
Amount of Transitional Addition

28

(1) Subject to paragraph 29, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.

(2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person--

(a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and

(b) Amount B is the basic amount that applied on that day as a result of that decision.

(3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations--

(a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and

(b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.

(4) In this paragraph and paragraph 29, "basic amount" means the aggregate of such amounts as may apply in the applicant's case in accordance with paragraph 26(1)(a) to (e) or paragraph 27(1)(a) to (f) (applicable amounts).

29

(1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant's basic amount, the transitional addition that applies immediately before the change of circumstances must be reduced by the amount by which Amount C exceeds Amount D.

(2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition must be reduced to nil.

(3) Amount C is the basic amount that applies as a result of the increase.

(4) Amount D is the basic amount that applied immediately before the increase.

SCHEDULE 4
AMOUNT OF ALTERNATIVE MAXIMUM COUNCIL TAX REDUCTION: PENSIONERS AND PERSONS WHO ARE NOT PENSIONERS

Paragraph 31

1

(1) Subject to paragraphs 2 and 3, the alternative maximum council tax reduction in respect of a day for the purpose of paragraph 31 (alternative maximum council tax reduction: pensioners and persons who are not pensioners) is determined in accordance with Table 1 and Table 2 and in these Tables--

(a) "second adult" means any person or persons residing with the applicant to whom paragraph 15(2) (class C) or 18(2) (class F) (as the case may be) applies; and

(b) "persons to whom paragraph 75(1) of this scheme applies" includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule "council tax due in respect of that day" means the council tax payable under section 10 of the 1992 Act less--

(a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under this scheme); and

(b) in a case to which sub-paragraph (c) in column (1) of Table 1 or Table 2 below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

Table 1
Pensioners

(1) *Second adult*	*(2)* *Alternative maximum council tax reduction*
(a) Where the second adult or all second adults are in receipt of income support, an in-come-related employment and support allowance or state pension credit or are persons on an in- come-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance—	(b)
(i) is less than £289.00per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £289.00 per week but less than £375.00 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 73(1) of Schedule 1 to the Default Scheme Regulations applies but for the presence of one or more second adults who	(c) 100 per cent of the council tax due in respect of that day.

are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.	

Table 2

Persons who are not pensioners

(1) *Second adult*	*(2)* *Alternative maximum council tax reduction*
(a) Where the second adult or all second adults are in receipt of income support, an in-come-related employment and support allowance or state pension credit or are persons on an in-come-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an in-come-related employment and support allowance, state pension credit or an income-based jobseeker's allowance--	(b)
(i) is less than the amount specified above in Table 1 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is in accordance with the amounts specified above in Table 1 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 75(1) of this scheme applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an in- come-related employment and support allowance or are persons on an income-based jobseeker's allowance.	(c) 100 per cent of the council tax due in respect of that day.

2

In determining a second adult's gross income for the purposes of this Schedule, there must be disregarded from that income--

(a) In respect of pensioners, any allowance or payment to which Part 7 paragraph 30(9) of this scheme refers (and sub-paragraph (13) of paragraph 30 applies to this paragraph as it applies in relation to that paragraph).

(b) In respect of persons who are not pensioners:

(i) In any attendance allowance, any disability living allowance, any personal independence payment under Part 4 of the Welfare Reform Act 2012 or an AFIP;

(ii) 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 paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and

(iii) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

3

Where there are two or more second adults residing with the applicant for a reduction under this scheme and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 to the 1992 Act, his income must be disregarded in determining the amount of any alternative maximum council tax reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

SCHEDULE 5
SUMS DISREGARDED FROM APPLICANT'S EARNINGS: PENSIONERS

Paragraph 40

1

Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to--

(a) £25 in the case of a lone parent;

(b) £20 in any other case.

2

In a case where an applicant is a lone parent, £25 of earnings.

3

(1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £20.

(2) This paragraph applies to employment--

(a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;

(ab) as a part-time fire-fighter employed by a fire and rescue authority created by an order under section 4A of the Fire and Rescue Services Act 2004;

(b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;

(c) as an auxiliary coastguard in respect of coast rescue activities;

(d) in the manning or launching of a lifeboat if the employment is part-time;

(e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001.

(3) If--

(a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and

(b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.

4

(1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

(3) In this paragraph the applicant or his partner is a carer if paragraph 14 of Part 3 of Schedule 3

(amount applicable for carers) is satisfied in respect of him.

5

(1) £20 is disregarded if the applicant or, if he has a partner, his partner--

(a) is in receipt of--

(i) long-term incapacity benefit under section 30A of the SSCBA;

(ii) severe disablement allowance under section 68 of that Act;

(iii) attendance allowance under sections 64 of that Act;

(iiia) pension age disability payment;

(iiib) adult disability payment;

(iv) disability living allowance;

(iva) Scottish Adult Disability Living Allowance;

(v) personal independence payment;

(vi) an AFIP;

(vii) 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;

(viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002; or

(ix) main phase employment and support allowance; or

(b) is or are registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults), in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994 or is registered as severely sight-impaired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or

(c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than--

(i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the Act, 196 days;

(ii) in any other case, 364 days; or

(d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act 1997 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either--

(i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or

(ii) regulation 7 of the Employment and Support Allowance Regulations 2008 or Regulation 7 of the Employment and Support Allowance Regulations 2013 (circumstances where the condition that the assessment phase has ended before entitlement to the support component arising does not apply) applies.

(2) Subject to sub-paragraph (3), £20 is disregarded if the applicant or, if he has a partner, his partner has, within a period of 8 weeks ending on the day in respect of which the applicant or his partner attains the qualifying age for state pension credit, had an award of housing benefit or council tax benefit or been in receipt of a reduction under this scheme and--

(a) £20 was disregarded in respect of earnings taken into account in that award; and

(b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.

(3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's--

(a) entitlement to housing benefit; or

(b) receipt of a reduction under a council tax reduction scheme; or

(c) employment,

following the first day in respect of which that benefit is awarded under this scheme.

(4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that, where the applicant has a partner, both the applicant and his partner satisfy the requirements of this paragraph.

6

(1) Where--

(a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;

(b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and

(c) paragraph 35 (applicant in receipt of guarantee credit: pensioners) does not apply,

the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there is also to be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

(5) This sub-paragraph applies to a person who is--

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance;

(d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

(6) "Exempt work" means work of the kind described in--

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or Regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be); or

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

7

Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 6 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full amount disregarded thereunder.

8

Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule--

(a) £5 is to be disregarded if an applicant who has no partner has earnings;

(b) £10 is to be disregarded if an applicant who has a partner has earnings.

9

Any earnings, other than earnings referred to in paragraph 40(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.

10

(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

(2) The conditions of this sub-paragraph are that--

(a) the applicant, or if he has a partner, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant--

(i) is, or any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) if he is a member of a couple--

(aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his family includes at least one child or young person; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) above is satisfied in respect of that person.

(3) The following are the amounts referred to in sub-paragraph (1)--

(a) any amount disregarded under this Schedule;

(b) the amount of child care charges calculated as deductible under paragraph 57(1)(c) (deductions from income of certain child care charges); and

(c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph was a reference to 30 hours.

11

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

SCHEDULE 6
AMOUNTS TO BE DISREGARDED IN THE CALCULATION OF INCOME OTHER THAN EARNINGS: PENSIONERS

Paragraph 40

A1

The whole of any amount of the following--

(a) a war disablement pension;

(b) a war widow's pension or war widower's pension.

1

In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, £10 of any of the following--

(a) 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;

(b) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

(c) 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;

(d) 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;

(e) a pension paid by a government to victims of National Socialist persecution

2

The whole of any amount included in a pension to which paragraph 1 relates in respect of--

(a) the applicant's need for constant attendance;

(b) the applicant's exceptionally severe disablement.

3

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.

4

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.

5

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6

(1) Any payment which is--

(a) made under any of the Dispensing Instruments to a widow, widower or 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

(b) 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).

7

£15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the SSCBA.

8

£15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the SSCBA.

9

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 whom 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, 100 per cent. of such payments; or

(b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent. of the excess over £20.

10

If the applicant--

(a) owns the freehold or leasehold interest in any property or is a tenant of any property; and

(b) occupies a part of that property; and

(c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and--

(i) the amount paid by that person is less than £20 per week, the whole of that amount; or

(ii) the amount paid is £20 or more per week, £20.

11

Where an applicant receives income under an annuity purchased with a loan, which satisfies the following conditions--

(a) that the loan was made as part of a scheme under which not less than 90 per cent. of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;

(b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65, or, if it was higher at the time, pensionable age;

(c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;

(d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as his home at the time the interest is paid; and

(e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,

the amount, calculated on a weekly basis, equal to--

(i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;

(ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

12

(1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by Trustees in exercise of a discretion exercisable by them.

(2) This sub-paragraph applies to payments made to the applicant by Trustees in exercise of a discretion exercisable by them for the purpose of--

(a) obtaining food, ordinary clothing or footwear or household fuel;

(b) the payment of rent, council tax or water charges for which that applicant or his partner is liable;

(c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002.

(3) In a case to which sub-paragraph (2) applies, £20 or--

(a) if the payment is less than £20, the whole payment;

(b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g), £10 or the whole payment if it is less than £10; or

(c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 and--

(i) he has no disregard under paragraph 1(a) to (g), £5 or the whole payment if it is less than £5;

(ii) he has a disregard under paragraph 1(a) to (g), nil.

(4) For the purposes of this paragraph, "ordinary clothing or footwear" means clothing or footwear for normal daily use, but does not include school uniforms, or clothing and footwear used solely for sporting activities.

13

Any increase in pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 paid in respect of a dependent other than the pensioner's partner.

14

Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.

15

Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or, as the case may be, the applicant's partner for an injury suffered by him.

16

Any income which is payable outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

17

Any banking charges or commission payable in converting to Sterling payments of income made in a currency other than Sterling.

18

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, 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.

19

(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 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 18, 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 is to be equal to--

(a) the weekly amount of the payments; or

(b) £75.65 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

20

(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

21

Except in a case which falls under paragraph 10 of Schedule 5, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

22

Where the total value of any capital specified in Part 2 (capital disregarded only for the purposes of determining deemed income) of Schedule 9 does not exceed £10,000, any income actually derived from such capital.

23

Except in the case of income from capital specified in Part 2 of Schedule 9, any actual income from capital.

24

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.

25

Any victims' payment under the Victims' Payments Regulations 2020.

26

Any amount of carer support payment that is in excess of the amount the claimant would receive if they had an entitlement to carer's allowance under section 70 of the SSCBA.

SCHEDULE 7
SUMS DISREGARDED IN THE CALCULATION OF EARNINGS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 53

1

In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged--

(a) where--

(i) the employment has been terminated because of retirement; and

(ii) on retirement he is entitled to a retirement pension under the Act or a state pension under Part 1 of the Pensions Act 2014, or is not so entitled solely because of his failure to satisfy the contribution conditions or to have the minimum number of qualifying years,

any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;

(b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except--

(i) any payment of the nature described in--

(aa) paragraph 51(1)(e) (retainer), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and

(ii) any award, sum or payment of the nature described in--

(aa) paragraph 51(1)(g) or (i) (compensation etc relating to employment), or

(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),

including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;

(c) where before the first day of entitlement to a reduction under this scheme--

(i) the employment has not been terminated, but

(ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc).

2

In the case of an applicant who, before the first day of entitlement to a reduction under this scheme--

(a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and

(b) has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings paid or due to be paid in respect of that employment except--

(i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);

(ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc).

3

In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.

4

(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, or support component under Schedule 3 (applicable amounts: persons who are not pensioners) or where the applicant or the applicant’s partner is a member of the work-related activity group.

(3) This paragraph applies where--

(a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium under Schedule 3; and

(b) he or his partner has not attained the qualifying age for state pension credit and at least one is

engaged in employment.

5

In a case where the applicant is a lone parent, £25.

6

(1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

7

Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment--

(a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;

(b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

8

In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

9

(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as--

(aa) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;

(ab) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;

(ac) a part-time fire-fighter employed by a fire and rescue authority created by an order under section 4A of the Fire and Rescue Services Act 2004;

(ad) a part-time firefighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;

(a) an auxiliary coastguard in respect of coast rescue activities;

(b) a person engaged part-time in the manning or launching of a life boat;

(c) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;

but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment--

(a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;

(b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

10

Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.

11

In a case to which none of the paragraphs 4 to 10 applies, £5.

12

(1) Where--

(a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;

(b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and

(c) paragraph 14 does not apply,

the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

(5) This sub-paragraph applies to a person who is--

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance; or

(d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

(6) "Exempt work" means work of the kind described in--

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or Regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be)

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13

Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 8 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

14

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

15

Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

16

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17

Any earnings of a child or young person.

18

(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £17.10.

(2) The conditions of this sub-paragraph are that--

(a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant--

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and--

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) Where an applicant's family includes at least one child or young person; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and--

(aa) the applicant's applicable amount includes a disability premium under paragraph 9, the support component under paragraph 22 of Schedule 3 respectively;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or the support component above and is engaged in remunerative work for on average not less than 16 hours per week; (cc) is a member of the work-related activity group; or

(c) the applicant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

(3) The following are the amounts referred to in sub-paragraph (1)--

(a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12;

(b) the amount of child care charges calculated as deductible under paragraph 57(1)(c); and

(c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph were a reference to 30 hours.

19

In this Schedule "part-time employment" means employment in which the person is engaged on average for less than 16 hours a week.

SCHEDULE 8
SUMS DISREGARDED IN THE CALCULATION OF INCOME OTHER THAN EARNINGS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 54

1

Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.

2

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.

3

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme.

4

Any amount paid by way of tax on income which is to be taken into account under regulation 30 (calculation of income other than earnings).

5

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) a volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 56(5) (notional income: persons who are not pensioners).

6

Any payment in respect of expenses arising out of the applicant participating as a service user.

7

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.

8

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.

9

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.

10

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.

11

Any disability living allowance, personal independence payment, adult disability payment, or an AFIP.

12

Any concessionary payment made to compensate for the non-payment of--

(a) any payment specified in paragraph 11 or 14;

(b) income support;

(c) an income-based jobseeker's allowance;

(d) an income-related employment and support allowance.

13

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.

14

Any attendance allowance.

15

Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

16

(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 the

Welsh Ministers 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

(c) 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).

17

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.

18

(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 Employment and Training Act 1973 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.

19

(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 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 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) does 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.

19A

The whole of any amount of the following--

(a) a war disablement pension;

(b) a war widow's pension or war widower's pension.

20

Subject to paragraph 40, £10 of any of the following, namely--

(a) 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;

(b) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

(c) 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;

(d) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;

(e) 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.

21

Subject to paragraph 40, £15 of any--

(a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;

(b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

22

(1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 10.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 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) (interpretation) applies 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".

23

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, 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.

24

(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 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 23, 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 must 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.

25

Any payment made to the applicant by a child or young person or a non-dependant.

26

Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 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.

27

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, 100 per cent of such payments;

(b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.

28

(1) Any income in kind, except where paragraph 54(10)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 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.

29

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.

30

(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 (schemes for payments of allowances to adopters) or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes);

(b) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance

where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);

(c) which is a payment made by an authority, as defined in Article 2 of the Children (Northern Ireland) Order 1995, 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 (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.

31

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).

32

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 11 of the National Health Service (Wales) Act 2006.

(g) the persons concerned where the payment is for the care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult);

(h) the person concerned where the payment is for the provision of accommodation in respect of the meeting of that person’s needs under section 18 or 19 of the Care Act 2014 (duty and power to meet needs for care and support).

32A

Any payment or part of a payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person (“A”) which A passes on to the applicant where A-

(i) was formerly in the applicant’s care;

(ii) is aged 16 or over; and

(iii) continues to live with the applicant.

33

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).

34

(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.

35

(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) is only to 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, (1)(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).

36

Any payment of income which by virtue of paragraph 64 (income treated as capital: persons who are not pensioners) is to be treated as capital.

37

Any--

(a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or

(b) occasional assistance.

38

Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).

39

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.

40

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 33(3) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 77(2)(b) and paragraph 78(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.

41

(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 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 benefit a 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 is to 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.

42

Any housing benefit.

43

Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

44

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.

45

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).

46

(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).

47

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).

48

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.

49

(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50

(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 sub-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.

51

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.

52

Any guardian's allowance.

53

(1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that 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.

54

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.

55

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56

(1) Any payment which is--

(a) made under any of the Dispensing Instruments to a widow, widower or 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

(b) 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).

57

Any council tax benefit to which the applicant is entitled.

58

Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 7, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

59

Any payment made under section 12B of the Social Work (Scotland) Act 1968, or as a direct payment as defined in section 4(2) of the Social Care (Self-directed Support) (Scotland) Act 2013, 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).

60

(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) applies only in respect of payments which are paid to that person from the special account.

61

(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.

62

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.

63

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.

64

Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.

65

(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.

66

Any payment of child benefit.

67

Any payments made under sections 31 to 33 of the Care Act 2014 (direct payments).

68

Any victim's payments under the Victims' Payments Regulations 2020.

SCHEDULE 9
CAPITAL DISREGARDS: PENSIONERS

Paragraph 63

Part 1
Capital to be Disregarded

1

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.

2

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.

3

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.

4

Any premises occupied in whole or in part--

(a) by a person who is a relative of the applicant or his partner 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 does 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

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.

6

Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from his former partner or the dissolution of a 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.

7

Any premises where the applicant is taking reasonable steps to dispose of the whole of his interest in 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.

8

All personal possessions.

9

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 those assets.

10

The assets of any business owned in whole or in part by the applicant if--

(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 application for a reduction under this scheme is 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.

11

The surrender value of any policy of life insurance.

12

The value of any funeral plan contract; and for this purpose, "funeral plan contract" means a contract under which--

(a) the applicant makes one or more payments to another person ("the provider");

(b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on his death; and

(c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on his death.

13

Where an ex-gratia payment has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment 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, an amount equal to that payment.

14

(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or an applicant's partner who is--

(a) a diagnosed person;

(b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or

(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.

(2) Where a trust payment is made to--

(a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies 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 applies for the period beginning on the date on which the trust payment is made and ending two years after that date.

(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 an applicant's partner who is--

(a) the diagnosed person;

(b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or

(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.

(4) Where a payment such as referred to in sub-paragraph (3) is made to--

(a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending two years after that date.

(5) In this paragraph, a reference to a person--

(a) being the diagnosed person's partner;

(b) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes 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 or an independent hospital.

(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 Creutzfeldt-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 Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

15

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 civil partner or the applicant's partner's deceased spouse or 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.

16

(1) Any payment made under or by--

(a) 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, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Windrush Compensation Scheme, the National Emergencies Trust, the Victims of Overseas Terrorism Compensation Scheme or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as "the Trusts"); or

(b) the Independent Living Fund (2006).

(1A) Any Grenfell Tower support payment.

(1B) Any payment made by the Child Migrants Trust (registered charity number 1171479) under the scheme for former British child migrants.

(1C) Any historical child abuse payment.

(1D) Any Windrush payment.

(1E) Any Post Office compensation payment.

(1F) Any vaccine damage payment.

(1G) Any payment out of the estate of a person, which derives from a payment to meet the recommendation of the Infected Blood Inquiry in its interim report published on 29th July 2022 made under or by the Scottish Infected Blood Support Scheme or an approved blood support scheme to the estate of the person, where the payment is made to the person's son, daughter, step-son or step-daughter.

(1H) Any payment out of the estate of a person, which derives from a payment made under or by the Scottish Infected Blood Support Scheme or an approved blood scheme to the estate of the person as a result of that person having been infected from contaminated blood products.

(1I) Any LGBT Financial Recognition Scheme payment.

(1J) Any miscarriage of justice compensation payment.

(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 or from a Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, a Post Office compensation payment, a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment and which is made to or for the benefit of that person's partner or former partner--

(a) from whom he is not, or where that person has died was not, estranged or divorced, or

(b) 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.

(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 which derives from a payment made under or by any of the Trusts or from a Grenfell Tower support payment, a historical child abuse payment , a Windrush payment, a Post Office compensation payment, a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment and which is made to or for the benefit of the person who is suffering from haemophilia or who is a qualifying person.

(4) Sub-paragraph (3) does not apply if--

(a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(b) 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.

(5) 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 or from a Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, a Post Office compensation payment, a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment, 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 who is or had been a member of that person's household; 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 or a student who has not completed his full-time education and has no parent or step-parent, to any person standing in the place of his parent,

but only for a period from the date of the payment until the end of two years from that person's death.

(6) 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 or from a Grenfell Tower support payment, a historical child abuse payment, a Windrush payment, a Post Office compensation payment, a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment, 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 who was or had been a member of his household; 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 or a student who had not completed his full-time education and had no parent or step-parent, to any person standing in place of his parent,

but only for a period of two years from the relevant date.

(7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from—

(a) any payment of income or capital made under or deriving from any of the Trusts; or

(b) a Grenfell Tower support payment, a historical child abuse payment, a Windrush

payment, a Post Office compensation payment, a vaccine damage payment, an LGBT Financial Recognition Scheme payment or a miscarriage of justice compensation payment.

16A

Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

17

(1) An amount equal to the amount of any payment made in consequence of any personal injury to the applicant or, if the applicant has a partner, to the partner.

(2) Where the whole or part of the payment is administered--

(a) by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998, or the Court of Protection, or on behalf of a person where the payment can only be disposed of by order or direction of any such court;

(b) in accordance with an order made under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules; or

(c) in accordance with the terms of a trust established for the benefit of the applicant or his partner,

the whole of the amount so administered.

18

Any amount specified in paragraph 19, 20, 21 or 25 for a period of one year beginning with the date of receipt.

19

Amounts paid under a policy of insurance in connection with the loss of or damage to the property occupied by the applicant as his home and to his personal possessions.

20

So much of any amounts paid to the applicant or deposited in the applicant's name for the sole purpose of--

(a) purchasing premises which the applicant intends to occupy as his home; or

(b) effecting essential repairs or alterations to the premises occupied or intended to be occupied by the applicant as his home.

21

(1) Subject to paragraph 22 any amount paid--

(a) by way of arrears of benefit;

(b) by way of compensation for the late payment of benefit;

(c) in lieu of the payment of benefit;

(d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;

(e) by a local authority out of funds provided under either section 93 of the Local Government Act

2000 under a scheme known as "Supporting People" or section 91 of the Housing (Scotland) Act 2001;

(f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in this paragraph “occasional assistance” has the same meaning as in paragraph 16 of Schedule 1).

(g) to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance, being an amount to which paragraph 22(1A) does not apply.

(2) In sub-paragraph (1), "benefit" means--

(a) attendance allowance under section 64 of the Act;

(b) disability living allowance;

(c) personal independence payment;

(d) an AFIP;

(e) income support;

(f) income-based jobseeker's allowance;

(g) state pension credit;

(h) housing benefit;

(i) council tax benefit;

(j) child tax credit;

(k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the Act (increase for exceptionally severe disablement);

(l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;

(m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

(n) working tax credit;

(o) income-related employment and support allowance;

(p) social fund payments under Part 8 of the SSCBA;

(q) universal credit.

(r) maternity allowance under section 35 of the SSCBA1 (state maternity allowance for employed or self-employed earner);

(s) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;

(t) funeral expense assistance given in accordance with section 34 of that Act.

(u) any Scottish child payment assistance given in accordance with section 79 of that Act;

(v) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;

(w) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018;

(x) winter heating assistance given in accordance with regulations under section 30 of that Act; or

(y) bereavement support payment under section 30 of the Pensions Act 2014.

(3) In sub-paragraph (1) "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.

22

(1) Subject to sub-paragraph (3), any payment of £5,000 or more which has been made to rectify, or to compensate for, an official error or an error on a point of law relating to a relevant benefit and which has been received by the applicant in full on or after the day on which he became entitled to a reduction under this scheme.

(1A) Subject to paragraph (3), any payment of £5,000 or more received by the applicant in full on or after the day on which the applicant became entitled to a reduction under an authority's scheme which has been made to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance.

(1B) In sub-paragraph (1A) "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.

(2) Subject to sub-paragraph (3), the total amount of any payments disregarded under--

(a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987;

(b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996;

(c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006;

(d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002,

(e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008,

(f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013;

(g) regulations 10A to 10C of the Universal Credit (Transitional Provisions) Regulations 2014.

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

(3) Any disregard which applies under sub-paragraph (1), (1A) or (2) has effect until the award comes to an end.

(4) In this paragraph--

"the award", except in sub-paragraph (2), means--

(a) the award of a reduction under the authority's scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant--

(i) is the person who received the relevant sum;

(ii) is the partner of that person; or

(iii) was the partner of that person at the date of his death;

"official error"--

(a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) where the error relates to any other relevant benefit, has the meaning given byregulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

"the relevant date" means the date on which the application for a reduction under this scheme was made;

"relevant benefit" means any benefit specified in paragraph 21(2); and

"the relevant sum" means the total amount referred to in sub-paragraph (1).

22A

Any payment of a widowed parent's allowance made pursuant to section 39A of the SSCBA (widowed parent's allowance)—

(a) to the survivor of a cohabiting partnership (within the meaning in section 39A(7) of the SSCBA) who is entitled to a widowed parent's allowance for a period before 9th February 2023; and
(b) in respect of any period of time during the period ending with the day before the survivor makes the claim for a widowed parent's allowance,

but only for a period of 2 weeks beginning with the date of receipt of the payment or 1st April 2024, whichever is later.

22B

(1) A payment of bereavement support payment in respect of the rate set out in regulation 3(2) or (5) of the Bereavement Support Payment Regulations 2017 (rate of bereavement support payment) 3 , but only for the period of 52 weeks from the date of receipt of the payment.

(2) Where bereavement support payment under section 30 of the Pensions Act 2014 is paid to the survivor of a cohabiting partnership (within the meaning of section 30(6B) of that Act) in respect of a death occurring before 9th February 2023, any amount of that payment which is—

(a) in respect of the rate set out in regulation 3(1) of the Bereavement Support Payment Regulations 2017, and

(b) paid as a lump sum for more than one monthly recurrence of the day of the month on which their cohabiting partner died,

but only for a period of 52 weeks beginning with the date of receipt of the payment or 1st April 2024, whichever is later.

23

Where a capital asset is held in a currency other than Sterling, any banking charge or commission payable in converting that capital into Sterling.

24

The value of the right to receive income from an occupational pension scheme or a personal pension scheme.

25

Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 6 (amounts to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 5 or 6 of that Schedule.

26

The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27

(1) Subject to sub-paragraph (2), where an applicant falls within class C (alternative maximum council tax reduction: pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class B and class C.

28

Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to--

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum;

(b) the amount of that lump sum,

but only for so long as that person does not change that election in favour of an increase of pension or benefit.

28A

Where a person chooses a lump sum under section 8(2) of the Pensions Act 2014 or in accordance with Regulations made under section 10 of that Act which include provision corresponding or similar to section 8(2) of that Act, or fails to make a choice, and a lump sum payment has been made, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum; or

(b) the amount of that lump sum,

but only for so long as that person does not alter that choice in favour of an increase of pension.

29

Any payments made --

(a) by virtue of regulations made under section 57 of the Health and Social Care Act 2001 (direct payments);

(b) …

(c) by virtue of regulations made under sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);

(d) by virtue of regulations made under Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972 (general social welfare); or

(e) by virtue of regulations made under section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002 (direct payments);

(f) under sections 31 to 33 of the Care Act 2014 (direct payments); or

(g) by virtue of regulations made under section 50 or 52 of the Social Services and Well-being (Wales) Act 2014 (direct payments).

29ZA

Any payment made as a direct payment as defined in section 4(2) of the Social Care (Self-directed Support) (Scotland) Act 2013.

29A

A payment made under the Age-Related Payments Regulations 2013.

29B

Any payments to an applicant made under section 49 of the Children and Families Act 2014

(personal budgets and direct payments).

29C

(1) Any payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care).

(2) Any payment or part of a payment made by a local authority in accordance with that section to a person ("A") which A passes on to the applicant where A—

(a) was formerly in the applicant's care;

(b) is aged 16 or over; and

(c) continues to live with the applicant.

29D

Any lump sum payment made in accordance with regulation 24 of the Victims' Payments Regulations 2020.

29E

Any sum paid by means of assistance in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019.

29F

Any sum paid by means of winter heating assistance in accordance with regulations under section 30 of the Social Security (Scotland) Act 2018.

Part 2
Capital Disregarded Only for the Purposes of Determining Deemed Income

30

The value of the right to receive any income under a life interest or from a life rent.

31

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.

32

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

33

Where property is held under a trust, other than--

(a) a charitable trust within the meaning of the Charities Act 1993; or

(b) a trust set up with any payment to which paragraph 16 applies,

and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

SCHEDULE 10
CAPITAL DISREGARDS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 63

1

Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment.

2

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.

3

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme but only for 52 weeks beginning with the date of receipt of the payment.

4

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, but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.

5

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.

6

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.

7

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 does 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.

8

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.

9

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.

10

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.

11

(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 application for a reduction under this scheme 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.

12

(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 11, 13 or 14 of Schedule 8;

(b) an income-related benefit under Part 7 of the SSCBA;

(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 Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) has 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 period of an award of a reduction under this scheme, for the remainder of that period if that is a longer period.

(3) For the purposes of sub-paragraph (2), "the period of an award of a reduction under this scheme" 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.

12A

(1) Subject to sub-paragraph (3), any payment of £5,000 or more which has been made to rectify, or to compensate for, an official error or an error on a point of law relating to a relevant benefit and which has been received by the applicant in full on or after the day on which he became entitled to a reduction under this scheme.

(1A) Subject to paragraph (3), any payment of £5,000 or more received by the applicant in full on or after the day on which the applicant became entitled to a reduction under an authority's scheme which has been made to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed an assessment of the applicant's entitlement to contributory employment and support allowance.

(1B) In sub-paragraph (1A) "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.

(2) Subject to sub-paragraph (3), the total amount of any payments disregarded under--

(a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987;

(b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996;

(c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006;

(d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002,

(e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008,

(f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013;

(g) regulations 10A to 10C of the Universal Credit (Transitional Provisions) Regulations 2014.

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

(3) Any disregard which applies under sub-paragraph (1), (1A) or (2) has effect until the award comes to an end.

(4) In this paragraph--

"the award", except in sub-paragraph (2), means--

(a) the award of a reduction under the authority's scheme during which the relevant sum or,

where it is paid in more than one instalment, the first instalment of that sum is received; and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant--

(i) is the person who received the relevant sum;

(ii) is the partner of that person; or

(iii) was the partner of that person at the date of his death;

"official error"--

(a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) where the error relates to any other relevant benefit, has the meaning given byregulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

"the relevant date" means the date on which the application for a reduction under this scheme was made;

"relevant benefit" means any benefit specified in paragraph 21(2); and

"the relevant sum" means the total amount referred to in sub-paragraph (1).

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

(1) Any disregard which applies under sub-paragraph (1), (1A) or (2) has effect until the award comes to an end.

(2) In this paragraph--

"the award", except in sub-paragraph (2), means--

(a) the award of a reduction under the authority's scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant--

i. is the person who received the relevant sum;

ii. is the partner of that person; or

iii. was the partner of that person at the date of his death;

"official error"—

(a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

"the relevant date" means the date on which the application for a reduction under this scheme was made;

"relevant benefit" means any benefit specified in paragraph 21(2); and

"the relevant sum" means the total amount referred to in sub-paragraph (1).

13

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.

14

Any sum--

(a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 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.

15

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 a reduction under this scheme or to increase the amount of that reduction.

16

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

17

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.

18

(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).

19

The value of the right to receive any income under a life interest or from a life rent.

20

The value of the right to receive any income which is disregarded under paragraph 15 of Schedule 7 or paragraph 29 of Schedule 8.

21

The surrender value of any policy of life insurance.

22

Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

23

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).

24

(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.

25

Any--

(a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or

(b) occasional assistance.

26

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.

27

Any capital which by virtue of paragraph 55 or 81 (capital treated as income: persons who are not pensioners, treatment of student loans) is to be treated as income.

28

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.

29

(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, the Windrush Compensation Scheme, the National Emergencies Trust, We love Manchester Emergency Fund, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, or the London Bombings Relief Charitable Fund.

(1A) Any Grenfell Tower support payment.

(1B) Any payment made by the Child Migrants Trust (registered charity number 1171479) under the scheme for former British child migrants.

(1C) Any historical child abuse payment.

(1D) Any Windrush payment.

(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 or from a Grenfell Tower support payment, a historical child abuse payment or a Windrush payment 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 which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers or from a Grenfell Tower

support payment, a historical child abuse payment or a Windrush payment and which is made to or for the benefit of--

(d) the person who is suffering from haemophilia or who is a qualifying person;

(e) 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

(f) 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) Sub-paragraph (3) does not apply if--

(g) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(h) 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.

(5) 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 or from a Grenfell Tower support payment, a historical child abuse payment or a Windrush payment,where--

(i) 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

(j) 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.

(6) 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 or from a Grenfell Tower support payment, a historical child abuse payment or a Windrush payment, where--

(k) 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

(l) 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.

(7) In the case of a person to whom or for whose benefit a 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 or from a Grenfell Tower support payment, a historical child abuse payment or a Windrush payment.

(8) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts is to be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton

Foundation, the Windrush Compensation Scheme, the National Emergencies Trust, We love Manchester Emergency Fund, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, and the London Bombings Relief Charitable Fund.

29A

Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

30

(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.

31

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.

32

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.

33

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.

34

Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

35

The value of the right to receive an occupational or personal pension.

36

The value of any funds held under a personal pension scheme.

37

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.

38

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).

39

Any payment made pursuant to section 2 of the Employment and Training Act 1973 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.

40

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.

41

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.

42

Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 8 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

43

(1) Any payment or repayment made--

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service sup- plies);

(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 ser- vice supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No 2) Regulations 2003 (travelling expenses and health service supplies),

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

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

44

Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

45

Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).

46

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.

47

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.

48

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.

49

(1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F.

50

(1) Any sum of capital to which sub-paragraph (2) applies and--

(a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;

(b) which can only be disposed of by order or direction of any such court; or

(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.

(2) This sub-paragraph applies to a sum of capital which is derived from--

(a) an award of damages for a personal injury to that person; or

(b) compensation for the death of one or both parents where the person concerned is under the age of 18.

51

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.

52

Any payment to the applicant as holder of the Victoria Cross or George Cross.

53

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.

54

(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.

55

(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 the Welsh Ministers 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

(c) 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).

56

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.

57

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.

58

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 internment 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.

59

(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 applies 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 applies 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 applies 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 applies 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 applies 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 applies 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 includes 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.

60

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.

61

(1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes in England a county council.

62

Any payment made under regulations made under section 57 of the Health and Social Care Act 2001, as a direct payment as defined in section 4(2) of the Social Care (Self-directed Support) (Scotland) Act 2013, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

63

Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

64

Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

64A

Any amount paid for:

(a) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;

(b) funeral expense assistance given in accordance with section 34 of that Act.

(c) any Scottish child payment assistance given in accordance with section 79 of that Act;

(d) any assistance given in accordance with the Carer's Assistance (Young Carer Grants) (Scotland) Regulations 2019;

(e) short-term assistance given in accordance with regulations under section 36 of the Social Security (Scotland) Act 2018; or

(f) winter heating assistance given in accordance with regulations under section 30 of that Act.

64B

Any sum paid to rectify, or compensate for, an error made by an officer of the Department for Work and Pensions which was not caused or materially contributed to by any person outside the Department and which prevented or delayed assessment of the applicant's entitlement to contributory employment and support allowance. Where such a payment amounts to £5,000 or more received by the applicant in full on or after the day on which the applicant became entitled to a reduction under an authority's scheme, any disregard has effect until the award comes to an end.

64C

Any lump sum payment made in accordance with regulation 24 of the Victims' Payments Regulations 2020.

64D

Any payments to an applicant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).

64E

Any payments made under sections 31 to 33 of the Care Act 2014 (direct payments).

EXPLANATORY NOTE

(This note is not part of the Scheme)

Section 13A of the Local Government Finance Act 1992 ("the 1992 Act"), substituted by section 10 of the Local Government Finance Act 2012 ("the 2012 Act"), requires each billing authority in England to make a scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need.

Haringey Council's Scheme as set out above was approved by the authority. It is based upon the default scheme prescribed by the Secretary of State, with local amendment.

The Scheme

Parts 1 and 2 contain introductory provisions and definitions of key words and phrases. Part 3 and Schedule 1 contains the procedure for reduction applications and appeals. Parts 4 and 5 specify the classes of person entitled and not entitled to a reduction under the scheme, respectively. At Part 4 a minimum weekly Council Tax Support award of £1 has been introduced.

Parts 6 to 9 and Schedules 2 to 4 set out matters relevant to determining eligibility for a reduction and the amount of reduction under the scheme. Part 7 provides for applicants of working-age to have their Council Tax support assessed against 80.2% of their council tax liability, save for those in receipt of defined disability benefits or responsible for a child in the same household.

Part 10 and Schedules 5 to 10 set out how income and capital of the applicant and others is treated in calculating eligibility for a reduction, including in cases where an applicant or partner has an award of universal credit. Schedules 6 and 8 provide for war pensions to be fully disregarded for the purposes of calculating income for all claimants. Part 11 provides for the application of the scheme to students. Part 12 provides for extended reductions in certain circumstances and Part 13 sets out when entitlement begins and how a change in circumstances affects any reduction.

Part 14 of the scheme provides for the making of an application for a reduction. Part 15 sets out the time within which an authority must make its decision on the application and provides for notification of the decision. Part 16 makes provisions about the payment of a reduction in certain circumstances.

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REPORT OF CABINET No. 1, 2025/26

FULL COUNCIL 2 March 2026

Chair: Councillor Peray Ahmet Deputy Chair: Cllr Sarah Williams

1. INTRODUCTION

1.1 The Housing Revenue Account (HRA) covers income and expenditure relating to the Council's own housing stock. It is an account that is ring-fenced from the Council's general fund as required by the Local Government Act 1989.

1.2 This report provides the final proposed 2026/27 HRA business plan for approval at this meeting. It provides details of the assumptions for forecast income and therefore planned expenditure for next year as well as an update on the future financial outlook for the HRA. It additionally notes the Cabinet discussion on 10 February 2026 relating to the Housing Revenue Account 2026/27 - 2030/31.

HOUSING REVENUE ACCOUNT 2026/27 - 2030/31

We discussed the Council's mission which was to make housing fair. London's housing pressures had increased rents and reduced standards. The aim was for everyone to live in a home that was affordable, safe, warm and functional.

We had prioritised social and affordable housing in Haringey, building new council homes at council rents and renovating existing council homes. Since 2020, 1,000 council homes had been built. A further 2,000 were under construction, scheduled for completion by 2031. Work had also begun on affordable homes for key workers. A £600m Estate Renovation Plan was in place to refurbish thousands of homes.

We noted how the council invested its local housing budget (the Housing Revenue Account), focusing on building and maintaining affordable, good-quality homes for local residents.

This included, among other measures:

- Renovated kitchens and bathrooms
- Improved insulation to retain heat and reduce heating costs
- More efficient boilers to lower heating costs
- CCTV, fob access and other safety measures in residential buildings

We noted that, like other budgets, the Housing Revenue Account (HRA) had been affected by inflation and high interest rates in recent years. The cost of repairs, renovation and construction had risen significantly.

We considered that the Council adopted several measures to ensure the budget remained sustainable over the long term, including securing new investment based on its record of delivering new council homes in Haringey. These were outlined in detail in the accompanying report. The priority in each measure was to maximise the number of affordable, high-quality homes available to residents

We additionally discussed:

- That partnering contracts were in place over a period of 10 years and plans to refurbish homes would not be scaled back. We noted that there was an expectation that there would a reduction in routine repairs following this investment.
- We noted that the Council savings from housing acquisitions and noted that a lot of these savings were seen across the General Fund, particularly in Temporary Accommodation. We also noted that the housing acquisitions would return positively the quickest.
- That having a high level of new builds was a benefit to residents as it, amongst other benefits, reduced the number of families in overcrowded situations. However, it was noted that the Council had a number of voids to deal with.

WE RECOMMEND

The Housing Revenue Account 2026/27 Budget and 2026/27 to 2030/31 Business Plan attached to this Council report for approval.

Report for: Cabinet - 10 February 2026

Item number: 11

Title: Housing Revenue Account Business Plan 2026/27

Report authorised by : Taryn Eves, Corporate Director of Finance and Resources

Lead Officer: Rachel Sharpe, Director of Housing

Ward(s) affected: All

Report for Key/ Non Key Decision: **Key**

1. Describe the issue under consideration

1.1. The Housing Revenue Account (HRA) covers income and expenditure relating to the Council's own housing stock. It is an account that is ring-fenced from the Council's general fund as required by the Local Government Act 1989.

1.2. Every year, the Council sets a business plan for its Housing Revenue Account (HRA). This business plan considers projected income and expenditure over a 10- and 30-year period and the income generated from tenants and leaseholders is used solely for the purpose of investment in its homes, in delivering new council homes, and providing good quality services to its tenants and leaseholders.

1.3. The HRA and the services that the Council provides for its Council tenants and leaseholders are governed through the Social Housing (Regulation) Act 2023 which introduces a new regulatory framework, with a greater emphasis on residents' engagement. The HRA must ensure its management function of its housing stock is robust, offers good value for money and meets the needs of all its residents.

1.4. This report provides the final proposed 2026/27 HRA business plan, to recommend for approval by Full Council in March 2026. It provides details of the assumptions for forecast income and therefore planned expenditure for next year as well as an update on the future financial outlook for the HRA.

1.5. The HRA supports the delivery of the Council's Housing Strategy 2024-2029 which sets out Haringey's approach to all housing in the borough. It sets specific objectives and targets for its own housing stock; to significantly invest in improving its existing homes and to provide good quality services as a landlord of social housing to its tenants and leaseholders as well as delivering the Council's ambition to deliver 3,000 new council homes by 2031. Delivery of the Housing Strategy must be underpinned by a strong and sustainable HRA.

2. Cabinet Member Introduction

2.1. Our mission is to make housing fair. London's housing crisis has driven up rents and driven down standards. Everyone should be able to live in a home that is affordable, safe, warm and comfortable.

2.2. We are prioritising social and affordable housing in Haringey, building thousands of new council homes at council rents and renovating thousands of the council homes we already have.

2.3. We've built 1,000 council homes since 2020. We have another 2,000 on site – on target to be built by 2031. We are starting to build affordable key worker homes too. We have a £600m Estate Renovation plan to refurbish thousands of homes.

2.4. This is how we're investing our local housing budget (the Housing Revenue Account) – building and maintaining affordable, great quality homes for more and more of our local residents.

2.5. To name just a few things, that is:

- Renovated kitchens and bathrooms
- Better insulation – keeping homes warmer and cutting the cost of heating
- More efficient boilers – again cutting the cost of heating
- CCTV, fob-access and other safety measures around buildings

2.6. Like all budgets, our Housing Revenue Account has felt the impact of inflation and high interest rates over recent years. The cost to repair, renovate and build has gone up dramatically.

2.7. We are taking a series of measures to make sure the budget is on a strong footing for the long term – including new sources of investment secured on the back of our reputation for delivering new council homes in Haringey. These are set out in more detail in the report below.

2.8. Our priority with each measure taken is to maximise affordable, high-quality homes for our residents.

3. Recommendations

3.1. It is recommended that Cabinet recommend the HRA 2026/27 Budget and 2026/27 to 2030/31 Business Plan for approval by Full Council at its meeting on 2 March 2026.

4. Reasons for decision

4.1. The Council must legally set a balanced HRA budget and have a sustainable HRA Business Plan to ensure that it is able to manage and maintain its homes, provide services to tenants and leaseholders and build much needed new Council homes.

5. Alternative options considered

5.1. Not applicable

6. Background information

6.1. The Housing Revenue Account (HRA) is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by the General Fund, including through increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing. Under self-financing, Councils retain all the money they receive from rent and use it to manage and maintain their homes.

6.2. The Council sets a medium and long-term Business Plan for its HRA. This allows the Council to plan for investment in its housing stock, investment in building much needed new council housing for the borough and to ensure that services for tenants and leaseholders continue to be delivered.

HRA Financial Plan Overview

6.3. The 30-year HRA Business Plan is based on a long-term assessment of the need for investment in Council homes. The plan includes the development and acquisition of new housing, the acquisition of existing homes, investment in existing housing to ensure its long-term sustainability, and other cyclical maintenance requirements. It also incorporates forecasts of income streams, interest levels and inflation.

6.4. The plan includes the modelling of the planned revenue and capital spending, the implications of all planned work in the HRA to deliver council priorities and provides the basis for understanding the affordability of current capital programme delivery plans and assessing options to ensure a viable HRA over a longer period. It considers the build costs, impact of inflation, exposure to housing market volatility and delivery capacity within the Council.

6.5. The cost of capital financing presents a level of challenge and difficulty in delivering the investment needed now and the viability of the HRA in the medium to long-term. In addition, there is a need to reduce expenditure on repairs and the high level of voids following historic under-investment in the housing stock. This presents a further significant strain on the HRA.

6.6. This Business Plan factors in the best estimates and assumptions on cost inflation, pay award, voids rate, bad debt provision, borrowing rate, potential grants, receipts from market sales, continued investment in repairs, and legal disrepair/compensation costs. These have all been factored into the proposed budget for 2026/27 and across the medium term.

6.7. The plan recognises that to undertake the proposed extensive investment programme, the HRA must be viable now and in the future. It also recognises that there will be ongoing reviews to update and test viability before future programmes of investment are released. One of the measures of viability of the HRA is the annual revenue contribution to capital outlay (RCCO), which reduces the need for external borrowing. RCCO is the revenue surplus after expenditure; and it is key in assessing the HRA's resilience.

6.8. Previously, the plan had an ambition to deliver an £8m minimum annual surplus. This has become increasingly difficult to sustain due to the level of planned investment in existing stock and new build programmes that is required. However, the plan does achieve a positive RCCO for each year in the medium term while the HRA minimum reserve balance of £20m provides an appropriate level of financial cover, in recognition of the risks such as changes in government policies, operational factors and those associated with an extensive development programme.

6.9. In July 2025, government announced (as part of the Spending Review) that there will be a 10-year rent settlement for social housing from 1 April 2026 in which rents will be permitted to increase by CPI+1% per annum. This plan includes proposed rent increase in 2026/27 of 4.8% is based on September CPI of 3.8% plus 1%.

6.10. Government has now announced its policy on rent convergency. Rents will be allowed to increase by £1 a week in 2027/28 and by £2 a week from 2028/29. If implemented, this will have a positive effect on the HRA business plan. Any implementation will be considered as part of the next business planning cycle. For clarity rent convergence allows rents for Social Rent properties that are currently below 'formula rent' to increase by a proposed £1 or £2 each year, over and above the CPI+1% limit, until they 'converge' with formula rent.

2025/26 Quarter 2 (Q2) Financial Position

6.11. In March 2025, Cabinet approved the HRA budget for 2025/26 and it was projected to achieve a surplus of £0.269m. At end of Quarter 2, the HRA is projected to achieve a surplus of £0.514m. This represents a £0.245m improvement against the budgeted surplus.

6.12. However, the HRA is still facing huge pressures in repairs and voids and there is a forecast underachievement of income due to high levels of voids. This is mitigated by the forecast reduction in capital financing costs from delays in capital programme schemes. Further details on this and mitigations are contained in the Quarter 2 monitoring report to Cabinet in December 2025. This link can be found here.

HRA Income

6.13. The main sources of income to the HRA are rents and service charges. It is therefore essential to the sustainability of the HRA that the Council collects rent

and service charges effectively and supports tenants to pay their rent and service charges in full.

6.14. The Council's Financial Inclusion Team works to support Haringey tenants and leaseholders who might be facing financial difficulties. They do this by working with tenants, ensuring they are able as best possible to access good quality work, and ensuring that they are accessing all benefits to which they are entitled. In turn, this means that tenants and leaseholders are better able to pay their rent and service charges, which supports the long-term sustainability of the HRA.

Housing Rent - Existing Council Tenants

6.15. The Council is required to set the rent increases in council-owned homes every year but there are strict limits for existing tenants. From 2020/21, the government has permitted Local Authorities in England to increase existing tenants' rents by no more than the Consumer Price Index (CPI), at September of the previous year, plus 1%. This is going to continue over the next 10 years as announced in July 2025. However, it should be noted that this comes after a government policy of reducing council rents, which in turn impacted the long-term viability of HRAs and the ability to invest sufficiently in housing stock.

6.16. Therefore, the proposed rent increase in 2026/27 of 4.8% is based on September CPI of 3.8% plus 1%.

6.17. On this basis, the proposed average weekly rents for general needs and sheltered/supported housing will increase by £6.64 from £138.38 in 2025/26 to £145.02 in 2026/27. There is a range of rents across different sizes of properties. Table 1 below sets out the proposed average weekly rents by property size based on the rent increase of 4.8% for 2026/27 with effect from 6th April 2026.

Table 1: Proposed Average Weekly Rent 2026/27

Number of Bedrooms	Number of Properties	Current average weekly rent 2025/26	Proposed average weekly rent 2026/27	Proposed average rent increase	Proposed percentage increase
Bedsit	135	£119.40	£125.13	£5.73	4.8%
1	5,529	£121.25	£127.07	£5.82	4.8%
2	5,411	£138.64	£145.29	£6.65	4.8%
3	3,788	£155.31	£162.76	£7.45	4.8%
4	635	£175.99	£184.44	£8.45	4.8%
5	110	£199.28	£208.85	£9.57	4.8%
6	16	£206.00	£215.89	£9.89	4.8%
7	2	£196.37	£205.80	£9.43	4.8%
All dwellings	**15,626**	**£138.38**	**£145.02**	**£6.64**	**4.8%**

Formula Rent and Rent Caps

6.18. Central Government, through the Regulator of Social Housing, also sets the formula for calculating social housing rents in new tenancies.

6.19. The national formula for setting social rent is intended to enable Local Authorities to set rents at a level that allows them to meet their obligations to their tenants, maintain their stock (to at least Decent Homes Standard) and continue to operate a financially viable HRA, including meeting their borrowing commitments.

6.20. The formula is complex and uses national average rent, relative average local earnings, relative local property values, and the number of bedrooms to calculate the formula rent.

6.21. Formula rents are subject to a national social rent cap. The rent cap is the maximum level to which rents can be increased to in any one financial year, based on the size of the property. Where the formula rent would be higher than the rent cap for a particular property, the national social rent cap must be used instead. Formula Rent and Rent caps for 2026/27 are as shown below in table 2a and 2b.

Table 2a: 2026/27 Formula Rents (+rent flexibility)

Number of Bedrooms	2026/27 Average Formula Rent
1 and bedsits	£130.25
2	£154.23
3	£176.76
4	£204.58
5	£235.34
6 or more	£246.50

Table 2b: 2026/27 Rent Caps

Number of Bedrooms	2026/27 Rent Cap
1 and bedsits	£204.35
2	£216.34
3	£228.36
4	£240.37
5	£252.39
6 or more	£264.41

Housing Rent - New Council Tenants

6.22. Rents for new tenancies are set according to a formula (hence the term 'formula rent'). This is for new tenancies in either a relet of an existing council home, or a newly build council home.

6.23. The Government's Policy statement on rents for social housing also includes provision for social landlords to apply a 5% flexibility on formula rents: 'The government's policy recognises that registered providers should have some discretion over the rent set for individual properties, to take account of local factors and concerns, in consultation with tenants. As a result, the policy contains flexibility for registered providers to set rents at up to 5% above formula rent (10% for supported housing – as defined in paragraphs 2.39-2.40 below). If applying this flexibility, providers should ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability.'

6.24. The HRA Business Plan approved in March 2024, applied this 5% flexibility to formula rents. This was to ensure that, in the ongoing challenging financial climate, the Council could continue to meet its obligations to its tenants by investing in its stock, ensure that all homes meet at least the decent homes standard, ensure that homes meet the council's sustainability objectives and ensure homes are warm and cheaper to heat for tenants while still setting a balanced HRA. This continues to be the Council's policy for all newly-set formula rents.

London Affordable Rent

6.25. London Affordable Rent (LAR) was introduced by the Mayor of London in 2016 as a social housing product for new affordable homes funded by Building Council Homes for Londoners (BCHFL) grant. It reflects the 2015/16 formula rent cap uprated by CPI plus one per cent every year. These LAR rents are at the same level anywhere in London. LAR homes are let by councils on secure tenancies, and by other registered providers.

6.26. The BCHFL grant programme allocated grant on the basis that homes for low-cost rent would be let at London Affordable Rent (LAR) rather than formula rent. The historically relatively low level of grant – a flat rate of £100,000 per unit reflected that expectation.

6.27. In the 2023/24 HRA Business Plan it was agreed to let homes built as part of the GLA's 2016-2021 programme at LAR.

6.28. Table 3 below shows London Affordable Rents for 2026/27. This represents an uplift on 2025/26 LAR Rents by September CPI plus 1%.

Table 3: 2026/27 LAR

Number of Bedrooms	2026/27 LAR
1 and bedsits	£216.80
2	£229.53
3	£242.28
4	£255.03
5	£267.78
6 or more	£280.52

Rent for other homes held in the HRA.

Homes acquired and leased to the HCBS.

6.29. All properties acquired since 1 April 2019 for housing homeless households held in the HRA are leased to the Haringey Community Benefit Society (HCBS) and let by the HCBS at Local Housing Allowance (LHA) rent levels.

6.30. The HRA financial plan includes in its income the lease charges to the HCBS for a maximum period of seven (7) years from the time of acquisition. From year eight (8), it recognises incomes from these properties at formula rent, with the normal annual rent increases of CPI plus 1% because it is assumed that these properties will revert back to the HRA after 7 years of lease.

6.31. However, the Council is currently considering options to extend the period of these leases. If so, the HRA plan will be updated to continue to recognise the income (lease charges to HCBS) beyond year 7. This will lead to additional income in the HRA in later years.

6.32. From 6 April 2026, all other council-owned properties, in the HRA, used as temporary accommodation under a Council non-secure tenancy or licence will have rent increases of 4.8% (CPI + 1%).

6.33. Rents for existing Council owned properties (including new Lodges) will be increased by CPI + 1% as permitted by the Rent Standard. Service charges are set at a level to recover the full costs of those services.

6.34. The rent element for new tenants is currently limited to formula rent plus 5% for self-contained homes, plus 10% for Birkbeck Lodge, plus full recovery of the cost of providing services.

6.35. There may be circumstances where rents are not governed by the Rent Standard. Where the Rent Standard does not apply to properties held in the HRA, rents will be set at a level that is fully payable through housing benefit or universal credit. Service charges are set at a level to recover the full costs of services provided.

Shared Ownership Rents

6.36. There are a small number of shared ownership properties in the HRA, and their rents are to be increased in line with their contracts, typically January RPI +0.5%. The RPI for January is expected to be published around 18 February 2026. The Government announced in 2024 that for new shared ownership properties the rent on the unsold portion is to be increased by CPI +1%.

Tenants' Service Charges

6.37. In addition to rents, tenants pay charges for services they receive which are not covered by the rent.

6.38. Service charges must be set at a level that recovers the cost of the service, and no more than this. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service. Therefore, a flat rate is charged to tenants receiving each service and the weekly amount is fixed. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.

6.39. The Council's policy is to fully recover the cost of providing a service to tenants. Service charges are covered by housing benefit and Universal Credit, so any tenant in receipt of these benefits will have these costs covered.

6.40. The recovery of full cost of services provided applies to all types of accommodation in the HRA where service charges apply.

6.41. The services tenants currently pay for are listed below:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Estates road maintenance
- Light and power (Communal lighting)
- TV aerial maintenance
- Door entry system maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Window cleaning service
- Converted properties cleaning
- Heating

6.42. Tenants living in sheltered and supported housing also pay the following additional support charges:

- Sheltered Housing Charge
- Good Neighbour Charge
- Additional Good Neighbour Charge

6.43. The applicable charges proposed for 2026/27 are as shown in table 4 below.

Table 4 – Proposed Average Tenants' Service Charges with effect from 6th April 2026

Tenants' Service Charges	Current Average Weekly Charge 2025/26	Proposed Average Weekly Charge 2026/27	Increase / Decrease	
Property Charges:				
Concierge	£27.39	£27.84	£0.45	1.6%
Grounds Maintenance	£3.15	£3.23	£0.08	2.6%
Caretaking	£9.25	£9.75	£0.50	5.4%
Street Sweeping	£8.54	£8.92	£0.38	4.5%
Estates Road maintenance	£0.77	£0.80	£0.03	3.5%
Communal Lighting (Light & Power)	£3.45	£3.24	-£0.21	-6.1%
TV aerial maintenance	£0.38	£0.39	£0.01	1.8%
Door entry system maintenance	£1.12	£1.05	-£0.07	-6.2%
Sheltered housing cleaning service	£2.72	£2.79	£0.07	2.6%
Good neighbour cleaning service	£1.85	£1.85	-£0.00	-0.2%
Window cleaning	£0.69	£0.72	£0.03	4.6%
Landlord Communal Inspection (Converted properties cleaning)	£5.06	£5.25	£0.19	3.7%
Sheltered Housing Blocks Heating	£12.94	£12.37	-£0.57	-4.0%
Garton House / Lowry House Heating	£11.42	£12.60	£1.18	10%
Ferry Lane Estate / Runcorn Heating	£15.15	£13.26	-£1.89	-12%
Rosa Luxemburg - District Heating 8	£5.35	£7.44	£2.09	39%
William Atkinson House Heating	£13.37	£13.11	-£0.26	-2.0%
Broadwater Farm DEN Heating	£15.41	£13.99	-£1.42	-9.0%
Support Charges:				
Sheltered Housing Charge	£35.68	£36.93	£1.25	3.5%
Good Neighbour Charge	£15.24	£15.77	£0.53	3.5%
Good Neighbour Charge (Larkspur Close & Stokley Court)	£18.80	£19.46	£0.66	3.5%

Heating charges

6.44. The Council has two types of heating charges: flat rate charges (as above) and metered charges (below). The heating charges reflect the projected usage in the

blocks and projected energy rates for 2026/27. The tariffs for 2026/27 are set out below

Proposed Metered Tariffs with effect from 6th April 2026

Metered blocks (same tariff applies to all sites)	Current Tariff 2025/26	Proposed Tariff 2026/27	Increase / Decrease	
Weekly standing charge (£/wk)	£7.44	£6.57	£-0.87	-12%
Price per unit of heat (pence/kWh)	5.09p	4.61p	-0.48p	-10%

Rent Consultation

6.45. There is no requirement for tenant consultation on existing rents and service charge increases (but there is a duty to notify tenants of such increases once a decision has been made). Haringey Council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges. Tenants must be given at least four weeks' notice before the new rents and service charges for 2026/27 start on 6th April 2026.

6.46. Despite the fact that there is no requirement to consult on the HRA business plan, the Council does present plans and seek feedback and recommendations from tenants and leaseholders, in line with the principles in the Haringey Deal. Officers attended the Resident Voice Board on 15 January 2026 to present the HRA business plan and take questions and feedback from tenants and leaseholders. Tenants and leaseholders were interested in the workings of the HRA business plan, and questioned whether the RCCO was sufficiently high. The feedback was noted and the Council is continuing to look at options to increase this level.

HRA Revenue Expenditure

6.47. Significant items of revenue expenditure in the HRA include repair costs (£39.24m), housing management costs (£34.54m), capital financing charges (£31.92m) and contribution to major repairs (£24.82m). These four items constitute approximately 82% (£131m) of the total expected HRA expenditure (£160m) in 2026/27.

6.48. The proposed spend on repairs to the housing stock presents a significant strain on the HRA. The increase in spend on repairs shows the Council's commitment to providing a good, timely, repairs service, in line with the new responsive repairs policy agreed by Cabinet in October 2024.

6.49. It is expected that as the significant investment into improving homes increases in the coming years, as described below, the number of repairs and therefore the spend on repairs will come down.

6.50. Additionally, the budget for repairs includes the cost of bringing void properties back into use – in other words, when a home is vacated and ready to be relet, works are carried out to bring the home up to the required standard. When new homes are delivered through the housing delivery programme, they are often let in the first instance to existing local tenants through the Neighbourhood Moves Scheme. Although these homes are offered in the first instance to tenants who are freeing up a large home and are downsizing to their new home (and therefore allowing larger family homes to be let to households who need these) and then to overcrowded households; households who have no housing need are also allowed to move to new homes through the Neighbourhood Moves Scheme. This means that void costs are incurred without meeting housing need. Amending the Neighbourhood Moves Scheme could lead to reduced void costs.

6.51. The management cost is also significant and is necessary to ensure that tenants and leaseholders are provided with a good quality service from the council.

6.52. The capital financing charge is the interest on HRA loans and internal funding and for 2026/27 is budgeted at £1.36m less than was assumed in March 2025. This is due to slightly lower interest rate assumption in this iteration of the financial plan.

6.53. Contribution to major repairs (depreciation) is a cash charge to the HRA to reflect the need to finance the replacement of components within HRA homes over time. The depreciation charges to the HRA are transferred into the Major Repairs Reserve (MRR). The Major Repairs Reserve is used to build up capital sums that can be used to finance the capital programme.

6.54. The proposed HRA capital programme supports the delivery of over £3.39bn investment in the Council's existing stock over the next 30 years, and the delivery of over 3,000 new council homes by March 2031.

6.55. There are of course risks, such as the impact of the current inflation and interest rate rises on collection of rent, capacity to build, and overall sustainability of the HRA. However, these risks have been factored into this iteration of the HRA budget/Business Plan. The forecast revenue contribution to capital outlay (RCCO) is currently at £2.62m in 2026/27 and £11.85m over the proposed MTFS period (2026/27-2030/31).

6.56. There is an ongoing review and work to identify further efficiencies and savings proposals to ensure that the RCCO is increased and closer to the internal target of £8m. It should be noted that the financial plan recognises the management of risks in these periods through the use of its working balance which is currently projected at £21m by March 2026.

<u>Proposed HRA Business Plan (2026/27-2030/31)</u>

6.57. The proposed HRA 5-year Budget/Business Plan is set out in Table 6 below. It accommodates the scale of development currently assumed within the business and financial planning process in terms of its impact of future years' HRA revenue position.

6.58. It also takes into consideration the current inflation and interest rates (3.8% and 4.6% respectively) and its impact in next year's rent charges. The proposed HRA budget for 2026/27 to 2030/31 is as shown below in Table 6.

Table 6 – Housing Revenue Account Budget 2026/27 to 2030/31

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
Income & Expenditure	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Income						
Dwellings Rent Income	(128,075)	(138,750)	(152,834)	(168,261)	(179,570)	**(767,490)**
Void Loss	2,713	1,498	1,637	1,792	1,897	**9,537**
Hostel Rent Income	(2,001)	(2,058)	(2,116)	(2,176)	(2,237)	**(10,588)**
Service Charge Income	(18,673)	(19,061)	(20,205)	(21,530)	(22,440)	**(101,909)**
Leaseholder Income	(11,048)	(11,316)	(11,590)	(11,871)	(12,159)	**(57,984)**
Other Income (Garages /Aerials/Interest)	(2,571)	(2,661)	(2,714)	(2,767)	(2,816)	**(13,529)**
Total Income	**(159,655)**	**(172,348)**	**(187,822)**	**(204,813)**	**(217,325)**	**(941,963)**
Expenditure						
Repairs	39,241	34,595	33,826	33,134	33,993	**174,789**
Housing Management	34,541	35,155	36,069	37,051	37,910	**180,726**
Estates Costs (Managed)	16,090	16,919	18,020	19,299	20,163	**90,491**
Provision for Bad Debts (Tenants)	1,404	1,499	1,638	1,793	1,898	**8,232**
Provision for Bad Debts (Leaseholders)	275	288	300	314	328	**1,505**
Other Costs (GF Services)	3,810	3,886	3,964	4,043	4,124	**19,827**
Other Costs (Property/Insurance)	4,937	5,036	5,136	5,239	5,344	**25,692**
Capital Financing Costs	31,919	43,390	59,357	72,244	82,617	**289,527**
Contribution to Major Repairs (Depreciation)	24,823	26,219	28,108	29,607	30,565	**139,322**
Revenue Contributions to Capital	**2,615**	**5,361**	**1,404**	**2,089**	**383**	**11,852**
Total Expenditure	**159,655**	**172,348**	**187,822**	**204,813**	**217,325**	**941,963**
HRA (Surplus) / Deficit	0	0	0	0	0	0

6.59. The subsequent 5 years depicts an improvement in the HRA financial position as shown in Table 6.1.

Table 6.1 – Housing Revenue Account 2031/32 to 2035/36

Housing Revenue Account (HRA)	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Income & Expenditure	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**2035-36**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Income						
Dwellings Rent Income	(189,291)	(198,600)	(206,611)	(212,463)	(218,479)	**(1,025,444)**
Void Loss	1,989	2,094	2,182	2,243	2,305	**10,813**
Hostel Rent Income	(2,300)	(2,365)	(2,432)	(2,501)	(2,572)	**(12,170)**
Service Charge Income	(23,274)	(24,237)	(25,027)	(25,528)	(26,038)	**(124,104)**
Leaseholder Income	(12,453)	(12,754)	(13,062)	(13,377)	(13,700)	**(65,346)**
Other Income (Garages /Aerials/Interest)	(2,856)	(2,899)	(2,945)	(2,997)	(3,065)	**(14,762)**
Total Income	**(228,185)**	**(238,761)**	**(247,895)**	**(254,623)**	**(261,549)**	**(1,231,013)**
Expenditure						
Repairs	34,857	35,817	36,827	37,709	38,446	**183,656**
Housing Management	38,756	39,656	40,510	41,283	42,071	**202,276**
Estates Costs (Managed)	20,952	21,868	22,610	23,062	23,523	**112,015**
Provision for Bad Debts (Tenants)	1,990	2,095	2,183	2,244	2,307	**10,819**
Provision for Bad Debts (Leaseholders)	343	358	373	390	408	**1,872**
Other Costs (GF Services)	4,207	4,291	4,377	4,464	4,553	**21,892**
Other Costs (Property/Insurance)	5,451	5,560	5,671	5,784	5,900	**28,366**
Capital Financing Costs	88,440	91,006	92,995	93,725	94,007	**460,173**
Contribution to Major Repairs (Depreciation)	31,671	33,087	33,704	34,333	34,973	**167,768**
Revenue Contributions to Capital	**1,518**	**5,023**	**8,645**	**11,629**	**15,361**	**42,176**
Total Expenditure	**228,185**	**238,761**	**247,895**	**254,623**	**261,549**	**1,231,013**
HRA (Surplus) / Deficit	0	0	0	0	0	0

Proposed HRA 5 Years Capital Programme (2026/27 – 2030/31)

6.60. The HRA has a significant capital investment programme. This programme can be divided into two main strands: investment in existing housing stock and investment in delivering and acquiring new housing into the HRA.

6.61. Both strands are essential to ensure that all residents are living in good quality, safe, secure housing. They are also essential to ensuring the long-term financial sustainability of the HRA. Investing in the Council's housing now means that in the longer term the cost of repairs and disrepair is minimised. Establishing a holistic programme of planned investment helps us to ensure that these works provide value for money and the programme ensures the long-term safety of our homes, and their sustainability.

6.62. Investing in new housing – whether that is through the direct delivery of newly built housing, the acquisition of newly built housing or the acquisition of existing homes, generally used to provide accommodation for homeless households,

supports the long-term sustainability of the HRA by growing the revenue base through increased rental income.

6.63. The HRA Business Plan is geared towards maximising the use of other available resources and use of borrowing as last resort, while maintaining a minimum working balance of £20m. The capital programme funding is through a mix of grant funding, S106 monies, revenue contributions and prudential borrowing. The total capital investment in 2026/27 is expected to be £389m, fully funded from grants, the Major Repairs Reserve, revenue contributions, RTB retained capital receipts, leaseholder contributions and borrowing. Details are set out in Table 7 for forecast capital spend between 2026/27 to 2030/31.

Table 7 – Proposed HRA 5 Year Capital Programme (2026/27 – 2030/31)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
Investment & Financing	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Capital Investment						
Major Works (Haringey Standard)	79,829	79,915	81,198	69,844	75,799	**386,585**
Fire Safety Works	8,183	7,297	5,508	5,618	1,146	**27,752**
Broadwater Farm Works	5,283	25,553	28,465	24,223	19,559	**103,083**
Total Existing Stock Investment	**93,295**	**112,765**	**115,171**	**99,685**	**96,504**	**517,420**
New Homes Build Programme	158,993	270,662	221,423	199,153	95,767	**945,998**
New Homes Acquisitions	18,788	34,034	12,081	1,589	1,180	**67,672**
Existing Homes Acquisition	104,820	107,965	111,204	114,540	117,976	**556,505**
Total Capital Investment	**375,895**	**525,426**	**459,878**	**414,968**	**311,426**	**2,087,593**
Capital Investment Financing						
Grants (GLA)	229,008	90,090	90,772	73,494	45,464	**528,828**
Major Repairs Reserve	24,823	26,219	28,108	29,607	30,565	**139,322**
Revenue Contributions	0	4,618	1,883	1,415	577	**8,493**
RTB Capital Receipts	10,077	7,500	7,500	5,000	5,000	**35,077**
Leaseholder Contributions to Major Works	7,197	7,386	7,462	7,587	7,388	**37,020**
Other Subsidy (Existing Homes Acquisition)	16,538	11,482	18,102	22,270	23,988	**92,380**
Market Sales Receipts	7,290	0	0	6,840	0	**14,130**
Borrowing	**80,962**	**378,131**	**306,051**	**268,753**	**198,445**	**1,232,342**
Total Capital Financing	**375,895**	**525,426**	**459,878**	**414,966**	**311,427**	**2,087,592**

6.64. The projected HRA capital programme budget over the subsequent 5 years is as shown in Table 7.1 below.

Table 7.1: Projected HRA Capital Programme (2031/32- 2035/36)

Housing Revenue Account (HRA)	Year 6	Year 7	Year 8	Year 9	Year 10	**Total**
Investment & Financing	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**2035-36**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Capital Investment						
Major Works (Haringey Standard)	63,790	60,654	63,035	76,215	52,641	**316,335**
Fire Safety Works	1,169	1,192	1,216	1,216	1,241	**6,034**
Broadwater Farm Works	20,875	9,669	1,746	350	200	**32,840**
Total Existing Stock Investment	**85,834**	**71,515**	**65,997**	**77,781**	**54,082**	**355,209**
New Homes Build Programme	51,653	21,522	0	0	0	**73,175**
New Homes Acquisitions	34	0	0	0	0	**34**
Existing Homes Acquisition	0	0	0	0	0	**0**
Total Capital Investment	**137,522**	**93,038**	**65,997**	**77,780**	**54,084**	**428,419**
Capital Investment Financing						
Grants (GLA)	10,106	10,363	0	0	0	**20,469**
Major Repairs Reserve	31,671	33,087	33,704	34,333	34,973	**167,768**
Revenue Contributions	1,590	5,115	8,512	11,291	14,013	**40,521**
RTB Capital Receipts	0	0	0	0	0	**0**
Leaseholder Contributions to Major Works	6,856	5,778	5,082	4,774	5,095	**27,585**
Other Subsidy (Existing Homes Acquisition)	0	0	0	0	0	**0**
Market Sales Receipts	0	0	0	0	0	**0**
Borrowing	**87,297**	**38,695**	**18,700**	**27,384**	**0**	**172,076**
Total Capital Financing	**137,520**	**93,038**	**65,998**	**77,782**	**54,081**	**428,417**

6.65. The Council continues to have an ambitious HRA capital programme both in terms of investing in its existing stock and new build. The financial sustainability of this is reflected in the forecast revenue position as set out in Tables 6 and 6.1.

6.66. This Business Plan presents reprofiled costs in major works, carbon reduction, fire safety budget – to meet current regulatory requirements (Building Safety & Fire Safety legislation) and reach 100% Decent Homes standard, following self-referral.

Investment in our existing stock

6.67. The existing stock investment programme has been prioritised to achieve the following targets:

- Ensuring that 100% of homes meet the Government's Decent Homes Standard by the end of 2028, as agreed with the regulator of social housing, and to ensure all homes continue to meet the decency standard thereafter.
- Ensuring the Council's housing stock meets all regulatory and statutory obligations including those of the Building Safety and Fire Safety acts.
- Improving the energy performance of homes to minimise the impact of rising energy costs for tenants and to reduce carbon emissions.

6.68. A full stock condition survey was completed in 2024 and information was collected for 74% of the Council's properties. This ensures that the Council has the information needed to effectively plan for the required investment across the medium term. A new rolling stock condition survey programme has been initiated in 2025 which will survey 100% of our housing stock every 5 years.

6.69. The council is procuring four geographically based, long-term partnering contracts which will provide the Council with the capacity and capability required to deliver around £570m of the overall planned investment in homes over the next 10 years. These contracts will be mobilised and start on site in 2026/27.

Major Works & Decent Homes Works

6.70. The Council estimates that £110m will need to be invested by the end of 2028 in order to achieve the Council's target of ensuring all homes meet the decent homes standard by 2028. This will pay for new kitchens and bathrooms, improvements to heating and electrical systems and roof, window and door replacements.

6.71. Over the first 5 years of the programme, the Council will also be prioritising high-rise buildings to carry out building safety works and works to communal mechanical and electrical systems alongside decent homes improvements.

Carbon Reduction Works

6.72. The Council will be improving the energy performance of homes in order to reduce carbon emissions and minimise the effects of rising energy bills on tenants. The Council will be taking a fabric first approach by investing in improvements to windows, doors and wall and roof insulation. Where possible, works will be aligned with other major works programmes and comply with PAS2035/2030 standards.

6.73. Over the next 3 years, the Council will be delivering a retrofit programme to up to 154 properties, including on the Coldfall Estate in Muswell Hill. This will deliver up to £10m of investment which is being part funded by a Social Housing Decarbonisation Fund Grant of £1.7m. The measures being installed include energy efficient windows and doors; loft/roof insulation; external wall insulation and ventilation.

Fire Safety Works

6.74. The proposed 2026/27 budget and 10-year Business Plan is to ensure that all housing stock continues to meet changing statutory requirements. The budget was refreshed in last year and additional investment of £2m was added over the planning period to ensure that the requirement of the recent Fire Safety (England) Regulations 2022 are met. The programme includes front entrance

door replacements, window infill panel replacements, Automatic Fire Detection (AFD) to street properties, automatic Fire detection and compartmentation works to timber clad buildings, Intrusive Fire Risk Assessments (FRA) and follow up works.

New Homes

6.75. Haringey has a significant housing delivery programme, with the ambition to deliver 3,000 Council homes by 2031. By the end of 2025, it is forecast that over 1,000 households will have moved into newly build council homes as part of the programme. These are the first new council homes in Haringey for forty years.

6.76. Haringey's programme is supplemented by significant grant subsidy from the Greater London Authority (GLA). The anticipated capital spend to 2031 allows the Council to deliver 3,000 Council homes at approximately £619m, of which around £343m is grant subsidy.

6.77. The programme is a mix of homes that are being directly delivered by Haringey, and homes that have been acquired by the Council.

6.78. This financial plan continues to provide for financial resources to meet the Council's commitment to the delivery of high-quality Council homes. This is an integral part of the Council's core HRA business, with a delivery programme that is viable in the long term.

6.79. The new homes are designed through an iterative process of consultation and engagement with Members, planners, and the community.

6.80. Clear, explicit design principles mean that these homes will have the highest standards of design quality – so that homes are beautiful, but also safe, comfortable, and accessible. They will also be easy and affordable to look after for the Council and for the tenant.

6.81. Climate change, carbon management, and sustainability is integral to the design of the Council's new generation of Council homes with the Council targeting zero-carbon and Passivhaus on every development.

6.82. More than 10% of current new homes are fully wheelchair accessible, with a target of 20%. Through the Bespoke Homes programme, the Council are actively identifying households on the housing register with specific accessibility needs in order to ensure that new homes are designed for them. Additionally, 10% of the programme will be delivered as supported housing for people who need additional support to live independently. It is expected that these supported housing units will also lead to reduced costs on the General Fund of supporting these individuals in temporary accommodation in the future.

6.83. Some of the housing delivery schemes are providing a significant number of new council homes for the borough, or are providing much needed supported housing are listed below:

- Wingspan Walk - 272 new council homes including homes for people over 55
- 14 new council homes in partnership with a supported housing provider to provide support for survivors of domestic abuse under the GLA DASHA Programme
- Mallard Place - 150 new council homes
- Sir Frederick Messer Estate - 66 new council homes
- St. Ann's Hospital - 144 new council homes including a specialist supported housing building
- Mecca Bingo - 78 new council homes as part of a larger multi-tenure scheme including student housing, commercial space and a pocket park
- High Road West – 546 new council homes as part of a significant new scheme
- Selby Urban Village – 202 new council homes as part of a significant new scheme
- Alexandra Gate – 46 new council homes

Broadwater Farm Improvement Works and New Build Programme

6.84. The Broadwater Farm (BWF) improvement programme aims to regenerate the whole estate with £250m of planned investment which will deliver over 300 new homes, will retrofit more than 800 existing homes and will make improvements to the public realm and facilities. This is part of the Council's broader Housing Delivery Programme and will make a significant contribution to the Council's overall new council housing target.

6.85. The programme will support social value and placemaking. The Social Value commitments made by contractors will deliver measurable and impactful training, employment and social opportunities.

6.86. New housing, retail units, a health centre and enterprise units will be delivered, alongside major public realm improvements. In terms of improvements to existing homes and blocks, this will include new flooring, structural water-proofing, improved energy performance and accessibility works.

Existing Homes Acquisitions – homeless households

6.87. The Council's acquisition programme for homeless households is based on the purchase of homes and subsequent leasing to the Haringey Community Benefit Society (HCBS) to provide housing to households in housing need nominated to it by Haringey Council. This scheme will generate adequate rental income to cover the cost of capital and associated cost. There is also a General Fund (GF) saving generated by the provision of homes to homeless households in the HRA via a reduction in the use of privately-owned temporary accommodation in GF. This plan recognises the proposal for an additional 250 homes as part of the temporary accommodation reduction plan. These will be funded by government grant, General fund capital contribution and borrowing in the HRA.

6.88. The Council manages risks to the HRA and plans for uncertain future scenarios, for example rises in interest rates, and increase in construction costs, and higher pay awards. The HRA's reserves exist to ensure that the HRA is sufficiently robust to manage these uncertainties and any others that could occur.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'

7.1. This report sets out the Council's commitment to 'creating homes for the future'

8. Carbon and Climate Change

8.1. This report contributes to the Council's commitment of 'responding to the climate emergency' and details are contained throughout the report.

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

9.1. This Housing Revenue Account Business Plan is largely a finance report and financial implications are set out throughout the report.

9.2. The plan is reporting a balanced position over the next ten years, albeit below the target annual contribution to capital of £8m and debt and forecasting borrowing levels are high. However, this recognises the Council's strategy of short and medium term capital investment into its existing stock and new homes over the next five years which leads to increased rental income in latter years as an increased number of new and existing properties complete and become operational. This supports the longer term financial sustainability of the housing revenue account.

9.3. Each year, indicators are used to measure the financial sustainability of the plan. Interest costs as a percentage of rents is a key performance indicator for financial sustainability and a measure of affordability. This ratio is set at minimum of 1.10 (interest cover). This means the HRA should generate enough surplus to cover the borrowing cost plus additional 10%. Over a long term this metric is forecast to increase above the 1.10 mark.

9.4. The financial model for the HRA tracks the loan to property values (LTV) and this has been set at 50% maximum. The current LTV forecast over the next ten years does not exceed 50%. Within the Housing Revenue Account, no Minimum Revenue Provision is made for the provision of the repayment of debt. Based on this business plan and the level of investment required over the next 10 years that will need to be funded through borrowing, this assumption will be reviewed annually to protect the long term sustainability of the account.

9.5. As part of the annual review of the Business Plan in summer 2027, all expenditure within the Housing Revenue Account will be subject to review to ensure that services to tenants continue to be provided as efficiently and offer

good value for money and work towards increasing the annual contribution to capital closer to the £8m internal target.

9.6. Although a balanced position has been reported for 2026/27, there are a number of risks to the HRA that the Council is monitoring and managing

9.7. The interest rate on borrowing is assumed at 4.6% based on the latest advice from Treasury Advisors. Given the level of debt (£679m at January 2026) and forecast capital investment over the next five years (£2.09bn) any change in this assumption will impact on the finance position. Every 1% increase in the interest rate would increase interest costs by £0.56m. When interest rates remain above the target of 2%, future year's business plans may need to consider whether to slow down the rate of capital investment or prioritise within a smaller financial envelope.

9.8. The pay award for 2026/27 has not yet been agreed and has been assumed at 3.5% within this plan. Staffing costs are currently 25.3% of projected spend in the HRA and a 1% increase in the pay award will result in additional costs of £0.39m.

9.9. The inflation rate on contracts is assumed at 3.8% but with 15.9% of the budget being on contract spend, a 1% increase in inflation would increase costs by £0.25m

9.10. Costs associated with legal disrepair continues to be a spending pressure and assumptions have been made for costs expected in 2026/27 but this continues to be an area of uncertainty.

9.11. Although the budget has been set based on the latest in year position and projected costs for 2026/27 using the assumptions above, the Council recognises that there are a number of risks. For this reason, the reserve balance has been retained at £20m, which exceeds the benchmark of 10% of turnover and the assumptions in this business plan will remain under regular review in year and as part of the next iteration of the business plan published in Autumn 2026.

Procurement

9.12. Procurement notes the contents of the report.

Head of Legal & Governance

9.13. The Assistant Director of Legal & Governance has been consulted in the content of this report. The Council has a duty to keep a HRA under section 74 of the Local Government and Housing Act 1989, the keeping of which must be in accordance with Schedule 4 of that Act. Under Schedule 15 of the Localism Act 2011, local authorities were required to be self-financing in relation to their housing stock, financing their housing stock from their own rents. This report does not raise any legal issues.

Equality

9.14. The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

9.15. The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

9.16. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.17. This report details the draft medium term financial strategy for the HRA. Cabinet is asked to approve the business plan. This decision is needed to ensure that the Council has a sustainable HRA. A sustainable HRA means that the council as a landlord can provide services to council tenants and leaseholders, and can invest in their homes, and in new homes for future tenants and leaseholders.

9.18. Ensuring a sustainable HRA benefits two groups in particular. The first group is our existing council tenants and leaseholders, since they live in homes owned and managed by the council. The second group is households on the council's housing register, in particular those in bands A and B, since they stand to benefit from new council homes brought forward in the borough.

9.19. Haringey Council's tenant population shows the following characteristics compared to the wider borough population:

- a significantly higher proportion of young people (under 24) and older people (over 50).
- a significantly higher proportion of individuals who have a disability under the Equalities Act.
- a slightly higher proportion of individuals who report their gender identity as different from sex registered at birth.
- a significantly lower proportion of individuals who are married or in a registered civil partnership.
- a significantly higher proportion of individuals who identify as Muslim, and slightly higher proportion of individual who identify as Christian, Buddhist or another religion. This is countered by a significantly lower proportion of tenants who don't associate with any religion or identify as Jewish, Hindu or Sikh.
- a significantly higher proportion of female individuals.

- a significantly lower proportion of individuals who report their sexual identity as something other than Straight or Heterosexual

9.20. Building new council homes benefits existing council tenants in housing need, and households currently living in temporary accommodation. Data held by the council suggests that women, young people, and people who are BAME are over-represented among those living in temporary accommodation. Furthermore, individuals with these protected characteristics, as well as those who identify as LGBTQ+ and disabled people are known to be vulnerable to homelessness.

9.21. As such, it is reasonable to anticipate a positive impact on residents with these protected characteristics.

10. Use of Appendices

None

11. Background papers

None

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REPORT OF CABINET No. 2, 2025/26 – Cabinet Member for Finance and Corporate Services

FULL COUNCIL 2 March 2026

Chair: Councillor Peray Ahmet Deputy Chair: Cllr Sarah Williams

1. INTRODUCTION

This report seeks adoption for Haringey Council's Capital Strategy 2026– 2036.The strategy sets out how the Council will invest in housing, infrastructure, and community assets over the next decade, ensuring that all capital decisions are affordable, prudent, and aligned with the Borough Vision 2035.

This report includes the discussion of the strategy at the Cabinet meeting held on the 10th of February 2026.

ADOPTION OF THE CAPITAL STRATEGY 2026-2036

We considered the Council priority of building a fairer and greener borough. The strategy set out the approach to public investment in local public infrastructure, including parks, roads, leisure centres, libraries and other facilities. The aim was to provide good-quality infrastructure for residents across all neighbourhoods.

We noted that, since 2022, the Council had improved more than 30 public parks, investing more than £18m. It had refurbished four public libraries, investing nearly £5m. The four public leisure centres had returned to public management, and £4.1m had already been invested in repairs and improvements, with further work planned. These activities were carried out in collaboration with residents to ensure public services and infrastructure met identified needs.

We considered the need to keep borrowing requirements as low as possible to ensure that debt and associated costs to the Revenue Account and Housing Revenue Account remained sustainable in the medium to longer term. Where possible, alternative funding sources were used. The Council's responsibility was to invest responsibly and safeguard essential local public services. The strategy also set out the Council's intentions for the future of the borough. It translated the Borough Vision 2035 and the Haringey Deal into a practical and affordable programme focused on providing safe and affordable homes, improving public spaces, supporting children and young people, advancing climate objectives, and improving health and wellbeing.

By focusing on three principles: maintaining core services, delivering projects on time, and responding to local priorities, the Council aimed to maximise external funding, reduce long-term revenue pressures and ensure effective use of resources. The approach recognised that capital investment was not limited to infrastructure

delivery but also supported growth, preventative measures and reduced future revenue pressures. With established governance arrangements and annual review processes, the strategy provided a framework intended to maintain discipline and flexibility and support the development of a fairer and greener borough.

We additionally discussed:

- That the Council was working to ensure financial sustainability and that the Council would continuously review the Capital programme to ensure sustainability and best value for money. We noted that there was a rigorous programme to ensure that spend was closely monitored across the Council.
- We noted that the Council had some Capital receipts which could be utilised to undertake the proposed Capital programme and that not all Capital projects would be undertaken through borrowing.
- That there had been some work in invest to save opportunities, such as investment into Safety Valve, which would work to reduce costs in other areas of the Council

WE RECOMMEND

1.Adoption and approval of the Capital Strategy 2026–2036 (Appendix A) as the Council’s overarching framework for capital investment, financing and governance.

2.Noting that the Strategy will be reviewed annually alongside the MTFS and TMSS and reported to Cabinet and Full Council.

3.Endorsement of the Capital Framework and governance arrangements.

Report for: Cabinet - 10 February 2026

Item number: 11

Title: Adoption of the Capital Strategy 2026-2036

Report authorised by : Taryn Eves, Corporate Director of Finance and Resources

Lead Officer: Lauren Sinclair, Programme Manager – Finance and Resources

Ward(s) affected: All

Report for Key/ Non Key Decision: Key Decision

1. Describe the issue under consideration

1.1. This report seeks Cabinet approval for Haringey Council's Capital Strategy 2026–2036. The strategy sets out how the Council will invest in housing, infrastructure, and community assets over the next decade, ensuring that all capital decisions are affordable, prudent, and aligned with the Borough Vision 2035.

2. Cabinet Member Introduction

2.1 Our mission is to build a fairer and greener borough. This is our strategy for public investment in local public infrastructure – our parks, roads, leisure centres, libraries and much more. We want great quality infrastructure for all our residents, in every neighbourhood.

2.2 Since 2022, we've improved more than 30 of our public parks – investing more than £18m. We've refurbished 4 public libraries, investing nearly £5m. Our 4 public leisure centres are now publicly-run again. We're fixing them up, investing £4.1m already – with more to come. We are doing all of this in collaboration with residents, building local public services and infrastructure that meet everyone's needs.

2.3 We recognise the need to keep our borrowing requirement as low as possible, to ensure that the debt and associated cost to our Revenue Account and Housing Revenue Account remain sustainable in the medium to longer term. Wherever possible, we will use alternative sources of funding. Our duty is clear: to invest responsibly and protect essential local public services.

2.4 Equally, the Strategy is a statement of intent about the future of our borough. It translates the Borough Vision 2035—and the Haringey Deal—into a practical, affordable programme that delivers safe and affordable homes, thriving and safer places, opportunities for children and young people, climate action, and better health and wellbeing.

2.5 By focusing on three principles, getting the basics right, delivering on time and delivering local priorities — we will maximise external funding, reduce long-term revenue pressures, and ensure every pound works harder for residents. Our approach recognises that capital investment is not just about infrastructure—it is a lever to drive growth, support preventative measures, and ease future revenue pressures.

2.6 With strong governance and annual review, this Strategy provides the discipline and flexibility we need to build a fairer, greener Haringey where everyone can belong and thrive.

3 Recommendations

Cabinet is asked to:

1. Note the proposed Capital Strategy 2026–2036 (Appendix A) and agree to recommend that Full Council approve and adopt the strategy as the Council's overarching framework for capital investment, financing and governance.
2. Note that the Strategy will be reviewed annually alongside the MTFS and TMSS and reported to Cabinet and Full Council.
3. Endorse the Capital Framework and governance arrangements.

4 Reasons for decision

4.1 The Capital Strategy sets out the Council's statutory responsibility to define a clear approach for capital investment and financing. The 2026–2036 strategy builds on previous iterations to reinforce affordability, prudence, and sustainability in line with the CIPFA Prudential Code. Crucially, it underpins financial resilience by aligning the Council's strategic objectives with the Treasury Management Strategy to provide a coherent framework that supports investment in delivering the Borough Vision 2035 outcomes through the Capital Programme.

4.2 The Strategy provides a framework for long term investment, setting out an evidence-led approach to allocating limited capital resources to projects that fulfil the Council's legal and health and safety obligations, meet contractual commitments, and where affordable deliver its strategic priorities. It responds to significant financial challenges, including:

- Rising inflation and higher interest rates, which have significantly increased the cost of borrowing and future debt servicing pressures.
- Continuing growth in demand for housing, adult social care, and temporary accommodation.
- Limited government funding, alongside the use of Exceptional Financial Support (EFS), which is being used to fund immediate budget pressures but increases long term revenue commitments through increase capital financing costs and long term debt of the Council.

4.3 In this context, the Capital Strategy sets out a disciplined approach to capital investment, prioritising schemes that are essential for the delivery of statutory services, health and safety compliance and reduce long-term revenue pressures. A significant proportion of the capital programme is funded through borrowing and the year on year increase needs to be reversed to protect the financial sustainability of the Council and to remain affordable within prudential limits.

4.4 It brings together the Housing Revenue Account and the General Fund into a single strategic portfolio view for governance and reporting, while fully maintaining statutory and ring-fencing requirements.

It embeds robust business planning, risk management and benefits realisation arrangements, strengthening transparency and confidence in decision-making. By prioritising affordability while retaining flexibility, the Strategy supports long-term financial sustainability and enables the Council to respond effectively to changing economic conditions and strategic priorities.

Financing and Affordability

4.5 The Capital Strategy, alongside the Treasury Management Strategy Statement (TMSS) and the Medium Term Financial Strategy (MTFS), sets the parameters for a financially sustainable capital programme. Borrowing must remain within approved prudential limits, with the Council prioritising external grant funding, ringfenced Housing Revenue Account resources and capital receipts before undertaking prudent borrowing in accordance with the Prudential Code. The Council is within its current approved prudential limits set out in the Treasury Management Strategy Statement elsewhere on the agenda but debt levels are high in comparison to others and the capital financing costs of the capital programme alone amount to £55m for the General Fund and £32m for the HRA.

4.6 The use of Exceptional Financial Support (EFS) is a measure that increases future debt servicing costs. The Strategy therefore seeks to reduce reliance on EFS over time and prioritises investment in schemes that mitigate longer term revenue pressures, such as housing delivery to reduce temporary accommodation costs and energy efficiency measures to lower ongoing utility expenditure.

4.7 All capital schemes must demonstrate affordability on a whole life basis, including robust revenue implications, realistic contingency provision and sensitivity analysis. Clear mitigation or reprofiling options must be identified where affordability is affected by changes in funding, cost inflation or delivery risk, ensuring the overall programme remains affordable, prudent and sustainable.

Governance, Assurance and Delivery

4.8 Delivery of the Strategy is supported by the Council's Capital Delivery Framework and capital governance model, adopted in July 2025, which provides a consistent approach to business case development, approval, monitoring and benefits realisation across the General Fund and Housing Revenue Account programmes.

4.9 Cabinet has overall strategic oversight of the Capital Strategy and Capital Programme. Regular scrutiny and due diligence are provided through quarterly capital monitoring reports to Corporate Leadership Team, Cabinet and Scrutiny, enabling Members to oversee affordability, delivery performance, risks and alignment with corporate priorities. Operational oversight is exercised through the Strategic Capital Board and Directorate Capital Boards, which manage programme delivery, interdependencies and escalation.

4.10 Assurance is provided through a layered monitoring and reporting framework, including:

- Monthly project and programme monitoring, providing detailed performance, financial and risk oversight at Capital Programme Board level; and
- Quarterly portfolio level capital monitoring and assurance, providing Members with a consolidated view of spend, forecast, risks, benefits and compliance with prudential indicators and governance requirements.

Risk Management

4.11 The Council will maintain a low-risk appetite for borrowing and exposure to market volatility, reflecting the current financial context and the need to safeguard long term financial resilience. Capital investment decisions will be informed by robust risk assessment and mitigation planning at both scheme and portfolio level.

4.12 Key risks and mitigating actions include, but are not limited to:

- *Interest rates and inflation:* Use of prudent financial assumptions, regular benchmarking, and the inclusion of realistic contingency allowances.
- *Legislative and policy change*: Continuous horizon scanning and early compliance planning to mitigate cost and delivery impacts.
- *Capital receipts and grant dependency*: Conservative forecasting, active disposals management and strict compliance with grant conditions.
- *Delivery capacity and supply chain*: Investment in internal project management capability, robust procurement and due diligence processes, and the use of risk sharing contract forms.

4.13 Where affordability or deliverability is challenged, the Council will take early action to reprofile or pause lower priority schemes, while protecting statutory compliance and projects already in delivery to avoid sunk costs and reputational risk.

5 Alternative options considered

5.1 Do Nothing – Not Recommended

Failing to adopt a Capital Strategy would undermine compliance with the CIPFA Prudential Code, which requires local authorities to maintain an up-to-date capital strategy. It would increase the risk of uncoordinated and unaffordable investment decisions and reduce transparency and assurance for the public interest. In the context of sustained financial pressure, this would significantly heighten the risk of

an unsustainable capital programme, adversely affecting the Council's financial resilience and its ability to deliver outcomes for residents.

6 Background information

6.1 The Capital Strategy has been developed in line with the CIPFA Prudential Code and Capital Strategy Guidance, which requires local authorities to maintain an up-to-date capital strategy demonstrating that capital investment plans are affordable, prudent and sustainable over the medium to long term. The 2026-36 Strategy sets out the Council's approach to prioritisation, financing, risk management and governance to provide the assurance that capital investment supports service delivery and community outcomes, while protecting the Council's long-term financial resilience.

6.2 The Strategy provides a single, overarching framework that links capital investment decisions to the Borough Vision 2035, ensuring that long-term asset investment directly supports the Council's ambition for a fairer, greener borough where everyone can belong and thrive. It translates the Vision's priorities into a disciplined and deliverable programme by establishing clear principles for what the Council invests in, how schemes are prioritised, and how resources are allocated over time. This ensures that capital investment is considered as a key enabler of wider social, economic and environmental outcomes, rather than in isolation.

6.3 Together with the Council's asset management and spatial strategies, the Capital Strategy acts as a strategic enabler, supporting an integrated approach to capital investment planning. It is closely aligned with Council policy and strategic service plans, including the Local Plan, the Strategic Asset Management and Property Improvement Plan (SAMPIP), and the Council's place-shaping strategies, Shaping Tottenham and Shaping Wood Green. By translating evidence-based policy into funded investment, rationalisation and disposal decisions, the Strategy ensures that capital investment is affordable, well-governed and consistently focused on delivering long-term outcomes for residents and communities.

7 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

7.1 The Capital Strategy is part of the delivery engine for the Corporate Delivery Plan (CDP). It translates CDP priorities into a costed, governable programme by mapping every scheme to the CDP outcomes, applying a single portfolio view across the General Fund and HRA (with HRA ringfencing maintained), and using the Council's Capital Delivery Framework and HM Treasury Five Case Model to assure strategic fit, affordability and deliverability.

7.2 Funded programmes directly advance CDP outcomes—safe and affordable homes (new supply, building safety, retrofit), thriving and safer places (public realm, town centres, lighting/CCTV and active travel), children and young people (schools and early years modernisation, youth spaces), a healthy and caring borough (integrated community facilities and greener streets), a fair and equal

borough (accessible design and digital inclusion), and resident experience/enablers (modern, efficient, lower carbon public estate).

8 Carbon and Climate Change

8.1 The Strategy reaffirms the Council's commitment to climate and environmental sustainability by supporting the net-zero trajectory and strengthening climate resilience. It includes investment in the decarbonisation of homes and public buildings, active travel, green infrastructure and nature-based solutions. All capital schemes must demonstrate measurable carbon reduction and/or climate adaptation benefits and, where practicable, take account of circular-economy principles and whole-life carbon impacts.

9 Statutory Officers comments (Director of Finance (procurement), Director of Legal and Governance, Equalities)

Finance

9.1 The recommendations of the report are to: Approve the Capital Strategy 2026–2036 (Appendix A) as the Council's overarching framework for capital investment, financing and governance; note that the Strategy will be reviewed annually alongside the MTFS and TMSS and reported to Cabinet and Full Council; and endorse the Capital Framework and governance arrangements.

9.2 The acceptance of the recommendations does not in themselves give rise to any financial implications. The delivery of the capital strategy through the approved capital programme does give rise to financial implications and these are factored into the Council's revenue budget elsewhere on the agenda.

Procurement

9.3 Strategic Procurement note the contents of this report and confirm there are no procurement related matters preventing Cabinet approving the recommendations stated in paragraph 3 above.

Director of Legal & Governance

9.4 The Director of Legal & Governance has been consulted in the preparation of this report.

9.5 The Local Government Act 2003 provides the statutory framework governing local authority capital expenditure, borrowing and investment and requires local authorities to act prudently. In exercising these functions, local authorities are required to have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities. The Code requires the council to prepare, approve and maintain a Capital Strategy setting out its capital expenditure plans.

9.6 The Council's Constitution at Part 4 – Rules of Procedure Section I – Financial Regulations provide that the 151 Officer is responsible for ensuring the preparation of the Council's Capital Strategy and requires the Strategy to provide a high level

long term overview of how much capital expenditure, capital financing and treasury management activity contribute to the provision of services, an overview of how the associated risks is managed and the implications for future financial sustainability. This strategy is prepared in compliance with the requirements of the Prudential Code and the Council's Constitution.

Equality

9.7 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

9.8 These three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

9.9 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.10 The Capital Strategy has been developed in line with the Council's equality duties and its wider commitment to fairness and sustainability. By prioritising investment that is affordable, sustainable and evidence-led, the Strategy seeks to protect and improve outcomes for residents who are more likely to be adversely affected by financial instability, poor housing conditions, unsafe environments and barriers to access—many of whom share protected characteristics. The Strategy embeds equality considerations into capital investment planning through targeted prioritisation and the requirement for Equality Impact Assessments at appropriate gateway stages for all capital schemes and projects.

9.11 By directing investment towards areas of demonstrable need, the Strategy supports improved outcomes for residents with protected characteristics, including disabled people, older residents, families with children and communities experiencing socio-economic disadvantage. Priority investment in building safety, safe and affordable housing, accessible public buildings and spaces, and active travel and wellbeing infrastructure helps reduce structural inequalities in access, safety, health and opportunity. Through this approach, the Strategy ensures that capital investment delivers inclusive, long-term benefits and makes a positive contribution to reducing inequality across the borough while supporting the Council's duty to advance equality of opportunity.

10 Use of Appendices

Appendix A: Capital Strategy 2026–2036 (full document)

11 Background papers

a. CIPFA Capital Strategy Guidance 2021
b. 2026-27 Budget and 2026-2031 Medium Term Financial Strategy Report
c. Housing Revenue Account Business Plan 2026/27 - 2030/31

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CAPITAL STRATEGY

2026 - 2036

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1. Executive Summary

Haringey Council's Capital Strategy sets out a clear framework for delivering long-term, sustainable investment that supports the clear ambition set out in Haringey 2035 - to be a fairer, greener borough where everyone can belong and thrive. We are investing in the future of our communities—guided by robust evidence, shaped by local voices, and grounded in financial responsibility.

Our approach is rooted in the Haringey Deal. We engage directly with residents, grassroots organisations, and partners to ensure our investments reflect lived experience and local priorities. This collaborative approach shapes not only what we build, but how we build it—with inclusivity, accessibility, and wellbeing at the core.

In recent years however, the macroeconomic context has shifted dramatically in UK local government. Inflation and economic uncertainty have significantly impacted the Council's financial position, making borrowing more expensive and increasing the cost of delivering essential services. Rising prices across construction, energy, and care services, combined with growing demand for adult social care, children's services, and temporary accommodation, have placed unprecedented pressure on our budget.

Meanwhile, limited Government funding means that the Council has had to secure Exceptional Financial Support (EFS) in order to present a balanced budget. EFS is a short-term measure; while it alleviates in-year pressure it creates long-term financial pressure by increasing borrowing and future debt servicing costs, adding long-term pressure to the MTFS. Every £1m capitalised in this way typically adds around £62,000 per year in costs over 20 years, reducing flexibility for future investment and increasing the structural gap in revenue budgets. It also reduces the resources available for investment against Borough Vision priorities.

In response to this, our capital strategy is changing. We are taking a more focused, flexible, and financially sustainable approach, prioritising investments that deliver long-term value and reduce revenue pressures. This includes reviewing the capital programme to reduce borrowing costs, pausing lower-priority schemes, and identifying opportunities to divest from underperforming or financially unsustainable assets. When it comes to investment towards the aims of Haringey 2035 we will need to 'do more for less', prioritising what matters most to residents and protecting those in greatest need, while managing risk and delivering value for money.

We must build flexibility into our budget planning —ensuring our plans can adapt as costs rise or priorities shift. We'll focus on projects that are financially sound, where risks are clearly understood and managed, and maximise external funding to deliver lasting public value.

This strategy integrates the Housing Revenue Account (HRA) and General Fund (GF) into a single portfolio view for governance and reporting, while maintaining

statutory ring-fencing for the HRA. It sets the framework for prudence, affordability and sustainability and adopts a whole-organisation approach to business cases, assurance and benefits realisation.

This Capital Strategy therefore translates our ambition into a disciplined, long-term programme of investment in housing, places, community infrastructure, connectivity and the public estate. It brings together these ambitions with our Medium-Term Financial Strategy (MTFS) to determine where we invest, what we can afford, how we finance it, and how we assure delivery.

It is our ambition that by 2035, the Capital Strategy will have delivered a programme that is affordable, prudent, and sustainable. Success means all borrowing decisions are considered essential, and within approved Treasury Management limits, with annual reviews confirming affordability, resilience, and strategic alignment. Reliance on Exceptional Financial Support will be minimised, replaced by a balanced capital programme that maximises external funding and capital receipts, reduces year on year borrowing increases and underpinned by robust governance. However, despite the financial challenges, the Council will deliver measurable outcomes to our communities, including thousands of new affordable homes, major infrastructure upgrades, and demonstrable progress toward net zero carbon targets—ensuring long-term social value and financial sustainability for the borough.

2. Capital strategy and long-term ambition

The Capital Strategy sets the direction for the 10-year capital investment plan, while having a 20-30 year outlook for the assets it creates, such as housing, highways, schools and other social and physical infrastructure.

Through this strategy, the Council will adopt an evidence-led approach to ensure we invest responsibly whilst protecting essential frontline services and supporting the most vulnerable to address some of the disparities in health, income and housing. Our decisions will drive sustainable investment and inclusive growth, and we will use our leverage to encourage our partners in the community and beyond to do the same.

To manage its strategic investments, the Council will adopt a structured approach:

i. Implement a Strategic Capital Investment Framework

ii. Align Capital Investment with the 2035 Vision

iii. Strengthen Governance and Delivery

iv. Review and refresh the Capital Strategy annually

(i) Implement a Strategic Capital Investment Framework

The Capital Strategy provides a framework for the Council's capital investments by aligning evidence-led decision-making with financial and socio-economic sustainability, structured risk management, and strong governance, in line with the principles of the Prudential Code.

It sets out the Council's commitment to ensure our investment decisions:

- are strategically aligned and based on demonstrable need
- embed financially viability and effective risk management
- are socially sustainable, using local and regional levers to advance shared priorities

The Council adopted its Capital Delivery Framework in July 2025. Under this framework, any new investment, and any existing capital schemes moving to a new phase of delivery, are required to submit business cases, prepared to a standardised template and based on the HM Treasury's Five-Case Model. This ensures there is a clear, evidence-based rationale for the capital programme and that it responds to identified local and strategic priorities. Business cases are further underpinned by robust due diligence and a standardised business case methodology, incorporating comprehensive financial appraisals and structured risk assessments. Supported by consistent documentation, this approach ensures that options are well-appraised, affordability is tested, and risks are proactively managed to enable well-informed and sustainable investment decisions. Sustainability is a core requirement of the

framework, with financial, environmental and equality assessments embedded in investment decisions and delivery planning.

Reflecting the principles of the Haringey Deal, the Framework relies on collaboration to maximise social benefits. It promotes meaningful engagement with key stakeholders such as local community groups and residents; external funders and delivery partners, to actively shape investment decisions and outcomes.

To maintain affordability and resilience, the Council will adopt a structured and proactive approach to capital investment, including comprehensive financial appraisals which incorporate lifecycle costing, contingency planning, and long-term revenue implications; and prudent borrowing practices, ensuring debt levels are aligned with the Medium-Term Financial Strategy and repayment plans are sustainable. Wherever possible, the Council will also seek to maximise external grant funding to replace borrowing, thereby improving the overall affordability of the capital programme.

(ii) Align Capital Investment with the 2035 Vision

Our Haringey Vision 2035 has been co developed with residents, communities, partners, council staff, and visitors. It sets out a bold ambition for the borough, envisioning a future where:

All residents have the opportunity to thrive and live the best possible version of their lives.

The quality of life across the borough matches that of our cleanest, greenest, and safest neighbourhoods.

In a time of uncertainty and change, Haringey is a place where people can put down roots and truly feel they belong.

To deliver this vision, the Council has identified six calls to action that reflect the priorities and foundations of a future Haringey. It is essential that our Capital Strategy and associated Capital Programme aligns with these priorities, as expressed through consultation, ensuring that investment decisions are responsive, inclusive, and future focused.

Our Capital Programme focuses on:

- Investing in places that help people thrive. Guided by strong local evidence, our Capital Strategy supports the delivery of affordable, zero carbon homes, sustainable economic growth, and infrastructure that promotes health, wellbeing, and opportunity for all.
- Creating spaces that bring people together. From high quality public spaces and community facilities to sustainable transport and green infrastructure, our investments are designed to build resilience and unlock potential across every neighbourhood.

- Protecting and enhancing natural assets. We are safeguarding Haringey's green spaces to support biodiversity, tackle climate change, and create a healthier, more sustainable borough.
- Supporting evolving town centres. We are investing in flexible, future ready spaces that reflect new ways of living and working—supporting local businesses, improving access to green space, and creating vibrant, inclusive destinations.
- Improving connectivity. We are enhancing active travel routes and digital infrastructure to reduce inequality and ensure everyone can access opportunities—wherever they live.
- Embedding innovation. We are investing in digital solutions that improve services, empower residents, and support smarter, data driven decision making.

In line with this Strategy, these priorities will be delivered through a capital programme that is affordable, prudent, and sustainable and the full draft programme for 2026/27 to 2030/31 in included at Appendix 7 of the main budget report elsewhere on the agenda.

The Council's drivers for investment against these calls to action are set out in greater detail in Section 4 below.

(iii) Strengthen Governance and Delivery

Our Strategic Capital Investment Framework is underpinned by the principles of the Corporate Delivery Governance Framework. Through enhanced governance, the Framework ensures that the capital programme is both strategically aligned and financially sustainable. It will provide oversight of the entire capital programme through standardised monitoring, reporting, and escalation processes; integrating the Capital Programme with key strategic objectives as set out in the Capital Strategy, Medium-Term Financial Strategy (MTFS), Corporate Delivery Plan, and 2035 Borough Vision.

The Governance Framework establishes a three-tier structure of capital boards to provide strategic oversight and facilitate cross-departmental collaboration. These forums enable integrated planning, early engagement, and strategic steer across services—maximising opportunities ahead of delivery and ensuring that capital investments are aligned, viable, and responsive to changing priorities. This structure supports flexible resourcing, transparent decision-making, and consistent application of governance standards across the capital programme.

The HRA Capital Programme constitutes the largest share of the Council's annual capital investment, driven by statutory compliance, building safety, planned maintenance, retrofit ambitions, and the delivery of new homes. Under this strategy, HRA capital delivery will be governed and reported alongside the General Fund

programme to provide a single portfolio view of commitments, risks and overall capacity. Integration will ensure valuable delivery skills are deployed where they add the most value, that market and inflation risks are managed at portfolio level and visible within Framework governance, and that phasing decisions reflect the Council's overall affordability and risk appetite. Notwithstanding, HRA ring-fencing and statutory requirements will continue to be observed.

Robust programme management and accountability are central to the successful delivery of the capital programme. Supported by the Finance and Resources PMO, the framework provides consistent governance, assurance, and portfolio-level oversight across all projects. The PMO delivers strategic support through gateway reviews, standardised reporting, and risk escalation mechanisms, ensuring that investment decisions are evidence-based, transparently reported to Members and Senior Officers, and fully aligned with the Capital Strategy, and Haringey's strategic priorities.

(iv) Annual review of the Capital Strategy

The Capital Strategy will be reviewed annually to ensure it remains responsive to changing strategic priorities, economic conditions, and funding opportunities.

Each review will confirm that the strategy continues to align with political priorities and reflect the interests of our communities. This includes incorporating corporate plan objectives, and emerging policy directions to ensure investment decisions are consistent with the Council's democratic mandate and supports effective policy delivery.

The process will also test the Council's borrowing position to ensure it remains financially sustainable. In particular, large-scale investments—such as those in Placemaking and Housing—will be assessed for proportionality and affordability against the Treasury Management Strategy, the Council's borrowing limits.

The annual review will incorporate updated financial forecasts, lessons learned from programme delivery, and feedback from governance forums. This approach ensures that the Capital Strategy continues to support sustainable, affordable, and well governed investment decisions.

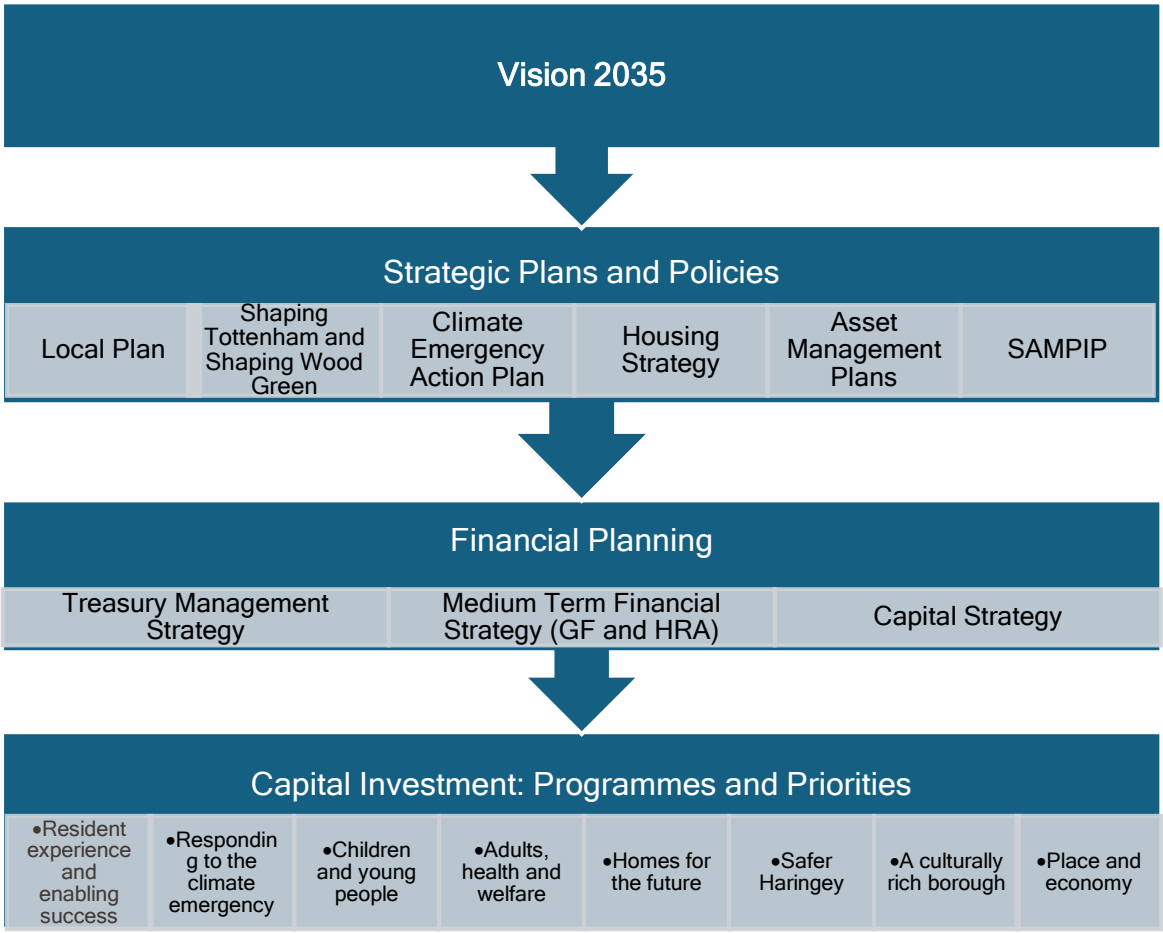
The annual review will be reported to Cabinet and approved by Full Council, ensuring transparency, robust governance, and compliance with statutory requirements, including the Prudential Code.

3. Strategic Planning Framework

The Capital Strategy is embedded within an integrated Strategic Planning Framework that connects the Council's strategic plans and policies—including statutory obligations, the Borough Vision, and Corporate Delivery Plan—with robust financial planning and operational business planning. This alignment ensures that

capital investment decisions are legally compliant, outcome-driven and financially sustainable. By linking long-term ambitions to clear delivery plans and prudential financial boundaries, the framework provides an implementable programme that balances ambition with affordability, resilience, and sound governance.

Strategic Planning Framework



(i) The Vision, Strategic Plans and Policies

The Council's Vision and strategic policies provide the foundation for all capital investment decisions, ensuring they deliver long-term ambitions while meeting statutory duties.

The Haringey 2035 Vision sets three overarching ambitions and six Calls to Action, which shape the borough's desired outcomes and guide the prioritisation of capital investments. All capital projects must evidence a measurable contribution to these ambitions, promoting inclusive growth, sustainability, and improved quality of life.

The Council's strategic plans operationalise the Vision, embedding legal responsibilities and statutory obligations into every stage of capital planning. Compliance with legislation and statutory guidance ensures that every investment

decision supports sustainable, inclusive development and meets regulatory standards.

Statutory frameworks such as the Local Plan, Homelessness Strategy, and Health and Wellbeing Strategy are embedded to ensure compliance with national legislation. Other key policies and plans include:

- **Strategic Asset Management and Property Improvement Plan (SAMPIP) 2023–28** – Provides the corporate framework for property investment, maintenance, and asset rationalisation, ensuring lifecycle management and optimised utilisation to support service delivery and financial efficiency.
- **Housing and Building Safety Framework –** Incorporates the Housing Strategy 2024–2029, Council Housing Energy Action Plan, and Building Safety Strategy to deliver housing quality, safety, and decarbonisation, ensuring compliance with building safety legislation and climate commitments.
- **Climate Change Action Plan –** Establishes the route map to achieve a net zero carbon borough by 2041 and net zero Council operations for core buildings and fleet. Capital projects must demonstrate measurable carbon reduction and resilience outcomes.
- **Digital Transformation Agenda** – Drives service modernisation and connectivity across the borough, enabling data-driven decision-making, efficient service delivery, and inclusive access for residents.

Collectively, these plans and policies ensure that every capital investment delivers statutory compliance, aligns with corporate priorities, and achieves long-term benefits for the borough.

(ii) Financial Planning

The Council's financial planning provides the foundation for financially sustainable capital investment and is fully aligned with CIPFA's Prudential Code and Treasury Management Code. It ensures that all capital decisions are affordable, prudent, and proportionate to the Council's long-term financial capacity.

Financial Policies

The Treasury Management Strategy, Reserves Policy, and Minimum Revenue Provision (MRP) Policy establish prudential boundaries and reporting expectations, ensuring compliance with statutory guidance and CIPFA codes. These policies collectively define the Council's borrowing limits, risk appetite, and reporting standards, ensuring transparency and statutory compliance.

Medium-Term Financial Strategy (MTFS)

The MTFS sets the financial parameters for the Council over a rolling five-year period, delivering comprehensive financial forecasts and affordability assessments to

ensure compliance with prudential indicators. It ensures financial sustainability in the General Fund and Housing Revenue Account by assessing the affordability of capital expenditure, managing long-term revenue implications, and embedding risk management into financial planning. This framework supports informed decision-making and balances ambition with resilience by applying CIPFA principles of prudence, sustainability, and proportionality to all capital decisions.

Capital Strategy

The Capital Strategy defines the Council's vision and principles for capital investment, ensuring alignment with corporate priorities and statutory obligations. It sets out how capital resources will be allocated, how investment opportunities will be evaluated, and how sustainability and risk will be embedded in delivery. The strategy is reviewed annually to remain responsive to economic conditions and funding landscapes.

Together, these components form an integrated financial planning framework that underpins the wider strategic planning framework, enabling the Council to deliver impactful, sustainable investment for the benefit of its communities.

(i) Capital Investment Programme and Priorities

The Capital Programme operationalises strategic priorities and financial parameters into deliverable projects, embedding capital requirements within service planning, asset management, and improvement agendas. This creates a clear line of sight from corporate objectives to operational delivery through a multi-year schedule of approved projects.

Each project undergoes structured gateway reviews and rigorous financial appraisal to confirm deliverability, affordability, and alignment with strategic priorities. The programme is managed in accordance with the CIPFA Prudential Code, ensuring affordability, prudence, and sustainability. Ongoing monitoring tracks compliance with prudential indicators, governance standards, and risk management protocols. The programme remains flexible, allowing for reprioritisation in response to emerging needs or external funding changes.

Together, strategic anchors, financial planning, and business planning form a cohesive Strategic Planning Framework that links statutory compliance and corporate vision to financial governance and operational delivery. This integrated approach guarantees that capital investment decisions are legally compliant, strategically aligned, and financially sustainable within prudential limits. By embedding transparency, risk management, and measurable social value, the framework enables the Council to deliver capital programmes that achieve long-term outcomes for the borough and address demonstrable need.

4. Evidence of need

Haringey is a borough of contrasts—rich in diversity, culture, and opportunity, yet facing persistent socio-economic challenges. As the borough continues to grow and change, the demand for targeted, strategic capital investment is increasing.

The Council's Vision 2035 sets out the overarching ambition for all Council activity, including the Capital Strategy. To ensure capital investment delivers the best outcomes for communities, it must be underpinned by a robust understanding of local needs, demographic trends, and place-based challenges.

There is a clear and demonstrable need for capital investment across key service and infrastructure areas. The evidence base highlights the requirement for a focused and sustainable capital programme that supports the delivery of the Council's six Calls to Action, which form the foundation of Vision 2035:

1. **Safe and Affordable Housing** – ensuring access to high-quality, secure, and sustainable homes
2. **Thriving Places –** investing in vibrant, inclusive, and economically resilient neighbourhoods
3. **Supporting Children and Young People** – creating environments that enable young people to thrive
4. **Feeling Safe and Being Safe** – enhancing community safety and public confidence
5. **A Healthy, Caring Haringey** – promoting health, wellbeing, and integrated care
6. **A Fair and Equal Borough** – tackling inequality and supporting inclusive growth

By aligning capital investment with these strategic priorities, the Council can ensure that resources are directed where they are most needed, deliver long-term value for money, and support Haringey's ambition to be a borough where all residents can thrive.

1. Addressing critical housing needs though Safe and Affordable Housing

Housing remains one of the most pressing challenges in Haringey, mirroring wider pressures across London. The borough has seen a 47% increase in median house prices since 2014, reaching £565,000, and pushing the affordability ratio to 14.32—well above the London average. At the same time, the number of households has grown by 8.1%, outpacing population growth, while 21% of private rented homes are classified as non-decent. Rising demand for temporary accommodation continues to place significant financial and social strain on the Council and residents alike.

These trends highlight the urgent need for capital investment to expand the supply of affordable housing, improve housing quality, and ensure that development meets the needs of all tenure groups. A proactive, strategic approach is essential to deliver safe, sustainable, and inclusive homes that support long-term wellbeing and economic stability. The Council's Housing Strategy commits to the following investment priorities:

- Building and retrofitting council homes to high environmental and safety standards
- Delivering 1,592 new homes annually in line with the Council's Housing Strategy
- Strengthening regulation and enforcement in the private rented sector
- Continuing investment in homelessness prevention and supported housing
- Eliminating damp and mould and ensuring all council homes meet the Decent Homes Standard

2. Unlocking local potential through place-based interventions to create Thriving Places

Haringey's geography presents both challenges and opportunities. While the borough is predominantly residential, commercial activity is concentrated in key corridors such as Wood Green and Tottenham High Roads. These areas are critical to unlocking local economic potential and addressing spatial inequalities.
Despite its strengths, Haringey ranks 205th out of 324 local authorities in the Vibrant Economy Index, highlighting the need for targeted investment in prosperity, inclusion, and wellbeing. However, the borough also benefits from significant assets, including:

- 25 Green Flag Parks, providing a strong foundation for green infrastructure
- Established cultural clusters in Wood Green and Tottenham
- The 2027 Borough of Culture designation, offering a platform for long-term cultural investment
- Tottenham's role as a major leisure destination and host of UEFA Euro 2028, presenting a unique opportunity for legacy placemaking

To capitalise on these opportunities, the Council is progressing two major spatial strategies—Shaping Tottenham and Shaping Wood Green, alongside the Inclusive Economy Framework to drive growth in the borough. These provide a framework for place-based capital investment that delivers:

- Revitalised high streets and town centres, shaped by community-led design
- Enhanced public spaces, parks, and cultural venues that foster social cohesion and civic pride
- Support for local businesses and social enterprises, driving inclusive economic growth

Capital investment in these areas will stimulate local economies, improve quality of life, and create resilient, vibrant places that reflect the borough's diversity and ambition.

3. Supporting Children and Young People by Responding to Demographic Change and Youth Opportunity

Haringey's demographic profile presents both opportunities and challenges for capital investment. According to the 2021 Census, Haringey has a notably young population, with a significant proportion of residents aged under 35, while the number of residents aged 65 and over is growing faster than the London average. This dual demographic shift highlights the need for intergenerational infrastructure that supports residents at every stage of life.

Strategic capital investment is essential to enable young people to thrive through access to high-quality education, safe spaces, and creative opportunities. To meet these needs, the Council will prioritise investment in:

- Upgraded schools and early years settings to improve learning environments and educational outcomes
- Sports facilities, and creative spaces that foster skills, confidence, and community engagement
- Strengthening community partnerships to support early intervention and youth engagement

In the long-term, these investments will contribute to a healthier, more resilient borough.

4. Physical Improvements to promote Feeling Safe and Being Safe

Haringey's urban density and socio-economic disparities contribute to complex community safety challenges. Perceptions of safety, particularly in public spaces, directly impact residents' wellbeing, mobility, and social cohesion. Addressing these concerns is essential to ensuring that all residents feel secure and included in their neighbourhoods.

Strategic capital investment is therefore required to create safer environments and reduce crime through preventative, place-based design. This includes:

- Installing improved street lighting, CCTV, and safe travel routes to deter anti-social behaviour and enhance visibility
- Redesigning public spaces to promote safety, accessibility, and inclusion for all residents and reduce fear of crime
- Funding community safety partnerships to address root causes of crime

5. Supporting Health and Wellbeing Across Life Stages for A Healthy, Caring Haringey

With a projected mid-year population of 264,300 in 2025, Haringey is experiencing steady growth alongside a rapidly ageing population. However, this growth is accompanied by significant health inequalities, with life expectancy and healthy life expectancy closely aligned to levels of deprivation across the borough.
These disparities highlight the urgent need for capital investment in infrastructure that supports physical and mental health, promotes active lifestyles, and reduces long-term vulnerability—particularly for those with complex needs.

Strategic capital investment will focus on:

- Expanding active travel infrastructure to encourage walking and cycling as part of daily life
- Enhancing green spaces to support physical activity, social connection, and environmental resilience

These investments will reduce pressure on emergency and long-term care services, improve health outcomes, and contribute to a more equitable and caring borough.

6. Investing to create a Fair and Equal Borough

Haringey experiences persistent and significant levels of deprivation, particularly concentrated in the east of the borough. Several of these areas rank among the most deprived wards in the country, reflecting long-standing disparities in income, employment, and health outcomes. Many residents earn below the London Living Wage, and there are significant gaps in healthy life expectancy between the most and least deprived areas. These inequalities are structural and long-standing, requiring targeted capital investment to create a fairer, more inclusive borough.

Strategic capital investment must be directed toward inclusive economic development that addresses systemic barriers and unlocks opportunity for all communities. This includes improving access to digital infrastructure, transport, skills, and community-led initiatives that build local resilience and social value.

Capital investment must:

- Embed equality and environmental impact assessments in all capital programmes to ensure inclusive and sustainable outcomes
- Fund digital inclusion, accessible transport, and inclusive design to reduce barriers to participation in education, employment, and civic life
- Invest in enterprise infrastructure to support economic mobility and reduce in-work poverty

These investments will ensure that capital expenditure delivers long-term social and economic value for all residents.

5. Internal influences

The Council's Capital Strategy is shaped by a range of internal factors that ensure investment decisions are aligned with organisational priorities, financial sustainability, and statutory obligations. These influences directly inform the Capital Programme, which translates strategic intent into deliverable projects that achieve measurable outcomes for residents and communities.

Key internal influences include:

The Treasury Management Strategy Statement

The Treasury Management Strategy (TMSS) sets out how the Council will manage its cash flows, borrowing, and investments to finance capital expenditure. It provides the financial framework that ensures the Capital Programme is affordable, prudent, and sustainable over the medium term, in line with the CIPFA Treasury Management Code and the Prudential Code.

By aligning borrowing decisions with the Council's risk appetite, investment priorities, and cash management strategy, the TMSS supports effective financial planning and safeguards long-term financial resilience. This alignment ensures that capital projects can be delivered without compromising the Council's financial stability or statutory obligations.

Crucially, the TMSS enables the Capital Programme to translate strategic ambitions into tangible outputs—such as improved housing quality, modernised public assets, and enhanced digital infrastructure - by establishing an affordable borrowing policy within prudential limits. These outputs directly contribute to community outcomes, including inclusive growth, climate resilience, and improved quality of life for residents.

The Corporate Delivery Plan 2024-26

The Council's Vision and long-term goals strongly influence the Capital Strategy, The Corporate Delivery Plan sets out a medium-term framework to achieve the objectives of the Vision, ensuring that capital investment is aligned with resident needs and borough-wide transformation goals. The Corporate Delivery Plan (2024–26) translates the Council's Vision into actionable deliverables across eight thematic priorities:

- Resident experience and enabling success
- Responding to the climate emergency
- Children and young people
- Adults, health and welfare

- Homes for the future
- Safer Haringey
- A culturally rich borough
- Place and economy

These themes guide service planning, resource allocation, and investment decisions, providing a strategic foundation for identifying capital projects that deliver measurable outcomes, support inclusive growth, and reflect community aspirations. Through these themes, the Corporate Delivery Plan (CDP) establishes the outcomes and priorities against which all capital projects are assessed.

The current Corporate Delivery Plan will end in April 2026 with a new plan in place in Autumn 2026 but at the time of publishing this Capital Strategy, the current priorities remain.

Internal Capacity and Expertise

The effectiveness of the Capital Strategy depends on the Council's ability to deploy skilled resources and technical expertise. Limited capacity or specialist knowledge—such as project management, commercial negotiation, or financial analysis—can lead to delays, cost overruns, and weakened risk management. Over-reliance on external consultants increases costs and erodes institutional knowledge, compromising long-term resilience. Building and retaining internal capability in areas such as legal, procurement, and technical evaluation is therefore a strategic priority to ensure projects deliver value, mitigate risk, and support financial sustainability.

There are a number of Internal policies set the framework for how the Capital Strategy is implemented.

Strategic Asset Management and Property Improvement Plan (2023–28)

Haringey's Strategic Asset Management and Property Improvement Plan (SAMPIP) is a core companion to the Capital Strategy, providing the framework for managing and investing in council-owned assets. It identifies the need to invest in civic buildings, commercial properties, and operational assets to ensure they are safe, efficient, and aligned with the Council's strategic direction and service requirements. SAMPIP establishes a structured approach for managing the property portfolio in line with financial sustainability and service delivery objectives. In alignment with the Capital Strategy, decisions on asset investment, retention, and disposal are evidence-based and subject to governance under the Corporate Landlord model and Commercial Property governance.

Through engagement with external partners such as One Public Estate, SAMPIP ensures that capital decisions reflect broader strategic priorities and community needs. The Asset Challenge process and Commercial Property Review support a data-led approach to identify opportunities for investment, divestment, and repurposing, ensuring the estate remains responsive, efficient, and future-proofed.

Alongside SAMPIP, the Council has undertaken an Asset Review to provide a strategic, evidence-led understanding of the estate—covering condition, suitability, utilisation, energy performance, and financial contribution. The Asset Review is distinct from SAMPIP: it is a decision-support exercise focused on portfolio options and prioritisation, while SAMPIP provides the standing policy, governance, and improvement framework for the Corporate Landlord function. Insights from the Asset Review will inform disposals and acquisitions, co-location and service hub opportunities, estate consolidation, meanwhile uses, and investment prioritisation.

Combined, SAMPIP and the Asset Review will support a pipeline of receipts to fund the Capital Programme and reduce revenue running costs, while safeguarding statutory services and community outcomes. Decisions arising from the Asset Review will follow the gateway business case process and be subject to consultation, equalities assessment, and the Council's disposals policy. Where assets are proposed for release, options for community value—such as Assets of Community Value listings or meanwhile use—will be considered alongside financial, legal, and service impacts.

Housing Strategy for Haringey 2024- 29

The Housing Strategy for Haringey 2024–2029 represents one of the most significant areas of capital investment to achieve borough-wide priorities. With a commitment to delivering 3,000 new homes by 2031, alongside major investment in new builds, retrofitting, and housing quality and safety improvements, the strategy provides a foundation for the Council's long-term financial planning and asset management objectives.

HRA capital investment is embedded within the Council's overarching Capital Strategy, ensuring compliance with the CIPFA Prudential Code and alignment with corporate priorities. Funding decisions are integrated with the Medium-Term Financial Strategy (MTFS) and Treasury Management Strategy Statement (TMSS) to maintain affordability, prudence, and sustainability. Each project is subject to financial appraisal and the Council's capital governance processes to confirm deliverability and financial resilience.

By prioritising housing delivery, safety, and sustainability, HRA investment ensures that capital resources generate both financial resilience and measurable social value.

Procurement and Commissioning

The Procurement Strategy embeds principles that shape how capital projects are commissioned, delivered, and evaluated, ensuring that investments deliver value for money, social value, and local economic benefits. Key procurement principles—such as commercialism, contract performance management, and sustainability—are integrated into capital delivery processes to ensure projects are financially viable and contribute to broader strategic outcomes, including environmental goals and inclusive growth.

Procurement practices are aligned with the CIPFA Prudential Code and the Council's governance framework, supporting transparency, risk management, and long-term

affordability. By embedding these principles into the lifecycle of capital projects, the Council ensures that procurement not only supports operational delivery but also maximises public benefit and strategic impact.

Local Plan

The Local Plan sets the spatial and development framework for Haringey, guiding how and where growth in housing, infrastructure, and employment should occur. It directly informs capital investment by identifying placemaking priority areas and shaping decisions on assets and infrastructure. This ensures that the Capital Strategy supports sustainable development, housing delivery, and climate resilience.

Key growth areas such as Shaping Tottenham and Shaping Wood Green are central to the Local Plan, driving investment in mixed-use development, public realm improvements, and community facilities. These programmes influence the Capital Programme by prioritising development opportunities which deliver inclusive growth and economic vitality.

The Local Plan also identifies strategic infrastructure needs, including transport connectivity and green spaces. Investment in transport corridors, active travel routes, and public transport enhancements supports accessibility and sustainable mobility. Similarly, improvements to parks and open spaces contribute to health, wellbeing, and environmental resilience, aligning with the Council's climate commitments and quality-of-life objectives.

By embedding these priorities into the Capital Programme, the Local Plan ensures that capital investment decisions are spatially targeted, legally compliant, and focused on creating vibrant, connected, and sustainable communities.

Climate Change Action Plan 2021

The Council has set an ambitious target to become a net zero borough by 2041. which requires a fundamental shift in how capital investment is planned, prioritised, and delivered. Through extreme weather, energy insecurity, and environmental degradation, the climate emergency poses a growing threat to residents, infrastructure, and long-term financial sustainability.

In response to this, the Council must embed climate action across all capital programmes. This includes capital investment in both mitigation (reducing emissions) and adaptation (building resilience) measures, including:

- Decarbonisation of council homes and operational buildings through energy retrofits and low-carbon heating systems
- Improved energy efficiency across the public estate to reduce emissions and operating costs
- Expanding sustainable transport infrastructure, including active travel routes and improved East–West connectivity

- Deliver nature-based solutions such as tree planting, green roofs, and flood mitigation
- Embed climate resilience in all capital planning and delivery, ensuring new developments are future-proofed

The climate emergency presents escalating environmental and financial risks, with the most severe impacts falling on Haringey's most vulnerable communities. These risks—ranging from extreme weather events to energy insecurity—drive up costs and deepen existing inequalities. In response, the Council's capital investment must prioritise climate action that supports environmental sustainability, social equity, and economic resilience. By embedding mitigation and adaptation measures across all capital programmes, Haringey will be better equipped to meet the challenges of a changing climate and deliver a healthier, more sustainable future for all residents.

This plan underpins capital investment by embedding climate resilience and sustainability into long-term investment decisions with the aim to meet net-zero goals by 2041. By prioritising projects that reduce emissions, improve energy efficiency, and future-proof assets, the Council ensures that capital investment not only delivers financial and operational benefits but also addresses climate-related risks, supporting both statutory obligations and strategic objectives for a greener, more resilient borough. The plan will underpin investment decisions relating to retrofitting of homes and buildings, sustainable transport infrastructure (e.g. cycling, EV charging) and renewable energy and carbon reduction projects.

Haringey Digital Infrastructure Delivery Plan

The Haringey Digital Infrastructure Delivery Plan is a key piece of technical evidence to inform infrastructure need in the borough over the next 15 years. It is a data-led digitally informed document which assesses the current level and quality of infrastructure serving the borough, identifies any existing or planned investment in infrastructure, and determines where new or improved infrastructure is needed to address an existing shortfall or to provide for the growth proposed within the emerging new Local Plan.

The IDP is delivery-focused and identifies smart and integrated strategies for delivering new and enhanced infrastructure in the borough. It will provide an evidence base to assist in identifying and negotiating appropriate Section 106 contributions from developers and for the prioritisation of the use of other monies received as developer contributions e.g. Community Infrastructure Levy (CIL). The IDP may also be used as an evidence base document when applying for funding for infrastructure projects from other sources.

Health and Wellbeing Strategy 2024-29

The Health and Wellbeing Strategy sets a clear standard for capital investment by creating environments that enable healthier living. Embedded through health impact

assessments, it prioritises improvements to the built environment, including green spaces, healthy streets, and active travel infrastructure; investment in health facilities and community hubs that provide accessible services; and addressing housing quality and environmental factors that directly influence physical and mental health.

These investments support long-term sustainability by reducing health inequalities, enhancing community resilience, and ensuring that capital projects deliver social value alongside financial returns. By embedding health considerations into capital planning, the Council strengthens its commitment to inclusive growth and improved quality of life for all residents.

This approach is further supported by the Early Help Strategy and the Safeguarding Adults Strategic Plan. While these strategies do not require a dedicated capital programme, they significantly influence investment by identifying the need for safe, accessible, and inclusive environments for children, families, and vulnerable adults. They shape the Council's approach to broader health and welfare objectives, informing investment in care facilities, supported housing, and social infrastructure.

Together, these strategies ensure that capital planning aligns with the Council's vision for a healthier, safer, and more inclusive borough, safeguarding assets and ensuring that investments deliver community wellbeing outcomes alongside statutory compliance and financial sustainability.

By embedding these internal influences into the Capital Strategy and Programme, the Council ensures that capital investment decisions are legally compliant, financially sustainable, and directly linked to service outputs and community outcomes. This approach delivers measurable improvements in housing, infrastructure, climate resilience, and digital inclusion.

Other Council strategies, while not supported by dedicated capital programmes, play a critical role in shaping investment priorities by identifying future service needs and infrastructure requirements. These strategies respond to technological, demographic, and societal trends that influence the Council's long-term direction. By informing capital planning, they ensure decisions remain forward-looking, financially robust, and aligned with the Council's overarching objectives.

6. External Influences and Strategic Partnerships

To deliver a capital programme that is both impactful and sustainable, the Council must remain responsive to external influences and actively engage with strategic partners. These influences will directly shape investment and divestment decisions and priorities.

(i) External Influences

Haringey Council's capital programme is shaped not only by local priorities but also by a range of external influences that affect the feasibility, timing, and scope of

investment decisions. These factors must be actively monitored and integrated into strategic planning to ensure the programme remains responsive, sustainable, and aligned with broader policy and economic contexts.

Macroeconomic Conditions

Persistent macroeconomic volatility—including rising inflation, elevated interest rates, and slower GDP growth—has materially increased the cost of borrowing and constrained affordability for new capital projects. Higher debt servicing costs and reduced investment confidence are dampening demand, while uncertainty around asset valuations and future revenue streams necessitates more rigorous financial appraisal and scenario planning.

In accordance with the CIPFA Prudential Code, the Council must maintain a prudent, affordable, and sustainable approach by adopting a flexible capital strategy that prioritises projects with strong strategic alignment and resilience to economic shocks. This approach will incorporate continuous monitoring of key indicators such as fiscal policy changes and employment trends, to anticipate and adapt to future macroeconomic developments.

Risk management will remain central to decision-making: these conditions will inform project prioritisation, stress-testing of financial assumptions, and compliance with prudential indicators. At the same time, the Council will proactively identify opportunities—recognising that falling asset prices or policy incentives may create acquisition or partnership prospects. Divestment of underutilised or non-strategic assets will continue as a critical lever to release capital, reduce exposure to market risk, and strengthen liquidity.

National and Regional Policy Alignment

Set by Central Government and the Greater London Authority, national and regional policy and regulation define the strategic and statutory framework within which the Council's capital programme operates. Key policy drivers—such as the UK Government's commitment to achieving Net Zero by 2050 and the Greater London Authority's (GLA) London Environment Strategy—have a direct influence on capital investment priorities, particularly in areas such as decarbonisation, retrofit, and green infrastructure.

In line with the CIPFA Prudential Code, the Council must ensure that its capital strategy remains prudent, affordable, and sustainable while meeting statutory obligations and supporting corporate priorities. This requires aligning investment decisions with national and regional policy objectives, embedding best, and maintaining robust governance to monitor compliance and manage associated risks. As part of the Capital Planning Process, the Council will monitor the financial

implications of policy commitments through scenario planning and stress-testing to safeguard the long-term affordability and resilience of the Council's financial position.

Funding Opportunities and Constraints

Government funding and external grants remain a critical driver of capital investment decisions for the Council. Programmes such as the Department for Levelling Up, Housing and Communities' (DLUHC) Levelling Up Fund and the GLA Affordable Housing Grant provide significant opportunities to deliver transformative placemaking, housing, and infrastructure projects. However, these funding streams typically come with strict conditions, delivery milestones, and outcome targets. To secure and retain these funds, the capital programme must be carefully aligned to contractual obligations and demonstrate clear links to both local priorities and national policy objectives.

Recent changes in the Local Government Finance Settlement (2025–26) and the Spending Review 2025 have introduced new grants and funding mechanisms that significantly influence the Council's investment and divestment strategy. Leveraging external funding can reduce reliance on borrowing, lowering debt servicing costs and improving the Council's overall capital position. However, these grants are often conditional, requiring careful alignment of projects to funding criteria and delivery milestones.

While these developments create opportunities for investment, they also introduce constraints. Funding is often time-limited, ring-fenced, and subject to compliance with detailed reporting and performance frameworks. This can restrict flexibility in capital planning and may require reprioritisation of projects to align with grant conditions. Where appropriate, divestment of underutilised assets may be used to provide match funding or strengthen liquidity for co-funded schemes.

As such, the Council's capital strategy must remain agile; leveraging external funding where it aligns with strategic objectives, while managing the risks of dependency on short-term or conditional grants. Continuous monitoring of government policy and funding announcements will be essential to optimise investment opportunities and maintain financial sustainability.

(ii) Strategic Partnerships

Strategic partnerships are integral to delivering a prudent, affordable, and sustainable capital. As an anchor institution, Haringey Council leverages its position to attract co-investment and share risk with key partners, ensuring projects remain aligned with corporate priorities and deliver long-term value. For example, partnerships with organisations such as Tottenham Hotspur Football Club and Alexandra Palace enhance the Council's ability to achieve place-based outcomes, support community cohesion, and unlock external funding streams.

Our partnerships influence the Capital decision-making process by unlocking potential joint delivery models, reducing reliance on borrowing, and improving

affordability through shared financial commitments. The Council will maintain robust governance arrangements to ensure partnership activity complies with prudential indicators and contributes to strategic objectives.

Subregional partnerships and influences

To maximise impact and deliver integrated outcomes, the Council will strengthen collaboration with key subregional partners, such as:

- *Greater London Authority (GLA) and Transport for London (TfL):* Joint working on area-based regeneration and transport improvements will ensure alignment with London-wide priorities and unlock access to strategic funding streams.
- *NHS and One Public Estate:* Partnership on estate rationalisation and co-location of services will support integrated care models, reduce duplication, and release capital for reinvestment.
- *Neighbouring Boroughs and Subregional Alliances:* Coordinated planning for housing, infrastructure, and economic development will enable economies of scale and improve bidding success for competitive funding.

These partnerships are critical, as they influence both investment and divestment decisions. Partnerships, for example, can support investment decisions by creating opportunities to share risk, leverage external funding, and deliver projects that would be unviable on a standalone basis. Collaborative schemes, on the other hand, often require pooled resources or matched funding which may require the repurposing or disposal of underutilised assets to support its contribution.

The Council will maintain an adaptive approach, ensuring its capital programme reflects regional priorities while safeguarding local objectives. Continuous engagement with subregional partners will be embedded into governance processes to optimise funding opportunities and enhance resilience to policy and market changes.

Private Sector Partnerships

Private Sector Partnerships play an important role in the Council's Capital Strategy. These partnerships can unlock additional funding, technical expertise, and delivery capacity that the Council alone may not be able to achieve. In an environment of fiscal constraint and rising borrowing costs, leveraging private capital may offer a route to accelerate infrastructure delivery and reduce reliance on debt financing.

Partnerships with developers and other registered housing providers, for example may enable large-scale housing delivery, in alignment with the objectives of the Borough Vision and Corporate Delivery Plan. Mixed-use placemaking projects such as those in Tottenham Hale rely on co-investment models, where private partners share development risk and provide upfront capital.

These partnerships enable innovative funding structures that enhance affordability and long-term financial sustainability, unlocking the delivery of priority capital projects. Through collaboration, the Council can also secure income from developer contributions, including the Community Infrastructure Levy (CIL) and Section 106 agreements, ensuring that investment is allocated in line with local priorities and delivers measurable benefits for residents and communities.

The Council will continue to explore blended finance models and strategic alliances that support its objectives for housing, economic growth, and climate resilience. This includes, engaging with institutional investors, structuring partnerships to deliver social value alongside financial returns; and maintaining robust due diligence and scenario planning to manage risks associated with market volatility and partner dependency.

Local Community, Businesses and Voluntary Groups

Engagement and consultation with residents, businesses, and voluntary organisations play a critical role in shaping the Council's capital strategy. Community input influences the prioritisation of assets and helps ensure that investment decisions reflect local needs and aspirations. Feedback from these groups can guide investment in community facilities, inform the design and location of placemaking projects, and support decisions on the repurposing or disposal of underused buildings. In some cases, strong community demand may accelerate investment in specific areas, while opposition or alternative proposals can lead to project redesign or deferment.

This collaborative approach strengthens the legitimacy of capital decisions, aligns projects with social value objectives, and enhances the Council's ability to secure external funding by demonstrating robust stakeholder engagement.

By engaging with its strategic partners, the Council ensures that its Capital Programme is financially sustainable, socially responsive, and strategically aligned with borough-wide priorities and regional growth objectives. A structured, data-informed engagement process underpins this approach, enabling insights from partners to influence capital planning. Combined with a detailed understanding of external influences, these insights help determine whether to invest, divest, or reprioritise, ensuring decisions reflect demonstrable need, maximise social value, and support inclusive economic growth.

Through these principles, the Council guarantees that capital investment decisions are transparent, inclusive, and deliver measurable benefits for residents and businesses—while maintaining financial resilience and compliance with the CIPFA Prudential Code, governance standards, and statutory obligations.

7. Capital Investment Mapping

The Council's Capital Strategy is shaped by a combination of internal priorities and external influences, ensuring that investment decisions deliver long-term value and resilience. Guided by three core principles, the strategy focuses on:

Principle 1: Fulfilling legal, statutory, and health & safety obligations.

Principle 2: Continuing investment in schemes already under construction

Principle 3: Delivering strategic objectives including new affordable housing.

Every approved and pipeline scheme will be mapped to the three investment principles and to the Borough Vision Calls to Action, CDP themes and Local Plan policies. For each scheme we will record the strategic rationale; outputs and outcomes (with metrics and trajectories); funding sources (grant, contributions, receipts, borrowing, HRA); lifetime revenue implications; milestones; dependencies; and key delivery risks. This mapping—maintained as an appendix and refreshed annually—enables transparent prioritisation, supports funding bids and provides a line of sight from strategic intent to delivered benefits.

Principle 1: Fulfilling legal, statutory, and health & safety obligations.

The Council's first priority is to meet all legal and statutory requirements, including health and safety obligations. These investments are non-negotiable and must be funded to ensure compliance with laws and regulations. By prioritising these obligations, the Council mitigates significant legal and financial risks and protects residents. It reduces exposure to enforcement action, reputational damage, and unplanned cost, and embeds strong risk management into our capital planning. It often includes upgrades to buildings, fire safety, accessibility, and environmental standards.

For example, the Building Safety Strategy 2024–2028 commits £414M of capital investment to major works, essential fire-safety measures, statutory compliance, and structural improvements across the housing portfolio. These investments are not discretionary—they are mandated by legal obligations under the Building Safety Act and Fire Safety Regulations, making them a priority within the Council's capital planning framework. Beyond compliance, this strategy ensures that the Council's housing stock is not only safe but also future-proofed, aligning with long-term asset management objectives and risk mitigation principles set out in the Capital Strategy.

By embedding building safety within capital investment priorities, the Council safeguards residents, protects its assets, and reinforces public confidence in its housing provision.

Principle 2: Continued Investment in Schemes Under Construction

The Council's second priority is to ensure the completion of projects already underway. These schemes represent significant financial and operational commitments and halting or delaying them would result in sunk costs, contractual penalties, and reputational damage. Continued investment safeguards resources already allocated and ensures that the intended benefits—whether housing, infrastructure, or community facilities—are delivered as planned.

This principle is critical for maintaining financial sustainability and public confidence in the Council's ability to deliver. Projects under construction often have interdependencies with other schemes, meaning delays can cascade across the programme, increasing costs and disrupting service delivery. By prioritising these schemes, the Council avoids cost escalation, protects contractual relationships, and ensures that strategic objectives embedded in these projects are realised.

For example, the Council's Broadwater Farm programme is a multi-phase housing investment programme that is already in progress. Stopping mid-delivery would not only waste prior investment but also undermine commitments to residents and partners. Continued investment ensures these schemes reach completion, unlocking new homes, improved public spaces, and economic benefits for the borough. This approach reflects prudent financial management and reinforces the Council's reputation for reliability and accountability.

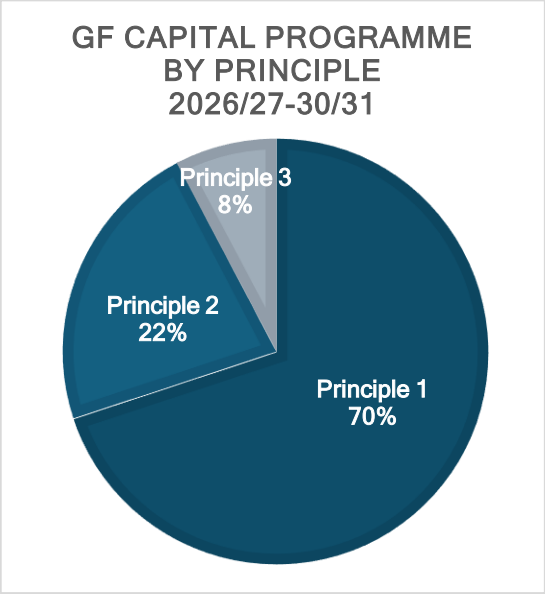
Principle 3: Delivering strategic objectives including new affordable housing

The third principle focuses on advancing the Council's long-term strategic objectives, as set out in the Borough Vision and Local Plan. These objectives are informed by robust evidence and shaped through engagement with residents, businesses, and partners, enabling the Council to respond to demonstrable needs while aligning with regional and national priorities.

Strategic investment spans a wide range of areas, including housing, infrastructure, education, and public realm improvements that foster inclusive growth and improve quality of life. Affordable housing remains an important component of this principle, helping to address local housing needs and reduce reliance on temporary accommodation, while supporting social and economic resilience. However, it sits alongside other priorities such as sustainable transport, community facilities, and environmental enhancements that contribute to a greener, fairer borough.

This category offers the greatest flexibility and discretion within the capital programme, enabling the Council to shape the borough's future, attract inward investment, and deliver transformative outcomes. For example, placemaking schemes that combine new homes with improved public spaces and community amenities exemplify how strategic objectives translate into tangible benefits for residents and businesses.

By committing resources to these schemes, the Council ensures that every investment delivers lasting value, supports financial resilience, and strengthens the borough's social, economic, and environmental foundations.



Capital Programme Principles	General Fund Capital Programme 2026/27 – 30/31 (£m)
Principle 1: Fulfilling legal, statutory, and health & safety obligations.	663.9
Principle 2: Continuing investment in schemes already under construction.	212.5
Principle 3: Delivering strategic objectives including new affordable housing.	72.8
Grand Total	**949.2**

Fulfilling legal, statutory, and health & safety obligations represents the largest category of spend within the Council's capital programme, accounting for approximately 70% of the total General Fund Capital programme allocation. This approach ensures that the organisation meets its core legal and statutory responsibilities while maintaining compliance with health and safety standards. This approach mitigates financial and reputational risks associated with non-compliance, supports the longevity and resilience of public assets, and underpins the delivery of essential services. By prioritising these obligations, the Council safeguards the well-being of residents, ensures the continued functionality of critical infrastructure, and demonstrates sound governance and accountability. This strategic focus provides a stable foundation for future investment and reinforces public confidence in the Council's ability to manage resources responsibly.

Driven by the Borough Vision 2035, the Council's capital investment ambition is to deliver sustainable, outcome-focused investments that create long-term value for our communities. This plan ensures investments are affordable, strategically aligned, and deliver measurable benefits. Schemes will be prioritised where they meet one or more of the Council's investment principles.

8. Capital Investment Plan

Driven by the Borough Vision 2035, the Council's capital investment ambition is to deliver sustainable, outcome-focused investments that create long-term value for our

communities. This plan ensures investments are affordable, strategically aligned, and deliver measurable benefits. Schemes will be prioritised where they meet one or more of the Council's investment principles.

(i) Strategic Capital Planning

The Council adopts a long-term, strategic approach to capital planning to ensure investment ambitions are both resilient and adaptable to future challenges. This approach emphasises a focus on strategic outcomes and financial sustainability and includes the capacity for flexibility to respond to emerging opportunities.

This strategic outlook sets the direction for major investment programmes, including:

- Placemaking and housing development to drive inclusive economic growth
- Transformation of the schools' estate to meet future educational needs
- Estate decarbonisation to meet environmental commitments

These programmes are aligned with the Borough Vision 2035 and are subject to regular review to reflect changing priorities, policy developments, and external conditions.

This long-term outlook informs land and asset management decisions, supports early-stage feasibility assessments, and facilitates timely engagement with external funders and partners, ensuring the Council is investment-ready when opportunities arise.

The Capital Programme

The Capital Programme is key to delivering the Council's Vision. It is managed within the parameters of the Medium-Term Financial Strategy (MTFS) and monitored regularly including against prudential indicators to ensure financial sustainability. Affordability is challenged and therefore the Council is likely to need to reprofile or pause lower-priority schemes to protect statutory compliance and essential service delivery.

The programme is refreshed annually alongside the MTFS and TMSS to ensure continued alignment with strategic priorities, financial resilience, and changing economic conditions.

Capital Investment and Expenditure

Capital investments and expenditure describe the money spent by the Council to acquire, upgrade, or maintain long-term assets such as buildings, equipment, infrastructure, or technology to provide benefits over multiple years

For 2026/27, the Authority is planning significant capital investment, with further expenditure anticipated over the next five years, as summarised below:

	2026/27 budget	2027/28 budget	2028/29 budget	2029/30 budget	2030/31 budget	**2026/27-2030/31**
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
General Fund Capital budget	292.6	239.4	162.7	146.0	108.6	949.2
HRA Capital Investment	375.9	525.4	459.9	415.0	311.4	2,088
Total	**668.5**	**764.8**	**622.6**	**561.0**	**420.0**	**3,036.8**

The main General Fund capital projects include the High Road West Redevelopment programme, waste vehicles and bins project and primary school modifications and enhancements programme. The New Homes programme and capital investment in existing housing stock and are the largest costs to the HRA capital programme.

Service managers bid to include projects in the capital programme. Corporate finances are responsible for collating the bids and calculating the financing cost (which can be nil if the project is fully externally financed). Cabinet considers the proposals and then the final capital programme is presented to Full Council in March each year.

Capital Financing

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative).

The Council's funding hierarchy seeks to maximise external and ring-fenced resources first, and limit General Fund borrowing to what is demonstrably affordable:

(i) Capital grants and third-party contributions - including government, GLA and other funders

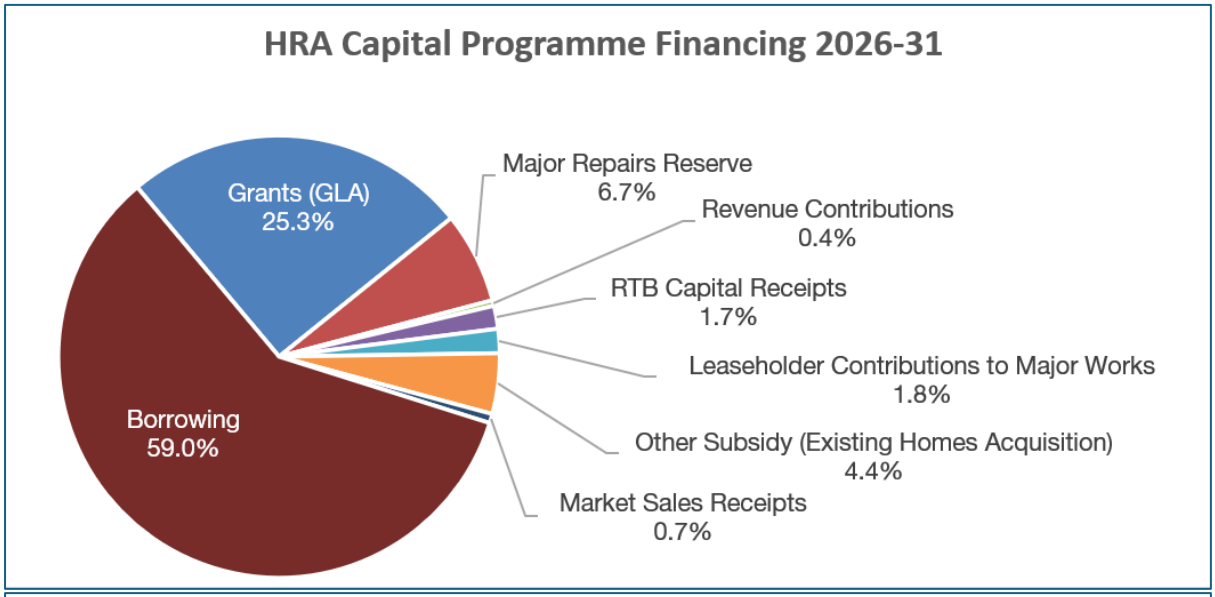
(ii) Ring fenced HRA resources - to sustain Council homes through building safety, planned works, retrofit and develop new homes

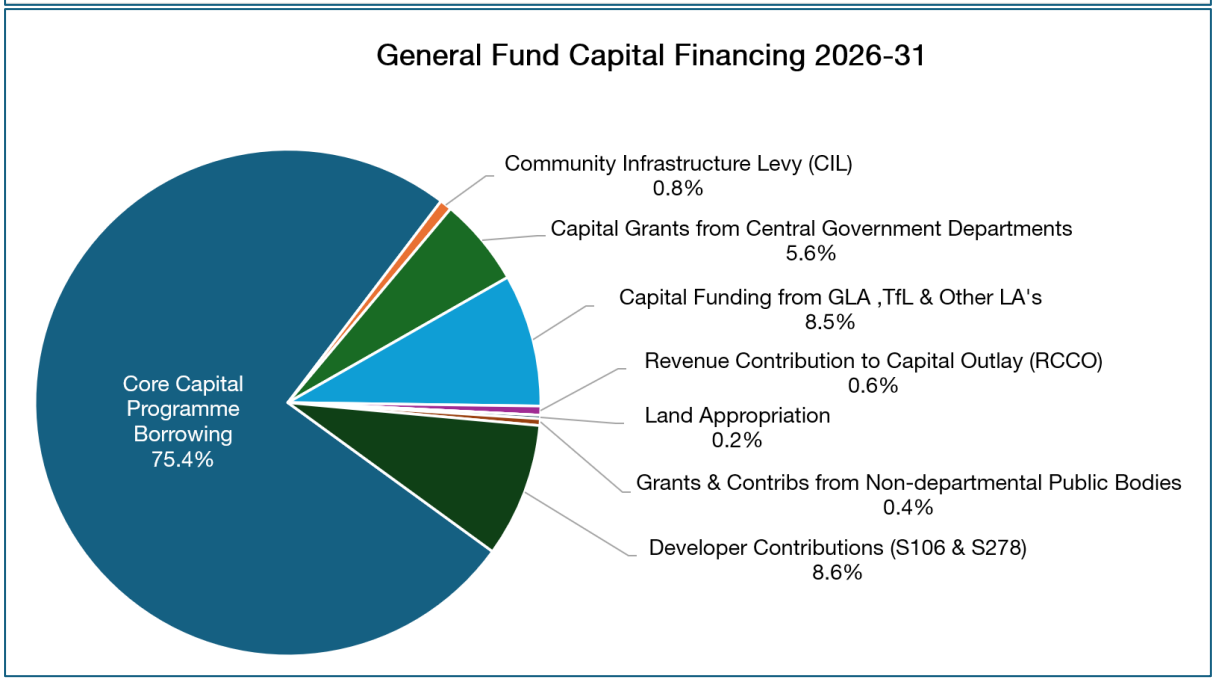
(iii) General Fund prudential borrowing – when affordable on a whole-life basis

(iv) Capital receipts from disposals to support priority reinvestment and reduce borrowing need.

(v) Other finance sources – where appropriate

Maximising the use of external funding is a key element of the Capital Strategy. Prioritising Projects with full or majority external funded grants (e.g., from the GLA, TfL, or central government) reduces the burden on the Council's own resources, improves value for money, and leverages additional investment into the borough. This approach strengthens financial resilience and to reduce the over-reliance on borrowing. These projects and programme often align with broader strategic goals set by regional and national bodies.





(ii) **Financing the General Fund Capital Programme**

In agreeing to a capital programme, the Council will need to ensure that the expenditure is affordable and that the revenue implications are factored into the Council's revenue budget. The chart above identifies the sources of funding and the amount of that funding that the Council is budgeting to use. There is a large amount of borrowing being undertaken to pay for the capital programme with 75.4% of the programme using borrowing to deliver schemes and next year's annual review will need to reduce the year on year increase in borrowing for capital investment and may require some re-prioritisation – particularly at a time when the Council is reliant of EFS and interest rates remain high .

The following paragraphs describe the sources of funding.

Grants - £133.8m and 14.1% of programme

Grants can come from a variety of sources such as Central Government, the Greater London Authority, Transport for London, Arts Council England and the National Lottery. Grants normally come with terms attached that require the grant receiver (the Council) to do certain things with the money. For instance, the Council received Levelling Up Funding (LUF) to support the Selby Urban Village project that will need to deliver certain outcomes.

Capital Contributions - £4.1m and 0.4% of programme

Capital contributions are contributions received for projects and provided by a variety of external agencies and private companies or individuals. The contributions will be given to support the achievement of outputs or outcomes that would otherwise not be created. Often, without the contribution, the Council may not undertake the scheme or scale it back to being affordable to the Council. Whilst small in comparison to other sources of funding, capital contributions can enable valuable outcomes that would otherwise not be delivered.

Community Infrastructure Levy - £7.3m and 0.8% of programme

The Community Infrastructure Level (CIL) is a charge levied on developers to fund infrastructure works that can fund the creation of new assets, the improvement/replacement of assets or other infrastructure to support growth and development. It is a statutory charge set in accordance with Government guidance. In certain circumstance there is a Mayor of London CIL charge that goes directly to the mayor. There are 3 components to the CIL charge.

The first is strategic CIL (SCIL) which can be used to fund the capital programme across the borough (not limited to a particular geographical location) and is a decision made by Cabinet as part of the budget setting process.

The second is Neighbourhood CIL (NCIL) that is spent in consultation with local people where the development was undertaken.

The third element of administrative CIL that be spent on the costs associated with administering the CIL programme.

S106 & S278 - £81.2m and 8.6% of programme

Established under section 106 of the Town & Country Planning Act 1990, S106 agreements are legally binding agreements between the Council and the developer. The purpose of a S106 agreement is to mitigate the impact of a development on the local community and infrastructure. A S106 agreement can be either capital or revenue. The are negotiated between the developer and the Council as the Planning Authority.

The highways Act 1980 created the S278 Agreement structure. This is a legally binding agreement between the developer and the Council as the Highways Authority. The agreement typically involves works to the Council's highways infrastructure to facilitate the development. It could involve putting in a new crossing to remodelling a junction. Normally the works are carried out by the Council with the developer paying.

Direct Revenue Financing - £5.5m – 0.6%

The Council can, if it chooses to, fund capital expenditure via its revenue budget. This can be through in year underspends or via general or earmarked revenue reserves. Any funding of the capital programme via revenue resources would have to be considered in light of the Council's overall revenue budget and the Medium-Term Financial Strategy.

Capital Receipts

Capital receipts are generated mainly from disposing of land and property; receiving repayments of capital loans/grants; and through right to buy sales. Capital receipts can be used to:

- Fund new capital expenditure;
- Repay debt; or
- Be used flexibly to pay for investment in transformational projects that reduce costs or improve services.

Borrowing - £715m and 75.4% of programme

Under the Local Government prudential framework, the Council is responsible for ensuring that its borrowing is affordable, prudent, and sustainable for the revenue budget over the life of the assets financed.

The Council aims to secure a low and predictable cost of finance while retaining flexibility to adapt to changing capital plans and market conditions. This is pursued through a balanced approach that combines:

- Short-term borrowing, which typically offers lower immediate costs but less certainty and higher refinancing and interest rate risk; and
- Long-term fixed rate borrowing, which provides cost certainty and stability at a generally higher rate.

The Council does not borrow primarily for financial gain. This safeguards continued access to the Public Works Loan Board (PWLB), whose loans are generally cheaper than those available from commercial lenders.

Borrowing may be internal or external:

- Internal borrowing is a temporary position where the Council uses its own cash balances instead of borrowing externally at that time. If not used for internal borrowing, these balances would be invested in line with the Treasury Management Strategy, earning investment income. The associated opportunity cost (foregone investment income) is reflected in the revenue consequences of the capital programme.
- External borrowing occurs when the Council borrows from the market (financial institutions and investors) or from the Government via the PWLB. New PWLB loans are priced at the applicable gilt yield plus 0.80% (the “certainty rate”) for eligible authorities.

The Council’s primary objective when borrowing externally is to achieve an appropriate balance between securing low interest costs and achieving cost certainty over the periods for which funds are required.

In November 2020 the PWLB released further guidance confirming local authorities must not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising this with PWLB loans. Under the prudential code, local authorities cannot borrow from the PWLB or any other lender for speculative purposes and must not use internal borrowing to temporarily support investments purely for yield.

Although the capital programme may identify a need to borrow to fund capital expenditure, the timing and type of borrowing (internal/external) is dependent on cashflow modelling in line with the Council’s Treasury Management Strategy.

Treasury Management Strategy Statement (TMSS)

The TMSS sets out how the Council manages its cashflows, investments, and borrowing to ensure there are sufficient funds for spending needs. The Council must hold adequate but not excessive cash, invest surplus funds until required and borrow when necessary to avoid unnecessary overdrafts or idle balances. The TMSS is managed while controlling risk and achieving value for money.

Capital Financing Requirement (CFR)

The Council's total borrowing requirement based on capital expenditure incurred historically but yet to be financed is represented by the Capital Financing Requirement (CFR). Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term.

All capital financing costs, i.e. interest costs and minimum revenue provision must be treated as a revenue cost and built into the Council's budget plans. In essence, the more the Council borrows, the greater the call on the revenue budget which then requires further service savings to be identified to fund this in the longer term. It is important that borrowing is set at a level that it is both affordable and sustainable for the long-term revenue budget.

Minimum Revenue Provision (MRP)

MRP is applied where the Council must set aside a revenue allocation for provision of debt repayments (borrowing in the capital programme). It is budgeted for in the annual capital financing budget. MRP replaces other capital charges (e.g. depreciation) in the statement of accounts and has an impact on the Council's bottom line. MRP will increase and decrease throughout the programme and is sensitive to both expenditure and funding changes.

Revenue Reserves

In addition to the statutory minimum revenue provision outlined above, the Council also retains discretionary flexibility with earmarked reserves to fund aspects of the programme that may be revenue in nature, projects that are written off, or specific projects where this has a financial benefit to the revenue budget. Each year, capital expenditure is reviewed to ensure that any revenue elements of expenditure is written off to reserves in line with accounting regulations.

Section 25 of the Local Government Act 2003 requires the Council's Section 151 officer to report on the adequacy (or otherwise) of reserves and the robustness of estimates supporting the budget. The 2026/27 Section 25 Statement is included at Appendix 11 of the main budget report which is a separate report on the agenda.

Exceptional Financial Support (EFS)

EFS is incorporated into the Council's borrowing strategy as a capitalisation measure to maintain statutory budget compliance during periods of acute financial pressure. Under a Government capitalisation direction, certain revenue costs can be treated as capital expenditure, enabling essential service delivery to be funded through borrowing or capital receipts.

While EFS provides temporary relief, it increases the future debt servicing costs. It must comply with statutory MRP guidance to ensure affordability and sustainability. EFS is not a substitute for structural budget sustainability and is treated strictly as a short-term solution. Further detail of the action taken by the Council is set out in the main budget report as a separate agenda item.

Prudential Indicators

The Council manages capital financing in line with the CIPFA Prudential Code, ensuring borrowing and investment decisions remain affordable, sustainable, and prudent. The prudential indicators, set annually in the Treasury Management Strategy Statement (TMSS) provide a transparent framework for monitoring key measures that reflect the overall health of the Council's capital finances, supporting sound financial management and accountability.

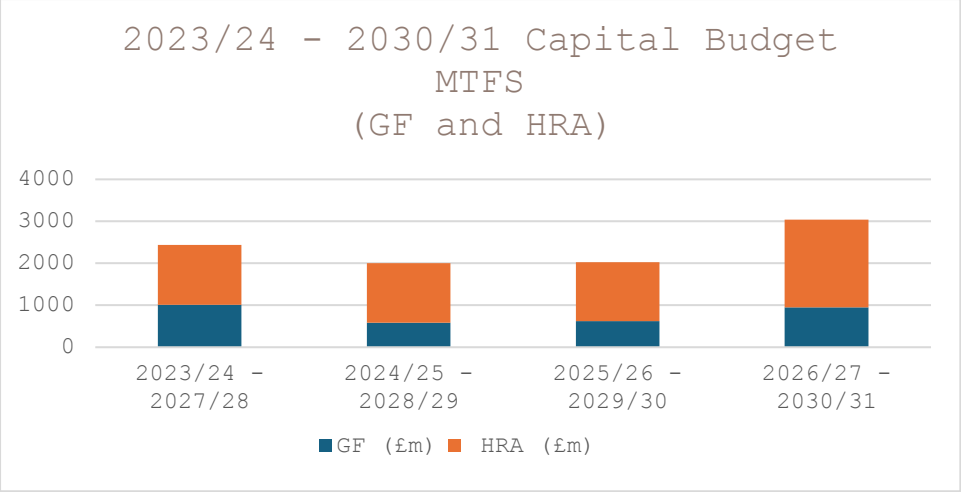
This process ensures compliance with statutory guidance, supports effective financial planning, and provides assurance to members, stakeholders, and the public that resources are managed responsibly.

9. Risk management and assessment

Effective risk management is central to delivering the Council's Capital Strategy in a financially sustainable and controlled manner. The Council recognises that its capital programme operates within a complex environment, subject to financial, delivery, legislative, and market risks. These risks, if unmanaged, could impact affordability, delay critical projects, and compromise statutory compliance. To address this, the Council adopts a structured approach to risk identification, assessment, and mitigation, underpinned by the principles of prudence, transparency, and robust governance.

Haringey is under significant financial pressure, with a forecast overspend of around £23 million in 2025/26, primarily driven by rising demand in adult social care and temporary accommodation. This is after the £37 million secured in Exceptional Financial Support from central government for balancing the budget agreed in March 2025 and enable the use of capitalisation to offset revenue shortfalls. While this measure provides short-term relief, it introduces a repayment obligation that will increase pressure on future revenue budgets, making it an unsustainable long-term solution.

This financial context necessitates a cautious approach to capital investment, with a strong focus on financial resilience and statutory service delivery. Given the current position, the Council's risk appetite is low, meaning there is minimal tolerance for additional borrowing beyond what is essential for statutory services and safety-critical infrastructure. Borrowing must therefore remain tightly controlled and within prudential limits.



Haringey Council will adopt a low-risk appetite within its capital strategy to safeguard financial resilience and ensure prudent investment decisions. This approach includes limiting additional borrowing and avoiding capital investments that expose the authority to market volatility, with strict adherence to the Prudential Code and Treasury Management principles.

Strategically, the Council will prioritise projects and programmes that demonstrably reduce long-term revenue pressures, while maximising opportunities to secure external funding or guaranteed savings. This includes targeted investment in housing to reduce temporary accommodation costs and in energy efficiency schemes to lower high utility expenses. Wherever possible, grant funding will replace capital borrowing, creating capacity for investment in projects that deliver on the Council's strategic objectives and strengthen financial resilience.

For delivery risk, the Council will accept a moderate level of risk where innovative models offer clear benefits, provided risks are shared, capped, and supported by robust business cases with stress-tested assumptions and contingency plans. This approach must be underpinned by rigorous due diligence and strong commercial expertise to safeguard the Council's interests.

The Capital Delivery Framework strengthens governance by embedding transparent decision-making through a structured business case model, applied consistently across both the General Fund and the Housing Revenue Account. This approach ensures that all capital investment proposals are subject to rigorous appraisal and approval processes. The tiered governance structure enhances risk monitoring and escalation, providing clear accountability and enabling timely intervention. This framework ensures that risk-taking remains controlled, proportionate, and aligned with the Council's financial sustainability objectives.

The Council's Risk Management Framework sets out the financial and strategic risks that influence the Capital Strategy. The following assessment summarises the key risks to the delivery and affordability of the programme, along with the measures in place to mitigate them:

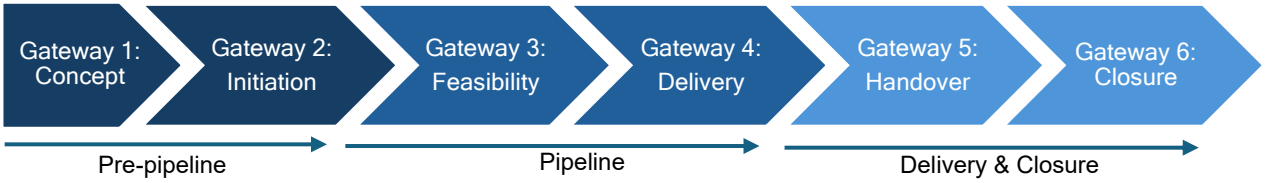
Risk	Description, Impact & Mitigation
Interest Rate	The Council's capital programme relies heavily on borrowing, which exposes it to interest rate fluctuations. An increase of 1% could potentially render the programme unaffordable. Mitigation includes prudent interest assumptions, regular treasury reviews, and use of fixed-rate borrowing where appropriate.
Inflation	Capital delivery costs are vulnerable to inflation, particularly in construction and materials. Mitigation includes early cost benchmarking, contingency allowances, and contractual mechanisms such as fixed-price or indexed contracts.
Capital Receipts	The programme depends on timely asset disposals to generate receipts. Mitigation includes conservative forecasting, maintaining a disposal pipeline, and fallback funding strategies.
Delivery Capacity	Insufficient internal capacity or expertise could delay projects and increase costs. Mitigation includes investing in project and programme management capability, using external support where necessary, and applying robust stage-gate processes.
Grant and External Funding	Many projects rely on external funding streams such as grants. Mitigation includes proactive bid management, compliance monitoring, and prioritising grant-funded schemes to reduce borrowing exposure.
Construction Delays	Risks such as contractor insolvency or supply chain disruption can lead to programme delays and cost escalation. Mitigation includes rigorous contractor due diligence during procurement stage, risk-sharing contract forms (e.g., NEC), contingency allowances, and regular progress monitoring with escalation protocols.
Legislation and Policy	Changes in legislation (e.g., building safety, environmental standards) or national policy could require design changes or additional compliance costs. Mitigation includes horizon scanning, early compliance planning, and maintaining flexibility in design specifications.
Central Government Funding	Shifts in government priorities or funding allocations could reduce grant availability or impose new conditions that impact the viability of projects. Mitigation includes active engagement with government bodies, lobbying through sector networks, and maintaining a pipeline of alternative funding sources.
Financial Sustainability of the Council	High borrowing and capitalisation of revenue costs increase long-term financial pressure. Mitigation includes maintaining a low risk appetite, strict adherence to prudential indicators, and prioritising schemes that deliver revenue savings or external funding.

10. Capital planning process

The Council's capital planning process provides a structured approach to translating strategic priorities into deliverable programmes and projects. Supported by the Capital Delivery Framework, it provides a robust structure for managing complex programmes and projects, ensuring that strategic initiatives are aligned with the Council's long-term vision, are financially sustainable, and are delivered effectively.

(i) Capital Delivery Framework

The Capital Delivery Framework outlines a structured lifecycle for the development and delivery of capital projects and programmes—from initial business case formulation through to implementation and closure. It incorporates HM Treasury's Green Book Five Case Model across Gateways 1 to 3, integrating best practice from PRINCE2Agile methodologies to assess project deliverability.



The framework also embeds CIPFA principles to ensure that all investment decisions are strategically aligned, financially sustainable, and focused on delivering measurable outcomes.

Capital Programme: Pre-Pipeline

Gateway 1 — Project Concept (Statement of Need)

The Statement of Need initiates early-stage exploration of the project idea and its alignment with Council priorities. This stage focuses on high-level scoping, initial stakeholder engagement, and consideration of potential funding approaches. Approval at this gateway confirms endorsement by the relevant Corporate Director, acting as project sponsor, and authorises progression to develop the Outline Business Case (OBC).

Gateway 2 — Project Initiation (Outline Business Case)

The Outline Business Case (OBC) confirms the strategic need for the project and its alignment with Council priorities. At this stage, a long list of options is assessed and refined into a short list for detailed feasibility and viability testing at the next gateway. Approval at this gateway confirms the project's entry into the Capital Programme pipeline as a potential capital investment opportunity.

Capital Programme: Pipeline

Gateway 3 — Project Feasibility (Initial Business Case)

The Initial Business Case (IBC) builds on the OBC to assess feasibility and appraise the viability of the short-listed options. This stage involves a structured evaluation of benefits, risks, and strategic fit, leading to a recommendation of the preferred option for progression. Approval at this gateway secures resources to develop the Full Business Case (FBC).

Gateway 4 — Enabling Project Delivery (Full Business Case)

The Full Business Case (FBC) authorises capital investment and project delivery. This stage finalises the delivery model, procurement strategy, and funding arrangements, supported by detailed financial modelling and impact assessments. Approval at this gateway permits capital expenditure in line with the Council's scheme of delegations and confirms readiness for procurement and implementation.

Capital Programme: Delivery and completion

Projects progressing between Gateway 5 and Gateway 6 are performance-monitored through highlight reports and programme dashboards. During this phase, formal change control processes are applied to manage and document any deviations from the approved Full Business Case at Gateway 4.

Gateway 5 – Project Closure and Handover

Confirms the formal closure of the project, including verification of final costs, delivery of agreed outputs, and transition to business-as-usual operations. This stage ensures that all contractual and operational obligations have been met.

Gateway 6 – Benefits Realisation and Learning

This stage consolidates organisational learning by capturing lessons learned, evaluating benefit realisation, and demonstrating the social value delivered. Insights from this gateway inform future investment decisions and strengthen organisational capability.

By adopting this framework, the Council secures a range of strategic and operational benefits, including:

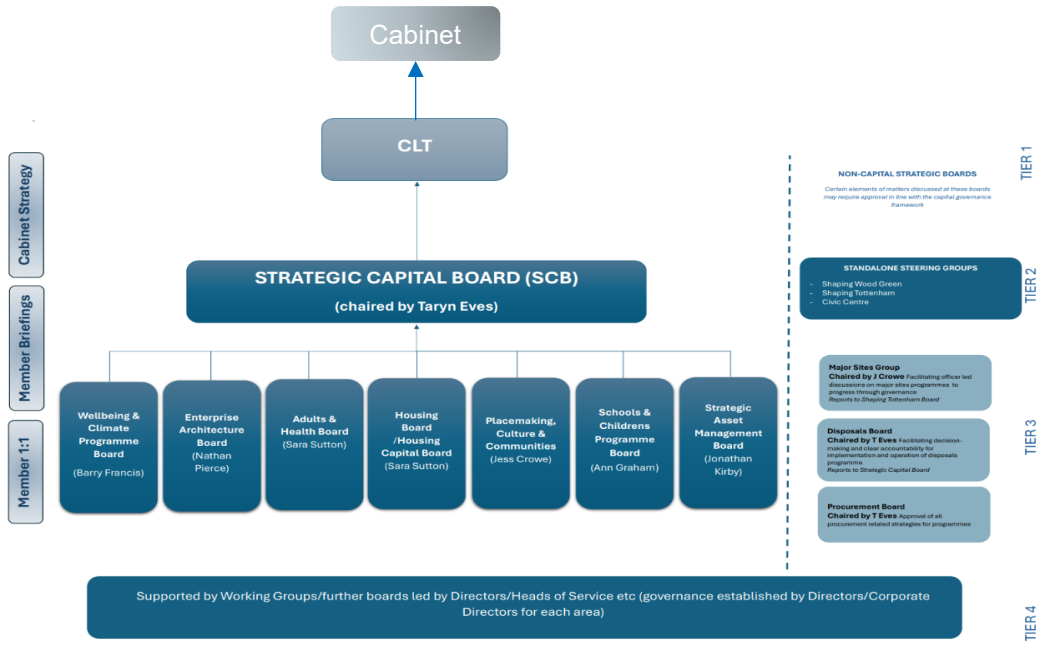
- Strategic Alignment – by ensuring resources are directed toward priorities that deliver maximum value for residents and the borough. This process is underpinned by up-to-date supporting strategies and plans, particularly the SAMPIP and departmental asset plans. The strategic alignment ensures that capital investment supports service delivery, lifecycle management, and financial efficiency.
- Prudent Financial Management - The framework ensures that proposals can be contained within the Capital programme, enabling affordability and sustainability checks at key decision points. This approach ensures that capital investment remains within prudent borrowing limits and contributes to long-term financial resilience.
- Risk Management and Due Diligence - Structured gateway reviews integrate risk identification, mitigation planning, and equality impact assessments early in the process. This proactive approach reduces delivery risk and strengthens governance assurance.

- Prioritisation and Evidence-Based Decisions - The iterative development of the five-case business case, aligned with HM Treasury's Green Book, ensures that projects are assessed for strategic fit, financial viability, and social value before approval. This enables transparent prioritisation of investment opportunities.

The framework ensures that every stage of the process reinforces alignment with the Capital Strategy, Corporate Plan, and Medium-Term Financial Strategy (MTFS). By aligning borrowing and investment decisions with risk appetite and cash flow management, the Council safeguards long-term financial resilience.

(ii) Capital Governance

The Framework Governance Model ensures strategic alignment, transparent decision-making, and effective risk management throughout the capital project lifecycle. It defines clear roles and responsibilities and ensures decisions are made at the appropriate level, embedding CIPFA's principles of accountability and sustainability.



Strategic Capital Board - Holds strategic oversight of the entire Capital Programme, ensuring that all investment decisions are aligned with corporate priorities, the Capital Strategy, and the MTFS. The Board plays a critical role in upholding prudent budget management, assessing affordability and sustainability in line with the Prudential Code. It also manages cross-cutting risks and escalations, ensuring resources are allocated effectively to deliver long-term value.

Directorate Capital Assurance Boards - Provide operational oversight of directorate-level capital programmes, ensuring projects remain strategically aligned during development and delivery. They act as a key link between operational delivery and corporate priorities, escalating issues where strategic intervention is required.

Programme Management Office (PMO) - Delivers assurance across the capital portfolio, supports governance boards, and implements tools and templates for effective project management and transparent reporting. The PMO ensures that performance monitoring and reporting reinforce strategic alignment and financial stewardship.

This tiered governance structure ensures that strategic priorities flow through every level of decision-making, maintaining alignment with the Council's long-term vision and statutory obligations.

(iii) Capital Programme Monitoring

Between Gateways three and four, strategic projects and programmes are subject to monitoring through Programme reporting to Strategic Capital Board and Directorate Capital Assurance Boards, led by Directors and quality assured by the PMO. This process is aligned with quarterly capital reporting and reporting against corporate delivery plan objectives, ensuring accountability at the highest levels, consistent oversight, and transparency across the programme.

To maintain transparency and provide comprehensive oversight, programme reports include the following core components:

Programme reports include:

- Strategic Alignment: Overview of the capital programme and its contribution to corporate priorities and the Capital Strategy.
- Performance Monitoring: Progress against key milestones, deliverables, and benefits realisation targets.
- Financial Position: Detailed spend profile, forecast, variances, and implications for the MTFS and Prudential Indicators.
- Risk & Issue Management: Escalated risks with mitigations, trend analysis, and governance actions.
- Change Control: Requests with financial and strategic impact assessment.
- Benefits Tracking: Evidence of intended outcomes, including quantitative and qualitative measures, supported by trend analysis and corrective actions where required.

(iv) Benefits Realisation

Gateways 5 (Closure and Handover) and 6 (Benefits Realisation) confirm the achievement of outputs, benefits, and outcomes from a capital investment project or programme.

- Outputs include tangible deliverables such as new housing, modernised public assets, and improved parks and green spaces.

- Outcomes capture the strategic impacts of investment, including inclusive economic growth, climate resilience, and enhanced quality of life for residents.

Each investment is assessed for social value, financial sustainability, and its contribution to the borough's long-term ambitions, defining outcomes in terms of sustainable economic, social, and environmental benefits.

Gateways 5 and 6 are critical to demonstrating that investments achieve planned outputs and deliver sustainable outcomes aligned with strategic priorities, financial prudence, and long-term resilience. By linking benefits realisation to governance and reporting, these gateways provide assurance that capital resources are used effectively, risks are managed, and the borough's ambitions for inclusive growth and environmental sustainability are fully realised.

The capital planning process fully articulates the benefits, outputs, and outcomes of the Capital Programme and ensures investment decisions are transparent and well-governed. It is delivered through a whole-organisation approach, aligning the approved programme with the MTFS and TMSS to maintain long-term affordability and financial sustainability.

Delivery assurance is embedded through robust programme governance, risk management, and formal change control, supported by post-project evaluation and benefits realisation to evidence outcomes and inform future investment decisions. Outputs from the programme include new housing, modernised public assets, enhanced transport connectivity, and improved parks and green spaces. Outcomes focus on inclusive economic growth, climate resilience, and improved quality of life for residents. Measuring these through structured benefits realisation ensures every investment delivers measurable social value and supports the borough's long-term ambitions.

The planning process is guided by the Council's long-term vision and the principles set out in this Capital Strategy, ensuring that all investment decisions are aligned with corporate objectives, statutory obligations, and community outcomes.

11. Governance

Governance is central to the successful delivery and monitoring of the Capital Strategy and Programme. It provides the structure for accountability, transparency, and informed decision-making, ensuring investments align with organisational priorities and deliver long-term value. Through defined roles, robust oversight, and structured reporting, governance mitigates risk and drives effective performance management. This disciplined approach safeguards financial resources and builds stakeholder confidence in the integrity and sustainability of the capital programme.

The CIPFA Treasury Management Code of Practice and Prudential Code require local authorities to ensure that capital investment plans are affordable, prudent, and

sustainable over the medium to long term. In line with these principles, the Council undertakes an annual review of its key financial strategies—including the Treasury Management Strategy (TMS), Medium-Term Financial Strategy (MTFS), and HRA Business Plan—as part of the budget-setting process. It is therefore appropriate for the Capital Strategy to be refreshed alongside this process and approved by Cabinet and full Council to ensure continued alignment with strategic objectives and prudential indicators.

From the strategy, the Capital Programme baseline and forecast is established, determining the Council's long-term investment priorities, funding strategy, and capacity to deliver projects that support corporate objectives. Cabinet provides political leadership and prioritisation of investment decisions based on the updated financial strategies. The Programme provides a framework ensuring that capital expenditure is sustainable and integrated with the MTFS and Treasury Management principles.

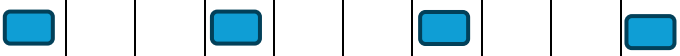
Directorates are accountable for delivering projects and programmes within agreed budgets and timelines. This is supported by monthly portfolio oversight and programme dashboards, which track progress against milestones, budget forecasts, and output delivery.

The PMO provides a single view of the Council's capital investment portfolio through quarterly delivery and assurance monitoring, enabling rephasing and reprioritisation in response to external funding changes and delivery performance. Adjustments are formally reported through capital monitoring processes to maintain transparency and accountability. Capital Assurance Boards oversee governance, risk management, and benefit realisation, providing challenge and assurance to maintain alignment with strategic objectives. This structure informs and enables timely interventions, and supports proactive risk and benefit management, ensuring anticipated outcomes are achieved.

At year-end, the Council reports the final financial and delivery position of the Capital Programme to Cabinet, providing strategic oversight and linking capital performance to the MTFS and corporate objectives. This enables informed decisions on future investment priorities, resource allocation, and risk management, supporting the Council's commitment to financial sustainability.

Finally, an Annual Portfolio Impact and Return on Investment Report provides a comprehensive assessment of how the capital programme delivers against corporate objectives and community outcomes. It evidences strategic alignment and quantifies financial and non-financial benefits, demonstrating value for money alongside measurable outcomes such as social value and sustainability. This insight informs prioritisation for the following financial year.

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar

Portfolio baselining forecast and revision	
Portfolio delivery & assurance monitoring	
Portfolio oversight & programme dashboard monitoring (monthly)	
Capital Strategy review & refresh	
Portfolio out-turn finalised	
Portfolio impact monitoring & ROI reporting	

12. Conclusion

This Capital Strategy recognises that investment is more than the creation of physical assets—it is a strategic lever to deliver inclusive growth, tackle inequality, and build resilience for the future. By prioritising statutory compliance, safeguarding essential services, and aligning every decision with the Borough Vision 2035, we ensure that capital investment delivers measurable social, economic, and environmental benefits.

Our disciplined approach—underpinned by strong governance, rigorous financial appraisal, and annual review—provides the flexibility to respond to changing conditions while maintaining affordability and prudence. Through this framework, we will maximise external funding, reduce reliance on borrowing, and embed sustainability and social value into every stage of delivery.

13. Glossary

Key Terms	Definition
Capital	Funds used for long-term investment in assets such as buildings, infrastructure, and equipment. Capital spending creates or improves assets that deliver services over many years
Capital Delivery Framework	The Council's structured approach to managing capital projects through defined stages (pre-pipeline, pipeline, delivery, closure) and governance processes.
CIPFA	Chartered Institute of Public Finance and Accountancy - A UK-based professional body that sets standards and provides guidance on financial management, governance, and auditing within public finance.

Corporate Delivery Plan (CDP)	A medium-term plan that translates the Council's vision into actionable priorities, guiding service planning and capital investment decisions.
Exceptional Financial Support	Financial assistance, through Capital borrowing, provided by central government to help a local authority manage severe financial pressures. It is granted under strict conditions and requires repayment, with interest.
Financial Sustainability	Ensuring spending is affordable, funded by income or borrowing, in alignment with the Medium-Term Financial Strategy and Prudential Indicators.
Five-Case Model	A business case methodology recommended by HM Treasury, comprising five dimensions: Strategic, Economic, Commercial, Financial, and Management cases.
General Fund	The main account for a local authority's day-to-day spending on services (excluding the HRA). It includes revenue expenditure funded by council tax, business rates, and grants and capital investment funding through borrowing, grant and income from external sources.
Housing Revenue Account	A ring-fenced account for income and expenditure related to council housing. It includes rents, repairs, housing development and investment. It is separate from the General Fund.
Medium Term Financial Strategy (MTFS)	A financial plan that sets out expected income, expenditure, and savings over a 5-year period. It helps ensure sustainability and informs decisions on capital and revenue budgets.
Minimum revenue provision (MRP)	A statutory requirement for local authorities to set aside revenue each year to repay borrowing undertaken for capital expenditure. It ensures debt is repaid over the life of the asset.
Prudential Code	A professional code issued by CIPFA that sets out principles and indicators to ensure local authority capital investment plans are affordable, prudent, and sustainable.
Prudential Financing	The ability of a local authority to fund capital expenditure without requiring central government approval, provided it can demonstrate that the costs are affordable and can be met from existing or planned resources over the medium term.
Prudential Indicators	Quantitative measures required under the Prudential Code to monitor affordability, sustainability, and prudence of capital investment and borrowing decisions. Examples include CFR, debt ratios, and financing cost ratios.
Revenue	Income and expenditure related to the ongoing delivery of services (e.g., staff costs, utilities). Unlike capital, revenue spending does not create long-term assets.

Social Value	Contribution to community well-being and equality objectives.
Strategic Fit	Support for borough-wide ambitions and long-term capital priorities.

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REPORT OF THE GENERAL PURPOSES COMMITTEE

FULL COUNCIL – 2 MARCH 2026

Chair: Councillor Cressida Johnson

1. INTRODUCTION

The Council is required to produce an annual Pay Policy Statement to comply with the requirements of the Localism Act 2011. This report from the General Purposes Committee meeting on 22 January 2026 recommends that Full Council approves the Pay Policy Statement 2026/27 (attached as appendix 1) for publication in April 2026.

2. PAY POLICY STATEMENT 2026-27

We considered the report on the Pay Policy Statement 2026/27 and noted that this was a statutory report that the Council was required to produce annually, in accordance with the Localism Act 2011.

It was explained that the policy was developed in collaboration with HR, Unions and colleagues across the Council to develop best practice, as well as worked to ACAS best practice guidelines.

The Pay Policy had been updated with new pay ratios and wording in relation to pay on appointment has been clarified in line with changes made to the Job Evaluation Policy.

We agreed to approve the draft Pay Policy Statement 2026/27.

3. RECOMMENDATIONS

Full Council is recommended:

To approve the Pay Policy Statement 2026/27, attached at Appendix A.

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Pay Policy Statement
2026/27

Published
April 2026

1 Background

Localism Act 2011 - Openness and accountability in local pay

1.1 Section 38(1) of the Localism Act requires local authorities to produce an annual pay policy statement.

1.2 The provisions in the Act do not seek to change the right of each local authority to have autonomy on pay decisions, however, it emphasises the need to deliver value for money for local taxpayers.

1.3 This statement has been approved by Full Council on 2nd March 2026 in accordance with the legislation, and any changes during the year will be brought back to Full Council for adoption at the earliest opportunity.

1.4 This statement does not apply to Council employees based in schools.

1.5 The Council follows the transparency requirements on remuneration as set out in the Local Government Transparency Code 2015 ("the Code"), published by the Department for Communities and Local Government in February 2015, and the Local Transparency Guidance issued on 30 November 2015 by the Local Government Association.

1.6 Part of the Code includes publishing information relating to senior salaries within a local authority. A full list of all posts that are paid £50,000 or more per year that fall within the scope of the Accounts and Audit Regulations 2015 is published on the Council's website.

2 Governance arrangements for pay and conditions of service within Haringey

2.1 The General Purposes Committee as referred to in the Council's constitution Part three, section B under its Terms of Reference has responsibility for the terms and conditions of service for all employees. The General Purposes Committee is a Committee of Full Council.

2.2 The General Purposes Committee is accountable for the remuneration of Corporate Directors, Directors and specified Statutory Officers as detailed in the Council's Constitution and pay in general and will ensure that remuneration is set within the wider pay context giving due consideration to the relationship between the highest and lowest paid in the organisation. Job titles may vary. This Committee will remit the Pay Policy Statement for approval by Full Council.

3 Remuneration arrangements of the Chief Executive, Corporate Directors, Directors and Heads of Service/Senior Professional III graded employees

3.1 The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees. Changes to pay bands for the Chief Executive, Corporate Directors, Directors and Heads of Service/Senior Professional III graded employees are approved by the General Purposes Committee, other than for annual nationally and/or regionally agreed increases. The pay bands can be found at Appendix A.

3.2 Where it is proposed to appoint to a Corporate Director or Director post or other Statutory Officer post that comes within the remit of the Committee in the Constitution, the Appointments Panel must consider and approve the proposed salary.

3.3 The salary applicable to Corporate Director and Director graded posts are published on the Council's website.

3.4 Pay scales are increased in line with national and regional pay agreements. Progression through the applicable pay band will be contribution led based on individual, team and/or organisation performance. It will not be automatic, and the process will be overseen by the Chief Executive. The Chief Executive may decide not to authorise pay progression for any senior managers in any given year.

3.5 The Council may in exceptional circumstances, engage contractors under contracts for services. The Council publishes in accordance with the Code details of all payments made under contracts for services in excess of £500 per day on the Council website.

4 Remuneration of other employees

4.1 Pay scales are increased in line with national and regional pay agreements.

4.2 For a majority of its employees who are not covered by local arrangements, the Council supports the National Joint Council (NJC) and regional (Greater London Provincial Council – GLPC) collective bargaining arrangements for pay and conditions of service and utilises the GLPC outer London pay spine. The exceptions to this are a small number of employees who are subject to the Soulbury, Teachers and NHS terms and conditions.

4.3 The Council considers it important to be able to locally determine pay rates for some employees where this is necessary. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees.

4.4 The Council employs a small number of employees who are Educational Psychologists and Education Advisers/Inspectors and uses the pay scales recommended by the Soulbury Committee for these employees.

4.5 The Council also employs a small number of centrally employed Teachers and uses the national Teachers Pay and Conditions (TPAC) pay scales for these employees.

4.6 Public Health employees who transferred from the NHS into the Council from 1 April 2013 continue to be paid in accordance with NHS terms and conditions of employment.

4.7 Employees subject to NHS conditions are able to progress through the steps in their pay band subject to the principles set out in the Framework Agreement on the reform of Agenda for Change.

4.8 Employees subject to NJC conditions are able to incrementally progress through the pay spine column points for their job evaluated grade. Progression will normally be one increment (pay spine column point) on the 1st of April each year until they reach the top of their grade.

4.9 Employees subject to STPAC and Soulbury conditions can incrementally progress through the pay spine column points subject to satisfactory performance normally on the 1st of September each year until they reach the top of their grade/ range.

4.10 The Council also operates other terms and conditions, as required by law, for employees who have transferred in under TUPE legislation.

5 Remuneration of the lowest-paid employees

5.1 The Council approved with effect from May 2011 that in future the pay of Council employees at the lower ends of the pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority. This will be by way of an hourly pay supplement as appropriate to ensure that the London Living Wage rate is achieved.

5.2 In November 2018 the Council became an accredited Living Wage Employer.

6 Job Evaluation

6.1 The pay grades and therefore remuneration levels of employees (except for centrally employed Teachers who are subject to the Teachers Pay and Conditions documents) are determined by the use of a job evaluation scheme. Job Evaluation is a systematic process used to determine the relative worth of jobs within the organisation. It creates a rank order from the smallest to the largest job and ensures that consistent decisions in grades and rates of pay are made.

6.2 The table at Appendix B outlines the job evaluation schemes used for each group of employees.

7 Pay Multiple

7.1 The ‘pay multiple’ is the ratio between the highest paid taxable earnings and the median earnings figure of the whole of the Council’s workforce. The Council’s highest paid employee is the Chief Executive and the current pay multiple is shown in the table below.

7.2 Earnings for the purpose of calculating the ‘pay multiple’ are defined covering all elements of remuneration that can be valued (i.e. all taxable earnings for including base salary, variable pay, bonuses, allowances and the cash value of

any benefits in kind). The calculation of earnings excludes the cash value of pension provision.

7.3 The Council defines its lowest paid employees as those paid on the lowest pay spine point of on the GLPC outer London pay spine. The reason for this definition is that this is the lowest pay spine point in the Council in line with the job evaluation scheme and pay scales agreed with the unions. This excludes trainees, apprentices and interns. However, an hourly pay supplement is added when necessary to ensure that the London Living Wage rate is achieved as outlined at section 5.1.

Description	2025/26
Highest Paid	£235,584
Median	£42,060
Lowest	£25,998
Highest to median ratio	5.6
Highest to Lowest ratio	9.1

*The salary for the highest paid employee (Chief Executive) includes an allowance paid for Returning Officer duties as outlined in paragraph 10.2

8 Pay on Appointment

8.1 All employees are appointed on the minimum spinal point of the pay range appropriate for their grade, unless there are exceptional circumstances, in which case the Head of Paid Service delegates authority to the Corporate Director.

8.2 The Council delegates authority as appropriate to appoint employees above the minimum spinal point as follows:

- Roles up to and including PO8 require authorisation from a Head of Service.
- Senior manager roles require authorisation from a Corporate Director or the Chief Executive.

8.3 All internal promotions will start at the minimum spinal point, unless there are exceptional circumstances, in which case the Head of Paid Service delegates authority to the Corporate Director. This approach also applies to roles that have been re-evaluated.

8.4 Elected Members decide the salary where the appointment is made by them (applies to Corporate Directors and Directors).

9 Market Supplement Payments

9.1 The Council acknowledges that our workforce is our most valuable asset when it comes to enabling and delivering services for those who live, work, study or visit the borough. Due to external market factors, market supplements may need to be paid to some posts in order to attract and retain employees of the appropriate calibre.

9.2 Market supplements are linked to the post, not the person. They cannot be paid to someone because of their level of skill or experience.

9.3 A market supplement is deemed suitable where the post has been advertised on more than one occasion and a suitable applicant could not be recruited and there is evidence of one or more of the following:

- Pay benchmarking exercises show that similar local authorities offer market supplements or a higher salary for the same work.
- A national / local skills shortage where the Council is competing with a number of other employers for applicants.
- The post is highly specialised with a limited number of potential applicants

9.4 If the post does not meet the suitability criteria the payment of a market supplement is unjustified and may be in breach of equal pay legislation contained in the Equality Act 2010.

10 Fees for Election Duties

10.1 Council employees may be engaged on election duties of varying types. The fees paid to Council employees for undertaking these election duties vary according to the type of election they participate in, and the nature of the duties they undertake.

10.2 Fees paid for Returning Officer duties (and those of the Deputy Returning Officers) are paid in accordance with the appropriate Fees and Charges Order and are paid by the body responsible for the conduct of the election.

11 Pension

11.1 There are two pension schemes covering the Council's employees.

11.2 A majority of its employees are entitled to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the Council's website.

11.3 Centrally employed Teachers are entitled to join the Teachers' Pension Scheme and receive benefits in accordance with the provisions of that Scheme.

12 Other Terms and Conditions of Employment

12.1 The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

12.2 The Council and Trade Union agreement, Equal Pay Review 2008, outlined the working arrangements and the payments to be made to the majority of employees below senior manager level. This included arrangements for working outside normal working hours including overtime and call out payments.

13 Payments on Termination of Employment

13.1 In the event that the Council terminates the employment of an employee on the grounds of redundancy they will receive compensation and benefits in accordance with the Council's Redundancy scheme, which is published on the Council's website. Variations to this are employees who have TUPE transferred into the Council with different contractual entitlements.

13.2 Severance payments of £100,000 or more must be considered and approved by the Disciplinary, Grievance and Dismissal Panel.

13.3 The Council has agreed a process for the approval of special severance payments in line with the statutory guidance from the Government.

13.4 Details of redundancy compensation payments paid to senior management are published on the Council's website.

14 Re-employment of Employees

14.1 Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

14.2 Should a successful candidate be in receipt of a redundancy payment the Council will apply the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended) regarding the recovery of redundancy payments. The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.

15 Further Information

For further information on the Council's Pay Policy Statement please contact the Council's Head of Employee Relations, Business Partners and Reward.

Senior Leadership Pay Bands - 1st April 2025

Level	Category	Step	Point 1 (Minimum Pay Band)	Point 2	Point 3	Point 4	Point 5	Point 6 (Maximum Pay Band)
A	Chief Executive	HA2	£208,359	£213,804	£219,255	£224,700	£230,142	£235,584
B	Corporate Directors / Directors	HB3	£164,799	£170,133	£175,359	£180,693	£185,913	£191,247
		HB2	£134,574	£138,906	£143,244	£147,576	£151,911	£156,240
		HB1	£115,794	£119,460	£123,237	£126,903	£130,686	£134,352
C	Heads of Service/ Senior Professional III	HC3	£98,457	£101,793	£105,126	£108,573	£111,906	£115,239
		HC2	£84,345	£87,126	£89,904	£92,790	£95,568	£98,346
		HC1	£73,122	£75,345	£77,568	£79,788	£82,014	£84,234

Appendix B

Employee Group	Job Evaluation Scheme	Last Pay Award Implemented	Next Pay Award Due
National Joint Council (NJC) for Local Government Services - Green Book (the majority of the Council's employees)	Greater London Provincial Council (GLPC) (with local variations)	With effect from 1st April 2025: A consolidated 3.2% increase to basic salaries. Allowances including overtime rates increased by 3.2%.	1 April 2026
Chief Executive	The Local Government Employers' (LGE) Senior Manager Evaluation Scheme	With effect from 1 April 2025: A consolidated 3.2% increase to basic salaries.	1 April 2026
Chief Officers	The Local Government Employers' (LGE) Senior Manager Evaluation Scheme	With effect from 1st April 2025: A consolidated 3.2% increase to basic salaries.	1 April 2026
Schools Teachers Pay & Conditions - STPAC (centrally employed Teachers)	Teachers Pay and conditions documents	With effect from 1st September 2025: The government accepted to fully implement the recommendations contained in the School Teachers' Review Body's (STRB) Report. a) A consolidated 4% increase to basic salaries and allowances	1 September 2026
Soulbury (Education Psychologists & Education Advisers/ Inspectors)	Soulbury	With effect from September 2024: a) A consolidated 2.5% increase on all spinal column points and allowances.	1 September 2025
Public Health (ex-NHS employees)	The Agenda for Change NHS Job Evaluation Scheme (GLPC or LGA scheme for those whose roles have been reviewed since the transfer date to the Council)	With effect from 1 April 2025: A consolidated 3.6 % increase in basic pay for all pay points.	1 April 2026

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REPORT OF THE AUDIT COMMITTEE No. 3, 2026/27

FULL COUNCIL 2nd of March 2026

Chair: Councillor Erdal Dogan Deputy Chair: Councillor Cathy Brennan

1. INTRODUCTION

1.1. The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

1.2. The CIPFA Code requires the Committee responsible for monitoring treasury management activities to formulate the Treasury Management Strategy Statement (TMSS). The TMSS is then subject to scrutiny before being approved by Full Council.

1.3. This report presents Council with the updated TMSS for 2026/27, subject to its scrutiny at the Overview and Scrutiny Committee at its meeting on 19 January 2026, and subject to consultation with the lead Cabinet Member for Finance and Corporate Services

2.TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27

We considered the Treasury Management Strategy Statement 2026/27 at our meeting on the 29th of January 2026 and discussed the following:

- Table 1 in the report listed the capital expenditure. It was not the total borrowing position associated with the exceptional financial support. It would be unrealistic to assume that no exceptional financial support would be needed in future years. the Council had made an assumption based on available data, because to assume nothing probably would provide a false picture and therefore the Council had assumed that the £100 million would continue throughout the next five years. This also assumed that the Council would identify cost reductions, income savings in-year to close in-year budget gaps, but if the Council was to use the £100 million, it would still have the structural deficit that the Council would need to borrow every year. When exceptional financial support was applied for, only one year's worth of approval was ever given. There had still been no response to the 2026/27 application, but to not assume any use of exceptional financial support over the next five years would provide a false position in terms of the levels of debt.

- Exceptional financial support would be available for the next five years. The Council still had to apply every year, but this was a facility that would be available to local authorities for the next five years. The Council would revisit its assumptions every single year. In 2024/25, the Council applied for £28 million of exceptional financial support. When the account was closed, the Council only needed £10 million. So only £10 million was formally agreed by Government. The Council had also made an assumption that all exceptional financial support would be funded by borrowing. However, this may not be a reality, partly because of the conversation that there could be further capital receipts for the Council's normal disposals program that it could utilise. The Council did borrow until the point it had to. This was a budgeted position if the Council had to borrow the whole £100 million. In-year, the Council would decide what balances and reserves it had and borrow when absolutely necessary. The report showed that the Council held a £30 million balance. Quarterly updates would provide updated positions on actual borrowing.
- The borrowing within the treasury management strategy was driven by the capital scheme. The Council had to match its borrowing to it. The department itself could not simply decide for the borrowing to be lower.
- Table 1 which stated areas listing £100 million for exceptional financial support was outlining the amount of borrowing needed to plug the gap. This was for the general fund. There was no exceptional financial support on the HRA.
- If the Council did not have exceptional financial support, then it could not set a balanced budget or meet statutory requirements. The Council would be violating statutory requirements. The Council needed to commit to looking at opportunities to minimise the amount it needed. Realistically, the Council needed to focus on prevention and early intervention to avoid some of the high costs. This took time and the Council did not have reserves that would allow the time to do more of the transformative work. However, this work would be completed in any case.
- The Council needed to urgently look at more alternative means for greater income generation.
- The HRA and the general fund were separate accounts. The exceptional financial support and the borrowing costs was all based on the general fund. The HRA was separate. There was always scope to look at improvements and the HRA should be looking at good value for money and the Council should complete its due diligence on the HRA. The Council's debt levels were seen as a totality. The report was intentional in displaying it separately, because the debt levels in the HRA were driven because the Council was significantly investing in new homes

and its existing stock. The debt levels on the capital program in the general fund were because the Council was investing in schools and roads. The debt levels for the HRA were high because the Council was investing, but the 30-year business plan showed that the HRA becomes more financially viable in the longer term because of rent.

We further agreed, as a Committee, to refer our serious concerns to the Cabinet about the level of reliance on exceptional financial support and for Cabinet to report to the Audit Committee on potential alternatives. I am informed that there will be a response provided to the March Audit meeting from the Cabinet.

We further delegated to the Section 151 officer in consultation with me as Chair of Audit Committee, authority to agree any updates to the Treasury Management Strategy Statement for 2026/27 before Full Council for approval. The Director for Finance and Resources had advised at the meeting that they were still working through the draft budget for 2026/27 and the figures for EFS were subject to change. I have been subsequently advised that this was completed before Cabinet on 10 February and the final EFS requirement for 2026/27 was £84m (previously £89m) – following an improved Local Government Finance Settlement for 2026/27.

In addition, the finalisation of the HRA business plan had led to some small adjustments in the HRA capital programme which then feed through to the TMSS in terms of forecast capital spend and associated borrowing.

I have noted that both of the changes are a normal part of finalising the draft budget and capital programme for the General Fund and HRA.

3.RECOMMENDATIONS

Full Council is recommended:

1. To agree the proposed updated Treasury Management Strategy Statement for 2026-27 as attached to agenda item 14, 2026/27 Budget and Medium-Term Financial Strategy 26/31 at Annex 5.

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Report for: Full Council 2 March 2026

Item number:

Title: 2026/27 Budget and 2026/2031 Medium Term Financial Strategy Report

Report authorised by: Taryn Eves, Corporate Director of Finance and Resources (Section 151 Officer)

Lead Officer: Frances Palopoli – Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: ALL

Report for Key/ Non-Key Decision: Key.

1. Describe the issue under consideration

1.1 Cabinet considered the 2026/27 Budget and 2026/31 Medium Term Financial Strategy (MTFS) report at their meeting held on 10th February 2026 and resolved to propose that report for consideration and approval of the final Budget, MTFS and Council Tax for 2026/27 by Full Council in accordance with the Council's constitution.

1.2 The 2026/27 Budget and 2026/31 MTFS Cabinet report of 10th February included Cabinet's response to feedback from the budget consultation, the views of Overview and Scrutiny Committee held on 19th January and also the outcome of the overall equalities assessment. Relevant provisional budgetary allocations announced in the Provisional Local Government Finance settlement on 17th December 2025 were also included along with final estimates for council tax and business rates income.

1.3 Although the provisional settlement did provide £11.8m additional funding for 2026/27, the impact of the estimated budget pressures is significantly higher than this and the 2026/27 Budget discussed by Cabinet on 10th February was only able to balance with an assumed £89.2m (£37.0m of 2025/26 deficit and £52.2m of 2026/27 deficit) Exceptional Financial Support (EFS) from government.

1.4 The Final Local Government Finance Settlement was announced on 9 February and confirmed a further increased grant funding of £5.34 giving a total of £17.2m in 2026/27m compared to 2025/26.

1.5 Despite this, the Council will still require EFS of £84.3m to set a legally balanced budget in 2026/27. This will be the second year that EFS is required. This is money the council, if agreed will be allowed to borrow, via a Capitalisation Direction or to use capital receipts, to fill its funding gap. It is not a grant and

will need to be repaid with financing charges which for the coming year are forecast to cost £10m.

1.6 A Capitalisation Direction means that the Council will be given special permission from Government to allow for the use of capital receipts and borrowing (referred to as Exceptional Financial Support) of £84.3m next financial year for its day to day running costs and supporting the borough's most vulnerable residents.

1.7 The reliance on exceptional Government support is not sustainable and creates a financial repayment burden for council taxpayers for the next 20 years. In response to this, a financial response and recovery plan was produced last year. The plan has introduced additional spend controls, sharper focus and reporting on agreed savings delivery and compliance with corporate processes and financial regulations. All services within the Council will need to prioritise moving the organisation onto a sound and sustainable financial footing, delivering on the recovery plan, reducing the Council's reliance on Exceptional Financial Support and improving the financial sustainability over the next five years. Plans are also being put in place to introduce an 'independent board'. This will bring in independent sector experts to oversee and hold the council to account for the delivery of the new Financial Sustainability Plan.

1.8 The initial spend controls have been strengthened over the course of this financial year. These measures include tighter oversight of spend and recruitment, increased responsibility for budget discipline across all teams and new processes to ensure better value for money. A Financial Recovery Board, consisting of the Corporate Leadership Team, has oversight of the Council's financial recovery, and sets the strategy and direction to the organisation in respect of the Financial Recovery Plan. The group also provides accountability and assurance in respect of progress against the delivery of the plan and the savings. A Financial Recovery Cabinet Group is also in place which is chaired by the Leader of the Council and meets 6-weekly. It ensures clear political oversight of the emergency procedures.

1.9 The Medium-Term Financial Strategy includes current best estimates of expenditure and income levels across the subsequent five years, 2026-2031. This is based on a number of key assumptions such as government funding levels and council tax thresholds; economic factors such as inflation and interest rates; service demand pressures; delivery of agreed savings and an allowance for replenishment of reserves.

1.10 Since the Cabinet meeting on 10 February, as well as the Final Local Government Finance Settlement being published, further levies have been confirmed and there has been a correction to the corporate budgets which were incorrectly stated in the report to Cabinet.

1.11 The outcome of these changes is a forecast budget gap of £84.3m (£37.0m of 2025/26 deficit and £47.3m of 2026/27 deficit) for 2026/27 rising to a cumulative gap of £323.4m by 2030/31.

1.12 Work has already begun on the approach to 2027/28 financial planning. Opportunities to identify potential new budget savings for decision and potentially implementation during 2026/27 are being explored. The Capital programme will be reviewed again and renewed efforts made on delivering against the Asset Management Plan at a quicker pace whilst achieving value for money. Progress will be tightly monitored and updates provided to Cabinet through regular budget monitoring update reports. The financial response and recovery plans will drive an increase in the regularity and scope of the internal monitoring and control.

2. Cabinet Member Introduction

2.1 This budget ensures that we protect and improve the services our residents rely on and that we invest in the borough for now and the future. We are committed to building a Haringey where everyone can belong and thrive. Focussed investment aims to save money in the medium to longer term, to build resilience and to continue making Haringey the best place to live and to work.

2.2 This budget proposes:

- £222.9m on adults and children's social care – supporting those residents who need help in some of the most challenging times of their lives
- £42.9m on preventing and addressing the homelessness crisis, including ending the use of B&Bs as temporary accommodation for families
- £4.7m on caring for our parks and green spaces (revenue and capital)
- £2.3m on our libraries
- £34.4m on supporting lower income residents with the cost of council tax.
- £283m on building new council homes and £93m on renovating our existing council homes and estates.
- £37.8m on recycling and waste
- £16.1m on concessionary fares

2.3 These decisions don't come about by accident. They are the result of tough choices. Under austerity after 2010, government funding to Haringey was cut in half. By 2024/25 we had £143m less in core government funding, a real-terms 55% cut. At the same time, we have seen rising need for our local public services which, with high inflation in recent years, now cost much more to provide.

2.4 For years Haringey has been underfunded to meet the needs of our communities. We've historically had 15% less to spend per resident than our neighbouring boroughs, despite our relatively high levels of deprivation in certain cohorts. This is why we are delighted that the government has delivered on its promise to introduce Fair Funding reform, recognising the need for local funding to properly take account of deprivation (including housing costs).

2.5 The government has also delivered on its promise to introduce multi-year (3-year) funding settlements, helping to stabilise local budget planning. In the first year of the new government, central funding to Haringey went up by £16m (25/26). Now in the second year (26/27) it will rise by another £17m, with further increases in 27/28 and 28/29. That is a major uplift and a real step in the right direction.

2.6 Given the depth of austerity cuts and rise in inflation, that does not clear our local budget deficit. The government was unfortunately never going to be able to reverse more than a decade of austerity in one go. If funding had been allocated on the basis of need over the past 15 years, Haringey would not be facing such a challenging financial picture today. It will take further reform of funding models and structural issues to restore local budgets to a sustainable position.

2.7 Despite year-on-year efficiency savings, spending reductions and increases in revenue generated, Haringey will again need to rely on Exceptional Financial Support from government to balance our budget in 2026/27. However, we are working and focussing on a sustainable position in the medium term.

2.8 Our draft budget for 2026/27 includes £23.2m of savings proposals – made up of £14.9m which were approved in previous years and around £8.3m of new proposals. A consultation into many of these has been carried out. We will be focusing relentlessly on achieving all agreed savings. This is vital in order to reduce the amount of Exceptional Financial Support that we use. EFS is money the council is allowed to borrow to fill its funding gap (like an overdraft). It is not a grant and will need to be repaid, with interest, in future years.

2.9 Despite all the challenges, this is a budget that reflects our values as a council. We are focused on getting the basics right. We are delivering and improving local public services – especially for the most vulnerable. We are putting real public investment into our fabulous public parks, public leisure centres and public libraries.

2.10 There is a long way to go, but we are turning the page on austerity, ending the era of managed decline and starting to rebuild our local public services and local public infrastructure. That is how we will create the fairer, greener borough that our residents deserve.

3. Recommendations

3.1 Council are asked:

(a) To approve the proposed 2026/27 Budget and Medium-Term Financial Strategy (2026/31) agreed by Cabinet on 10th February 2025 as set out in Annex 1;

(b) To approve the increase of 2.99% in Haringey's element of the Council tax and an additional 2% for the Adult Social Care Precept and subsequent band rates as set out in Annex 4;

(c) To approve the General Fund budget requirement for 2026/27 of £353.027m, net of Dedicated Schools Budget, and the Directorate cash limits for 2026/27 as set out in Annex 2 of this report;

(d) To approve the 2026/31 General Fund Capital Programme set out in Appendix 7 of Annex 1 to this report;

(e) To approve the strategy on the flexible use of capital receipts as set out in Appendix 8 of Annex 1 to this report and the further update on planned use in 2026/27 as set out in Section 7.25 of this report;

(f) To note the Greater London Authority (GLA) precept in Section 7.24;

(g) To approve the budgeted level of non-earmarked General Fund balance and the specific and other reserves as set out in Annex 1 Section 9.28-9.44;

(h) To approve the reserves policy including the Chief Finance Officer's (CFO) assessment of risk and the assessment of the adequacy of reserves, as set out in Annex 3 and Annex 1 Appendix 11;

(i) To note the report of the Chief Finance Officer under Section 25 of the Local Government Act 2003 on the robustness of the estimates and the adequacy of proposed reserves set out in Annex 1, Appendix 11;

(j) To approve the Treasury Management Strategy Statement 2026/27 set out in Annex 5;

(k) To approve the 2026/27 Minimum Revenue Provision policy included in the Treasury Management Strategy Statement 2026/27 set out in Annex 5;

(l) To pass the budget resolution including the level of Council Tax, in the specified format, and to determine that the Council's relevant basic amount of Council Tax for the year is not excessive as set out in Annex 4; and

(m) To note the results of the budget consultation as set out in Appendix 3 of Annex 1.

4. Reasons for decision

4.1 The Council has a statutory duty to set a balanced budget by 11 March each year.

4.2 The report and recommendations from the Cabinet meeting on 10th February 2026, were agreed in full and are attached as Annex 1.

4.3 The Budget now proposed has been updated to reflect minor budget re-alignments since the February Cabinet report and the final funding allocations announced in the Final Local Government Finance Settlement. The outcome of the Council's application for Exceptional Financial Support is still not known at the time of publishing this report but is expected week commencing 23 February

2026 and an update will be provided before the Council meeting on 2 March. Taking all relevant factors into account, this report sets out Cabinet's 2026/27 Budget and 2026/31 MTFS proposals, including the level of Council tax for 2026/27, for the Council to consider and approve. This assumes that the Council's EFS application is agreed.

5 Alternative options considered

5.1 The Council has a statutory duty to set a balanced budget for 2026/27 by 11 March 2026, accordingly, no other options have been considered.

5.2 Therefore, in accordance with legislation and the Council's constitution, this report recommends that the Council should approve the proposed 2026/27 Budget and 2026/31 Medium Term Financial Strategy agreed by Cabinet on 10th February 2026, together with the amendments set out in this report, including the outcomes from the budget consultation exercise, budget scrutiny and equalities review, which is attached as Annex 1 and approve the Council tax for 2026/27.

6 Background information

6.1 On 10th February 2026 Cabinet agreed a proposed 2026/27 Budget and 2026/31 MTFS for submission to this meeting of the Council, including: a General Fund revenue budget for 2026/27; the Dedicated Schools Budget and the Housing Revenue Account (HRA) revenue budget for 2026/27; and the 2026/31 Capital Programmes for both the General Fund and HRA. Cabinet agreement to these proposals was subject to the decisions of levying and precepting authorities, not available at that time.

6.2 The Cabinet report of 10th February 2026 (attached as Annex 1 to this report), and the proposed Budget/MTFS recommended to Full Council by Cabinet are the subjects of discussion at this meeting.

6.3 This report also addresses:

- The final Local Government Finance Settlement 2026/27, published on 9 February 2026;
- The decisions of levying bodies and precepting authorities;
- Considerations in setting the Council Tax;
- The outcome of the Council's application for Exceptional Financial Support is not known at the time of publication but is expected to be known before the Council meeting on 2 March; and
- The Treasury Management Strategy Statement 2026/27 which was considered by Audit Committee on 29 January 2026 and has been updated to reflect the final EFS requirement for 2026/27.

6.4 The report concludes by presenting the Budget Resolution to set the Council Tax for 2026/27.

7 Key Developments and Updates

Final Local Government Finance Settlement and Other Grant Announcements

7.1 The Final Local Government Settlement (FLGFS) was published on 9 February and announced £5m of additional un-ringfenced grant funding for Haringey in 2026/27.

7.2 £1.986m of the £5m additional grant funding is due to a revised approach to the treatment of business rates growth for authorities in a Pool during the current (2025/26) financial year. This revised approach allocates 50% of the pooling gain to top-up authorities within each pool, based on their relative size of the baseline funding level, while the remaining 50% is shared between tariff authorities in pools using the previous approach. This additional funding will be received as increased Revenue Support Grant (RSG).

7.3 The remaining balance of £3.036m will come from an uplift to the Recovery grant which aims to achieve 17% growth in Core Spending Power (CSP) for upper tier authorities in receipt of the Recovery grant in the current (2025/26) financial year.

7.4 Finally, the consolidated Homelessness, Rough Sleeping and Domestic Abuse grant has been increased. Haringey will receive an additional £365,000 in 2026/27 although this is expected to all come with specific additional responsibilities i.e. 40% is aimed at Renters' Rights new burdens with 60% targeted at supported housing.

7.5 In recent years, the final settlement has also confirmed if any sums will be distributed in year from the national ringfenced Business Rates Levy Account. This account manages the business rates safety net one year to the next. Currently there is no indication if government intends to make a distribution before the end of the 2025/26 financial year, but it is likely that, due to the commitment to fund 100% safety net in 2026/27, funds will not be distributed now. The current budget has made no assumptions about receiving additional funds and any such distributions received will be used to increase the Budget Planning reserves for 2026/27.

7.6 The Final Local Government Finance Settlement (LGFS), also announced that government has committed to resolving 90% of local authorities' DSG High Needs deficits accrued to the end of 2025/26, estimated to be worth approximately £5 billion. All local authorities with a SEND deficit will be eligible to receive grant funding subject to submitting and securing the Department for Education's approval of a local SEND reform plan. Government have confirmed that the current Safety Valve programmes will end but no local authority will be disadvantaged by its participation.

7.7 From 2028/29, SEND spending will be covered by the overall government DEL budget, meaning local authorities are not expected to fund future SEND costs from general funds, once the Statutory Override ends at the end of 2027/28. Further announcements are awaited over funding for 2026/27 and 2027/28.

7.8 The corporately held budgets were incorrectly presented in the 10 February 2026 Cabinet report (Annex 1), leading to a General Fund budget requirement of £343.4m being presented in Table 10 rather than the correct £347.9m. All Directorate budgets presented were correct at the time of publication. Adjustments have subsequently been made to reflect the correction and Table 10 is now correctly represented here:

Represented Table 10 From 10 February Cabinet Report– General Fund Budget Requirement 2026/27

Directorate	**£'000**
Adult Social Care	140,310
Housing Demand (Temporary Accommodation)	42,861
Children and Young People Services (including Education)	82,636
Environment and Resident Experience	13,412
Culture, Strategy and Communities	18,922
Finance & Resources (including Chief Executive)	34,061
Corporate Budgets	104,995
Council Cash Limit	**437,197**
Exceptional Financial Support/Savings	(89,206)
Total General Fund Budget Requirement	**347,991**

7.9 After this revision and with the changes arising from the final Local Government Finance Settlement discussed above, the General Fund budget requirement now presented for approval is £353.027m as set out in Annex 2.

Greater London Authority (GLA) Free School Meals Support

7.10 The GLA 2026/27 draft Budget includes a proposal to continue to fully fund the Universal Free School Meals programme in 2026/27 and following a change in government policy expanding the scope of their funding for free school meals, the Mayor's Universal Free School Meals programme will be funded from within the GLA's Mayor budget on an on-going basis

7.11 The final decision on the budget will not take place until the London Assembly meeting on 26 February 2026. If agreed as proposed, final Borough allocations for the free school meals programme will not be known until after that date and will be reported in the regular 2026/27 budget update reports to Cabinet.

Levying Bodies

North London Waste Authority (NLWA)

7.12 The Council is one of seven constituent boroughs of the North London Waste Authority (NLWA). NLWA handles waste disposal on the Council's behalf and recovers the costs from the Council by way of a levy. Borough levies are

apportioned between the constituent boroughs in accordance with an Inter-Authority Agreement entered in 2015.

7.13 The Board of the NLWA met on 12 February 2026 and agreed a net expenditure budget for 2026/27 of £101.6m an increase of 3.1% compared to 2025/26. This includes the new cost of operating Barrowell Green Reuse and Recycling Centre (RRC) (Enfield) for 9 months. Excluding this, the increase would be 2.5%.

7.14 Balances available to reduce the levy are slightly higher than the previous year across the boroughs as a whole. After balances the levy increase is below-inflation at 2.7% (and would be 1.9% excluding Barrowell RRC).

7.15 The increased costs are due to organic waste treatment price increases, lower income from recycling based on market conditions, a full year of operating costs for the Resource Recovery Facility based on actual operating conditions, cost of waste prevention initiatives, Minimum Revenue Provision (MRP) and interest costs being recognised due to the assets coming online, and increased support for London Energy Ltd (LEL) as the existing waste plant is ageing and has become less efficient at producing energy.

7.16 Government has announced that NLWA will receive £13.5m for Extended Producer Responsibility Funding (pEPR) in 2026/27. Following discussions with the Members Finance Working Group for NLWA (MFWG) and borough Directors, all of the £13.5m has been incorporated into the budget to reduce the requirement on borough levies.

7.17 The impact of these decisions on the 2026/27 levy for Haringey is a 7.3% increase to £12.099m (£11.275m 2025/26) which is in line with the sum assumed in the budget papers reported to Cabinet on 10 February.

7.18 The NLWA's Medium Term Financial Strategy outlines the Authority's financial strategy in detail for the period up to 2028/29 aligning with the Authority's strategic goals and addressing key challenges and opportunities.

7.19 The NLWA medium-term forecast indicates 14.3% increase in the total levy for 2027/28 which assumes reduced pEPR funding and no individual authority balances at the end of 2026/27. This translates into a 2027/28 Haringey levy of c. £13.5m an increase of c.11.3% which is in line with the assumptions built into Haringey's MTFS. A further 0.5% increase in the overall NLWA levy is forecast for 2028/29 which is also assumed in Haringey's MTFS.

7.20 The forecast operational start for the new Energy Recovery Facility (ERF) continues to remain uncertain with slippages continuing across multiple workstreams. This therefore generates significant uncertainties over how the actual costs will compare to the current forecasts.

7.21 The Council's MTFS assumes an allowance for year-on-year increases in the levy. Given the risks and uncertainties associated with the new ERF and future

legislative changes around recycling and disposal, this will be kept under close scrutiny and the MTFS adjusted when more up to date figures are available.

Other Levies

7.22 The levies payable to all other bodies are forecast to remain relatively stable and can be accommodated within the current proposed budget.

7.23 Table 1 below provides a summary of levy charges to Haringey Council in 2025/26 and estimated for 2026/27.

Table 1: Summary of 2025/26 and 2026/27 Levies

	Amount Due 2025/26 £'000	Amount Due 2026/27 £'000
Environment Agency	197	195
Lee Valley Regional Park Authority	215	213
London Borough Grants Scheme	197	195
London Pensions Fund Authority	26	25
North London Waste Authority (NLWA)	11,274	12,099
Total Paid / To Pay	**11,909**	**12,727**

The Greater London Authority (GLA) Precept

7.24 The Mayor's final draft budget and proposed council tax precept for 2026/27 will be considered by the London Assembly on 26 February 2026. On the assumption that this is agreed, the Band D precept is £510.51, a £20.13 or 4.1% increase compared to 2025/26 (£490.38). This increase comprises £15 for MOPAC (Met Police) and £5.13 for the London Fire Brigade. This is in line with the maximum increase permitted under the GLA referendum limit.

Flexible Use of Capital Receipts 2026/27

7.25 The strategy for the use of flexible use of capital receipts to facilitate the delivery of efficiency savings including utilisation for redundancy costs is set out in Appendix 8 of Annex 1. The Council's planned use for 2026/27 totals £5.635m. This will be targeted at supporting the delivery of the Council's £23.2m of planned savings next year as well as initiatives to avoid costs. Progress on usage will be reported to Cabinet through the 2026/27 Finance update reports.

Final 2026/27 General Fund Budget and MTFS Position 2026-2031

7.26 After considering all of this, the General Fund budget requirement for 2026/27 is £353.027m. The final summary budget position for the General Fund across the whole period of the MTFS is set out in Annex 2.

8 Considerations in setting the Council Tax

8.1 The Localism Act 2011 gave electors the right to veto excessive Council tax rises. Councils that set 'excessive' council tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum in their area.

8.2 The final Local Government Finance Settlement Government confirmed that those authorities with Adult Social Care functions could implement a 2% Adult Social Care (ASC) precept for 2026/27. The ASC precept must be allocated entirely towards Adults Social Care costs.

8.3 The final Local Government Finance Settlement confirmed the general Council Tax referendum principle for 2026/27 as 3%.

8.4 The relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2026/27 is 5.00% or more (comprising 2% for expenditure on adult social care, and 3.0% or more for other expenditure) greater than its relevant basic amount of council tax for 2025/26. The Budget now proposed assumes that both allowable elements will be charged to residents i.e. a 2.99% increase in basic Council Tax and a 2% increase in the Adult Social Care element. These proposals are below the levels that would trigger a referendum.

8.5 Council is therefore recommended to resolve the relevant basic amount as not excessive at paragraph 6 of the Formal Budget Resolution (Annex 4).

8.6 The projected income from Council tax in 2026/27 is £145.95m (£141.85m in 2025/26) based on 80,924 Band D equivalent dwellings (the Tax Base) (82,589 in 2025/26), a collection rate of 92.5% (95.75% in 2025/26) and the proposed Band D Council tax rate of £ 1,803.56 (1,717.56 in 2025/26).

9 Statements of the Designated Chief Finance Officer

9.1 The Local Government Act 2003 (Section 25) requires that the chief financial officer reports the following matters to members when agreeing its annual budget and precept:

- the robustness of the estimates made for the purposes of the budget calculations, and
- the adequacy of the proposed financial reserves

9.2 The statement of the designated Chief Finance Officer is set out in Appendix 11 of Annex1.

10 Treasury Management

10.1 The Treasury Management Strategy Statement (TMSS) for 2026/27 (Annex 5) sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It was considered by Audit Committee on 29 January 2026 which recommended it for approval by Full Council. The TMSS has been updated since Audit Committee with the final

EFS requirement for 2026/27 and has been agreed by the Chair of Audit Committee and the Corporate Director of Finance and Resources.

10.2 The Council's Overview and Scrutiny Committee also considered the TMSS on 19 January 2026 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

10.3 The proposed prudential indicators are based on the proposed Capital Programme as reported to Cabinet on 10th February 2026. It should be noted that any future decision by the Council to undertake further debt financed capital expenditure outside of the total of the programme, including any changes associated with the Capital Strategy will require a review of the prudential indicators and further approval by full Council.

11 Summary and Conclusions

11.1 This report finalises the Budget process for 2026/27 and proposes that Council Tax is increased by 2.99% with an additional 2% increase in relation to Adult Social Care precept.

11.2 The Council is required to determine whether its increase in Council Tax for 2026/27 is 'excessive' and, if so, would trigger a referendum. The proposal in this report is not an "excessive" increase.

11.3 The recommendations of the Cabinet are reflected in the formal Council tax Resolution in Annex 4.

11.4 The Medium-Term Financial Strategy includes current best estimates of expenditure and income levels across the five years 2026/2031. This is based on several key assumptions such as government funding levels and council tax thresholds; economic factors such as inflation and interest rates; service demand pressures; delivery of agreed savings and an allowance for replenishment of reserves.

11.5 The outcome of this is a forecast budget gap of £84.3m for 2026/27 rising to a cumulative gap of £323.4m by 2030/31.

11.6 In the face of this profound challenge, it is critical that the whole organisation, including all officers and elected members, engage with and prioritise the Financial Recovery arrangements that have been put in place. Financial discipline and control must be adhered to, supported by effective and regular monitoring and reporting. Focus must be on the agreed highest priorities and look to deliver maximum value for money from the Council's limited resources.

11.7 The Council's reserves policy is attached as Annex 3. The level of financial reserves is reported in Annex 1 Section 9.28-9.44 along with the Robustness of Estimates, Adequacy of Reserves and the Management of Risk (Section 25 Statement) (Section 13). These make clear the low levels of reserves currently available to the Council and stress the need to replenish balances over the medium-long term. It is further recommended that the General Fund reserve should not be reduced below £15m.

12 Statutory Officers comments (Chief Finance Officer (including procurement), Director of Legal and Governance, Equalities)

12.1 As the report is primarily financial in its nature, comments of the Chief Finance Officer are contained throughout the report.

Director of Legal & Governance

12.2 The Director of Legal & Governance (Monitoring Officer) has been consulted in the preparation of this report and makes the following comments.

12.3 In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council tax are to be discharged by the Full Council.

12.4 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. Accordingly, it is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. In reaching a decision Full Council may adopt the Cabinet's proposals, amend them, refer them back to Cabinet for further consideration, or substitute its own proposals in their place.

12.5 Under section 25 of the Local Government Act 2003, where the Council is making calculations for the purposes of setting council tax, the Director of Finance (section 151 Officer) must report to it on (a) the robustness of the estimates made for the purposes of the calculations, and (b) the adequacy of the proposed financial reserves. The Council shall have regard to the report when making decisions about the calculations of council tax. The Council may take decisions which are at variance with this advice provided there are reasonable grounds so to do. However, Members must take into consideration their exposure to personal risk if they disregard clearly expressed advice.

12.6 In accordance with section 31A of the 1992 Act, Full Council is required to calculate the Council tax chargeable by way of a Council tax requirement. The Council must calculate its expected outgoings and income for the year. Where the expected outgoings exceed the expected income, the difference is the Council's Council tax requirement for the year. The relevant basic amount of Council tax for the year is calculated by dividing the Council tax requirement after the deduction of levies by the Council tax base.

12.7 Under section 52ZB of the 1992 Act the Council is required to determine whether its proposed relevant basic amount of Council tax is excessive on the basis of criteria set by the Secretary of State. It has been confirmed by the Referendums Relating to Council tax Increases (Principles) (England) Report 2026/27, that for 2026/27 an increase is excessive if the authority's relevant basic amount of Council tax for 2026/27 is 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of Council tax for 2025/26. In such circumstances such an increase would be regarded as excessive and automatically trigger a referendum in the borough. The 'relevant basic amount' of Council tax was redefined by section 41 of the Local Audit and Accountability Act 2014, which

amended section 52ZX of the 1992 Act. Essentially an authority's relevant basic amount of Council tax is the authority's own level of Band D Council tax. With the proposal of a 4.99% increase, the Council is entitled to conclude in accordance with the Direction issued by the Secretary of State, that the relevant basic amount of Council tax is not excessive.

12.8 In accordance with section 30 of the 1992 Act, the Council is required to set the Council tax for the next financial year on or before 11 March. Under section 106 of the 1992 Act, any Member who is in arrears of two months or more Council tax must declare it at the meeting and abstain from voting upon this report.

12.9 Member's fiduciary duty (i.e. legal duty as trustee of the public purse) is a material consideration to reflect upon. In making its decisions, the Council must act rationally and reasonably and should balance the nature, quality and level of services which it considers should be provided against the costs of providing those services. In addition, the Council must ensure that it has due regard to its public sector equality duty under section 149 of the Equality Act 2010 in considering whether to adopt the recommendations set out in this report.

12.10 The outcome of the request for Exceptional Financial Support for 2026/2027 is awaited. Support via the framework is usually provided in the form of a capitalisation direction which permits a local authority to meet revenue costs through capital resources. There is a clear expectation that authorities continue to manage and mitigate their financial pressures. Support is provided on condition that each local authority is subject to an external assurance review.

12.11 Full Council has a legal duty to set a lawfully balanced budget. Given the contents of the section 25 report of the s151 Officer, it is considered that adoption of the recommendations in this report would fulfil the Council's statutory obligations in this regard.

Equality

12.12 Equality comments are included in the report to Cabinet dated 10th February 2026, attached as Annex 1.

13 Use of Appendices

Annex 1 – 2026-27 Budget and 2026-2031 Medium Term Financial Strategy Report to Cabinet 10th February 2026 including Appendices 1 - 11

Annex 2 - Summary of Final revenue Budget 2026/27 and Medium-Term Financial Plan 2026-2031

Annex 3 - Reserves Policy 2026/27

Annex 4 – The Formal Council Tax Resolution 2026/27

Annex 5 – Final Treasury Management Strategy Statement 2026/27

Annex 6 – MHCLG Exceptional Financial Support Letter (not yet received and will be a supplementary paper to Council when received)

14 Background Papers

14.1 The following background papers were used in the preparation of this Report.

- Final Local Government Finance Settlement 2026/27.

Final local government finance settlement: England, 2025 to 2026 - GOV.UK

- NLWA Budget Proposals report agreed 12 February 2026.

Reports for Authority meeting on 12/02/2026 | NLWA

- GLA Budget proposals report agreed 25 February 2026.

www.london.gov.uk/budget

For access to the background papers or any further information please contact Frances Palopoli – Head of Corporate Financial Strategy & Monitoring ext. 3896

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Report for: Cabinet - 10 February 2026

Item number: 9

Title: Draft 2026-27 Budget and 2026-2031 Medium Term Financial Strategy Report

Report authorised by: Taryn Eves, Corporate Director of Finance and Resources

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All

Report for Key/ Non Key Decision: Key

1. Describe the issue under consideration

1.1. This report sets out details of the proposed General Fund (GF) Budget for 2026/27; the Medium-Term Financial Strategy (MTFS) 2026/31, as well as the capital programme, the Treasury Management Strategy Statement 2026/27 and the proposed dedicated school's budgets for 2026/27. The proposed budget and capital programme for the Housing Revenue Account (HRA) are included as a separate agenda item.

1.2. The proposed 2026/27 budget and capital programme is set within the context of the current Corporate Delivery Plan (CDP). Although this is due to end in April 2026 and the new plan will be published in Autumn 2026, following the local elections, the Council's strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough remain relevant.

1.3. The plan is set out in eight themes:

- Resident experience and enabling success
- Responding to the climate emergency
- Children and young people
- Adults, health and welfare
- Homes for the future
- Safer Haringey
- Culturally rich borough
- Place and economy

These themes demonstrate how the Council is focussed on working collaboratively, in line with the Haringey Deal, with residents, businesses and partners to tackle the biggest issues affecting communities.

1.4. As set out in this report and previous financial monitoring reports throughout 2025/26, the financial position of Haringey remains extremely challenging.

Haringey, alongside 29 other authorities have relied on Exceptional Financial Support in 2025/26, with more (including Haringey), expected to require the support in 2026/27. Further details are set out in Section 8.

1.5. Following more than a decade of government underfunding, in 2025/26 Haringey is operating with around £143m less in core government funding in real terms each year than it did in 2010/11 and government grant has been less than the national average and of neighbouring authorities with whom the Council shares traditionally 'inner London characteristics'. This is at the same time the Council has seen escalating demand for services, which now cost more to provide. Despite year-on-year efficiency savings, spending reductions and increases in income generation, Haringey's financial position reached a tipping point in 2024/25 and as can be seen in this report. Demand and price pressures are set to continue into 2026/27 as reflected in the £38.548m additional budget that will be required across social care and temporary accommodation alone.

1.6. In 2025/26 Haringey was only able to meet its legal requirement to set a balanced budget with the assistance of £37.0m of Exceptional Financial Support from government. Fairer Funding 2.0, as set out in Section 8 has resulted in £9.51m of additional un-ringfenced grants from Government in 2026/27 than had been assumed but this remains insufficient to managing rising demand and costs and the 2026/27 budget now presented again relies on EFS of £89.2m (£37.0m of 2025/26 deficit and £52.2m of 2026/27 deficit). This is money the council, if agreed will be allowed to borrow to fill its funding gap. It is not a grant and will need to be repaid with financing charges which for the coming year are forecast to cost £10m.

1.7. However, despite its depleting financial resources, the council's priority continues to be to deliver services to the most vulnerable as well as those more universal services valued by all residents, visitors and businesses and in 2026/27, the proposed new budget is £343.4m compared to £291.2m in 2025/26, of which 77% will be spent on adults and children's services and homelessness support.

1.8. Demand for statutory services continues to increase year on year alongside the price paid and is far outstripping the government grants received and the amount of income that can be generated locally. With more than 24,000 supported through the council tax reduction scheme and the relatively low numbers of residents who can fund their own adult social care, generating income to support delivery of local services is difficult.

1.9. In addition, there is planned £292.6m of capital investment in 2026/27 and £656.6m across the following four years in keeping schools open, maintaining roads, and other highways infrastructure to a safe standard, keeping the Council's operational estate health and safety compliant and the much-needed investment into Wood Green and Tottenham. The proposed capital programme is presented with a focus on health and safety and other essential investment to maintain the delivery of key services but also 'invest to save' opportunities, such as expanding leisure centre provision and commercial properties, both of which are expected to increase much needed income for the Council. Use of grants and other external funding will be

maximised but in 2026/27, 75% of the General Fund programme will be funded through borrowing. The Council recognises that the cost of borrowing remains high and the annual review of the programme next year will need to consider opportunities to avoid any further increases.

1.10. Although the number of dwellings has increased in the borough partly driven by the Council's ambitious council house building programme, the collection rates are falling to 92.5% and therefore the calculation for the council tax base is showing a reduction from 82,589 in 2025/26 to 80,924 for 2026/27. The average council tax band remains at Band C and numbers claiming council tax reduction support is increasing. Government has made clear in the recent provisional settlement that core spending power funding is calculated assuming that Council's apply the full 4.99% increase in Council Tax levels, and this has been assumed within this report for full Council to consider on 2 March.

1.11. The council has put in place a robust Financial Recovery Plan and a set of organisational arrangements to support its delivery. Stringent spending controls on all non-essential spend over £1,000 will continue with the aim of reducing over-spends in the current year and minimising the use of EFS in 2026/27. The Council's Financial Recovery Plan that was prepared early in the year will be reviewed in advance of April 2026 given the deteriorating financial position, with an aim of minimising reliance on EFS and improving financial sustainability over the next 5 years. Plans are also being put in place to introduce an 'independent sounding board'. This will bring in independent sector experts to oversee and hold the council to account for the delivery of the new Financial Sustainability Plan.

General Fund Revenue Budget

1.12. In 2026/27, the Council is expected to spend in total £1,184,457m (net revenue and capital budgets) on services for the 294,000 residents within the borough. Of this, £636.0m is on general services and £548.5m on supporting over 20,000 households in Council housing. The latter is covered in detail in the Housing Revenue Account Business Plan which is a separate report on the agenda. The reminder of this report provides details of the spend on day to day running of general services, longer term capital investment and how these are forecast to be funded.

1.13. The last report, published on 11 November 2025 provided details of the Council's budget pressures going into 2026/27, particularly within social care, and temporary accommodation. It was recognised in that report that further analysis would be required to ensure that the final budgets now being proposed are based on the most up to date information available. This work has resulted in a final total of £45.3m of additional budget as part of this year's financial planning process on top of the £46.3m previously agreed in March 2025. A full update is provided in Section 9 of this report which shows the full breakdown of the additional budget for 2026/27 that will now be needed to manage services and risks.

1.14. The external budget consultation on the draft budget proposals published in November ran from 24 November to 6 January and the specific responses

and general feedback received are summarised in Appendix 3. Cabinet have considered the feedback and although there are no changes to the draft budget as a result, the feedback provided has been extremely valuable and will be considered as part of the implementation of the proposals. The recommendations from Overview and Scrutiny Committee, together with the responses from Cabinet Members is set out in Appendix 4. No changes have been made to the draft budget as a result of these recommendations.

1.15. Since the draft budget report, Government has published the provisional Local Government Finance Settlement for 2026/27 to 2028/29. Haringey's Core Spending Power will increase by 5.5% in 2026/27 and 14% over the three year period. However, this remains both lower than the London average of 5.9% and lower than the average outer London borough of 8.6% for 2026/27. 'Core Spending Power (CSP)' is a headline figure used by government to represent the key revenue resources available to local authorities but includes an estimate of council tax (assuming the maximum increase and an estimated taxbase) and business rates (assuming authorities collect at their baseline level) income. Haringey's financial plans published in November already included an officer assumption that Council Tax would increase by 4.99%.

1.16. The provisional settlement CSP indicated £19.6m additional funding for Haringey in 2026/27 compared to the current year however, this includes the government assumed council tax income level (£151m) which is above what is actually billable by Haringey (£145m). The CSP funding also rolls in a number of previously specific grants which makes like for like comparisons extremely difficult. However, setting aside Council Tax increases, there is an estimated increase in un-ringfenced grant funding compared to 2025/26 of £9.51m compared to what the Council had been assuming. A significant amount of this comes from the continuation of the Recovery Grant (£5.4m) which will continue to be paid across the three years of the settlement, and which was not anticipated as part of the Fairer Funding 2.0 consultation.

1.17. While this is welcome, as is the certainty provided by funding announcements, it does little to address the underlying budget shortfall. To enable the estimated spending requirement, the Council will need to increase Council Tax by the maximum allowable amount of 4.99% and, for the second year running, seek special permission from Government to allow the Council to use borrowing (referred to as Exceptional Financial Support) of £89.2m for its day to day running costs and supporting the borough's most vulnerable residents.

1.18. This reliance on exceptional Government support is not sustainable and must be considered a short to medium term solution. The Council continues to explore ways to improve its efficiency and maximise value for money to reduce costs and increase income which in turn can be used to fund vital services. However, more fundamental changes will be required across the next three years to address the budget shortfalls as shown in Section 10.

1.19. The proposed budget for 2026/27 has been set based on the latest available information and assumptions but there are a number of inherent risks and uncertainties on service pressures, such as prevailing economic conditions,

and the delivery of the total budget reductions of £23.2m for 2026/27 as well as the delivering in full the £30m in 2025/26. Demand pressures are outstripping those that have been assumed. Details are set out in Section 8, along with the Council's approach to risk management through contingency and reserves management. The cumulative impact of funding austerity since 2010/11, increasing demand and more latterly, inflation, has reduced available reserve balances to an extremely low level and therefore recourse to EFS is the only viable option for the foreseeable future.

1.20. It remains the Section 151 Officer's view that any use of EFS must be a last resort however, despite the actions that the Council has introduced this year to control and restrict expenditure and ensure value for money in all contracts, the size of the forecast gap means that once again, the proposed budget for 2026/27 will again be set based on financial support from Government. Further details are set out in Section 8 and in the Section 151's Section 25 Statement in Appendix 11.

1.21. The five-year forecast of reserve balances is set out in Section 9 (Table 12) and includes details of all known commitments. It shows that reserves allocated for risks and uncertainties will remain unsustainably low at £5.4m at March 2026 rising to £14.3m in March 30/31 but this is based on a £3.0m replenishment from 2027/28 which may not be feasible. As highlighted, any use of reserves for balancing the budget is not sustainable and replenishment of reserves for managing risks and uncertainties will commence from 2027/28.

1.22. The remainder of this budget report is largely focussed on the budget for 2026/27, but it is set within the context of the medium term over the next five years. A balanced budget is proposed for 2026/27 if Government agree Haringey's application for EFS, however there remains an estimated budget gap of £239.5m between 2027/28 and 2030/31. Further details are set out in Section 10.

Dedicated Schools Budget

1.23. On 19 November 2025, the national figures for 2026/27 schools' budgets were announced. Overall, Haringey's National Funding Formula (NFF) allocation for 2026/27 is an increase of 0.90% for the School's Block and a 0.79% reduction in the Central Support Services Block.

1.24. Funding for both the High Needs Block and Early Years Block was not announced until 17 December 2025. The use of the high needs national funding formula (NFF) is being suspended for 2026/27. The individual council allocations will instead be based on the 2025/26 allocations plus consolidated in-year grants, pay increases and national insurance changes. This has resulted in a 5.52% increase in the level of funding for 2026/27 compared to current funding for 2025/26. The Early Years Block settlement reflects the full year effect of the entitlement for qualifying children of working parents to 30 hours free childcare for children aged 9 months to age 2, with the final school finance settlement confirmed usually in July 2026 for the updated Early Years Block census. Full details are set out in Section 14.

Capital Strategy and Capital Programme

1.25. The Capital Strategy is set out in a separate report on this meeting's agenda and is presented alongside this budget report for approval by the Full Council on 2 March. It sets out a high-level, long-term overview of how capital expenditure and capital financing activity contribute to the Council's key priorities in the Borough Vision and Corporate Delivery Plan. Appendix 7 of this report includes the full details of the proposed five-year capital programme which will see £292.6m (including EFS) or £203.4m (excluding EFS) of capital expenditure in 2026/27 and £949.245m (including EFS) or £460.0m (excluding EFS) across the five year period of 2026/27 to 2030/31 for the General Fund. The capital investment for the HRA is set out in the HRA Business Plan which is a separate report on the agenda.

1.26. The Council's ability to prudentially borrow to fund capital schemes and the EFS requirement is limited by the budgetary pressures the Council continues to face. In 2026/27 alone, £220.470m of planned spend is funded from borrowing. The financing costs of delivering this level of investment is estimated as £55m (£36m interest and £19m MRP) and has been reflected within the 2026/27 revenue proposed budget within this report. The Council recognises that these costs are too high and the annual review of the programme next year must identify opportunities to avoid any further increases and potential to reduce these borrowing costs.

1.27. Included within this report is the forecast programme and borrowing levels however, borrowing is only undertaken when required and schemes do not start until they have been through the appropriate governance (including viability and affordability).

1.28. The Council's Flexible use of Capital Receipts Policy is set out in Appendix 8. This flexibility now extends to 2030 and allows local authorities to fund the revenue costs of projects that result in ongoing cost savings or improved efficiency. Appendix 9 sets out the Capitalisation Policy.

Treasury Management Strategy Statement

1.29. Treasury management and prudential borrowing are integral to the consideration of the Council's revenue budget. The Treasury Management Strategy Statement (TMSS) 2026/27 is attached as Appendix 10. It was considered by Overview and Scrutiny Committee on 19 January and by Audit Committee on 29 January 2026 before the final TMSS will be presented to Council on 2 March 2026 for approval. It sets out the Council's approach to Treasury Management activity including the Minimum Revenue Provision (MRP) Policy 2026/27.

Conclusion

1.30. In summary, this report presents the Council's draft General Fund revenue and capital 2026/27 budget and current medium-term financial position for 2026 to 2031.

1.31. The only items not confirmed at this stage are:

- Final 2026/27 Local Government Finance Settlement announcement (expected mid-February) and any other late grant notifications from government departments;
- Notification of final levy sums. These are not expected to be significantly different to the sums already assumed within the proposed budget; and
- Confirmation of the Greater London Authority (GLA) council tax element which will be agreed on 26 February 2026.

1.32. The unknowns are not expected to have material implications for the 2026/27 proposed budget presented in this report, but any changes will be highlighted and addressed in the final budget report presented to Full Council on 2 March 2026.

2. Cabinet Member Introduction

2.1 Haringey The budget proposed in this report will see a record level of investment in Haringey. This means £343.4m spent on providing the services our residents need and rely on; and ensuring our public spaces and communities are clean, safe and welcoming for all. We are committed to building a Haringey where everyone can belong and thrive, and even in tough times, we are ensuring that vital resources go where they are needed most to realise that vision.

2.2 This budget proposes:

- £222.9m on adults and children's social care – supporting those residents who need help in some of the most challenging times of their lives
- £42.9m on preventing and addressing the homelessness crisis, including ending the use of B&Bs as temporary accommodation for families
- £4.7m on caring for our parks and green spaces (revenue and capital)
- £2.3m on our libraries
- £34.4m on supporting lower income residents with the cost of council tax.
- £283m on building new council homes and £93m on renovating our existing council homes and estates.
- £37.8m on Recycling and Waste
- £16.1m on concessionary fares

2.3 These decisions don't come about by accident. They are the result of tough choices. Due to historic, systematic government underfunding, in 2025/26 we have operated with around £143m less in real terms in core government funding than we did in 2010/11 - a 55% cut. At the same time, we have seen rising need for our local public services which, with high inflation in recent years, now cost much more to provide.

2.4 For years Haringey Council has been under-resourced to meet the needs of our communities. We've historically had 15% less to spend per resident than our neighbouring boroughs, despite our relatively high levels of deprivation in certain cohorts. This is why we are delighted that the government has recognised the need to change the funding formula to take account of deprivation (including housing costs) when assessing Fair Funding for local

government. Haringey will see an additional £18.4m over the next 3 years, £9.5m in 2026/27.

2.5 The government was never going to be able to reverse more than a decade of austerity in one go and this is welcome additional funding. If only funding had been allocated on the basis of need over the past 15 years, Haringey would not be facing such a challenging financial picture today.

2.6 That said, this is not sufficient to resolve the financial position that we face. Despite year-on-year efficiency savings, spending reductions and increases in income, Haringey will again need to rely on Exceptional Financial Support from government to balance our budget in 2026/27 and for the medium term future.

2.7 Our draft budget for 2026/27 includes £23.2m of savings proposals – made up of £14.9m which were approved in previous years and around £8.3m of new proposals, some of which we have consulted residents and businesses on over the past few weeks. We will be focusing relentlessly on achieving these savings alongside the delivery of the £30m of savings that are in this year's 2025/26 budget. This is vital in order to reduce the amount of Exceptional Financial Support that we use. EFS is money the council is allowed to borrow to fill its funding gap. It is not a grant and will need to be repaid, with interest in future years.

2.8 Despite all the challenges, this is a budget which reflects our values as a council. We are focused on getting the basics right. We are delivering and improving local public services – especially for the most vulnerable. We are putting real public investment into our fabulous local parks, public leisure centres and public libraries.

2.9 There is a long way to go, but we are turning the page on austerity, ending the era of managed decline and starting to rebuild our local public services and local public infrastructure. That is how we will build the fairer, greener borough that our residents deserve.

3. Recommendations

3.1 It is recommended that Cabinet:

a) Note the content of the Section 25 Statement provided by the Corporate Director for Finance and Resources (Appendix 11)
b) Consider the outcome of the budget consultation to be included in the report to Council (Appendix 3)
c) Note the content of the Cumulative Equality Impact Assessment for 2026/27 (Appendix 5)
d) Approve the responses made to the Overview and Scrutiny Committee recommendations following their consideration of the draft budget proposals (Appendix 4)
e) Propose approval to the Council of the 2026/27 Budget and MTFS 2026/31 Budget, new budget requirements and savings proposals (Appendices 1 and 2 a-f)

f) Propose approval to the Council of the 2026/27 General Fund Revenue Budget as set out in Appendix 1, including specifically a General Fund budget requirement of £343.4m, but subject to final decisions of the levying and precepting bodies and the final local government finance Settlement.
g) Propose approval to the Council of the General Fund Medium Term Financial Strategy (MTFS) 2026/2031 (Appendix 1)
h) Propose approval to the Council that the overall Haringey element of Council Tax to be set by London Borough of Haringey for 2026/27 will be £1,803.26 per Band D property, which represents a 2.99% increase on the 2025/26 Haringey element and with an additional 2% for the Adult Social Care Precept amount.
i) Note the Council Tax Base of the London Borough of Haringey, as agreed by the Section 151 Officer under delegated authority (Article 4.01(b), Part 2, of the Constitution), as 80,924 for the financial year 2026/27 (Appendix 6).
j) Propose approval to the Council of the General Fund Capital Programme 2026/27 to 2030/31 (Appendix 7).
k) Propose approval to Council of the strategy on the use of flexible capital receipts to facilitate the delivery of efficiency savings including utilisation for redundancy costs (Appendix 8)
l) Note the Capitalisation Policy (Appendix 9).
m) Note the Treasury Management Strategy Statement for 2026/27 for approval by Council (Appendix 10)
n) Propose approval to Council of the 2026/27 Minimum Revenue Provision policy (Appendix 10, Annex C).
o) Propose to the Council the Dedicated Schools Budget (DSB) allocations for 2026/27 of £149.8m as set out in Table 16 and paragraph 14.2.
p) Note the funding to be distributed to primary and secondary schools for 2026/27 based on the figures advised to Schools Forum and submitted to the Department for Education (DfE) in January 2026 set out in Section 14.
q) Note the budgets (including the use of brought forward DSG) for the Schools Block, Central Services Block, High Needs Block and Early Years Block set out in Table 16**.**
r) Delegate to the Director of Children Services, following consultation with the Cabinet Member for Children, Education and Families, authority to amend the Delegated Schools Budget to take account of any changes to Haringey's total schools funding allocation by the DfE.
s) Delegate to the Section 151 officer, following consultation with the Cabinet Member for Finance and Corporate Services, authority to make further changes to the 2026/27 draft budget to Full Council.

4. Reasons for decision

4.1 The Council has a statutory obligation to set a balanced budget for 2026/27 and this report forms part of the budget setting process for setting out the forecast funding and expenditure for 2026/27 which will be presented to Full Council on 2 March 2026. As part of good financial management and transparency, this report also sets out the current funding and expenditure assumptions for the following four years in the form of an updated Medium-Term Financial Strategy (MTFS). The final budget for 2026/27, Council Tax

levels, Capital Programme, Treasury Management Strategy Statement, Housing Revenue Account (HRA) budget and Business Plan will be recommended to Full Council on 2 March 2026 following consideration at Cabinet on 10 February 2026.

5. Alternative options considered

5.1 The Cabinet must consider how to deliver a balanced 2026/27 budget and sustainable MTFS over the five-year period 2026/2031, to be reviewed and adopted at the meeting of Full Council on 2 March 2026.

5.2 The Council has developed the proposals contained in this report in light of its current forecasts for future income levels and service demand. These take account of the Council's priorities; the extent of the estimated funding shortfall; the estimated impact of wider environmental factors such as inflation, interest rates, household incomes and, in some service areas, the legacy of the Covid-19 pandemic.

6 External Context

Economic Factors

6.1 The Office for Budget Responsibility (OBR) published an update of national economic and fiscal outlook on 26 November 2025. That report estimated real Gross Domestic Product (GDP) growth is forecast to grow by 1.5% on average over the forecast slower than that projected in March due primarily to lower underlying productivity growth.

6.2 The OBR made a specific reference to an increase in local authority borrowing as a key risk to the government's economic and fiscal outlook. Forecasted local authority borrowing has increased by £7bn compared to March 2025 reflecting upward revisions in recent outturns and with SEND pressures which is expected to further increase to at least £14bn.

6.3 Consumer Price Index (CPI) inflation is forecast to be 3.5% in 2025 on average decreasing to 2.5% in 2026. Both figures are higher than the previous forecast in March 2025. The OBR expects inflation to be higher for longer, decreasing to the Bank of England's target of 2% by 2027 (a year later than previously forecast).

6.4 The Bank of England interest rate is expected to fall to 3.6% in 2026. The expected rate then rises gradually, returning to 4% by the end of 2030. The unemployment rate remains on a gradual upward trend since a post-pandemic trough of 3.8%, and it is expected to remain close to its current rate of 5% until 2027 before falling to its equilibrium rate of 4% for the remainder of the forecast.

6.5 The Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. The MPC adopts a medium-term and forward-looking approach to determine the monetary stance required to achieve the inflation target sustainably.

6.6 At its last meeting on 18 December 2025, the MPC voted to reduce the Bank Rate by 0.25% to 3.75%. Since August 2024 the rate has been cut six times and CPI inflation has fallen a long way from its peak of over 10% three years ago and currently stands at 3.2%.

6.7 The international outlook continues to be volatile which could impact negatively on the current inflation and bank rate forecasts which would directly impact on the current budget assumptions.

National Policy Developments

6.8 On 20 November 2025, the Government published a Policy Statement on the 2026/27 – 2028/29 local government finance settlement as well as the following documents:

- The Government's formal response to the summer 2025 consultation on Fair Funding Review (FFR) 2.0;
- The Government's formal response to the 2025 consultation on the delivery of the business rates reset; and
- A policy paper on delivery of the business rates reset.

6.9 The Policy Statement confirmed that the Government will deliver a three-year local government finance settlement – although technically legislation will still require the Parliament to pass the settlement each year, so changes are still possible.

6.10 The statement provided details of additional funding over the Spending Review (SR) period of £3.4 billion grant funding, of which £1 billion is in 2026/27, £1.1 billion in 2027/28, growing to £1.23 billion in 2028/29, all geared towards social care.

6.11 The Policy Statement confirmed changes to the Business Rates Retention system including a safety net at 100% of Baseline Need for 2026/27. This will provide increased certainty and assurance to the local government sector when budgeting business rates income in 2026, amongst the backdrop of major business rates reforms, including the reset and tax policy changes. The Safety Net threshold will gradually move back to the current level of 92.5% for most authorities over the multi-year Settlement by 2028/29.

6.12 The statement also confirmed the intention to move towards 'funding simplification' with some current service specific grants being rolled into the Revenue Support Grant (RSG) and £21.5bn of funding across the 3 years, merged into four new consolidated grants: -

- Homelessness, Rough Sleeping and Domestic Abuse Grant
- Children, Families and Youth Grant
- Public health Grant
- Crisis and Resilience Fund

6.13 Council tax referendum principles will continue at their 2025/26 levels for the three-year period (although note they will still be set annually due to legislative provisions) which for Haringey, as a social care authority, is up to

3% for the general increase and an additional 2% for the adult social care precept.

2026/27 Provisional Local Government Finance Settlement (PLGFS)

6.14 The PLGFS was announced on 17 December 2025 and confirmed much of the updates that were set out in the Policy Statement published on 20 November 2025 but also provided the provisional funding allocations for 2026/27 and indicative figures for 2027/28 and 2028/29. The figures for all years are based on the outcome of the 2024 Autumn Budget and Spending Review, announcements in the 2025 Budget and the 20 November Policy Statement.

6.15 Core Spending Power (CSP) will increase by 15.1% across England and 16.2% for London boroughs by 2028/29 compared to the baseline year of 2025/26. Over that same period, the non-council tax portion of CSP will increase by 7.9% across England and 9.2% for London boroughs. Haringey's increase is £9.7%.

6.16 Key points to note are as follows and Haringey's provisional allocations are set out in Section 8:

- The introduction of a "Fair Funding Assessment (FFA)" based on the outcome of the Fair Funding Review 2.0. This FFA has been split into the Baseline Funding Level, Revenue Support Grant and Local Authority Better Care Grant (LABCG).
- Adult social care funding – all funding for adult social care in 2025/26 core spending power has been redistributed using the Fair Funding Review, with the local authority better care grant allocations top sliced out of social care authorities' FFAs (in other words, carved out as an identifiable section 31 grant). Additional adult social care funding, worth £150 million in 2026/27, £250 million in 2027/28 and £500 million in 2028/29 has been added to RSG and will be distributed using the new adult social care relative needs formula used in the Fair Funding Review, without any council tax adjustment. The Department of Health and Social Care will shortly publish 'notional' adult social care amounts which will set out an expectation of how much of council funding should be spent on adult social care.
- Council Tax threshold will remain at 3% over the course of the multi-year settlement and an adult social care precept of up to 2% without a referendum can be set. The government proposes flexibilities and will not set referendum principles in 2027/28 and 2028/29 for six upper-tier authorities meeting specific criteria, five of which are in London.
- The government will consider local requests for council tax flexibility where a local authority is facing significant local financial difficulty, and the existing council tax is below the national average. Haringey has not applied for this flexibility.
- Any revenue from Council tax premiums, including the second homes premium which came into effect this year, will not be accounted for in the FFR and will be seen as additional income.
- Funding Floors are in place to provide transitional protection for certain authorities moving from current funding to new funding (this does not apply to Haringey).

- The Employer National Insurance Contributions (NICs) Grant will continue to support councils in 2026/27; no new policy changes or additional funding have been announced.
- Recovery grant – the 2025/26 Recovery Grant continues for those Councils currently in receipt (this applies to Haringey).

Consolidated Grants in Core Spending Power

- **Homelessness, Rough Sleeping and Domestic Abuse grant** – This grant is not new funding but will become part of Core Spending Power. It brings together existing grants and has its own bespoke distribution for each element and will be ringfenced. The overall total funding will grow by £110 million by 2028/29 and local authorities will be guaranteed a minimum cash flat amount.

    - Domestic Abuse Safe Accommodation new burdens (£160 million in 2025/26, already in spending power),
    - Part of Homelessness Prevention Grant (£321 million in 2025/26),
    - Rough Sleeping Prevention and Recovery Grant (£254.4 million in 2025/26)
    - Rough Sleeping Accommodation Programme (£37.3 million in 2025/26).

- **Children, Families and Youth grant (part)** – This grant is not new funding and part of it is already in Core Spending Power. It brings together the existing Children's Social Care Prevention Grant (£269.6 million in 2025/26) and the Supporting Families element of the Children Families Grant (£253.5 million in 2025/26). The total will be increased by £330 million in 2026/27, held cash flat in 2027/28 and then reduce by £124 million in 2028/29. Distribution will the through the new children and young people's services relative needs formula used in the Fair Funding Review without adjustment for council tax. All councils will be guaranteed their 2025/26 predecessor grant amounts. The 'Holiday Activity and Food' portion of the grant is a direct replacement for the Holiday Activities and Food grant. The 2026/27 amount is slightly higher due to a temporary introduction of additional administrative funding, with its own distribution method. The 'Pupil Premium Plus Post-16' element is a direct rolling in of the grant, at existing allocations and amounts.

Consolidated Grants Outside CSP

- **Public Health** – This grant combines the following grants:

    - The main public health grant
    - Drug and Alcohol Treatment and Recovery Improvement Grant
    - Individual Placement Support
    - Local stop smoking services support grant
    - Funding previously used for the Swap to Stop scheme.

- **Crisis & Resilience-** This grant combines 2025/26 Discretionary Housing Payment (£93m) and Household Support Fund (£742m) grants under a single grant.

- **Children, Families and Youth Grant (remaining part) -** This new consolidated grant sits both inside and outside core spending power. See above for further details.

6.17 Special Educational Needs and Disabilities (SEND): A full Schools White Paper will be released early this year, setting out substantial plans for reforms of special educational needs provision.

Further Consultations

6.18 The following consultations are currently underway or expected shortly and London Council's is expected to lead on the responses on behalf of the boroughs:

- Visitor levy in England (i.e. overnight accommodation levy, tourist tax), 18 February
- Business Rates and Investment: Call for Evidence, 18 February
- High value council tax surcharge, to be announced

7 Internal Context

Haringey 2025 and the Corporate Delivery Plan

7.1 As a Council, Haringey delivers hundreds of different and diverse services to almost 294,000 residents.

7.2 On 15 October 2024, Haringey's Borough Vision was published with 'Making Haringey a place where everyone can *belong and thrive* as a commitment at its heart. The aim of the vision is to galvanise the actions not just of the council but also of partners, residents and businesses behind a set of common objectives. Haringey 2035 identifies the six key areas for collaborative action over the next decade:

- Safe and affordable housing.
- Thriving places.
- Supporting children and young people's experiences and skills.
- Feeling safe and being safe.
- Tackling inequalities in health and wellbeing.
- Supporting greener choices.

7.3 This builds on the Haringey Deal which sets out the council's commitment to developing a different relationship with residents, alongside the Corporate Delivery Plan (CDP) which sets out the organisational priorities every two years.

7.4 The current CDP was approved by Cabinet in July 2024 and can be found here - The Corporate Delivery Plan 2024-2026 (haringey.gov.uk). It outlines

the strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The plan is set out in eight separate themes:

- Resident experience and enabling success.
- Responding to the climate emergency.
- Children and young people.
- Adults, health and welfare.
- Homes for the future.
- Safer Haringey.
- Culturally rich borough.
- Place and economy.

7.5 Key metrics for each theme have been set to determine if activities are having the intended effect and are reported to Cabinet and the Overview and Scrutiny Committee every six months. A new Corporate Delivery Plan will be developed following the local elections in 2026 this will cover the first two years of the administration.

7.6 The Budget and MTFS process is the way in which the Council will allocate financial resources to support the delivery of the CDP alongside analysing and responding to changes in demand, costs and external factors.

Haringey as a Place

7.7 Haringey is an outer London borough but which exhibits many inner London characteristics including levels of deprivation, high housing costs and urban density. Unlike many other London boroughs, it also continues to have a growing population – with the number of over 65s being 41% higher in 2026 than they were in 2011. In the same period there has been a 10% decrease in children under 17. Haringey has a population density of about 9,178 people per square kilometre, making it the 12th most densely populated borough in London.

7.8 The most recently reported data shows that 27.5% of residents aged 16 to 65 were claiming Universal Credit in Haringey in November 2025 - over 51,000 people, the highest ever figure. The same data showed 7.5% of residents aged 16+ were claiming unemployment-related benefits in Haringey in May 2025 circa 14,000 people and, one of the lowest rates in the last 18 months yet still the third highest in the UK

7.9 The 2025 Index of Multiple Deprivation (IMD) was recently published. This is a national measure used to understand how deprived different areas are, based on factors such as income, employment, health, education, crime, housing, and the environment.

7.10 The previous IMD was published in 2019. While changes to methodology, area boundaries and the impact of the pandemic make direct comparisons difficult, there are some noticeable shifts:

7.11 Overall, in line with many London boroughs and other metropolitan areas, Haringey has become more deprived and is now more deprived than 90% of English local authorities. Key notables are: -

- Haringey continues to rank poorly for Barriers to housing and services, living environment, and income deprivation affecting older people. In all three domains, it is more deprived than 97% of local authorities.
- The borough has experienced a drop in rank for Employment and Income deprivation affecting children, and Overall Income, indicating increased deprivation in these areas since 2019.
- Among English local authorities, Haringey continues to rank mid-range for Education, skills and training, and Health and disability deprivation.
- There has been a noticeable improvement in Crime-related deprivation, with Haringey moving from the 9th most deprived to the 30th. For the first time, it is close to leaving the bottom 10%.

8 Draft Budget 2026/27

8.1 Developing the draft budget for 2026/27 aligns with the Council's budget principles and factors. These, along with several key factors have been taken into consideration are set out below.

Budget Principles

- To support the delivery of the Council Plan and priorities.
- Financial Planning will cover at least a 4/5 year period.
- Revenue and capital budgets of equal importance.
- Cost reductions and income generation required.
- Sustainable budget for future years (one off reductions are not the solution).
- No on-going reliance on reserves.
- Any use of reserves to balance the budget will need to be replenished.
- Estimates used for pay, price and demand should be based on data and evidence – referred to as pressures.
- Growth for increased or enhanced service provision will be exceptional and considered on case by case basis.
- Loss of Government grant will result in same reduction in expenditure.
- All services will ensure value for money and high levels of productivity.

Budget Factors

- Impact of macro-economic conditions, such as inflation and interest rates for 2026/27 have used the latest forecast published by the OBR.
- Government Funding and the allocations published in the Provisional Local Government Finance Settlement on 17 December 2025 have been used.
- Estimates of other potential income sources, including Council Tax, Business Rates, fees and charges and other contributions.

- Forecast increase in demand and price pressures will be based on the latest data and trends and consider any risks in the estimates.
- Net budget reductions (savings) include both reducing costs and increasing income.

Draft Revenue Budget 2026/27 – Funding

8.2 As highlighted above, the Council is expected to spend net £343.4 on day to day services and this will be funded through a number of different sources such as:

a) Council Tax
b) Business Rates (now part of Fair Funding Allocation (FFA))
c) Government Grants (within FFA)
d) Government Grants (within Core Spending Power and Service Specific)
e) Customer Receipts (including fees, charges, parking)
f) Rental Income
g) Investment Income

8.3 The main revenue sources are set out in Table 1.

Table 1 – Key Revenue Sources 2026/27

Income Source	**£'000**
Council Tax (a)	(145,928)
Baseline Funding (b)	(96,838)
Revenue Support Grant (c)	(95,155)
Local Authority Better Care Grant (c)	(12,098)
Other Grants (d)	(19,213)
Total	**(369,232)**

Government Funding

8.4 On 17 December 2025, Government published the Provisional Local Government Finance Settlement (PLGFS) for 2026/27. This has been subject to consultation, and the final settlement is expected to be published mid-February 2026. Therefore, any changes will be reflected in the final report to Council on 2 March 2026. The proposed budget set out in this report assumes that there will be no further changes.

8.5 As in previous years, the majority of General Fund support announced in the PLGFS is focused on 'Core Spending Power' (CSP) which is a Government measure of the resources available to local authorities to fund service delivery. As outlined in Section 6 above, the components of CSP have changed this year as a result of the Fair Funding Review 2.0 and the Business Rates re-set. It includes the following:

- Fair Funding Allocation, which includes
- Baseline Funding Level (retained Business Rates and top up funding)
- Revenue Support Grant (now increased as more grants rolled in)
- Local Authority Better Care Grant

- Council tax requirement (a calculated notional figure based on national taxbase growth levels and an assumption that all authorities have and will apply the maximum council tax increase).

- Homelessness, Rough Sleeping and Domestic Abuse (which comes with grant conditions)
- Families First Partnership (which comes with grant conditions)
- Grants rolled in to Revenue Support Grant
- Recovery Grant

8.6 Additional funding will be provided via **consolidated grants** which will sit outside the CSP. These, like the Homelessness and Families First Partnership sums within CSP, come with specific grant conditions and includes:

- Public Health – which now incorporates Drug and Alcohol Treatment and Recovery & Improvement Grant (DATRIG); Individual Placement and Support grant (IPSG); Local Stop Smoking Services and Support Grant (LSSSSG) and the Swap to Stop scheme.
- Crisis & Resilience – which incorporates the Household Support Fund and Discretionary Housing Payments.
- Children, Families & Youth Grant (element outside CSP) covering the Holiday Activities and Food grant and Pupil Premium Plus Post-16 grant.

8.7 Table 2 below was published by Government on the 17 December as part of the suite of PLGFS documents. It sets out the Government's assessment of Haringey's provisional Core Spending Power (CSP) for 2026/27 – 2028/29 with current and prior years provided for context.

Table 2 – Illustrative Core Spending Power – London Borough Haringey

Illustrative Core Spending Power of Local Government: - London Borough Haringey	2024-25 £ millions	2025-26 £ millions	2026-27 £ millions	2027-28 £ millions	2028-29 £ millions
Fair Funding Allocation[1]	0.0	0.0	204.1	209.2	214.2
of which: Baseline Funding Level	0.0	0.0	96.8	99.1	101.1
of which: Revenue Support Grant[2]	0.0	0.0	95.2	110.1	113.2
of which: Local Authority Better Care Grant[3]	0.0	0.0	12.1	0.0	0.0
Legacy Funding Assessment	180.7	188.3	0.0	0.0	0.0
of which: Legacy Business Rates[4]	108.5	110.7	0.0	0.0	0.0
of which: Legacy Grant Funding[5]	62.3	65.5	0.0	0.0	0.0
of which: Local Authority Better Care Grant	9.8	12.1	0.0	0.0	0.0
Council tax requirement[6,7]	133.9	141.9	151.8	162.4	173.8
Homelessness, Rough Sleeping and Domestic Abuse[8,9]	6.7	8.7	8.4	8.0	7.2
Families First Partnership[10]	1.7	3.1	5.4	5.4	4.6
Total Transitional Protections[11]	0.0	0.0	0.0	0.0	0.0
of which: 95% income protection	0.0	0.0	0.0	0.0	0.0
of which: 100% income protection	0.0	0.0	0.0	0.0	0.0
of which: Fire and Rescue Real-terms floor	0.0	0.0	0.0	0.0	0.0
Grants rolled in to Revenue Support Grant[12]	6.7	8.2	0.0	0.0	0.0
Recovery Grant	0.0	5.4	5.4	5.4	5.4
Recovery Grant Guarantee[13]	0.0	0.0	0.0	0.0	0.0
Mayoral Capacity Fund	0.0	0.0	0.0	0.0	0.0
Core Spending Power	**329.6**	**355.5**	**375.1**	**390.4**	**405.2**
Core Spending Power year-on-year change (£ millions)		25.8	19.6	15.3	14.8
Core Spending Power year-on-year change (%)		7.8%	5.5%	4.1%	3.8%
Core Spending Power change since 2024 (£ millions)		25.8	45.4	60.7	75.6
Core Spending Power change since 2024 (%)		7.8%	13.8%	18.4%	22.9%
Core Spending Power change since 2025 (%)			5.5%	9.8%	14.0%

n.b *the reference numbers in the table above provide technical notes on how each figure has been derived and is available in the PLGFS publication by Government (CSP_information_main_table_2026-27_to_2028-29_footnote_update.xlsx).*

8.8 It should be noted that the CSP figure includes a notional assessment of the income that Haringey can generate via Council Tax. As this figure is based on national assumptions on collection rates, taxbase growth and annual increases, it does not reflect the reality for the Borough.

8.9 Therefore, to provide a more realistic updates the CSP figures in Table 2 above have been adjusted in Table 3 below to remove any one-off funding in 2025/26 grant allocations and also to show the locally estimated Council Tax income. This suggests that in reality a lower CSP increase for 2026/27 of £15.8m reducing over the three years to £12.8m in 2028/29. Excluding Council Tax income changes, this suggests a real increase in CSP of just £11.8m in 2026/27.

Table 3 – Adjusted Illustrative Core Spending Power – London Borough Haringey

Illustrative Core Spending Power of Local Government:	2024-25 £ millions	2025-26 £ millions	2025-26 Adjusted £ millions	2026-27 £ millions	2027-28 £ millions	2028-29 £ millions
Fair Funding Allocation[1]	0.0	0.0	0.0	204.1	209.2	214.2
of which: Baseline Funding Level	0.0	0.0	0.0	96.8	99.1	101.1
of which: Revenue Support Grant[2]	0.0	0.0	0.0	95.2	110.1	113.2
of which: Local Authority Better Care Grant[3]	0.0	0.0	0.0	12.1	0.0	0.0
Legacy Funding Assessment	180.7	188.3	186.3	0.0	0.0	0.0
of which: Legacy Business Rates[4]	108.5	110.7	111.5	0.0	0.0	0.0
of which: Legacy Grant Funding[5]	62.3	65.5	62.6	0.0	0.0	0.0
of which: Local Authority Better Care Grant	9.8	12.1	12.1	0.0	0.0	0.0
Council tax requirement[6,7]	133.9	141.9	141.9	145.9	154.7	164.1
Homelessness, Rough Sleeping and Domestic Abuse[8,9]	6.7	8.7	8.1	8.4	8.0	7.2
Families First Partnership[10]	1.7	3.1	3.1	5.4	5.4	4.6
Total Transitional Protections[11]	0.0	0.0	0.0	0.0	0.0	0.0
of which: 95% income protection	0.0	0.0	0.0	0.0	0.0	0.0
of which: 100% income protection	0.0	0.0	0.0	0.0	0.0	0.0
of which: Fire and Rescue Real-terms floor	0.0	0.0	0.0	0.0	0.0	0.0
Grants rolled in to Revenue Support Grant[12]	6.7	8.2	8.7	0.0	0.0	0.0
Recovery Grant	0.0	5.4	5.4	5.4	5.4	5.4
Recovery Grant Guarantee[13]	0.0	0.0	0.0	0.0	0.0	0.0
Mayoral Capacity Fund	0.0	0.0	0.0	0.0	0.0	0.0
Core Spending Power	**329.6**	**355.5**	**353.4**	**369.2**	**382.7**	**395.5**
Core Spending Power year-on-year change (£ millions)		25.8	23.7	15.8	13.5	12.8
Core Spending Power year-on-year change (%)		7.8%	7.2%	4.5%	3.7%	3.3%
Core Spending Power change since 2024 (£ millions)		25.8	23.7	39.5	53.0	65.8
Core Spending Power change since 2024 (%)		7.8%	7.2%	12.0%	16.1%	20.0%
Core Spending Power change since 2025 (%)			-0.6%	4.5%	8.3%	11.9%

n.b *the reference numbers in the table above provide technical notes on how each figure has been derived and is available in the PLGFS publication by Government (see link above)*

8.10 Although Government propose that they are striving for funding simplification, the number of grants now rolled into RSG and the consolidation of some other grants into CSP but which come with tight conditions, makes it difficult to clearly articulate the level of real increase in funding.

8.11 For 2026/27 budget planning purposes, a funding increase of £11.8 has been assumed. This is £9.51m increase in un-ringfenced funding compared to 2025/26 with a further £2.3m for the Families First Partnership which is expected to come with specific conditions on how the funding is spent.

8.12 Due to the change in how Government are providing funding, notably rolling in previously service specific grant into RSG, the budget now presented for 2026/27 shows the impact on directorate cash limited budgets of moving previously service related budgets, such as the Social Care grants, into a much larger RSG grant of £95.2m (£27.8m 2025/26). This has the impact of increasing directorate net budgets, now being funded via a much larger corporately held RSG figure. This has no impact on the overall council net budget requirement or the spending power of individual services.

Consolidated Grants and Other Service Specific Grants

8.13 In addition to the Government grants included within the Core Spending Power (CSP) set out in Tables 2 and 3 above, there are a number of other service specific grants, including the 'consolidated grants' which are included in the proposed service budgets for 2026/27. For those grants that have not yet been confirmed, the 2026/27 value has been assumed at the 2025/26 level. In line with the Council's budget principle, any loss of service specific government grant will result in a corresponding reduction in expenditure unless otherwise agreed as part of the annual budget process.

Business Rates

8.14 Business Rates (NNDR) are set nationally. The value of business premises is determined by the Valuation Office and the Government set the multiplier which specifies the pence per pound paid in tax.

8.15 Since its introduction in 2013/14 the Business rates Retention Scheme (BRRS) has been stable, with only changes due to Revaluation (2017 and 2023) and the creation of enhanced local shares. For 2026/27 the scheme will see wide ranging changes, all of which have been preannounced. These relate to both the business rates as a tax and the resources local authorities can expect to receive.

Revaluation 2026

8.16 For 2026/27 (as with 2017/18 and 2023/24) the business rates taxbase has been revalued. Previously, adjustments were made to local authorities top up / tariff amounts to adjust for change in rateable value (RV), with the aim of keeping resources retained by Haringey as stable. Due to the reset occurring at the same time as Revaluation 2026, for 2026/27 no adjustments via top up / tariff amounts will be required however, adjustments will be required in 2027/28 to reflect any differences between provisional and final RVs.

8.17 Furthermore, under the new system, income loss due to successful appeals is being set nationally; previously this was a local estimate. The national allowance has been set at 3.75%. As this is a national figure, there will be winners and losers locally, if appeal losses on the 2026 list are lower (winners) or higher (losers).

New Multipliers

8.18 As previously announced by Government, from 2026/27 there will be five multipliers as follows: -

- Small business Retail, Hospitality & Leisure (RHL) multiplier: 38.2p
- Small business non-domestic rating multiplier: 43.2p
- Standard RHL multiplier: 43.0p
- Standard non-domestic rating multiplier: 48.0p
- High-value non-domestic rating multiplier: 50.8p

8.19 The two new lower multipliers for Retail, Hospitality & Leisure (RHL), to be funded by a new High-Value Multiplier (HVM).

Reform to the Business Rates Retention System (BRRS)

Reset of Baselines

8.20 A full reset of the BRRS will take place for 2026/27. This means authorities NNDR Baseline (target amount) will be set at what is expected to be collected in 2026/27. This should mean for the vast majority of local authorities the resources received will be equal to their baseline need.

8.21 The reset means that £2.38bn of business rates growth (based on 2025/26 NNDR1 returns) that would have been previously retained locally by the individual authorities collecting it, is now added to the national control totals and distributed based on Fair Funding 2.0.

Levy / safety net reform

8.22 For 2026/27 the safety net has been set at 100% guaranteeing authorities the intended level of business rates funding, regardless of actual income billed. The safety net will fall to 97% in 2027/28 and 92.5% in 2028/29.

Business rates reset, revaluation and multiplier reform – overall impact

8.23 Taking into account all of the factors above, the amount of business rates retained by Haringey as part of FFA is £96.8m as shown in Table 1. The impact of these reforms does not change the outcome of how the Fair Funding Review redistributes funding.

8.24 Based on the 2025/26 Haringey collection rates for business rates forecast at period 9 of 93%, a stretch target of 94% collection for 2026/27 is currently assumed.

Business Rates Pooling

8.25 A business rates pool of eight Authorities was created for the 2022/23 financial year involving the City of London, and the London Boroughs of Tower Hamlets, Hackney, Waltham Forest, Enfield, Barnet, Brent and Haringey. This was because of the financial benefit to the eight authorities involved based on the levels of business rate growth in some of the boroughs. This Pool has continued each year since 2022/23 delivering on average a £2m per annum benefit to Haringey.

8.26 As a result of the Business Rates Retention reform and the long awaited reset, modelling for the 2026/27 financial year suggests that there is no benefit in continuing the pool and therefore the eight authority pool has been revoked as of 1 April 2026. This can be revisited in future years if the financial benefits can be demonstrated.

Council Tax

8.27 Income collected through Council Tax is determined by the level of tax and the Council tax base.

8.28 The proposed budget is based on a 4.99% increase in the level of Council Tax (2.99% general increase and 2% Adult Social Care Precept) and is in line with the referendum thresholds published by Government as part of the Provisional Local Government Finance Settlement.

8.29 The overall impact is an average Band D property increase from £1,717.56 to £1,803.26, an increase of £85.70. The average Band C property will increase from £1,526.72 to £1,602.91. Full details are set out in Table 4.

Table 4 – Proposed Council Tax Levels – 2026/27

Band	Haringey 2025/26 Council Tax £	Haringey 2026/27 proposed Council Tax £	Haringey Change £
A	1145.04	1202.18	57.13
B	1335.88	1402.54	66.66
C	1526.72	1602.91	76.19
D	**1717.56**	**1803.26**	**85.70**
E	2099.24	2204.00	104.76
F	2480.92	2604.72	123.80
G	2862.6	3005.45	142.85
H	3435.12	3606.54	171.42

Council Tax Base

8.30 The Council tax base is the number of properties in Bands A to H in the borough but expressed as the number of equivalent band D's. In most areas, Band D is the average but for Haringey, the average remains as Band C. This is a notable point because Government, when calculating Core Spending Power use Band D as the average. The proposed budget assumes an increase in the number of dwellings of 1.4% for 2026/27 based on the latest properties on the ratings list and those forecast for next year. However, in year collection rates for Council tax are tracking well below target thought to be due to residents feeling the on-going squeeze on income. The assumed collection rate for 2026/27 has therefore been reduced to 92.50% (95.75% 2025/26). The assumed Council Tax base calculation for the budget is 80,924 (82,589 2025/26) which has been agreed by the Section 151 Officer under delegated authority.

Council Tax Reduction Scheme

8.31 In 2026/27, the Council will continue to fully fund the local Council Tax reduction (local Council Tax benefit) scheme as the cost of living crisis continues to impact on many households and will protect vulnerable residents on low incomes who might otherwise pay more. Currently just over 24,000 households receive a Council Tax reduction. The total spend on the scheme is expected to be approximately £34.4m.

8.32 The Council has plans to improve the support offer for residents who are at risk of or experiencing financial crisis, including those who are in debt to the council. The financial support team offer support and advice to help improve resident's financial situation. This includes providing timely, empathetic and practical support to help residents increase their income and reduce their debt. A reduction in the number of Council Tax Support claimants will be one

of the ways to track the impact of this service on those with the lowest incomes.

Greater London Authority Precept

8.33 The draft Greater London Authority Band D Council Tax figure for 2026/27 was published on 3rd December as £510.51 a 4% increase or £20.13 (£490.38 in 2025/26). The final 2026/27 precept will be issued after the London Assembly meets on 26 February 2026. Any changes will be reported to Council on 2 March 2026. Full details of the draft rates by Bands A to H are set out in Table 5.

Table 5 – Proposed GLA Council Tax Levels 2026/27

Band	GLA 2025/26 Council Tax £	GLA 2026/27 proposed Council Tax £	Change £
A	326.92	340.34	13.42
B	381.41	397.06	15.65
C	435.89	453.79	17.90
D	490.38	510.51	20.13
E	599.35	623.96	24.61
F	708.33	737.40	29.07
G	817.30	850.85	33.55
H	980.76	1021.02	40.26

8.34 Taking into account both the proposed increase in Haringey Council Tax and GLA increase, a summary is set out in Table 6.

Table 6 – Total Proposed Council Tax Level 2026/27

Band	Haringey 2026/27 proposed Council Tax £	GLA 2026/27 proposed Council Tax £	Total £	% of dwellings in each band
A	1202.18	340.34	1542.52	3%
B	1402.54	397.06	1799.60	11%
C	1602.91	453.79	2056.70	27%
D	**1803.26**	**510.51**	**2313.77**	**26%**
E	2204.00	623.96	2827.96	14%
F	2604.72	737.40	3342.12	8%
G	3005.45	850.85	3856.30	9%
H	3606.54	1021.02	4627.56	2%

8.35 Cabinet is asked to recommend to Council on 2 March 2026, the final council tax and budget figures to enable the council tax resolution to be passed.

Collection Fund

8.36 The Collection fund is a separate account which receives the income collected from Council Tax and Business Rates payers and then makes payments to the Council, GLA and Government.

8.37 The Local Authorities (Funds) (England) Regulations 1992 (as amended) require an annual projection of the balance on 31 March each year. This is because precepting authorities share surpluses / deficits and need to take account of these when setting the budget.

8.38 The projected balance on the collection fund on 31 March 2026 is estimated at £3.234m. The business rates proportion of this is £1.457m and the Council Tax element is £1.777m. The relative share of these attributable to Haringey is £2.349m. Given the volatility of this increasingly significant income stream, this surplus has not been built into the 2026/27 budget, and a decision on its application will be made during the course of the year. It is likely that it will be added to the Collection Fund Smoothing reserve to manage any future deficits.

Fees and Charges

8.39 Income from fees and charges (including rents from commercial and operational estates) is approximately 13.3% of the Council's income. On 9 December 2025, Cabinet approved the fees and charges for 2026/27 which was based on an average of 3.8% increase. The additional income is not forecast to improve the council's net budget however, it will go towards reducing the gap between budgeted and actual income.

Draft Revenue Budget 2026/27 – Expenditure

8.40 The starting position of setting the budget for 2026/27 is the financial position in previous and current financial years.

8.41 Although the 2025/26 budget had been set based on detailed analysis to derive realistic estimates of service demands and the cost of services, the Quarter 2 monitoring position (published on 9 December) estimates an overspend of £23.4m by the year end, of which 72% is driven by adult social care and demand for temporary accommodation. There are also pressures of £2.9m within Children's services and £4.6m within Property related services. A copy of the full report is here 2025/26 Qtr2 Budget Update Report and the pressures in the current year align closely with those forecast to continue into 2026/27.

Spending Pressures 2026/27

8.42 In March 2025, the estimated additional budget required in 2026/27 for service pressures was £46.3m. Based on the current in year position, benchmarking, population trends and inflation forecasts, an additional £45.3m will be required and a further £42.4m for corporate budgets. Table 7 below is a summary of the total pressures required for 2026/27.

Table 7 – Forecast Budget Pressures 2026/27

Directorate	**£'000**
Adult Social Care	19,046
Housing Demand (Temporary Accommodation)	13,854
Children and Young People Services (including Education)	5,648
Environment and Resident Experience	1,624
Culture, Strategy and Engagement	2,302
Finance & Resources	2,798
Corporate Budgets	42,425
Total	**87,697**

Pay and Prices

8.43 **Contract Inflation** – a budget of £1.731m for 2026/27 to fund increases in contract prices (excluding social care and temporary accommodation) has been factored into the budget. This is based on an average inflationary increase of 5.0% on non-social care or housing related contracts. Any increase above this allocation will need to either be absorbed within individual service budgets by identifying alternative reductions or agreed to be funded through the corporate contingency allocation.

8.44 **Pay Award** – The pay award for 2025/26 was agreed at 3.2% and is reflected within the current 2025/26 budgets. Negotiations only commenced in December for 2026/27 and therefore the outcome is unlikely to be known until part way through the next financial year. The proposed budget in this report has set aside £6.1m, equivalent to an average of a 3.5% increase which also covers the on-going impact of the increased employer National Insurance increase. Any increase above this allocation will need to either be absorbed within individual service budgets by identifying alternative reductions or agreed to be funded through the corporate contingency allocation.

Other Corporate Pressures

8.45 **Levies** – The Council contributes to some London wide services (referred to as levies). These are:

- North London Waste Authority (NLWA)
- London Pension Fund Authority (LPFA)
- Lee Valley Regional Park Authority (LVRPA)
- Environment Agency

8.46 In total, £311,000 has been provided for levy increases in this report. Confirmation of final levy figures are not yet known and will be reported to Council on 2 March 2026 along with any required changes to budgets. However, for planning purposes most levy costs, apart from NLWA are forecast to remain broadly in line with the 2025/26 levels across the MTFS period with a 2.5% annual increase assumed.

8.47 The latest NLWA estimated levy for 2026/27 is based on the NLWA meeting papers on 4 December 2025. This indicated a levy of £12.197m, £300,000 less than that forecast last March but still an 8% increase on the 2025/26 figure of £11.274m. It is expected that the NLWA will continue to receive funding from Defra as part of the extended producer responsibly (EPR) scheme although the sum is not certain (£14m 2025/26). Confirmation will be provided at the NLWA budget meeting on 10 February 2026 alongside confirmation of the final 2026/27 borough levy.

8.48 **Banking Costs** – the trend for residents and businesses to utilise card payments to pay bills has meant that the existing budget is no longer sufficient to cover the merchant charges. These costs are variable, but the budget has been increased based on recent trends. The 2026/27 proposed budget includes an additional £332,000 to cover these costs.

8.49 **Capital Financing** –considerable work has been undertaken over the last couple of years to review and reduce the general fund capital programme, particularly that funded by borrowing. The estimated interest and repayment, or minimum revenue provision (MRP), required for the existing programme and any new borrowing for 2026/27 is set out in the 2026/27 TMSS (Appendix 10). This also sets out separately, the additional capital financing costs associated with the Exceptional Financial Support (EFS) estimated as required in the current year and 2026/27.

8.50 The total capital financing costs for 2026/27 are estimated as £71.8m (£55m General Fund capital programme, including EFS and £16.8m lease financing costs). This consists of £45m for the General Fund Capital Programme (£28m interest and £17m MRP); £10m for the EFS requirement (£8m interest and £2m MRP) and lease financing costs of £16.8m. These figures have been built into the budgets now presented and require a significant increase of £17.458m since the last MTFS.

8.51 **Concessionary Fares** – usage numbers continue to increase after a significant dip during COVID and for 2026/27 are estimated to reach 84% of pre-COVID rates. The budget requirement for 2026/27 is £16.2m, which is a 10.70% (£1.567m) increase on 2025/26 (£14.6m). Overall this means an additional £1.46m has been required in 2026/27. The trend beyond 2026/27 is for increasing charges due to fares and 66+ population increases. This has been factored into financial plans for 2027/28 onwards.

8.52 It should be noted that London Councils, who manage the scheme on behalf of all London boroughs are planning to undertake a review of the current scheme particularly the range of modes of transport that users are able to access. The output of this review will be reported in future reports including any resultant financial implications.

8.53 **Corporate Contingency** – the majority of allocated contingency during the current financial year has been one-off and therefore, circa £9.3m contingency budget will remain in 2026/27. However, there are still considerable risks associated with next year's budget, both within and outside the Council's control. Internally these include £23.9m of savings as well as delivery of delayed 2025/26 and prior years savings still felt to be achievable. Externally, there is continued volatility in the wider economy with rising unemployment rates, inflation still tracking above 3% and conflict on the international stage. Therefore, the budget now presented builds in a further contingency of £15.0m, giving a total of circa £25m. Should services operate within agreed budgets in 2026/27 and few or no unexpected issues arise, then this contingency can be used to reduce the reliance on planned EFS in 2026/27.

8.54 The total existing and new budget built into 2026/27 for corporate pressures is summarised in Table 8.

Table 8 – Corporate Budget Pressures 2026/27

Description	**2026/27 £'000s**
Concessionary Fares levy forecast increase	1,461
Forecast Pay Inflation	6,071
Increase in Capital Financing Budget requirement	17,458
Increase in Corporate Contingency	15,000
Levies forecast increase at 2.5%	311
Non Pay Inflation forecast – average of 5%	1,731
Increase in Bank Charges	332
Other minor adjustments	61
TOTAL	**42,425**

Budget Reductions

8.55 The proposed budget for 2026/27 includes £14.9m of previously approved savings for the year and £6.6m of new budget reductions (reduced spend and increased income) along with £1.7m of management actions proposed to drive efficiency in service delivery costs. These are set out within Appendix 2 (a-f) along with the value of previously agreed savings due to be delivered next year.

8.56 Consultation of the new saving proposals took place between 24 November 2025 and 6 January 2026. This included an online public consultation (see Appendix 3 for the feedback from the Public Budget Consultation) and engagement with businesses. These and the whole draft Budget were scrutinised by the scrutiny panels and Overview and Scrutiny Committee (O&S Cttee) during this same period.

8.57 The recommendations from the O&S Committee are summarised in Appendix 4 with responses by Cabinet Members. Cabinet have considered the feedback as well as that received via the budget consultation and, although there are no changes to the budget as a result, the feedback provided has been extremely valuable and will be considered as part of the implementation of the proposals.

8.58 The November draft budget report made clear that given the scale of the already agreed savings programme, totalling £14.9m in 2026/27 and £32.2m across the whole MTFS period, no additional savings would be sought post November. Instead, focus and effort would be directed to ensuring that the agreed programme must be delivered as fully as possible.

8.59 A review of the existing savings in 2025/26 was undertaken ahead of the November report and any items identified as now unachievable or erroneous were written out of 2026/27 budget plans. All remaining savings are deemed as still achievable and are expected to be delivered in full by the end of 2026/27. Close monitoring of progress will take place during the year and reported through the quarterly monitoring process.

8.60 In summary and for completeness, the total savings to be delivered by all Directorates in 2026/27 is set out in Table 9 and detailed within Appendix 2 (a-f).

Table 9 – Total Savings including management actions 2026/27

Directorate	**2026/27 £'000**
Adult Social Care	(4,123)
Housing Demand (Temporary Accommodation)	(3,450)
Children and Young People Services (including Education)	(847)
Environment and Resident Experience	(1,309)
Culture, Strategy and Communities	(384)
Finance & Resources	(1,342)
Corporate Savings	(9,787)
Council Tax Reduction Scheme (CTRS)	(2,000)
Total	**(23,243)**

Balanced Budget 2026/27

8.61 Taking account of the pressures, budget reductions and other corporate adjustments described above, the Council is forecast to need to spend £343.4m on the day to day running of local services from the general fund, protecting the most vulnerable and delivering good quality services to all residents.

Table 10 – Net Spend 2026/27

Directorate	Net Spend £'000
Adult Social Care	140,310
Housing Demand (Temporary Accommodation)	42,861
Children and Young People Services (including Education)	82,636
Environment and Resident Experience	13,412
Culture, Strategy and Communities	18,922
Finance & Resources (including Chief Executive)	34,061
Corporate Budgets	65,975
Government and Other funding sources	(54,813)
Total	**343,364**

8.62 The movements from the 2025/26 agreed budget are summarised in Table 11 and further detail of movements by Directorate are set out in Appendix 2 (a-f). Again, it should be noted that the 2026/27 net budgets reflect the impact of the government's decision to roll a number of previously specific grants into the Revenue Support Grant (RSG).

Table 11 – Analysis of Movements 2025/26 to 2026/27 Budget

Description	£'000
Net Expenditure Budget 2025/26	291,178
Pay and Price Inflation	7,802
Service Pressures (see Table 7)	45,272
Other Corporate Pressures (see Table 8)	34,623
Total Budget Requirement 2026/27	**378,875**
Council Tax income (assumed 4.99% increase)	(145,928)
Other Government Funding and Grants (including Business Rates, RSG)	(191,993)
Offset by removal of Government funding in services	42,545
Other Contributions	(10,071)
Total Funding 2026/27	**(305,446)**
Budget Gap 2026/27	**73,428**
Savings excluding CTRS captured in Council Tax figures above (see Table 9)	(21,243)

Description	£'000
Additional Budget Gap	**52,185**
Ongoing 25/26 EFS Requirement	**37,020**
Total EFS Requirement 2026/27	**89,205**

Exceptional Financial Support (EFS)

8.63 As set out in Table 11, after taking account of known movements compared to the 2025/26 budget, there remains an additional budget gap of £52.2m in 2026/27. With the structural 2025/26 budget gap of £37m, the forecast EFS requirement for 2026/27 totals £89.2m.

8.64 To enable the Council to meet its legal requirements and set a balanced budget for 2026/27, a further application for Exceptional Financial Support (EFS) has been made to the Ministry of Housing, Communities and Local Government. The outcome of the application will not be confirmed until mid February 2026 but the proposed budget in this report has been prepared on the basis of it being agreed. The outcome will be reported to full Council on 2 March 2026.

8.65 The request for EFS is a necessary response to the circumstances and this support is provided through an agreement by Government that the Council can capitalise part of its day to day running costs. In practice this means that the Council has permission to either borrow or use capital receipts from the sale of assets to fund day-to-day expenditure. Haringey's application assumes that the full sum will be met via borrowing and the associated capital financing costs associated with this have been built into the TMSS and the Budget.

8.66 Further details are set out in the Chief Finance Officer's Section 25 Statement (Appendix 11), including the conclusion that this is not a long term sustainable financial strategy, and that work must continue to further identify savings and income opportunities to reduce the reliance on EFS over the medium term and robust plans to be put in place to avoid the need for further EFS from 2027/28 onwards.

9. Risk Management

9.1 The Council has a risk management strategy in place and operates a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

9.2 The Council recognises that there will be risks and uncertainties involved in delivering its objectives and priorities, but by managing them and making the most of opportunities it can maximise the potential that the desired outcomes can be delivered within its limited resources more effectively.

9.3 The latest reported Corporate Risk register was considered by the Audit Committee on 29 January 2026 (Audit Committee 29/01/2026). The risks with the highest scores were predominantly financial related e.g. Maintaining and strengthening financial viability/balance across MTFS period including failure to deliver identified savings; non-delivery of transformational change due to lack of corporate change functions. Many with an apparently more service focussed risk will, if they materialise, have financial ramifications.

9.4 There is a need to plan for uncertainty when formulating the budget. This is achieved by focussing on scenario planning which allows the Council to think in advance and identify drivers, review scenarios and define the issues using the most recent data and insight.

9.5 The Council's Section 151 Officer has a statutory responsibility to assess the robustness of the Council's budget and to ensure that the Council has sufficient contingency/reserves to provide against known risks in respect of both expenditure and income. This formal assessment is set out in Appendix 11.

9.6 Financial risks and uncertainties currently known are set out in the following paragraphs.

School Budgets

9.7 Maintained schools are forecasting a deficit at Quarter 2 of £7.3m up from £2.6m at the end of last financial year. Funding allocated through the Schools Block of the Dedicated Schools Grant is driven by pupil numbers based on the annual October census, so even though the unit of funding per pupil increased by 3.93% for Primary Schools and 2.89% for Secondary Schools, Haringey Schools rolls are falling. As a result, the year on year funding will only increase by 0.9% in 2026/27. This small increase will make it increasingly difficult to return all schools to surplus over the next three years. Cost rationalisation is a significant challenge where at least 80% of the costs of operating a school are employee costs.

Government Funding and Legislation

9.8 As set out earlier in this document, the Government undertook a Spending Review and consulted on Fair Funding Review 2.0 and Business Rates reform over the summer. The outcome of this fed into the November Policy statement and recently the PLGFS. As promised last year, the PLGFS has returned to a multi-year settlement albeit future years are subject to some change.

9.9 This is welcomed as is the desire to simplify funding in the sector with less small specific grants. However, the impact of the change to the formulae underpinning funding allocations, the impact of the Business rate reset and transitioning makes a clear like for like comparison with current central funding difficult. This is further complicated by including a 'notional' council

tax in the Core Spending Power (CSP) figures as this does not translate into actual council tax income for the authority.

9.10 Some of the funding within the PLGFS appears to come with conditions which may impact on current budget assumptions.

Inspection and Regulation

9.11 Local Authorities are subject to increasing inspection and regulation, including by Ofsted, CQC and the Regulator of Social Housing as well as additional requirements that have emerged from the Grenfell Inquiry report. Where any implications are known, these are accounted for in the proposed budget in this report but there may be further financial implications which are not yet known.

Economic Conditions

9.12 The Office for Budget Responsibility (OBR) published an update of national economic and fiscal outlook on 26 November 2025.

9.13 The OBR made a specific reference to an increase in local authority borrowing as a key risk to the government's economic and fiscal outlook. Forecasted local authority borrowing has increased by £7bn compared to March reflecting upward revisions in recent outturns and SEND pressures are expected to further increase to at least £14bn.

9.14 Section 6 sets out in more detail the most recent forecasts for inflation, BOE interest rates and unemployment. There remains considerable volatility in this space which poses a risk to current budget assumptions.

9.15 The high cost of living continues to impact residents and which results in more requiring support from the Council, particularly with housing support

Estimate of Pressures for 2026/27

9.16 The proposed budget in this report uses the best-known information for demand and other service pressures in 2026/27 and has been based on the outturn position in 2024/25 and the latest in year monitoring position for 2025/26. There is a risk that the in year monitoring position could worsen when the Quarter 3 forecasts are available at the end of January that will not have been accounted for when setting the budget for 2026/27 and the £87.7m built in for service pressures will not be sufficient.

9.16 All services are considering actions and mitigations that continue to support the needs of the most vulnerable but in a more cost effective way to reduce these future pressures. However, small scale changes in these areas are not going to be sufficient and will require more fundamental changes in how these services are delivered and with a focus on prevention and early intervention which will take time to have an impact. Sufficient pace is needed

to make these changes to protect the financial sustainability of the Council but short term solutions are still needed for the 2026/27 budget to be sustainable.

Identifying and Delivery of Budget Reductions

9.17 The proposed budget assumes that £23.2m of savings (including management actions) will be delivered in 2026/27 and adequate assurance has been provided to build these into the budget, but oversight of delivery will remain an area of focus in 2026/27. The proposed budget has been set assuming that these and previous years undelivered savings will be delivered in full. Monthly monitoring and a new governance process is in place to track delivery of all savings and any identified at risk during the year will need to be mitigated by alternative savings of the same value.

9.18 As noted above, non-delivery of agreed savings and progressing with transformational change are the most significant risks on the Council's corporate risk register therefore this risk cannot be underestimated.

9.19 Despite this level of savings, a budget gap of £89.2m (£37.0m of 2025/26 deficit and £52.2m of 2026/27 deficit) remains for 2026/27 and the Council has applied to Government for exceptional financial support to enable a balanced budget to be set. This is not a long term solution and the council must prioritise reducing the reliance on EFS over the medium term, keeping EFS requirement to a minimum and as a last resort. Therefore, even after the final budget for 2026/27 is agreed by Council on 2 March 2026, work must continue to review all services, particularly statutory services to more fundamentally look at how these can be delivered differently and to prioritise non statutory services to operate within a smaller financial envelope.

Changes in Accounting Practice

9.20 The Dedicated Schools Grant (DSG) currently has a statutory override which allows the Council to separate DSG deficits from local authority reserves. This was due to end in March 2026 however, has been extended for a further 2 years to March 2028. This will allow the government to launch a public engagement campaign to deliver reforms as the Schools White Paper will be released early this year, setting out substantial plans for reform of special educational needs provision (SEND).

9.21 Although the Council is participating in the Safety Valve programme which is delivering well to reduce the spend on the high needs block and is in line with the agreed timetable, at the same time the Council continues to see Increased placement costs and greater complexity of need are driving the increased forecast spend against target than what had been assumed when agreeing the programme with the DfE.

9.22 A reform to the current SEND provision and funding is welcome however, until further detail is shared there remains a financial risk for the council.

Reserves and Contingency

9.23 Risks and uncertainties make planning for next year challenging and any change in the assumptions underpinning the proposed budget in this report could impact on the in-year position.

9.24 Although a prudent approach has been taken to the assumptions, it is important to hold sufficient levels of contingency funding within the budget and have a prudent level of reserves.

Contingency

9.25 During 2025/26, the majority of allocated contingency has been one-off in nature as expected. The unapplied balance in 2025/26 will be used to offset the final overspend and / or call on EFS as a one-off measure leaving circa £9.3m contingency budget which will remain in 2026/27.

9.26 However, there are still considerable risks associated with next year's budget, both within and outside the Council's control Therefore, the budget now presented builds in a further contingency of £15m, giving a total of circa £25m. Should services operate within agreed budgets in 2026/27 and few or no unexpected issues arise, then this contingency can be used to reduce the reliance on planned EFS in 2026/27.

9.27 As in previous years, any use of contingency will be subject to approval by the Section 151 Officer and will be reported quarterly through the finance monitoring report.

Reserves Policy

9.28 Section 25 of the Local Government Act 2023 requires the Chief Financial Officers to report on the robustness of estimates and the adequacy of reserves when setting the budget. This is reported in the Section 25 Statement by the Council's Section 151 Officer in Appendix 11.

9.29 The Section 151 Officer must also be satisfied that the level of General Fund working balances are adequate. The General Fund reserve will be maintained at £15m for 2026/27 which equates to 4.4% of the net budget.

9.30 Similar to contingency, reserves can be used to manage risks and uncertainties as they arise although, apart from the General Fund reserve, they are earmarked for specific purposes.

9.31 The Council's reserves fall into two categories – uncommitted reserves for managing risks and uncertainties and others which are deemed as committed.

9.32 Based on known commitments this year and planned drawdown to offset in year budget overspend, the forecast balance for March 2026 on reserves is £45.9m. This forecast also reflects the detailed analysis of the Grants and

Services reserves undertaken earlier in the year resulting in £1.4m identified as available to use to meet in year budget overspends within Directorates.

9.33 The low level of forecast reserves leaves the Council financially vulnerable and reliant on Exceptional Financial Support (EFS) from government just to balance its budget. This is why, across the medium term a planned replenishment of reserves to a more sustainable level is built in. Replenishment means making an annual contribution to reserves included in the budget agreed in March each year. Given the significant budget gap that remains for 2026/27, any replenishment will commence from the 2027/28 budget and £3m per year has been assumed.

Table 12: Reserves 2025/26 to 2030/31

Reserve	Actual 31 Mar 25	Forecast 31 Mar 26	Forecast 31 Mar 27	Forecast 31 Mar 28	Forecast 31 Mar 29	Forecast 31 Mar 30
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Reserve	15,169	15,169	15,169	15,169	15,169	15,169
Risks and Uncertainties						
Labour market growth resilience reserve	186	186	0	0	0	0
Strategic Budget Planning reserve	4,024	4,024	4,024	7,024	10,024	13,024
Collection Fund Smoothing reserve	1,231	1,231	1,231	1,231	1,231	1,231
Total Risk and Uncertainties	**5,441**	**5,441**	**5,255**	**8,255**	**11,255**	**14,255**
Contracts and Commitments						
Services reserve	9,358	9,085	9,085	9,085	9,085	9,085
Unspent grants reserve	10,391	4,582	4,582	4,582	4,582	4,582
PFI lifecycle reserve	3,959	3,959	3,959	3,959	3,959	3,959
Debt repayment reserve	1,072	0	0	0	0	0
Insurance reserve	5,510	5,510	5,510	5,510	5,510	5,510
Schools reserve	1,344	1,344	1,344	1,344	1,344	1,344
Public Health Reserve	0	865	865	865	865	865
Total Contracts and Commitments	**31,634**	**25,345**	**25,345**	**25,345**	**25,345**	**25,345**
Grand Total	**52,243**	**45,954**	**45,769**	**48,769**	**51,769**	**54,769**

Labour Market Resilience Reserve

9.34 This reserve is held to contribute towards initiatives to support people into work. The small remaining balance is fully committed.

Budget Planning Reserve

9.35 This reserve is a key tool for managing the impact of financial plans from one year to another. It is used to provide a stable platform for financial planning through the term of the Medium-Term Financial Strategy. In recent years, this reserve has been utilised to address in year overspends and also for enabling a balanced budget to be set. It can also be used to support delivery of agreed savings. The MTFS assumes an annual £3m per annum contribution into

this reserve from 2027/28 to start to re-build resilience in the Council's balance sheet.

Collection Fund Smoothing Reserve

9.36 The Collection Fund reserve is to mitigate unknown risks associated with the Collection Fund (Council Tax and Business Rates) such as cost of living and changes in government policy which can impact on collections and lead to deficits. The funding will be drawn down if required and excludes the collection fund surplus referred to in paragraph 8.38 for which a decision will be made in year.

Services Reserve

9.37 It is Council policy that services may request funds to be carried forward, this is subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained longer term. Detailed work to date has identified £161,000 that can be released at year end to offset 2025/26 overspend and £112,000 of the reserve has also been assumed in the latest 2025/26 forecasts. This review work continues, and an updated forecast will be provided in July as part of the 2025/26 outturn report. From 2026/27, carry forwards will only be retained for a maximum of one year, unless exceptional circumstances are agreed by the Section 151 Officer.

Unspent Grants Reserve

9.38 International Financial Reporting Standards require grants and other income to be recognised in the year received. This reserve holds grant income that has been received but where related expenditure will occur in future years. Detailed analysis undertaken during the year has identified £1.28m where funding is no longer required and this sum will be released at year end to offset 2025/26 overspend. It is also assumed that a further £5.0m will be drawn down before the end of the financial year to meet eligible grant funded expenditure. Any further adjustments will be reported in July as part of the 2025/26 outturn report.

PFI Lifecycle Reserve

9.39 The PFI reserve is ringfenced for using to fund future years' capital investment associated with PFI arrangements. The PFI arrangement ceased during 2025/26. It is forecast that there will be further payments to eligible schools during 2026/27 after which a balance of £3.96m will remain. This will be subject to final review before a decision over its application is proposed and will be considered as part of the 2025/26 outturn position.

Debt Repayment Reserve

9.40 The debt repayment reserve represents funds the Council has set aside for the potential repayment of debt and for funding of future capital expenditure. It is planned to be fully drawn down during 2025/26 to offset in year borrowing costs.

Insurance Reserve

9.41 The Council self-insures a number of risks including liability, property and theft. Insurance claims are volatile in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account.

Schools Reserve

9.42 This reserve represents the net balances held by the Council's 61 schools. With increasing numbers of schools facing financial difficulties, it is likely that this balance will reduce across the MTFS period however, at this point it isn't possible to provide any realistic forecasts.

Public Health Reserve

9.43 This reserve was created during 2025/26 to hold any unspent Public Health grant not fully utilised in year which can be accessed in future years to manage any unexpected public health spending required. It was previously held within the Services reserve and at 31 March 2025 had a balance of £485,000 which has now been transferred into the newly created reserve.

General Fund Reserve

9.44 The purpose of the general fund reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority.

10. The Medium-Term Financial Position – 2026/27 – 2030/31

10.1 Although a balanced budget is proposed for 2026/27 this has only been possible with the assumption of £89.2m of exceptional financial support from Government. This is £52.2m more than the £37m EFS required for 2025/26 which remains as a structural budget problem.

10.2 Clearly this is not sustainable as the costs of servicing this level of debt takes vital funding away from the services that need it. However, neither is it feasible that the council can identify efficiencies and / or transformation of this magnitude within a year.

10.3 As set out earlier in the report and more particularly in the Section 151 Officer's Section 25 Statement (Appendix 11), the council has implemented a wide range of initiatives and strategies to reduce and / or restrict spending and focus on supporting services to deliver the savings already agreed. Although this is having an impact and is providing greater insight into drivers of spend and highlighting measures to mitigate, the financial values that this is delivering will not in itself deliver significant contribution to reducing the budget gap.

10.4 Although work will start with the new administration on the 2027/28 budget during May, the Corporate Leadership Team and the new Cabinet must

continue to lobby government for realistic solutions to the financial gap which is currently forecast as a cumulative budget gap of £291.7m between 2026/27 and 20230/31. The key drivers of the spending pressures remain the increasing demand for social care and temporary accommodation support with the associated estimated increases in the price of services. Additionally, now, the costs of servicing the EFS is and will become, an ever larger % of the gap.

10.5 The forecast gap is based on the following assumptions:

- Government funding remains in line with the Core Spending Power allocations announced in December 2025 until 2028/29 and then applies a 2% uplift for inflation.
- Service demand and corporate pressures of £408.4m for 2026/27 to 2030/31.
- Pay and price inflation remain at 2.5% per annum.
- Interest rate on borrowing costs is an average of 5% per annum.
- Council Tax base increase of 1% and Council Tax increase of 4.99%.
- Delivery of £44.0m of savings (including management actions) for 2026/27 to 2030/31
- Corporate contingency of £25m per annum up to 2029/30
- Replenishment of the Budget Planning Reserve of £3m from 2027/28 onwards.

Table 13 – Medium Term Financial Position 2026/27 to 2030/31

Type	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Directorate Pressures	45,272	10,259	8,905	9,698	1,230	**75,364**
Corporate Pressures	42,425	54,603	70,976	83,263	81,743	**333,010**
Agreed Savings	(14,909)	(11,457)	(5,866)	0	0	**(32,232)**
New Savings (including management actions)	(8,333)	(1,361)	(1,370)	(740)	0	**(11,804)**
Grant Funding Changes	42,545	(135)	-	-	-	**42,410**
Government & other Funding Changes	(54,813)	(22,376)	(14,249)	(13,994)	(9,605)	**(115,038)**
Total	**52,185**	**29,533**	**58,396**	**78,228**	**73,368**	**291,710**

10.6 An update on the above assumptions and impact of the Finance Recovery programme of work will be provided in the next update of the Medium term Financial Strategy expected to be published in summer 2026.

11 Treasury Management Strategy

11.1 The Treasury Management Strategy Statement (TMSS) for 2026/27 (Appendix 10) sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It

also includes the Minimum Revenue Provision policy. It was considered by Audit Committee on 29 January 2026 who will recommend it for approval by Full Council on 2 March 2026.

11.2 The Council's Overview and Scrutiny Committee also considered the TMSS on 19 January 2026 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

11.3 The proposed prudential indicators are based on the proposed Capital Programme as set out in Appendix 7. It should be noted that any future decision by the Council to undertake further debt financed capital expenditure outside of the total of the programme, including any changes associated with the Capital Strategy will require a review of the prudential indicators and further approval by full Council.

12 General Fund Capital Programme, Flexible Use of Capital Receipts and Capitalisation Policy

12.1 Despite the constrained financial circumstances that the Council finds itself in, it is continuing to invest in its infrastructure to enhance residents, pupils, and visitors experience of the borough. The 2026/31 Capital Strategy report is published separately on the agenda and sets out in more detail the Council's approach to investment, governance and funding of the capital programme

12.2 As this report is primarily focussed on the Council's General Fund, this section mostly details the General Fund Capital Programme. A separate report setting out the Housing Revenue Account (HRA) Business Plan and the 2026/27 revenue budget and capital programme is published separately on the agenda.

12.3 The Cabinet consulted on changes to the proposed programme as part of the wider budget consultation. These proposals are now included unchanged in the General Fund capital programme set out in Table 14 and Appendix 7. During the consultation period further investment needs were identified; additional funding for demand initiatives in housing where an additional £15m was identified as being needed to reduce demand for temporary accommodation and the inclusion of £489.2m of Exceptional Financial Support (EFS) into the capital programme over the next five years. The Council was successful in bidding for Pride in Place funding of £1.5m and is now included in the capital programme (subject to Cabinet decision on 10 February 2026).

The Council is proposing a new General Fund capital programme for the MTFS period of £949.2m, including £489.2m of EFS. The additions and reductions at a directorate level are set out in Appendix 2, a-f. The table below is a summary of the proposed capital programme by directorate and Table 15 sets out the assumed sources of funding.

Table 14 – Capital Programme 2026/27 to 2029/31

Directorate	2025/26 Q.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
Children's Services	15,064	19,995	14,370	7,933	7,933	2,902	**68,198**
Adults, Housing & Health	9,663	2,377	7,377	7,200	7,200	5,000	**38,817**
Environment & Resident Experience	26,653	42,645	18,848	14,970	13,161	264	**116,540**
Culture, Strategy & Communities	52,244	115,797	86,388	26,987	17,712	400	**299,528**
Finance & Resources	27,652	17,220	12,402	5,583	0	0	**62,858**
Corporate Items	65,437	94,580	100,000	100,000	100,000	100,000	**560,017**
TOTAL GENERAL FUND =	**196,713**	**292,614**	**239,385**	**162,673**	**146,007**	**108,566**	**1,145,957**
Housing Revenue Account (HRA)	341,653	375,895	525,426	459,878	414,968	311,426	**2,429,246**
OVERALL TOTAL =	**538,366**	**668,509**	**764,811**	**622,551**	**560,975**	**419,992**	**3,575,203**

Table 15 – General Fund Capital Programme Funding 2026/27 to 2029/31

Source of Funding	2025/26 Q.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 (£'000) Total
Core Capital Programme Borrowing	162,380	220,470	143,479	125,081	117,691	108,566	**877,667**
Community Infrastructure Levy (CIL)	6,457	1,824	1,824	1,824	1,823	-	**13,750**
Capital Grants from Central Government Departments	17,351	21,957	16,494	7,850	7,231	-	**70,883**
Capital Funding from GLA ,TfL & Other LA's	4,537	7,400	27,168	27,168	18,512	-	**84,785**
Revenue Contribution to Capital Outlay (RCCO)	300	500	4,000	500	500	-	**5,800**
Usable Capital Reserve	2,174	-	-	-	-	-	**2,174**
Land Appropriation	-	-	2,100	-	-	-	**2,100**
Grants & Contribs from Non-departmental Public Bodies	3,097	-	4,071	-	-	-	**7,168**
Developer Contributions (S106 & S278)	417	40,464	40,250	250	250	-	**81,631**
	196,713	**292,614**	**239,385**	**162,673**	**146,007**	**108,566**	**1,145,957**

12.4 Borrowing is only undertaken when required and not until schemes have been through the appropriate governance (including viability and affordability assessments).

12.5 For the General Fund, all the changes have been incorporated into the programme as detailed in Appendix 7 and within Appendix 2 a to f with new or additional resources for existing schemes separately identified.

12.6 Information regarding the revenue implications of prudential borrowing is provided in the Treasury Management Strategy Statement (Appendix 10).

12.7 The total revenue impact of borrowing costs to deliver the Capital Programme in 2026/27, now including the EFS amount required as per this budget report, is forecast to be approximately £55m (£36m external interest payable and £19m minimum revenue provision (MRP). The proposed revenue budget in this report incorporates these costs. Of the £55m, £10m relates to EFS.

Capital Receipts Flexibility

12.8 Since 2019/20, the Council has approved the flexibility to apply capital receipts to fund transformation projects as enabled by the Secretary of State's Direction and outlined in the Government's Statutory Guidance on the flexible use of capital receipts.

12.9 The Statutory Guidance published in April 2022 details that authorities must update their Flexible Use of Capital Receipts Strategy during the given year if their initial plan changes and requires additional capitalisation of expenditure or at least annually. Appendix 8 provides an update on the Capital Receipts Flexibility Strategy for 2025/26 that was agreed by Council in March 2025, and any final use will be determined as part of the year end outturn position reported to Cabinet in July 2026. It also sets out the proposed use of Flexible receipts in 2026/27.

12.10 The current budget assumption is that capital receipts will not fund capital expenditure or debt repayment over the period of the MTFS and instead will be retained for investment into delivering the changes that will be needed across services to reduce costs.

13 HRA Update

13.1 This report is primarily focussed on the Council's General Fund. A separate report setting out the Housing Revenue Account (HRA) Business Plan and the 2026/27 revenue budget and capital programme is elsewhere on the agenda and will be presented Council for approval on 2 March 2026.

14 Dedicated Schools Budget (DSB)

14.1 Schools budgets are substantially funded from the ring-fenced Dedicated Schools Grant (DSG) and Pupil Premium and Grant which are, in effect, passported to schools. Spending must be consistent with the requirements

of the prevailing schools and early years funding regulations. There are requirements for Schools Forum to act as a decision-making and/or a consultative role in determining budget levels for each year.

14.2 The total budget delegated to schools in 2026/27 is £149.8m. School rolls are falling in Haringey, a similar trend to across London and overall, there is a reduction of 770 pupils (-2.4%) which directly impacts on the funding available to individual schools.

14.3 The DSG financial position reported at Quarter 3 of 2025/26 sets out the forecast year-end position of a deficit of £3.22m, which is £1.3m off target as set out in our Safety Valve agreement. The accumulated deficit on the High Needs Block continues to benefit from Safety Valve Funding and as a result, the deficit at March 2025 was reduced to £32.48m. Progress continues to be made though current estimates suggest that there will be an adverse position of £6.3m as at March 2028 compared to the target agreed in the Safety Valve Programme.

14.4 The DSG comprises four separate funding blocks – Schools, Central Services, Early Years and High Needs Block. Table 16 sets out Haringey's Dedicated Schools Grant allocations for 2022/23 and 2023/24, the minimum rebased DSG baseline allocation for 2024/25 and 2025/26 and the National Funding Formula (NFF) allocation for 2026/27 that was published 17 December 2025.

Table 16 Haringey's Dedicated Schools Grant Allocation

DSG Block Allocations	Schools Block £m	High Needs Block £m	Central Schools Services Block £m	Early Years Block £m	Total DSG Allocation £m	Recoupment £m	Total DSG Received by Haringey £m	Outside Grants Rolled into Schools Block £m
2022/23	212.52	52.21	2.79	20.25	287.77	-79.11	208.66	0.00
2023/24	219.47	56.79	2.71	21.22	300.19	-84.78	215.41	5.78
2024/25	225.78	58.12	2.63	31.40	317.93	-83.70	234.23	7.12
2025/26	235.64	62.03	2.70	39.52	339.89	-86.85	253.04	15.56
2026/27	238.51	65.57	2.68	45.89	352.65	-88.72	263.93	6.76
Recoupment for 2026/27 is based on adjustment for academies within Haringey								**35.22**
The unit of funding within the schools block has increase by 3.93% for Primary Schools and 2.89% for Secondary Schools but due to falling school rolls the increase to Haringey before recoupment is 1.22%								
Early Years block is full year funding whereas the 2025/26 covered 9 months of additional funding for eligible children aged 9 months to 2 years old								
The High Needs Block is subject to reduction for directly funded placements of £2.37m, the net increase is 5.52% as a result								
Teachers' pay and pensions grants (TPAG and TPECG) as well as core school budget grant (CSBG) for 2024/25 have been rolled into the schools block								

14.5 Overall, Haringey's allocation for 2026/27 is an increase of 4.3%. This is based on the December 2025 published allocations and is likely to change during the year due to Early Years Block indicative allocation based upon 2025/26 census and in year recoupment. Recoupment refers to sums within the Haringey NFF due to academies schools within the borough. The actual financial position for the Dedicated Schools Grant is dependent on the final school's finance settlement for 2026/27 and updated Early Years Block census which is usually published in July 2026.

14.6 Schools Block – an uplift of 0.90% equivalent to £1.3m for maintained schools. The balance of £1.57m is paid over to academies via recoupment. Unit funding has been increased by 3.93% and 2.89% year on year for Primary and Secondary Schools respectively, includes rolling in teachers' pay award and pension changes but falling school rolls has had an offsetting impact.

14.7 Central School Services Block - the Central Services Block is made up of two separate funding streams, one for ongoing responsibilities for the local authority and the second for historic commitments. Haringey have no historic commitments. The unit of funding was increased by 1.38% but due to falling school rolls there was a net reduction of 0.79%, or £21,000.

14.8 Early Years Block - this provides funding to enable children access to free childcare. Funding is estimated to increase by 16.1% in 2026/27, the equivalent to £6.37m (based on the January 2025 census) and reflects the full year entitlement to 30 hours free childcare for eligible parents with children aged 2 and under.

14.9 High Needs Block – this provides funding for children with Education Health and Social Care Plans, where numbers have been steadily increasing since the system was reformed in 2015 with the Children and Families Act extending to age 25 and Statements of SEN being replaced with EHCPs. The number of children currently with an EHCP is 3,004 compared to 2,813 in 2023 when the Safety Value Programme commenced. Government has recognised this pressure, and the 2026/27 allocations represent an increase of 5.52% equivalent to £3.3m, after accounting for directly funded placements which has adjusted the original 2025/26 allocation. It should be noted that the funding allocation methodology for 2026/27 has been suspended and allocations to individual councils is based on 2025/26 allocation plus adjustments for pay awards and national insurance contribution changes. However, this remains a long way short of the funding required and it is the deficit position on the High Needs Block that is driving the overall deficit position on the DSG.

14.10 The Haringey Schools Forum noted the DSG funding allocations at their 15 January 2026 meeting and approved the consultation outcome on the formula to distribute the schools block for devolved school budgets subject to approval by the Department for Education (DfE).

Dedicated Schools Grant (DSG) Reserves

14.11 The forecast DSG closing balance at 31 March 2026 is a deficit of £9.74m set out in Table 17 below. This includes the High Needs Block which even including the in-year Safety Valve funding of £2.99m is forecasting a cumulative deficit of £11.56m by 31 March 2026 (see Table 17).

Table 17 - 2025/26 Year End DSG reserves forecast

DSG Blocks	Opening DSG balance at 01/04/2025	Q3 2025/26 Forecast	Safety Valve Funding	Forecast closing DSG Balance 31/03/2026
	£m	£m	£m	£m
Schol Block	0.00	0.00	0.00	0.00
Central School Services Block	0.00	0.00	0.00	0.00
Early Years Block	1.82	0.00	0.00	1.82
High Needs Block	(11.33)	(3.22)	2.99	(11.56)
Total DSG	**(9.51)**	**(3.22)**	**2.99**	**(9.74)**

Safety Valve Programme

14.12 After the successful bid to join the Safety Vale Programme approved by DfE in March 2023. The Safety Valve Plan is forecasting a cumulative deficit position of £6.3m by March 2028. In the current year, the reported pressure of £3.22m has been reported at Quarter 3, which is £1.3m off target as set of in the Safety Valve agreement with government.

14.13 A successful progress in line with the DSG Management Plan would result in funding being released by DfE to support the reduction in the deficit as set out in Table 18.

Table 18 – Planned funding associated with the Safety Valve Programme

Year	£m
2022-23	11.96
2023-24	2.99
2024-25	2.99
2025-26	2.99
2026-27	2.99
2027-28	5.98

16 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

16.1 The Council's draft Budget aligns to and provides the financial means to support the delivery of the Corporate Delivery Plan outcomes.

17 Carbon and Climate Change

17.1 There are no direct carbon and climate change implications arising from the report.

18 Statutory Officers comments (Section 151 Officer, Head of Procurement, Director of Legal and Governance, Equalities)

18.1 The financial planning process ensures that the Council's finances align to the delivery of the Council's priorities as set out in the Borough Vision and Corporate Delivery Plan. In addition, it is consistent with proper arrangements for the management of the Council's financial affairs and its obligation under section 151 of the Local Government Act 1972.

18.2 Ensuring the robustness of the Council's 2026/27 budget and its MTFS 2026/27 – 2030/31 is a key function for the Council's Section 151 Officer (CFO). This includes ensuring that the budget proposals are realistic and deliverable. As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

18.3 The formal Section 151 Officer assessment of the robustness of the council's budget is set out in Appendix 11.

Procurement

18.4 Strategic Procurement have been consulted in the preparation of this report and will continue to work with services to enable cost reductions. Strategic Procurement notes the recommendations in section 3 of this report do not require a procurement related decision nor pose any procurement risks that prevent Cabinet from agreeing them.

Director of Legal & Governance

18.5 The Director of Legal & Governance (Monitoring Officer) has been consulted in the preparation of this report and makes the following comments.

18.6 In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council tax are to be discharged by the Full Council.

18.7 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. Accordingly, it is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.

Fiduciary Duty to Ratepayers

18.8 Member's fiduciary duty (i.e. legal duty as trustee of the public purse) is a material consideration to reflect upon. In making its decisions, the Council must act rationally and reasonably and should balance the nature, quality and level of services which it considers should be provided against the costs of providing those services.

Consultation

18.9 Under section 65 of the 1992 Act, the Council is under a duty to consult persons or bodies appearing to it to be representative of persons subject to non-domestic rates as regards hereditaments situated in the area of Haringey. In addition to businesses, the Council has consulted local residents. The outcome of that consultation is contained in Appendix 3 to this report. In making its decisions, the Council must conscientiously take into account the consultation responses. It should also be noted that the consultation was in the context of the budget proposals and not necessarily on the specifics of whatever decisions may be implied by the adoption of the budget.

Savings Proposals

18.10 The report proposes new savings proposals for the financial year 2026/27 Depending on the nature of each proposal, the council may be required to take further steps prior to determining whether, how and when to implement those proposals. In addition, prior to considering implementing savings proposals, further steps may include e.g. carrying out further statutory consultation exercises, complying with requirements contained in legislation or guidance and carrying out full equalities impact assessments where appropriate so as to ensure that the Council complies with the public sector equality duty.

Public Sector Equality Duty

18.11 The Council must ensure that it has due regard to its public sector equality duty under section 149 of the Equality Act 2010 in considering whether to adopt the recommendations set out in this report. A full equalities impact assessment has been carried out and is contained in Appendix 5 of this report.

Flexible Use of Capital Receipts

18.12 The report recommends that Cabinet propose approval to Full Council on the strategy as regards to the proposed flexible use of capital receipts (Appendix 8 Annex 2 to this report). The Local Government Act 2003, section 15(1) requires a local authority "… to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify …". Guidance on the use of capital receipts flexibility has been issued under section 15(1) of the Act and the Council is therefore required to have regard to it (c.f. Guidance on the flexible use of capital receipts (updated August 2022) - GOV.UK (www.gov.uk)).

18.13 Among other things, the Guidance notes that - Two codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contain guidance on capital receipts and local authority accounting that complement the Department for Levelling Up, Housing and Communities (DLUHC) guidance. These publications are:

- The Prudential Code for Capital Finance in Local Authorities
- The Code of Practice on Local Authority Accounting Local authorities are required to have regard to the current edition of The Prudential Code for Capital Finance in Local Authorities by regulation 2 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and to the

Local Authority Accounting Code as proper practices for preparing accounts under section 21(2) of the Act.

Conclusion

18.14 In view of the conclusion reached by the Corporate Director of Finance and Resources (Section 151 Officer) above on the ability to set a balanced budget for 2026/27 and the Equalities comments there is no reason why Cabinet cannot agree the recommendations.

Equality

18.15 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

18.16 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

18.17 An EQIA for this Budget/MTFS has been produced in full and is appended to this report (Appendix 5) which summarises potential impacts on the protected characteristics. Where indicated, individual EQIAs will be developed for each proposal, if approved.

18.18 The impact of the budget proposals on equalities should be seen within the context of residents' lives in Haringey. Longstanding inequalities persist in Haringey as they do nationally and globally. In recent years global events, like the COVID-19 pandemic, international conflict, geopolitical turmoil, inflation leading to cost-of-living pressures, and climate change have and continue to impact on people living in the borough, both directly and indirectly. Such complex challenges can drive ongoing health and economic inequalities, as well as negatively impact community cohesion and individual flourishing and wellbeing.

18.19 The primary equality challenge facing many Haringey residents in the last year continues to be the ongoing impact of the increased cost of living. It is recognised that these economic pressures which are experienced by individuals, households, businesses and public sector organisations can compound socio-economic disadvantage, a Haringey Council adopted protected characteristic. Furthermore, the impacts of such disadvantage frequently intersect with a range of other protected characteristics including disabled people, young people, and Black, Asian and minority ethnic residents who are more likely to live in the borough's more deprived wards.

18.20 The proposals in this budget have been developed against a backdrop of budget pressures for councils across the country. These are largely driven by the rising costs of adult and children's social care and the demand for temporary accommodation.

18.21 In this budget there is a 2.99% increase in Council Tax and a 2% increase in ASC Precept for 2026/27. The Council Tax Reduction Scheme will provide financial assistance with Council Tax bills for residents who are on a low income or less able to pay. A new Tackling Inequality service will be established to bring together and strengthen existing work in this area, to provide timely, empathetic and practical support to help residents increase their income and reduce their debt.

18.22 The council recognises that it continues to be a challenging time for our residents, businesses and communities. The proposed budget has been developed in this context, seeking to achieve the best possible outcomes within the limited resources available.

18.23 In this Budget/MTFS the council has sought to promote equality by:

- Continuing to meet the increased cost pressures in adult social care, children's social care and temporary accommodation caused by inflation thus ensuring the delivery of support to the most vulnerable residents whilst meeting statutory obligations
- Reviewing a range of services in adult social care, housing and communities to deliver value for money and positive outcomes for residents
- Identifying and implementing a range of back office/management savings which in turn helps to protect frontline services for residents that need them most

18.24 The EQIA appended to this report provides a line-by-line equalities analysis of policy proposals in this Budget/MTFS and should be consulted for further detail.

18.25 In summary, there is no evidence that the proposed 2026-2027 Budget could cumulatively create disproportionately negative impacts on any groups sharing protected characteristics. However, those proposals and programmes that have a geographical aspect to their implementation e.g. tree planting schemes and Clean Air School Zones should consider programme design and implementation that seek to tackle the range of inequalities most particularly faced by residents in neighbourhoods experiencing multiple factors of deprivation.

19 Use of Appendices

Appendix 1	Summary of Final Revenue Budget 2026/27 Budget and Medium Term Financial Plan 2026-2031
Appendix 2	Service Budgets 2026/27 and Analysis of Movements 2025/26 to 2026/27 (a to f)
Appendix 3	Feedback from Public Budget Consultation and Engagement.
Appendix 4	Final Report from Overview and Scrutiny Committee and Cabinet Member responses
Appendix 5	Cumulative Equality Impact Assessment for 2026/27 Budget.
Appendix 6	Council Taxbase Report 2026/27
Appendix 7	Capital Programme 2026-2031
Appendix 8	Flexible Use of Capital Receipts Policy 2026/27
Appendix 9	Capitalisation Policy
Appendix 10	Treasury Management Strategy Statement (TMSS) including Annex C setting out the Minimum Revenue Provision (MRP) Policy 2026/27
Appendix 11	Section 25 Statement

20 Background papers

1. Full Council: 2025/26 Budget & 2025/26-2030 MTFS report https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=143&MId=10855&Ver=4 Item 13

2. Cabinet: Draft 2026/2 Budget and 2026-2031 Medium Term Financial Strategy Report Agenda for Cabinet on Tuesday, 11th November, 2025, 6.30 pm | Haringey Council Item 319

3. Cabinet: 2025/26 Quarter 2 Finance Update Report:- https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=11161&Ver=4 Item 341

4. 2026/27 Provisional Local Government Finance Settlement https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-2026-2027-to-2028-29

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Appendix 1 - Summary of General Fund Revenue 2026/27 Budget and Medium Term Financial Plan 2030-2031

	2025/26	Movement	2026/27	Movement	2027/28	Movement	2028/29	Movement	2029/30	Movement	2030/31
	Plan		Projected		Projected		Projected		Projected		Projected
Directorate	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adults, Housing and Health	123,676	59,495	183,171	4,876	188,047	6,293	194,340	7,430	201,770	0	201,770
Children's Services	69,458	13,178	82,636	1,307	83,943	1,424	85,367	1,680	87,047	0	87,047
Culture, Strategy and Communities	17,004	1,918	18,922	(1,270)	17,652	(27)	17,625	98	17,723	1,230	18,953
Environment & Resident Experience	13,098	315	13,412	(781)	12,631	(3,136)	9,495	(250)	9,245	0	9,245
Finance & Resources (inc Chief Executive)	32,605	1,456	34,061	(3,260)	30,801	(2,885)	27,916	0	27,916	0	27,916
Corporate Budgets	35,337	32,638	67,975	51,038	119,012	70,976	189,988	83,263	273,252	81,743	354,995
Total Net Expenditure	**291,178**	**108,999**	**400,177**	**51,909**	**452,086**	**72,646**	**524,732**	**92,221**	**616,953**	**82,973**	**699,926**
Funding											
Council Tax	(141,850)	(4,078)	(145,928)	(8,812)	(154,741)	(9,347)	(164,087)	(9,909)	(173,996)	(5,235)	(179,231)
Revenue Support Grant	(27,858)	(67,296)	(95,155)	(14,971)	(110,125)	(3,054)	(113,180)	(2,264)	(115,443)	(2,309)	(117,752)
Business Rates Top-Up Funding	(62,613)	601	(62,011)	(1,559)	(63,570)	(1,323)	(64,893)	(1,298)	(66,191)	(1,324)	(67,515)
Business Rates Retained Income	(20,921)	(13,906)	(34,827)	(663)	(35,490)	(675)	(36,165)	(723)	(36,888)	(738)	(37,626)
Business Rates Section 31	(26,013)	26,013	0	0	0	0	0	0	0	0	0
Business Rates - 8 Authority Pool	(2,000)	2,000	0	0	0	0	0	0	0	0	0
Total (Main Funding)	**(281,255)**	**(56,666)**	**(337,921)**	**(26,005)**	**(363,926)**	**(14,399)**	**(378,325)**	**(14,194)**	**(392,519)**	**(9,605)**	**(402,124)**
New Homes Bonus	(309)	309	(0)	0	(0)	0	(0)	0	(0)	0	(0)
Other External Grants	(9,614)	(456)	(10,070)	3,628	(6,442)	150	(6,292)	200	(6,092)	0	(6,092)
Total (Core/Other External Grants)	**(9,923)**	**(148)**	**(10,070)**	**3,628**	**(6,442)**	**150**	**(6,292)**	**200**	**(6,092)**	**-**	**(6,092)**
Total Funding	**(291,178)**	**(56,814)**	**(347,991)**	**(22,376)**	**(370,368)**	**(14,249)**	**(384,617)**	**(13,994)**	**(398,611)**	**(9,605)**	**(408,216)**
Revised Budget Gap	**(0)**	**(52,186)**	**(52,186)**	**(29,533)**	**(81,718)**	**(58,396)**	**(140,115)**	**(78,228)**	**(218,342)**	**(73,368)**	**(291,710)**

Forecast EFS Requirement to balance the budget

Revised Budget Gap	**(0)**	**(52,186)**	**(52,186)**	**(29,533)**	**(81,718)**	**(58,396)**	**(140,115)**	**(78,228)**	**(218,342)**	**(73,368)**	**(291,710)**
Ongoing 25/26 EFS Requirement	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**
Forecast EFS requirement/Budget Gap	**(37,020)**	**(52,186)**	**(89,206)**	**(29,533)**	**(118,738)**	**(58,396)**	**(177,135)**	**(78,228)**	**(255,362)**	**(73,368)**	**(328,730)**

N.B. For 2026/27 Government have rolled £42.8m previously service-related grants into RSG. This has no impact for overall resources but shows increased net Directorate budgets offset by the increased RSG in the funding line.

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Appendix 2 (a)
Adults Housing and Health Directorate

Adults Housing and Health Directorate

Adults Social Care

1.1. We support older people, disabled adults, and those with mental health needs to live independently and with dignity. In 2026/27, we plan to spend £159m on care and support, funded by, contributions from individuals of around £13m, and shared funding of £17m with local health partners.

1.2. The £159m includes an additional £19m to meet rising demand and inflation. We expect to provide long-term care for around 2170 older adults and 2030 younger adults by March 2027, reflecting the borough's ageing population and growing health needs.

1.3. We are committed to strengthening and improving our services around residents' needs, ensuring high-quality care and support while building financial resilience for the future. This means delivering personalised care plans through meaningful engagement with individuals and families, promoting independence and choice, and ensuring people have access to advice and guidance, including signposting to community-based support where this best meets their needs. We will commission services in a way that is both cost-effective and sustainable, ensuring value for money while maintaining high quality. At the same time, we will continue to strengthen partnerships with health services to integrate care and improve outcomes for residents.

Directorate Proposed Budgets 2026/27 to 2030/31

1.4. The estimated additional budget requirement for the Adult and Social Services Directorate in 2026/27 is £42.5m as presented in the table below. Details of the proposals are provided in the sections below. The total estimated additional budget requirement across 2026/27 to 2030/31 is £59.1m. Due to the introduction of the fair funding and a change in the way grant funding is received by the council, a number of what is described legacy grants will disappear in 2026/27, these include the Social Care Grant and Market Sustainability and Improvement Fund, instead they will be incorporated into the Revenue Support Grant. As a result, £27.6m of grant funding will be removed from the Adult Social Care budget and held corporately but leave the expenditure unchanged except from the proposed change below.

Type	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Starting Budgets	97,782	140,305	145,158	149,963	156,883	**690,092**
Previously Approved Budget Pressures	8,446	7,210	7,200	6,920	0	**29,776**
Previously Approved Budget Savings	(2,856)	(1,689)	(1,920)	0	0	**(6,465)**
New Pressures	10,600	0	0	0	0	**10,600**
New Savings	(909)	0	0	0	0	**(909)**

New Management Actions	(358)	(668)	(475)	0	0	**(1,501)**
Government & Other Funding Changes	27,605	0	0	0	0	**27,605**
Total Proposed Changes	**42,528**	**4,853**	**4,805**	**6,920**	**0**	**59,106**
Proposed Revised Budget	**140,310**	**145,158**	**149,963**	**156,883**	**156,883**	**749,216**
**** Based on Draft Budgets***						

1.5. The current assumption is that all the previously agreed savings included in the March 2025 Council report across 2026/27 to 2030/31 will be delivered in full.

2026/27 Budget Pressures

1.6. £40.4m of budget pressures have been identified across 2026/27 to 2030/31, £19m identified in 2026/27 and summarised in the table below.

Categories	**Description**	**2026/27 (£'000)**	**2027/28 (£'000)**	**2028/29 (£'000)**	**2029/30 (£'000)**	**2030/31 (£'000)**	**Total (£'000)**
Previously Approved	ASC - increased support needs due to increase acuity or complexity of support needs	930	7,210	7,200	6,920		**22,260**
Previously Approved	Cost of Corporate debt team to recover Client Contribution arrears	(250)					**(250)**
Previously Approved	Substitution of resettlement funding (partnerships and communities	416					**416**
Previously Approved	ASC Care Purchasing Budgets - Growth from Demographic Pressures, Inflation and COVID Legacy	2,821					**2,821**
Previously Approved	ASC/CSC Growth assumptions	4,529					**4,529**
New Proposal	Placement demand pressures + inflation assumed at 4%	7,000					**7,000**
New Proposal	Adult Social Care Staffing cost pressure	3,600					**3,600**
Overall Total		**19,046**	**7,210**	**7,200**	**6,920**		**40,376**

1.7. Demand for Adult Social Care services has been modelled for both younger adults and older adults across all support types based on current year expenditure, reflecting historical trends and future population and demographic changes. The additional pressure for 2026/27 reflects agreed assumptions on the best estimate for future numbers who require a care package, reflecting increasing frailty, multiple long-term conditions and complexity. The modelling also considers a broad inflation factor to reflect the need to maintain and develop the local care market ensuring that care staff employed by care organisations are paid care are paid appropriately. As a result, a further £7m is required over and above the £8.28m previously approved to meet forecast demand and costs of care placements in 2026/27.

1.8. Adjustments are made to reflect the time limited, two-year funding, to support the improvement of debt arising from contributions towards care to remove £250,000 and reverse the one-off drawdown of £416,000 from resettlement.

1.9. Adult Social Care (ASC) in Haringey is managing a £3.6 million staffing cost pressure, driven by rising demand and increasingly complex care needs, particularly among older and younger adults. Mitigation efforts include strategic vacancy management, recruitment delays in non-frontline roles, and optimising funding streams, while future plans focus on redesigning the operating model, enhancing digital triage, and ensuring the right workforce mix. Without securing this funding, adult social care risks breaching its statutory duties under the Care Act 2014, which could lead to growing backlogs in assessments and reviews, impacting vulnerable residents.

2026/27 Budget Savings

1.10. £7.4m of budget savings will be delivered across 2026/27 to 2030/31with £3.8m identified in 2026/27 and summarised in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Connected Care Outsourcing	(879)	(35)				**(914)**
Previously Approved	Day Opportunities – Commissioning Review - To undertake a commissioning review of the	(100)	(300)	(450)			**(850)**
Previously Approved	Developing a Community Support model	(550)	(250)	(250)			**(1,050)**
Previously Approved	Reversal of Resettlement funding	300					**300**
Previously Approved	Review of Reablement model	(250)					**(250)**
Previously Approved	Review of the Supported Living contract	(600)					**(600)**

Previously Approved	Housing Related Support and Support Accommodation Commissioning efficiencies and the rationalisation of pathways for housing related supported and supported accommodation. As we move through the commissioning lifecycle there is an opportunity to consolidate contracts and service provision leading to contract savings. This proposal assumes savings of 10-15% applied as		(380)				**(380)**
Previously Approved	Transitions	(777)	(724)	(1,220)			**(2,721)**
New Proposal	Review of Adult Social Care Charging Policy and strengthening financial assessment	(909)	-				**(909)**
Overall Total		**(3,765)**	**(1,689)**	**(1,920)**			**(7,374)**

Government and Other Funding Changes

1.11. £27.6m of government and other funding changes are identified in 2026/27 and summarised in the table below.

Description	**2026/27 (£'000)**	**2027/28 (£'000)**	**2028/29 (£'000)**	**2029/30 (£'000)**	**2030/31 (£'000)**	**Total (£'000)**
Removal of previous Grant income now rolled into Revenue Support Grant through the Fairer Funding Assessment	27,605					27,605
Overall Total	**27,605**					**27,605**

Adults Housing Demand (including Temporary Accommodation)

1.12. Housing Demand provides temporary and emergency accommodation for households who are homeless or at risk of homelessness. In 2026/27 we expect the numbers in temporary accommodation to remain the same but anticipate an increase in costs of around 19% compared to last year.

1.13. The biggest pressure on the budget is the rising cost of temporary accommodation and market conditions, and limited supply mean prices are increasing faster than inflation. To meet these challenges, an additional £9.9m is required next year.

1.14. Our approach focuses on both meeting immediate need and reducing long-term reliance on temporary housing. Key actions including continuing to deliver our housebuilding programme, purchasing additional properties for use as move on from temporary accommodation, ensuring we are achieving best value on nightly paid accommodation and improving our turnaround times for voids. We will also ensure that we only use bed and breakfast accommodation for families in exceptional circumstances, this follows significant progress in 2025 where we reduced the use of bed and breakfast accommodation for families by 83% reduction.

1.15. While these initiatives will help contain costs, market volatility remains a risk, and we will continue to develop innovative solutions to support residents sustainably including exploring funding affordable housing through long-term institutional finance.

Proposed Budgets 2026/27 to 2030/31

1.16. The estimated additional budget requirement for Housing Demand in 2026/27 is £17.0m as presented in the table below. Details of the proposals are provided in the sections below. The total estimated additional budget requirement across 2026/27 to 2030/31 is £19.0m.

Type	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Starting Budgets	**25,894**	**42,861**	**42,884**	**44,372**	**44,882**	**200,894**
Previously Approved Budget Pressures	3,000	2,000	2,000	1,000	0	**8,000**
Previously Approved Budget Savings	(2,600)	(1,300)	0	0	0	**(3,900)**
New Pressures	10,854	0	0	0	0	**10,854**
New Savings	(850)	(542)	(512)	(490)	0	**(2,394)**

Government & Other Funding Changes	6,563	(135)	0	0	0	**6,428**
Total Proposed Changes	**16,967**	**23**	**1,488**	**510**	**0**	**18,989**
Proposed Revised Budget	**42,861**	**42,884**	**44,372**	**44,882**	**44,882**	**219,882**
**** Based on Draft Budgets***						

1.17. The current assumption is that all of the previously agreed savings included in the March 2025 Council report across 2026/27 to 2030/31 will be delivered in full.

2026/27 Budget Pressures

1.18. £18.9m of proposed budget pressures have been identified across 2026/27 to 2030/31, £13.9m identified in 2026/27 and summarised in the table below.

Categories	**Description**	**2026/27 (£'000)**	**2027/28 (£'000)**	**2028/29 (£'000)**	**2029/30 (£'000)**	**2030/31 (£'000)**	**Total (£'000)**
Previously Approved	Temporary Accommodation Costs Pressure continuation	3,000	2,000	2,000	1,000		8,000
New Proposal	Housing Demand (demand and price pressure)	9,902					9,902
New Proposal – Invest to Save	Invest to Save - Incentive payments to increase and retain PSL stock for use as Temporary Accommodation	952					952
Overall Total		**13,854**	**2,000**	**2,000**	**1,000**		**18,854**

1.19. The Council is facing rising Temporary Accommodation (TA) costs of £8.5m, driven by an 18–19% annual increase in Nightly Paid Accommodation (NPA) spend, reduced availability of Private Sector Leased (PSL) and council-owned properties, and market pressures that have led to landlords to withdraw properties. Additional budget pressures include a £262,000 overspend on legal recharges due to reliance on external services, and an increased Bad Debt Provision aligned with ambitious rent collection targets following recent rent increases.

1.20. Invest to Save- The Council has experienced a steady decline in Private Sector Leasing (PSL) properties for Temporary Accommodation due to rising market rents and increased competition from other boroughs. To address this, a proposed landlord incentive scheme aims to retain and grow PSL stock, reducing reliance on costly nightly paid and B&B accommodation. While this would result in a short-term increase in expenditure in 2026/27, it is projected to deliver significant cost avoidance in future years, forming part of a broader PSL Retention Strategy. £1.0m of investment is required to provide proposed reductions of £2.1m across 2026/27 to 2030/31 as summarised in the table below

Government and Other Funding Changes

1.21. £6.6m of government and other funding changes are identified in 2026/27 and summarised in the table below.

Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Removal of previous grant income now rolled into Revenue Support Grant through the Fairer Funding Assessment	6,698					**6,698**
Change in funding for Voluntary Sector Grant – Contribution from Reserve	(135)	(135)				**(270)**
Overall Total	**6,563**	**(135)**	**0**	**0**	**0**	**6,428**

2026/27 Budget Savings

1.22. £6.3m of budget savings will be delivered across 2026/27 to 2030/31, £3.5m identified in 2026/27 and summarised in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	More Cost-Effective Sources of Temporary Accommodation - The delivery of this saving is through the combination of a number of initiatives to reduce the overall cost of homes secured for temporary accommodation and to increase the	(2,600)	(1,300)				**(3,900)**

	amount of Local Housing Allowance recouped by the Council. Key initiatives to reduce our reliance on expensive nightly-paid accommodation include entering into longer term leases for properties; delivering a housing acquisition programme of 250 homes per annum and modernising the Council's rent setting policy for TA to ensure the Council is maximising the amount that it is legally entitled to recouped within housing benefit rules.						
Previously Approved	Housing Related Support and Support Accommodation Commissioning efficiencies and the rationalisation of pathways for housing related supported and supported accommodation. As we move through the commissioning lifecycle there is an opportunity to consolidate contracts and service provision leading to contract savings. This proposal assumes savings of 10-15% applied as contracts are re-procured		(380)				**(380)**
New Proposal	"Reduction in contract in Floating Support Contract	(257)					**(257)**
New Invest to Save Proposal	Savings on the incentive payments to increase and retain PSL stock for use as Temporary Accommodation	(593)	(542)	(512)	(490)	0	**(2,137)**
Overall Total		**(3,450)**	**(1,842)**	**(512)**	**(490)**	**0**	**(6,294)**

2026/27 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

1.23. Following consultation, new or deleted schemes compared to the Capital Programme that was last agreed in March 2025 are noted in the table below.

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
ADDITIONS / NEW SCHEMES								
Adults, Housing & Health	226	Initiatives under Housing Demand Programme - acquisitions		5,000	5,000	5,000	5,000	**20,000**
			0	**5,000**	**5,000**	**5,000**	**5,000**	**20,000**
DELETION / REDUCTION								
Adults, Housing & Health	225	Locality Hub	(501)					**(501)**
Adults, Housing & Health	226	Initiatives under Housing Demand Programme – this allocation was £10m but was not drawn down in 2025/26 and has been reprofiled across the MTFS period .	(5,150)					**(5,150)**
			(5,651)	**0**	**0**	**0**	**0**	**(5,651)**
NET MOVEMENT			**(5,651)**	**5,000**	**5,000**	**5,000**	**5,000**	**14,349**

1.24. The proposed Capital programme and funding sources across the five years from 2026/27 to 2030/31 is set out in full in the table below (2025/26 budgets shown for information).

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
201	Aids, Adaptations and Assistive Technology in homes to support people living at home for longer - funded by Disabled Facilities Grant	3,616	2,200	2,200	2,200	2,200		**12,416**
211	Community Alarm Service for residents supported to live at home	177	177	177	0	0		**531**
213	Refurbishment of Canning Cresent to provide Crisis accommodation and the Clarendon Recovery College	682	0	0	0	0		**682**
225	Locality Hub	338	0	0	0	0		**338**
226	General Fund contribution to the acquisition of homes to reduce numbers in emergency temporary accommodation	4,850	0	5,000	5,000	5,000	5,000	**24,850**
Adults, Housing & Health		**9,663**	**2,377**	**7,377**	**7,200**	**7,200**	**5,000**	**38,817**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
Core Capital Programme Borrowing	6,047	177	5,177	5,000	5,000	5,000	**26,401**
Capital Grants from Central Government Departments	3,616	2,200	2,200	2,200	2,200	-	**12,416**
Total	**9,663**	**2,377**	**7,377**	**7,200**	**7,200**	**5,000**	**38,817**

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Appendix 2 (b)
Children and Young People Directorate

Children and Young People Directorate

1.1. The Children and Young People's Directorate include all services for children and young people, including children in care, early help and intervention, youth provision, education services, Schools (funded by the Dedicated Schools Grant) and support for those with Special Educational Needs (SEND).

Directorate Proposed Budgets 2026/27 to 2030/31

1.2. The estimated additional budget requirement for the Children's Directorate in 2026/27 is £13.2m as presented in the table below, details of the proposals are also provided in the sections below. The total estimated additional budget requirement across 2026/27 to 2030/31 is £17.6m, however, it should be noted that work to model demand pressures from 20027/28 onwards is still being undertaken and therefore it is likely that the additional budget required from 2027/28 will increase. Due to the introduction of the fair funding and a change in the way grant funding is received by the council, a number of what is described legacy grants will disappear in 2026/27, this includes the Social Care Grant and a number of small grants, instead they will be incorporated into the Revenue Support Grant. As a result, £8.4m of grant funding will be removed from the Children and People budget and held corporately but leave the expenditure unchanged except from the proposed change

Type	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Starting Budgets *	**69,458**	**82,636**	**83,943**	**85,367**	**87,047**	**408,450**
Previously Approved Budget Pressures	3,496	1,772	1,772	1,680	0	**8,720**
Previously Approved Budget Savings	(520)	(365)	(50)	0	0	**(935)**
New Pressures	2,152	0	(165)	0	0	**1,987**
New Savings	(327)	(101)	(20)	0	0	**(448)**
New Management Actions	0	0	(113)	0	0	**(113)**
Previously Agreed Government & Other Funding Changes	1,330	0	0	0	0	**1,330**
New Government & Other Funding Changes	7,048	0	0	0	0	**7,048**
Total Proposed Changes	**13,178**	**1,307**	**1,424**	**1,680**	**0**	**17,589**
Proposed Revised Budget	**82,636**	**83,943**	**85,367**	**87,047**	**87,047**	**426,038**
**** Based on Draft Budgets***						

1.3. The current assumption is that all of the previously agreed savings included in the March 2025 Council report across 2026/27 to 2030/31 will be delivered in full.

2026/27 Budget Pressures

1.4. £10.7m of budget pressures have been identified across 2026/27 to 2030/31, £5.6m in 2026/27 and summarised in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Removal of funding for Safety Valve Delivery Team		(400)				**(400)**
Previously Approved	Home School Transport – additional demand	621	599	636	566		**2,422**
Previously Approved	Increased Service demand for Education, Health and Care plans (EHCPS).	105	52	105	52		**314**
Previously Approved	Increase in the social care placements Costs	2,750	1,521	1,031	1,062		**6,364**
Previously Approved	Subject Access Requests (SARS)	20					**20**
New Proposal	Continuation funding for running costs for Rising Green Youth Hub	165		(165)			**0**
New Proposal	Ongoing costs for the delivery of the Families First Partnership Programme	1,436					**1,436**
New Proposal	Additional staffing to support increase in requests for subject access records	123					**123**
New Proposal	Additional staffing to support SEND tribunals, mediations and complaints	215					**215**
New Proposal	Additional staffing to review direct payments	213					**213**
Overall Total		**5,648**	**1,772**	**1,607**	**1,680**		**10,707**

1.5. £400,000 was added to the Children's budget in 2023/24 to fund a team to work on delivering the agreed Safety Valve programme. It was time limited and the budget is due to be taken back from 2027/28 as that is the end of the programme.

1.6. The SEND Transport Service is facing significant cost pressures due to rising numbers of children with EHCPs requiring transport—including costly out-of-borough routes—as well as substantial inflationary increases driven by London Living Wage,

fuel costs, and provider pricing. Despite extensive mitigation and efficiency measures, the statutory nature of the service alongside continued demand growth has resulted in a £621,000 pressure in 2026/27, with further investment required to in subsequent years to meet statutory requirements and maintain a balanced budget.

1.7. The number of young people with a EHCP is projected to continue to increase from the current level of 3,100 creating capacity pressures, as Annual Review completion rates remain around 60%, increasing the risk of outdated support packages, higher costs, and legal challenge. Without additional investment in case officers, caseloads will exceed Ofsted-recommended levels, jeopardising delivery of critical Safety Valve savings.

1.8. The placements budget remains under pressure, driven by rising placement costs and increasing complexity of need. Although the overall number of children in care has fallen, complexity has intensified and, alongside previous 23% cost increases in residential and semi-independent provision. This is expected to create continued high-cost pressures over the next three years. Estimated costs are based on a 3.52% inflationary uplift for placements in 2026/27 and 3% thereafter.

1.9. The Rising Green Youth Hub staffing costs of £165,000 has been previously met through the use of grant and reserves which is due to end in March 2026. In September, Cabinet agreed the continuation of extending the lease for Rising Green. If budgets for the running costs from April 2026 are not secured, the Council will still be liable for the rental and associated costs for April and May 2026 alongside dilapidation costs which are unknown at this stage.

1.10. The Families First Partnership Programme pressure relates to the replacement of a 2025/26 grant which was originally passported to the Council as a Section 31 Grant in the 2025/26 settlement, but subsequent guidance has been issued by DfE confirming grant conditions and new service requirements.

1.11. Under the Data Protection Act 2018, individuals have the right to request access to their personal data through Subject Access Requests (SARs), which must be responded to within one month unless extended due to complexity. Due to a sharp rise in SARs and increasing case complexity, the current team is under-resourced, prompting a proposal to add three staff members costing £123,000 to meet demand and maintain compliance, this builds on previous investment of £160,000 over five years from 2022/23 onwards.

1.12. Tribunal appeals and mediation cases in Haringey have risen sharply over the past three years, placing significant strain on the single Dispute Resolution Officer and exceeding acceptable caseload levels compared to neighbouring boroughs. To reduce financial pressures and improve outcomes, there is a need to increase staff capacity within the SEND service with a budget pressure of £215,000, which will support cases being resolved earlier.

1.13. As part of the process of reviewing direct payments, there is a statutory duty to annually review support to disabled children and identify whether needs remain the same. The service has not had the capacity to deliver either the social work aspect of the task or the financial audit function and a small social work team of 3 will be put in place to review between 300-330 short break packages. This entails reviewing children's support plans, needs and completing the audit on spending of personal budgets. The cost of the small social worker team is bringing a pressure of £213,000 to the budget.

2026/27 Budget Savings

1.14. £1.4m of budget savings will be delivered across 2026/27 to 2030/31, of which £0.8m is identified in 2026/27 and summarised in the table below.

Categories	**Description**	**2026/27 (£'000)**	**2027/28(£'000)**	**2028/20 (£'000)**	**2029/30 (£'000)**	**2030/31 (£'000)**	**Total (£'000)**
Previously Approved	John La Rose Bursary	(15)	(15)				**(30)**
Previously Approved	Localities Hub - reduction in children's centre provision	(200)					**(200)**
Previously Approved	Staff savings from a restructure of management across the Directorate		(300)				**(300)**
Previously Approved	Removal of the early help parenting offer	(255)					**(255)**
Previously Approved	Youth Services reduction	(50)	(50)	(50)			**(150)**
New Proposal	Care Leavers Accommodation	(237)	(31)				**(268)**
New Proposal	Introducing specialist foster carer allowances to attract more foster carers	(90)	(70)	(20)			**(180)**
Overall Total		**(847)**	**(466)**	**(70)**			**(1,383)**

Government and Other Funding Changes

1.15. £8.4m of government and other funding changes are identified in 2026/27 and summarised in the table below.

Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
New Children's Social Care Delivery Grant - assumed one year only	1,330					1,330
Removal of previous Grant income rolled into Revenue Support Grant through the Fairer Funding Assessment	8,484					8,484
Funding for Social work prevention grant (Families First Partnership Programme)	(1,436)					(1,436)
Overall Total	**8,378**		**0**			**8,378**

2026/27 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

1.16. Following consultation, new or deleted schemes compared to the Capital Programme that was last agreed in March 2025 are noted in the table below.

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
ADDITIONS / NEW SCHEMES								
Children's Services	101	School Conditions Surveys – the completion of these surveys will determine the essential investment required	230					**230**
Children's Services	102	Schools Capital Programme – immediate essential repairs for 8 schools (6 primary and 2 secondary) that can't be contained within previously approved capital programme	2,902	2,902	2,902	2,902	2,902	**14,512**
DELETION / REDUCTION			**3,132**	**2,902**	**2,902**	**2,902**	**2,902**	**14,742**
Children's Services	124	In-Borough Children's Respite Services – reduction as a result of change in how services and support will be delivered	(2,630)	(2,630)				**(5,260)**

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
			(2,630)	**(2,630)**	**0**	**0**	**0**	**(5,260)**
NET MOVEMENT			**502**	**272**	**2,902**	**2,902**	**2,902**	**9,482**

1.17. The proposed Capital programme and funding sources across the five years from 2026/27 to 2030/31 is set out in full in the table below (2025/26 budgets shown for information)

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2026/27 - 30/31 Total
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
101	Schools - essential and planned repairs and maintenance to the primary schools portfolio	3,723	2,345	2,000	2,000	2,000		**12,068**
102	Schools - modernisation and improvements to the primary schools portfolio (including SEND provision)	3,496	13,232	5,402	5,402	5,402	2,902	**35,838**
104	DFE - Childcare Expansion Capital Grant	25	0	0	0	0		**25**
105	Replacement of Reinforced Autoclaved Aerated Concrete in schools across the borough	251	0	0	0	0		**251**
110	Schools - capital budget fully passported to schools for capital works	504	531	531	531	531		**2,628**
114	Schools - modernisation and improvements to the secondary schools portfolio (including SEND provision)	2,210	0	0	0	0		**2,210**
121	Essential repairs and maintenance for Pendarren House Activities Centre	229	228	0	0	0		**457**
124	Expansion of In-Borough Residential Care Facilities	381	472	17	0	0		**870**
125	Expansion of SEND provision across the borough's schools in line with the Safety Value Programme	3,446	2,937	4,640	0	0		**11,023**

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2026/27 - 30/31 Total
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
126	Upgrade and developments required to the early years and social care case management systems (Liquid Logic)	220	250	1,780	0	0		**2,250**
127	A grant to provide musical instruments to Haringey schools and adjacent borough schools	579	0	0	0	0		**579**
Children's Services		**15,064**	**19,995**	**14,370**	**7,933**	**7,933**	**2,902**	**68,198**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
Core Capital Programme Borrowing	5,440	13,896	4,699	2,902	2,902	2,902	**32,743**
Capital Grants from Central Government Departments	9,045	6,099	9,671	5,031	5,031	-	**34,876**
Grants & Contribs from Non-departmental Public Bodies	579						**579**
Total Funding	**15,064**	**19,995**	**14,370**	**7,933**	**7,933**	**2,902**	**68,198**

Appendix 2 (c) Culture, Strategy & Communities Directorate

Culture, Strategy & Communities Directorate

1.1. Culture, Strategy and Communities (CSC) is responsible for a mix of community-facing and internal enabling and support functions. Services include Libraries, Culture, Bruce Castle Museum & Archive, the Placemaking and Inclusive Economy services including Haringey Works and Haringey Learns, and the Voluntary & Community Sector team. This is in addition to Policy and Communications, Complaints and Feedback, Human Resources, Legal, Democratic Services, Elections, Registrars and the Coroner's Court service.

1.2. The proposed budget in 2026/27 is £18.9m, which takes account of income contributions from Registrars, room hire and other income in Libraries, filming income and digital and on-street advertising. There is also a capital budget of £114.6m, covering a number of major capital and regeneration projects. The Council is also funding essential maintenance and compliance works at Alexandra Palace, as well as advancing a loan to upgrade the Palace's facilities on an invest to earn basis.

1.3. Pressures in CSC are related to previously capitalised staffing costs which must now be funded through revenue, and income generation targets, which are stretching and the services have historically struggled to meet them in full. There is also a one-off pressure associated with the costs of holding the local elections in 2026.

1.4. The Directorate will be responsible for taking forward a number of projects of major importance not just for the Council but for the Borough during 2026/27. These include:

- making progress on the first phase of High Road West in Tottenham;
- beginning work on the redevelopment of Station Road to deliver the vision of Shaping Wood Green;
- overseeing the refurbishment and extension of the Civic Centre and managing the office and staffing moves that will follow when we move back to the Civic; and
- preparation work for Haringey's year as London Borough of Culture in 2027**.**

1.5. The Directorate is the link to the delivery charity set up to deliver London Borough of Culture, the Haringey Culture Collective, and will ensure staff across the Council have opportunities to take part in and contribute to the development of our exciting and ambitious programme as we prepare for the launch of our year in April 2027. Having adopted a new Library Strategy in January 2026, the Libraries Service is looking forward to seeing continued growth in stock borrowing (up nearly 10% between 2023/24 and 2024/25), footfall (up by 20,000 visits over the same period) and on-line usage (a ten-fold increase in digital borrowing since the pandemic). Further investment in digital infrastructure in our libraries will take place during 2026/27.

1.6. A new Workforce Development Strategy was adopted in 2025/26 and services will continue to be supported to develop workforce development plans to ensure we have the skills and capacity to deliver into the future. This is challenging as the HR

service is the first of the enabling services to implement efficiency savings as part of the enabling services review. The Directorate will lead on further reviews and savings across the Council's enabling services during 2026/27, including business and administrative support, and policy, communications and consultation activities.

1.7. Finally, this Directorate leads in coordinating the Council's influencing and policy development work. We ensured that Haringey's voice was heard in the 2025/26 consultation on the future funding formula for local government and secured some improvements in the proposals for Haringey to ensure our communities' needs are able to be met in the future. In the coming year the Directorate will lead the work to coordinate and run the local elections on behalf of the Returning Officer and to prepare for the onboarding and induction of new Members and a new Administration with a new corporate and political programme from May 2026.

Proposed Budgets 2026/27 to 2030/31

1.8. The estimated additional budget requirement for the Culture, Strategy and Communities Directorate in 2026/27 is £1.9m as presented in the table below. Details of the proposals are provided in the sections below. The total estimated additional budget requirement across 2026/27 to 2030/31 is £1.9m.

Type	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Starting Budgets	**17,004**	**18,922**	**17,652**	**17,625**	**17,723**	**88,926**
Previously Approved Budget Pressures	597	(527)	23	23	0	**116**
Previously Approved Budget Savings	(100)	(100)	(125)	0	0	**(325)**
New Pressures	1,705	(619)	75	75	1,230	**2,466**
New Savings	(100)	0	0	0	0	**(100)**
New Management Actions	(184)	(24)	0	0	0	**(208)**
Total Proposed Changes	**1,918**	**(1,270)**	**(27)**	**98**	**1,230**	**1,949**
Proposed Revised Budget	**18,922**	**17,652**	**17,625**	**17,723**	**18,953**	**90,875**
**** Based on Draft Budgets***						

1.9. The current assumption is that all of the previously approved savings included in the March 2025 Council report across 2026/27 to 2030/31 will be delivered in full.

2026/27 Proposed New Budget Pressures

1.10. £2.6m of proposed budget pressures have been identified across 2026/27 to 2030/31, consisting of £2.3m in 2026/27 and summarised in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Human Resources contract inflation and Disclosure Barring Service (DBS) increases	46	22	22	22		112
Previously Approved	Increasing cost of Copyright Licensing Authority	1	1	1	1		4
Previously Approved/ New Proposal	2026 election costs.	1,230	(1,230)			1,230	**1,230**
New Proposal	Removal of unachievable advertising income	200					**200**
New Proposal	Human Resources Housing Revenue Account funding pressure – costs no longer charged to	150	75	75	75		**375**
New Proposal	Wood Green budget pressures -	580					**580**
New Proposal	Pressure in libraries staffing budget following revised council policy on weekend pay	45	(14)				**31**
New Proposal	New budget requirement to fund 'reasonable adjustments' for staff	50					50
Overall Total		**2,302**	**(1,146)**	**98**	**98**	**1,230**	**2,582**

1.11. The HR service is experiencing a series of unavoidable financial pressures driven by contractual commitments, statutory compliance requirements, and external market factors affecting Schools HR income. Without additional funding of £46,000, these pressures will affect service sustainability and the Council's ability to recover costs.

1.12. There is a budget pressure of £1,000 in 2026/27 arising from the statutory requirement for the Council to hold a Copyright Licensing Authority (CLA) licence and to request an increase to the budget to meet the unavoidable cost increase.

1.13. Haringey Council faces a statutory, time-limited budget pressure of approximately £1.23 million to deliver the May 2026 borough elections, driven by increased costs for staffing, voter ID implementation, Royal Mail charges, and relocating the count to Alexandra Palace. Without sufficient funding—beyond the £550,000 currently allocated—the Returning Officer risks breaching legal duties, compromising election validity and damaging the Council's reputation.

1.14. Over the years, income targets for the communications team have been increasingly stretched, reaching £770,000 for 2024/25 and 2025/26. Despite efforts, including hiring an extra staff member for six months—only £400,000 was achieved last year. For 2026/27, a more realistic target of £550,000 is proposed, factoring in new revenue from the River Park House advertising hoarding. This adjustment is necessary as the main resource for developing new commercial opportunities is currently focused on the Income Generation MTFS project, which also has demanding targets. Therefore, the communications income target is to be reduced to £550,000 for 2026/27 and beyond.

1.15. The Human Resources budget is under increasing pressure due to a shift in funding proportions between the General Fund and the Housing Revenue Account (HRA), driven by changes in staff headcount. As the number of HRA-funded roles decline, the HRA contribution has dropped from approximately 24% to 21%, with further reductions expected. This shift, combined with overall headcount growth, has made previous budget management strategies unsustainable, necessitating an increase in General Fund support to maintain current service levels.

1.16. The capital budget for Wood Green in 2026/27 is approximately £2.7m, with no allocation beyond that year. This budget is uncommitted and includes £500,000 for capitalised salaries, which—if redirected as savings—could create a revenue pressure due to changes in capitalisation protocols. Additionally, the Placemaking team faces further pressures from the loss of external funding for a key role and an unresolved £80,000 savings target, potentially impacting the council's ability to deliver on community development commitments under the Haringey Deal.

1.17. A final-stage review of library operations has introduced a staff restructure, coinciding with the insourcing of leisure services to Haringey Council in 2025. As part of this transition, weekend pay enhancements were extended to library staff working exclusively weekends, aligning with leisure colleagues and standardising pay policy across the Council. This policy-driven change has created a projected salary pressure of £45,000, including ongoing enhancements, back pay, and pay protection. While mitigation options are being explored, the service has already delivered significant savings through restructuring, limiting further flexibility.

1.18. The current process for arranging payments for those staff requiring a reasonable adjustment can feel complex or time-consuming. To address this Human Resources are actively reviewing and simplifying the way reasonable adjustments are funded and processed and will announce changes in due course. The recommendation is to issue a purchase card estimated at £50,000, this will be reviewed after 12 months, and central consolidation or recharging explored.

2026/27 Budget Savings

1.19. £425,000 of savings will be delivered across 2026/27 to 2030/31, of which £200,000 is in 2026/27 and set out in full in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Culture - Commissioning & grants reduction		(100)	(125)			**(225)**
Previously Approved	Inclusive Economy Service Reduction	(100)					**(100)**
New Savings Proposal	Reduce or remove Business Support Service	(100)					**(100)**
Overall Total		**(200)**	**(100)**	**(125)**	**0**	**0**	**(425)**

2026/27 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

1.20. Following consultation, new or deleted schemes compared to the Capital Programme that was last agreed in March 2025 are noted in the table below.

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
ADDITIONS / NEW SCHEMES								
Culture, Strategy & Communities	New Scheme	Alexandra Palace - Panorama room	3,000	500				**3,500**
Culture, Strategy & Communities	New Scheme	Alexandra Palace - Great Hall Emergency Exit Bridge	750					**750**
Culture, Strategy & Communities	New Scheme	Alexandra Palace - Investment in MotherGrid & Stage	1,500					**1,500**
Culture, Strategy & Communities	New Scheme	Pride in Place (subject to Cabinet's decision)	1,500					**1,500**

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
DELETION / REDUCTION			**6,750**	**500**	**0**	**0**	**0**	**7,250**
Culture, Strategy & Communities	634	Alexandra Palace - Invest to Earn – reduction in previously approved allocation and replaced with new schemes above	(1,128)	(1,356)				**(2,484)**
Culture, Strategy & Communities	402	Change in Funding sources for Wood Green & Tottenham reducing Council resources, but no change in project outcomes due to grant funding	(2,100)					**(2,100)**
			(3,228)	**(1,356)**	**0**	**0**	**0**	**(4,584)**
NET MOVEMENT			**3,522**	**(856)**	**0**	**0**	**0**	**2,666**

1.21. The proposed Capital programme and funding sources across the five years from 2026/27 to 2030/31 is set out in full in the table below (2025/26 budgets shown for information)

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
402	Shaping Tottenham programme	5,099	11,112	2,182	0	0		**18,393**
406	This a fund to provide loans to business'	1,358	0	0	0	0		**1,358**
408	Essential and planned improvements to Down Lane Park	300	2,400	0	0	0		**2,700**
448	A programme of public realm improvements across the borough	0	1,500	0	0	0		**1,500**

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
458	The budget is for the provision of full Fibre Broadband and Wi-Fi connections to Council affiliated Buildings and Community Centres, and Business Support	921	0	0	0	0		**921**
483	This is a fund to provide loans to business in specified areas	816	0	0	0	0		**816**
480	Shaping Wood Green programme	4,144	6,429	1,028	0	0		**11,601**
4005	A project to increase the amount of affordable work space in the borough	1,633	0	0	0	0		**1,633**
4010	Selby Urban Village Project is a mixed use community centre, sports and housing project	1,366	11,839	14,294	619	0		**28,118**
421	Acquisition of homes linked to the Compulsory Purchase Order at High Road West	5,900	44,288	66,368	26,368	17,712	400	**161,036**
464	Improvement to Bruce Castle Museum	228	0	0	0	0		**228**
447	A contribution to the upkeep of Alexandra Palace	470	470	470	0	0		**1,410**
330	New Civic Centre development	27,628	30,697	1,546	0	0		**59,871**
630	Libraries IT upgrade	719	150	0	0	0		**869**
631	Essential works at Alexandra Palace to comply with the Protect duty (Martyn's Law)	182	363	0	0	0		**545**
632	Essential works at Alexandra Palace for Health & Safety	286	293	0	0	0		**579**
633	Essential works at Alexandra Palace for Compliance works	1,194	1,006	0	0	0		**2,201**
New Scheme	A loan to Alexandra Palace to refurbish the Panaroma Room to ensure a quality environment	0	3,000	500				**3,500**
New Scheme	This is to fund works to the emergency exit at Alexandra Palace, otherwise the facility will not be capable of being used	0	750					**750**
New Scheme	A loan to upgrade the lighting rig at Alexandra Palace to bring it to modern standards	0	1,500					**1,500**
Culture, Strategy & Communities		**52,244**	**115,797**	**86,388**	**26,987**	**17,712**	**400**	**299,528**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
Core Capital Programme Borrowing	42,240	56,044	6,126	400	400	400	**105,610**
Community Infrastructure Levy (CIL)	527						**527**
Capital Grants from Central Government Departments	3,947	13,339	4,623	619			**22,528**
Capital Funding from GLA ,TfL & Other LA's	2,554	6,200	25,968	25,968	17,312		**78,002**
Revenue Contribution to Capital Outlay (RCCO)			3,500				**3,500**
Usable Capital Reserve	2,174	-	-	-	-	-	**2,174**
Land Appropriation			2,100				**2,100**
Grants & Contributions from Non-departmental Public Bodies	802		4,071				**4,985**
Developer Contributions (S106 & S278)		40,214	40,000				**80,214**
Total	**52,244**	**115,797**	**86,388**	**26,987**	**17,712**	**400**	**299,528**

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Appendix 2 (d) Environment & Resident Experience Directorate

Environment & Resident Experience Directorate

1.1. The Environment and Resident Experience Directorate covers a range of services including, Waste, Parking and Highways, Transport, Planning and Building Standards, Leisure Centres, Wellbeing and Climate, Customer Services, Council Tax, Business Rates, Benefits and Corporate Debt Recovery team are managed within this Directorate.

1.2. The services within the Directorate significantly shape how residents feel about living in the borough. By maintaining cleaner, safe and well- run public spaces—such as roads, parks and leisure facilities. The Council improves everyday quality of life focus on improving health, reducing inequalities, and preparing the borough for climate risks.

1.3. Customer Services ensure residents can easily access help, which builds trust and confidence in the Council. Community Safety and effective enforcement further create a secure, supportive environment where people feel valued. Strong leadership across public- facing services ensures these offerings remain high- quality, visible and designed around resident needs. Planning and Building Standards services ensure that developments in the borough are well- designed, safe, compliant, and aligned with local policy, whilst protecting the character and heritage.

1.4. The net budget for 2026/27 is £13.4m. This includes additional budgets of £1.6m to cover service pressures, and £1.2m of previously approved and new savings proposals. The Directorate includes £1.2m of capital projects which includes income from external sources.

1.5. The Directorate aims to create a cleaner, safer, better- connected, and more supportive borough, improving everyday life for residents by delivering high- quality frontline services and ensuring strong, vibrant communities.

Proposed Budgets 2026/27 to 2030/31

1.6. The estimated additional budget requirement for the Environment and Resident Experience Directorate in 2026/27 is £315,000 as presented in the table below. Details of the new proposals are provided in the sections below. The total estimated reduction in budget requirement across 2026/27 to 2030/31 is £3.9m.

Type	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Starting Budgets	**13,098**	**13,412**	**12,631**	**9,495**	**9,245**	**57,882**
Previously Approved Budget Pressures	(849)	(134)	(2,000)	0	0	**(2,983)**
Previously Approved Budget Savings	(1,114)	(1,238)	(886)	0	0	**(3,238)**

Type	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
New Pressures	2,473	557	0	0	0	**3,030**
New Savings	(111)	0	(250)	(250)	0	**(611)**
New Management Actions	(84)	34	0	0	0	**(50)**
Total Proposed Changes	**315**	**(781)**	**(3,136)**	**(250)**	**0**	**(3,852)**
Proposed Revised Budget	**13,412**	**12,631**	**9,495**	**9,245**	**9,245**	**54,030**
**** Based on Draft Budgets***						

1.7. The current assumption is that all of the previously approved savings included in the March 2025 Council report across 2026/27 to 2030/31 will be delivered in full.

2026/27 Budget Pressures

1.8. £0.05m of budget pressures have been identified across 2026/27 to 2030/31, £1.6m pressure identified in 2026/27 and summarised in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Reversal of Veolia Pension rebate based on the current valuation for previously transferred staff	300					**300**
Previously Approved	Reduction in previously agreed Housing Benefit additional budget and reversal of benefits staffing capacity saving budgets	(1,149)	(134)	(2,000)			**(3,283)**
New Proposal	Correction of shortfall in the Housing Benefits budget	734	803				**1,537**
New Proposal	Restore core Benefit staffing capacity to prevent costly backlogs	400	134				**534**
New Invest to Save Proposal	Additional one off budget to deliver the increase in use of digital for Council Tax billing.	12					**12**
New Proposal	Additional Bad Debt Provision to fund shortfall in court cost recovery	136					**136**

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
New Proposal	25/26 Communities Hub Allocation (write off of savings following undelivered Community Hubs model)	250					**250**
New Proposal	Additional staffing capacity within customer services pending the introduction of digital technology	380	(380)				**0**
New Proposal	Reduction in income target for leisure services arising from the creation of homelessness prevention hub	225					**225**
New Proposal	ASB Enforcement Team recharge – costs previously funded from the HRA now charged to the General Fund	128					**128**
New Proposal	Public Realm/Community Safety CCTV recharge to Housing - costs previously funded from the HRA now charged to the General Fund	208					**208**
Overall Total		**1,624**	**423**	**(2,000)**			**47**

1.9. Under current rate valuation, a fixed term savings of £300,000 had been realised against the Veolia contract pension contribution for previously transferred staff. However, this rate/cap is due for re-evaluation in 26/27, with the current assumption that this saving will not continue.

1.10. In 2026/27 there was a £1m reversal of previously approved Housing Benefit growth. The single biggest demand pressure on this budget is the council's mandatory contribution to compliant supported exempt accommodation costs that are only partially funded by DWP subsidy, with other pressures such as recovery of overpaid Housing Benefits now being harder to recover for residents who have migrated to Universal Credit.

1.11. Therefore an additional £1.537m is required for the 2026/27 and 2027/28 benefits expenditure budget to cover unavoidable costs. Without this adjustment, the Council faces a forecasted overspend of £734,000 in 2026/27 and 803,000 in 2027/28. The funding aligns the budget with realistic demand.

1.12. In 2026/27 there was a reversal of funding of £149,000 for the Housing Benefit (HB) administration costs due to an expectation of staffing reductions. The growth of £400,000 fully reverses this and restores capacity to 5 FTE, the level required to manage

the more complex caseload the Benefits service has, and the loss of economies of scale previously across CTRS and Housing Benefits. Previous budget reductions have required staffing reductions, leading to the accumulation of a backlog in 2025/26, which has required in-year growth to resolve. The additional budget ensures sustainable capacity, improved accuracy, and reduced reliance on expensive short-term fixes.

1.13. The invest to save digital onboarding push refers to a targeted campaign to increase e-billing uptake among Council Tax account holders, aiming to reduce printing and postage costs and improve digital engagement. With nearly 80,000 email addresses on file for accounts that are not currently using e-billing, a 40% uptake by those who currently get their bill by post could save approximately £39,800 annually. A £12,000 of investment is required to provide proposed reductions of £63,000 in 2026/27, the investment delivered in partnership with CAM and supported by Haringey Comms will promote self-service and automation, reduce administrative pressure, and align with corporate priorities around resident experience and digital transformation.

1.14. There is a budget increase of £136,000 needed to address a historic and recurring shortfall in court cost income, which has consistently fallen below the longstanding budget assumption of £1.35m income. This gap is driven by fees not increased following a subsidy removal policy, which is corrected in the fees for 2026/27.

1.15. In 2025/26, there is an assumed saving of £250,000 attributed to E&RE as part of a larger saving for the establishment of a Community Hubs model across the borough. However, as a result of a change in Council approach for which a decision was taken in early 2025, this initiative it not being progressed as originally planned. In year, this has correctly been reported as an unachievable saving and given the change in plans, the budget for 2026/27 will be adjusted to reverse the original reduction in 2025/26.

1.16. This Customer Service capacity one-off pressure proposal seeks temporary funding to cover non-recurrent staffing costs in 2026/27. Ten temporary roles (6 agency backfill for sickness and 4 fixed-term contracts) which have arisen due to the originally envisaged digital transformation and channel shift not occurring, and the budget reductions based on these undelivered plans placing unmanageable demand on the service. Funding will maintain accessibility for vulnerable residents and prevent service disruption, and costs will end in 2027/28 after the digital transformation and channel shift takes place in 2026/27.

1.17. The Leisure Service aims to boost income by expanding gym facilities at Tottenham Green and Park Road, with Tottenham Green requiring significant growth from 1,900 to 3,400 members. However, a proposal to use part of the function room for a Homelessness Prevention Hub would reduce gym space, limiting membership growth and causing a £225,000 annual income loss.

1.18. Charges between the General Fund and HRA need to be correctly accounted for. Following a review, the general fund is will have additional costs for Community Safety, CCTV and Regulatory Services activities.

2026/27 Proposed Budget Savings

1.19. £3.8m of budget savings of savings will be delivered across 2026/27 to 2030/31 with £1.2m identified in 2026/27 and summarised in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved Proposal	Commercial Waste - Customer base increase.	(82)					**(82)**
Previously Approved Proposal	Convert Markfield sports area to 3G AWP and establish a further AWP at another site	(25)	(35)				**(60)**
Previously Approved Proposal	Crematorium Lease and Parks Property increases	(19)	(19)	(19)			**(57)**
Previously Approved Proposal	Additional income from events in parks	(50)					**(50)**
Previously Approved Proposal	Additional income from HGV Locations/Box Junctions	(90)					**(90)**
Previously Approved Proposal	Increased income from NRSWA enforcement activity	(250)					**(250)**
Previously Approved Proposal	Introduction of dog walking licences for 4 or more dogs	(1)					**(1)**
Previously Approved Proposal	New River Sports Centre - cost reductions	(34)	(26)	(17)			**(77)**
Previously Approved Proposal	New Traffic Schemes (LTNs/Filters)	(300)	(250)				**(550)**
Previously Approved Proposal	Parks and Leisure income/efficiencies improvements	(25)	(25)				**(50)**
Previously Approved Proposal	Private sector Housing Compliance	(13)	(13)				**(26)**

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved Proposal	Purchase large mowing equipment and utility vehicles which have traditionally been hired on a seasonal basis.	(20)	(20)				**(40)**
Previously Approved Proposal	Reintroduce Tennis Court Charging	(5)					**(5)**
Previously Approved Proposal	Waste Minimisation - savings to the NLWA levy contribution rate and operational savings post the current contract (excluding any impact from the		(850)	(850)			**(1,700)**
Previously Approved Proposal	Reduction in Housing Benefit costs for supported accommodation	(200)					**(200)**
New Proposal	Leisure centre savings and increased income through delivery of commercialisation plan following			(250)	(250)		**(500)**
New Proposal	CCTV income generation - Charge for insurance claims using CCTV footage	(48)					**(48)**
New Invest to Save Savings Proposal	Cost reductions from increase in Council Tax e-billing take up	(63)					**(63)**
Overall Total		**(1,225)**	**(1,238)**	**(1,136)**	**(250)**		**(3,849)**

2026/27 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

1.20. Following consultation, new or deleted schemes compared to the Capital Programme that was last agreed in March 2025 are noted in the table below.

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
ADDITIONS / NEW SCHEMES								
Environment & Resident Experience	New Scheme	Moselle Brook - The Moselle culvert plays a critical role managing surface water flooding. Partial collapse of the culvert in 2024 requires urgency permanent works.	1,100					**1,100**
Environment & Resident Experience	346	Waste Management - Fleet Purchase& Infrastructure works in Watermead way	23,751	1,714				**25,465**
Environment & Resident Experience	New Scheme	Increase in tree planting across the borough	157	217	253	259	264	**1,149**
DELETION / REDUCTION			**25,008**	**1,931**	**253**	**259**	**264**	**27,714**
Environment & Resident Experience	346	Waste Management - Fleet Purchase& Infrastructure works in Watermead way	(2,023)	(23,077)				**(25,100)**
Environment & Resident Experience	4013	Removal of new Clean Air School Zones initiatives from the capital programme in 2026/27	(400)					**(400)**
			(2,423)	**(23,077)**	**0**	**0**	**0**	**(25,500)**
NET MOVEMENT			**22,585**	**(21,146)**	**253**	**259**	**264**	**2,214**

1.21. The proposed Capital programme and funding sources across the five years from 2026/27 to 2030/31 is set out in full in the table below (2025/26 budgets shown for information).

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
119	Implementation of School Street initiatives - new schemes paused for 2026/27	361	0	0	0	0		**361**
301	Essential and planned repairs and replacement of street lighting	1,012	1,000	1,000	1,000	1,000		**5,012**
302	Essential and planned repairs to the boroughs roads	5,351	6,000	6,000	6,000	6,000		**29,351**
303	Essential and planned repairs to major structures (including bridges across the borough).	1,730	0	0	0	0		**1,730**
304	Essential and planned repairs to surfaces at risk of flooding.	1,200	900	900	900	900		**4,800**
305	Implementation of the Brough parking Plan, which includes red routes & junctions management	268	250	250	250	250		**1,268**
309	Implementation of highways improvements in line with TfL funding arrangements	1,983	1,200	1,200	1,200	1,200		**6,783**
310	Works funded by developers to improve the environment around new developments	250	250	250	250	250		**1,250**
311	Essential and planned replacement of parks infrastructure	760	450	450	450	450		**2,560**
313	Essential and planned replacement of equipment within the borough's parks and open spaces	1,849	400	400	400	400		**3,449**
314	Essential repairs to Parkland Walk bridges across the borough	1,196	350	2,500	350	0		**4,396**
322	Essential and planned maintenance of Finsbury Park - this is a ringfenced budget.	300	500	500	500	500		**2,300**
325	Essential and planned replacement of vehicles required to maintain the boroughs parks and open spaces	0	674	0	0	0		**674**
328	Street & Greenspace Greening Programme	142	75	0	0	0		**217**

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
332	Annual budget for modification of existing bays or creation of new disabled bays	305	80	80	80	80		**625**
333	Waste Management - new waste bins	98	321	0	0	0		**419**
334	Improvements to the parks depots	57	0	0	0	0		**57**
335	Budget to make Streets safer and the Streets for People programme	2,717	0	0	0	0		**2,717**
336	Following insourcing of the Council's leisure centres, essential investment into the building and equipment at New River Sports Centre to deliver the commercialisation plan, increase membership and increased income	918	533	0	0	0		**1,451**
338	Road safety measures across the borough to meet statutory requirements	631	530	530	530	530		**2,750**
341	Following insourcing of the Council's leisure centres, essential investment into the building and equipment across all leisure centres to deliver the commercialisation plan, increase membership and increased income	1,992	2,580	1,063	1,063	0		**6,698**
343	Essential and planned maintenance of parks and open spaces within Tottenham	1,500	0	0	0	0		**1,500**
345	Replacement Parks and Housing Machinery	300	250	100	50	50		**750**
346	Budget for the purchase of replacement waste vehicles and bins for commencement of the new contract in 2027.	0	23,751	1,714	0	0		**25,465**
452	This budget funds community carbon reduction initiatives	113	0	0	0	0		**113**
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	60	0	0	0	0		**60**

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
4013	Implementation of Clean Air School Zones - new schemes paused for 2026/27	400	0	400	400	0		**1,200**
4014	Walking and Cycling Action Plan (WCAP) - implementation of Low Traffic Neighbourhoods	609	609	609	609	609		**3,045**
4015	Walking and Cycling Action Plan (WCAP) - implementation of cycle routes across the borough	433	567	567	567	566		**2,700**
4016	Walking and Cycling Action Plan (WCAP) Cycle Parking (Hangers) improvements	118	118	118	118	118		**590**
New Scheme	Moselle Brook - The Moselle culvert plays a critical role managing surface water flooding . Partial collapse of the culvert in 2024 requires urgency permanent works.	0	1,100					**1,100**
New Scheme	Expansion of the tree planting programme across the borough	0	157	217	253	259	264	**1,149**
Environment & Resident Experience		**26,653**	**42,645**	**18,848**	**14,970**	**13,161**	**264**	**116,540**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
Core Capital Programme Borrowing	16,412	38,552	15,074	11,196	9,389	264	**90,886**
Community Infrastructure Levy (CIL)	5,200	1,824	1,824	1,824	1,823	-	12,494
Capital Grants from Central Government Departments	744	319					1,063
Capital Funding from GLA ,TfL & Other LA's	1,983	1,200	1,200	1,200	1,200	-	6,783
Revenue Contribution to Capital Outlay (RCCO)	300	500	500	500	500	-	2,300
Grants & Contribs from Non-departmental Public Bodies	1,597	-	-	-	-	-	**1,597**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
Developer Contributions (S106 & S278)	417	250	250	250	250	-	**1,417**
Total	**26,653**	**42,645**	**18,848**	**14,970**	**13,161**	**264**	**116,540**

Appendix 2 (e)
Finance and Resources Directorate

Finance and Resources Directorate

1.1. The Finance and Resources Directorate was formed on 1 April 2025 following a senior management restructure. The Directorate includes some of the Council's key enabling functions, such as finance, procurement, audit, insurance and risk management, digital and technology and change management, capital project delivery and the management of operational and commercial property estate - and all of which support the delivery of the range of services provided by the Council. The Directorate is also responsible for the delivery of the Council's target to provide 3,000 new homes by 2030.

1.2. In 2026/27, the net budget for the Finance and Resources Directorate is £34.061m. This includes £2.798m additional budget for service pressures and £1.342m of savings, full details are set out in the following sections.

Financial Management

1.3. As well of ensuring the Council meets its statutory functions of setting a balanced budget and closing the accounts on time, the service supports the development and embedding of good financial management across the organisation and compliance across all aspects of the Financial Management Code.

1.4. The service will support the Section 151 on implementation of the Finance Resilience Plan and supporting working towards financial sustainability over the next three years.

1.5. The net budget for 2026/27 is £5.783m, an increase from £5.363m in 2025/26. Full details are set out in the table that follows and includes additional budget for staffing costs to maintain the provision of financial advice and support to Corporate and Education Services, following removal of assumed funding via capital, capital receipts flexibility and DSG.

Strategic Procurement

1.6. The procurement service provides strategic support for contracts delivering over £600m each year of spending with third party organisations. During 2025/26, the focus has been on the implementation of the Procurement Modernisation Programme and the implementation of the new requirements from the Procurement Act 2023 which came into effect from 24 February 2024, for which the Council is now compliant. However, commissioning, procurement and contract management remains a focus for improvement over the next 12 to 18 months through the Commissioning Modernisation Programme and the newly established

Commissioning Panel who will oversee all new services commissioned / re-commissioned over £160,000 and play a pivotal role in helping the organisation to assure itself that all contracts are delivering good value for money.

1.7. The 2026/27 net budget for strategic procurement remains in line with 2025/26 at £1.259m and includes savings of £100,000. Full details are set out in the table that follows.

Audit, Insurance and Risk Management

1.8. This service includes, the Council's internal audit function which is essential for ensuring the efficiency and effectiveness of the Council, helping to identify and manage risks, review controls, and recommend areas for improvement through internal audit reviews. The service also includes the anti-fraud and insurance services to protect the organisation and ensuring the relevant controls and compliance are in place. In 2026/27, the audit plan will include activity of internal audit reviews to assess a range of services which will be determined through a risk assessment of where controls and compliance need to be subject to review and the monitoring of progress against any recommendation that emerge.

1.9. The 2026/27 net budget for Audit, Insurance and Risk Management remains in line with 2025/26 at £1.066m and includes savings of £32,000 following tender of the new internal audit contract. Full details are set out in the table that follows.

Digital and Change

1.10. The Council's Digital and Technology function is primarily focused on supporting the Council to deliver its challenging savings, efficiency and modernisation plans, utilising the new Digital service and infrastructure that was put in place in February 2025. The new Architecture and Digital Governance arrangements ensure oversight of the Council's technology infrastructure and systems, as well as leading on the Service Modernisation Programme which over the next three years is forecast to digitally transform the Council, improve processes, modernise technology and deliver further savings of £4m over the next three years. The service also lead Digital Inclusion for the Council and working with partners and other key stakeholders.

1.11. The corporate change function was developed in March 2024 for a two year period, putting in place a corporate change management governance framework and overseeing the delivery of the Council's main improvement programmes and projects. Currently funded through the use of capital receipts flexibility, a review will be undertaken in early 2026 to consider the operating model required to support the delivery of the changes required in the Medium Term Financial Strategy, support delivery of aspects of the financial sustainability plan and continue to deliver efficiencies, savings and modernisation plans.

1.12. The 2026/27 net budget for Digital and Technology is £15.861m an increase from £15.378m in 2025/26. Full details are set out in the table that follows and includes additional budget for increased cost of licenses and system replacements needed. The Change function will continue to be funded through capital receipts flexibility pending this review.

Capital Projects

1.13. Within the Directorate is the Capital Projects delivery team, which directly delivers a large proportion of the overall capital programme each year, including schools, improvements to Council operational assets, and major regeneration projects, and the Programme Management Office who oversee the development and implementation of the Capital Strategy in line with the new Capital Programme governance framework.

1.14. This service also leads on the delivery of the Council's target to deliver 3,000 new homes by 2031. By the end of 2025, it is forecast that over 1,000 households will have moved into newly built council homes as part of the programme. These are the first new council homes in Haringey for forty years, supporting the Council's ambitions and improve financial sustainability by reducing numbers in expensive temporary accommodation.

Operational and Commercial Property Portfolio

1.15. The Council owns and manages 77 operational buildings across the borough and, through the newly implemented Corporate Landlord Model, manage routine and reactive maintenance and repairs and ensure the ongoing sustainability of this portfolio. Through the implementation of the Asset Management Plan and the SAMPIP framework the Council will align property investment with service priorities, improving building functionality, reducing unplanned spend and risk, and delivering best value through a planned approach to maintenance and renewals.

1.16. In addition, the Council owns and manages a commercial portfolio of over 1000 properties. Following an external review in 2022, the Property Improvement Plan has been underway to improve the management of the property portfolio, to improve the quality and record keeping of data associated with the estate and ensure that all properties are effectively managed. Good progress has been made and income from the commercial portfolio is over £1m higher than the same period last year but full delivery of the improvement plan remains a priority for the Directorate and will continue through 2026/27 in line with the SAMPIP framework and the Disposals Strategy that was agreed by Cabinet in June 2025.

1.17. There remains historic expenditure and income pressures on the portfolio and the draft budget for 2026/27 includes £800k additional budget to correct this historic underfunding of budgets relating to utility costs and business rates and also to fund the additional business rates associated with the recent revaluation by Government. At the same time the service will deliver of the next year £10m of savings targets through increased income and disposals of surplus assets.

1.18. The 2026/27 net budget for Capital Projects and Property is £9.976m an increase from £9.290m in 2025/26. Full details are set out in the table that follows and includes £770,000 for spend and income pressures from the operational estate as well as over £1m of savings.

Proposed Budgets 2026/27 to 2030/31

1.19. The estimated additional budget requirement for the Finance and Resources Directorate in 2026/27 is £1.5m as presented in the table below. Details of the proposals is provided in the sections below. The total estimated reduced budget requirement across 2026/27 to 2030/31 is a reduction of £4.7m.

Type	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Starting Budgets (inc. Chief Executive budget)	**32,605**	**34,061**	**30,801**	**27,916**	**27,916**	**153,300**
Previously Approved Budget Pressures	962	0	0	0	0	**962**
Previously Approved Budget Savings	(1,342)	(3,260)	(2,885)	0	0	**(7,487)**
New Pressures	1,836	0	0	0	0	**1,836**
Total Proposed Changes	**1,456**	**(3,260)**	**(2,885)**	**0**	**0**	**(4,689)**
Proposed Revised Budget	**34,061**	**30,801**	**27,916**	**27,916**	**27,916**	**148,611**
**** Based on Draft Budgets***						

1.20. The current assumption is that all of the previously Approved savings included in the March 2025 Council report across 2026/27 to 2030/31 will be delivered in full.

2026/27 Total Budget Pressures

1.21. £2.798m of budget pressures have been identified across 2026/27 to 2030/31, all in 2026/27, and set out in full in the table below.

Category	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	School Landlord functions - Organisational Resilience Asbestos Surveys – reversal of budget created in 2025/26	(30)					(30)
Previously Approved	Strategic Asset Management Team – the team have currently been funded through the use of capital receipts flexibility on a short-term basis but implementation of the Property improvement Plan is not yet completed and revenue staffing base budget needs to be established for the ongoing role of this team in managing the Council's property portfolio	1,000					1,000
Previously Approved	Additional essential IT and digital costs to protect against cyber security and licensing costs	30					**30**
Previously Approved	Reduction in LIFT (Low Income Family Tracker) System contract costs	(38)					**(38)**
New Proposal	Implementation of the Corporate Property Model which was introduced in April 2025. There are some historic shortfalls in utility services budgets and an estimated increase in business rates from the recent revaluation exercise undertaken by Government.	800					800
New Proposal	Finance - staff costs which can no longer be capitalised, funded through the use of capital	420	-	-	-	-	420

Category	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
	receipts flexibility or assumed funded through DSG in line with accounting guidance						
New Proposal	Digital Services – Continued funding of the subscription for the Low-Income Family Tracker to support the Council's work of supporting our most vulnerable residents	50					50
New Proposal	Digital Services – additional budget for a range of license costs increases and cost of essential technology replacement including: • Netcall Licenses (£116,000) • NEC (Revenues and Benefits and Housing) (£450,000)	566					566
Overall Total		**2,798**					**2,798**

2026/27 Budget Savings

1.22. £7.5m of savings will be delivered across 2026/27 to 2030/31, of which £1.34m is in 2026/27 and set out in full in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Increase income from the commercial portfolio estate	(50)	(100)	(75)			(225)
Previously Approved	Digital Transformation – improvement in processes and technology which will lead to reductions in staffing and contract spend. These savings will ultimately be allocated out to the	0	(2,000)	(2,000)			(4,000)

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
	relevant services through the Service Modernisation Programme. £2m 2026/27 savings have now been re-profiled into 2028/29.						
Previously Approved	Digital and Change - ongoing staffing reductions from the restructure that took place in 2024/25.	(75)					(75)
Previously Approved	Property disposals of surplus assets that generates one-off Capital receipts to reduce borrowing costs on the capital programme			(335)			(335)
Previously Approved	London Construction Partnership – increase in income from increased activity	(100)	(225)	(200)			(525)
Previously Approved	Property project to maximise asset efficiency and develop a disposal pipeline	(585)	(635)	(275)			(1,495)
Previously Approved	Reduction in the cost of internal audit contract following re-tender	(32)					(32)
Previously Approved	Asset Management - Continuation of current projects to review all rent and lease agreements within the commercial portfolio and a further reduction in operational sites for the delivery of Council services. Savings will be generated through increased rental income and capital receipts from the routine disposal of sites which will	(450)	(300)				(750)

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
	reduce the need for borrowing to deliver the capital programme.						
Previously Approved	Digital – savings through the rationalisation of platforms, reducing licenses and renegotiating contracts.	(50)					(50)
Overall Total		**(1,342)**	**(3,260)**	**(2,885)**	**0**	**0**	**(7,487)**

2026/27 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

1.23. Following consultation, new or deleted schemes compared to the Capital Programme that was last agreed in March 2025 are noted in the table below.

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
ADDITIONS / NEW SCHEMES								
			0	0	0	0	0	**0**
			0	**0**	**0**	**0**	**0**	**0**
DELETION / REDUCTION								
Finance & Resources	657	Reduction in Digital Schemes	(1,160)					**(1,160)**
			(1,160)	**0**	**0**	**0**	**0**	**(1,160)**
NET MOVEMENT			**(1,160)**	**0**	**0**	**0**	**0**	**(1,160)**

1.24. The proposed Capital programme and funding sources across the five years from 2026/27 to 2030/31 is set out in full in the table below (2025/26 budgets shown for information).

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
316	Essential and planned repairs to the Council's buildings in its operational estate portfolio	7,575	7,600	6,378	897	0		**22,450**
342	Public Protection - To replace life expired IT system	200	0	0	0	0		**200**
4011	Essential and planned repairs to the Council's buildings in its commercial property portfolio	4,000	4,000	3,000	4,186	0		**15,186**
4012	Compliance works for Energy Performance Certificates	1,000	500	500	500	0		**2,500**
602	Digital inclusion for Residents	1,263	860	860	0	0		**2,983**
604	Core infrastructure support (e.g. Microsoft Server Backup)	1,163	662	564	0	0		**2,389**
621	Libraries buildings upgrade	994	0	0	0	0		**994**
607	Replacement of the Council's e-procurement system. This is now being delivered by the project to replace SAP and will be a future decision to Cabinet	114	0	0	0	0		**114**
624	Investment into digital technology - from 2026/27, this is part of scheme 660	120	0	0	0	0		**120**
625	CCTV Move and Replacement of end of Life Infrastructure	1,466	733	0	0	0		**2,200**
626	Replacement of the Council's main data platform which has reached end of life	1,098	1,000	0	0	0		**2,098**
627	Hybrid AV between now and Civic Centre coming on line	694	450	0	0	0		**1,144**

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
628	New technology to support the Adult Social Care Improvement Plan, specifically the Adults Front Door	989	0	0	0	0		**989**
629	Digital and technology upgrade to the Council's leisure centres following insourcing.	269	0	0	0	0		**269**
635	Mobile Replacement (Smart Phones / Devices)	425	225	0	0	0		**650**
636	Essential and planned repairs and maintenance to the Council's AV and desktop equipment	300	150	0	0	0		**450**
655	Data Centre Move	212	0	0	0	0		**212**
656	BT Big Switch Off	1,546	0	0	0	0		**1,546**
657	Corporate Laptop Refresh	1,719	40	1,100	0	0		**2,859**
659	Essential and planned upgrade to fully implement Microsoft 365	540	0	0	0	0		**540**
660	Service Modernisation Programme - investment into digital technology to improve ways of working and improved access to services by residents, visitors and businesses.	1,965	1,000	0	0	0		**2,965**
Finance & Resources		**27,652**	**17,220**	**12,402**	**5,583**	**0**	**0**	**62,858**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total
Core Capital Programme Borrowing	27,646	17,220	12,402	5,583	-	-	**62,851**
Grants & Contributions from Other Public Bodies	7						**7**
	27,652	**17,220**	**12,402**	**5,583**	**-**	**-**	**62,858**

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Appendix 2 (f)
Corporate Budgets

Corporate Budgets

1.1. The Council has a range of non service specific budgets that are held corporately (outside of service budgets) and managed by the Section 151 Officer. These range from treasury management (interest payable, investment returns), London Wide levies, provisions for pay award and inflation, concessionary fares corporate contingencies and Government grants that are held outside of service budgets.

Proposed Budgets 2026/27 to 2030/31

1.2. The estimated additional requirement for corporate budgets in 2026/27 is £30.6m as presented in the table below. Details of the proposals are provided in the sections below. The total estimated additional budget requirement across 2026/27 to 2030/31 is £317.7m.

Type	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Starting Budgets	**35,337**	**65,975**	**117,012**	**187,988**	**271,252**	**677,564**
Previously Approved Budget Pressures	30,695	31,554	29,759	33,312	0	**125,320**
Previously Approved Budget Savings	(6,377)	(3,505)	0	0	0	**(9,882)**
New Pressures	11,730	23,049	41,217	49,951	81,743	**207,690**
New Savings	(4,300)	0	0	0	0	**(4,300)**
New Management Actions	(1,110)	(60)	0	0	0	**(1,170)**
Total Proposed Changes to budgets	**30,638**	**51,038**	**70,976**	**83,263**	**81,743**	**317,658**
Proposed Revised Budgets	**65,975**	**117,012**	**187,988**	**271,252**	**352,995**	**995,222**
**** Based on Draft Budgets***						

1.3. The current assumption is that the £5.5m of cross cutting savings approved in March 2025 for the year 2026/27 and £9.1m across 2026/27 to 2030/31 will be reallocated out to directorates in the first half of 2026/27 and delivered in full.

2026/27 Total Budget Pressures

1.4. £333.0m of budget pressures have been identified across 2026/27 to 2030/31, £42.4m identified in 2026/27 and summarised in the table below.

Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Increased General Contingency to mitigate future unknown pressures on the advice of the Section 151 Officer	15,000	25,000	25,000	25,000	10,000	**100,000**
Unallocated employer pension contribution adjustment	(1,200)					**(1,200)**
Total increase for forecast Pay Inflation at 3.5%	6,071	5,204	4,337	4,337	4,337	**24,285**
Total increase for forecast Price Inflation – average of 5%	1,731	1,500	1,526	1,552	1,578	**7,887**
North London Waste Authority levy – 2.5% increase assumed from 2027/28	245	1,099	3,099	5,099	7,099	**16,641**
Other London Wide Levies – 2.5% increase assumed	66	101	137	174	213	**691**
Concessionary Fares – Increase in Haringey's contribution for 2026/27	1,461	2,729	3,928	5,211	6,583	**19,913**
Increase in banking charges as the Council increases use of card payments and to address a historic shortfall on the budget	332	360	389	419	449	**1,948**
Increase/(reduction) in other subscription costs – 2.5% increase assumed	(60)	(49)	(38)	(27)	(15)	**(190)**
Legacy pension inflation costs	90	71	71	71	71	**375**
Minimum Revenue Provision (Capital programme and EFS)	(894)	1,487	3,127	4,127	6,127	**13,976**
General Fund Interest on borrowing (Capital programme and EFS)	16,800	25,400	30,300	38,300	45,300	**156,100**
Public Finance Initiative / Lease Minimum Revenue Provision	1,552	(12,300)	(900)	(1,000)	0	**(12,648)**
Provision for increased costs of operational property	0	1,000	0	0	0	**1,000**
Assumed replenishment of Budget Planning Reserve and Reversal of 25/26 drawdown from Collection Fund Smoothing reserve	1,231	3,000	0	0	0	**4,231**
Total	**42,425**	**54,603**	**70,976**	**83,263**	**81,743**	**333,010**
*** Based on latest NLWA MTFS**						

2026/27 Savings

1.5. £14.2m of savings will be delivered across 2026/27 to 2030/31, of which £10.7m is in 2026/27 and set out in full in the table below.

Categories	Description	2026/27 (£'000)	2027/28 (£'000)	2028/29 (£'000)	2029/30 (£'000)	2030/31 (£'000)	Total (£'000)
Previously Approved	Increased income generated through additional income opportunities across services over and above that which is assumed within service budgets.	(377)	(5)	0	0	0	(382)
Previously Approved	Enabling Services Review - This proposal will review staff who provide enabling services support to the organisation to develop new delivery models that will reduce duplication across services and ensure efficient support to all frontline services across the organisation and is the increased saving on 2025/26.	(1,000)	(500)	0	0	0	(1,500)
Previously Approved	Procurement and Contract Management - This project will be delivered as two workstreams. Workstream 1 will review all existing contracts to ensure value for money. Workstream 2 will put in place increased governance to ensure that for all new contracts all commissioning options have been considered, outcomes for residents offer value for money and are affordable and improve contract management arrangements of suppliers. This is the increased saving on 2025/26.	(3,000)	(3,000)	0	0	0	(6,000)
Previously Approved	Reduced costs of the Council Tax Reduction Scheme for application of the current policy	(2,000)					(2,000)
New Saving	Reduction in employer pension contribution following the tri-annual valuation	(4,300)	0	0	0	0	(4,300)
	Overall Total	**(10,677)**	**(3,505)**	**0**	**0**	**0**	**(14,182)**

2026/27 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

1.6. Following consultation, new or deleted schemes compared to the Capital Programme that was last agreed in March 2025 are noted in the table below.

Directorate	Capital Scheme No	Description	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2026/27 - 30/31 Total (£'000)
ADDITIONS / NEW SCHEMES								
Corporate Items	697	Exceptional Financial Support	89,205	100,000	100,000	100,000	100,000	**489,205**
DELETION / REDUCTION			**89,205**	**100,000**	**100,000**	**100,000**	**100,000**	**489,205**
			0	0	0	0	0	**0**
			0	**0**	**0**	**0**	**0**	**0**
NET MOVEMENT			**89,205**	**100,000**	**100,000**	**100,000**	**100,000**	**489,205**

1.7. The proposed Capital programme and funding sources across the five years from 2026/27 to 2030/31 is set out in full in the table below (2025/26 budgets shown for information)

SCHEME REF	SCHEME NAME	2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 Total (£'000)
697	Exceptional Financial Support	54,000	89,205	100,000	100,000	100,000	100,000	**554,000**
699	Approved Capital Programme Contingency	11,437	5,375	0	0	0		**16,812**
Corporate Items		**65,437**	**94,580**	**100,000**	**100,000**	**100,000**	**100,000**	**560,017**

Source of Funding	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2026/27 - 30/31 Total
Core Capital Programme Borrowing	65,437	94,580	100,000	100,000	100,000	100,000	**560,017**
Total	**65,437**	**94,580**	**100,000**	**100,000**	**100,000**	**100,000**	**560,017**

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Budget 2026/27 Consultation Report

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Executive Summary

The Council's Budget 2026/27 proposals were subject to public consultation between 24 November 2025 and 6 January 2026, attracting 131 responses via the online platform. The consultation sought views on savings, income generation, capital investment priorities, and areas for protecting expenditure.

Key themes emerging from the consultation include:

- Strong support for protecting essential services such as adult and children's social care, housing, libraries, and waste management.
- Mixed views on income generation proposals, with broad support for measures perceived as fair (e.g., charging insurers for CCTV footage) and environmental benefits (e.g., e-billing), but concerns about digital exclusion and affordability.
- Some capital investment proposals were contested, with calls to maintain spending on schools, green spaces, and climate resilience, while reducing expenditure on perceived non-essential projects.
- Respondents emphasised value for money, fairness, and transparency, alongside suggestions for efficiency improvements, digital transformation, and partnership working to reduce costs.

Overall, the consultation reflects respondents' desire to balance budgetary responsibility with safeguarding services for vulnerable residents, while exploring innovative ways to generate income and deliver efficiencies.

Introduction

The Budget proposals for 2026/2027 have been subject to formal consultation. This report sets out the findings of the council's consultation for its budget.

Technical Details and Method

The consultation ran from 24th November 2025 to 6th January 2026. The survey was hosted at https://haringeybudget2026.commonplace.is with hard copies of the consultation document also available on request in libraries.

The consultation was widely promoted via the council's resident magazine, Haringey People Extra, the council's business e-newsletter, the council's website and via social media.

Stakeholder Events

A Business Budget Briefing Webinar was held on Tuesday the 2nd December 2025.

Questionnaire Design

Respondents were asked a range of questions including:

- Whether they supported some proposals
- To what extent some proposals would impact them and give any reasons for their response.
- To share their views on capital spending reductions and capital investments.
- To share any other changes or proposals that might save money or achieve better value from council spending or generate income.
- Their views on priorities for protecting spending and any other thoughts on the council's proposed budget.

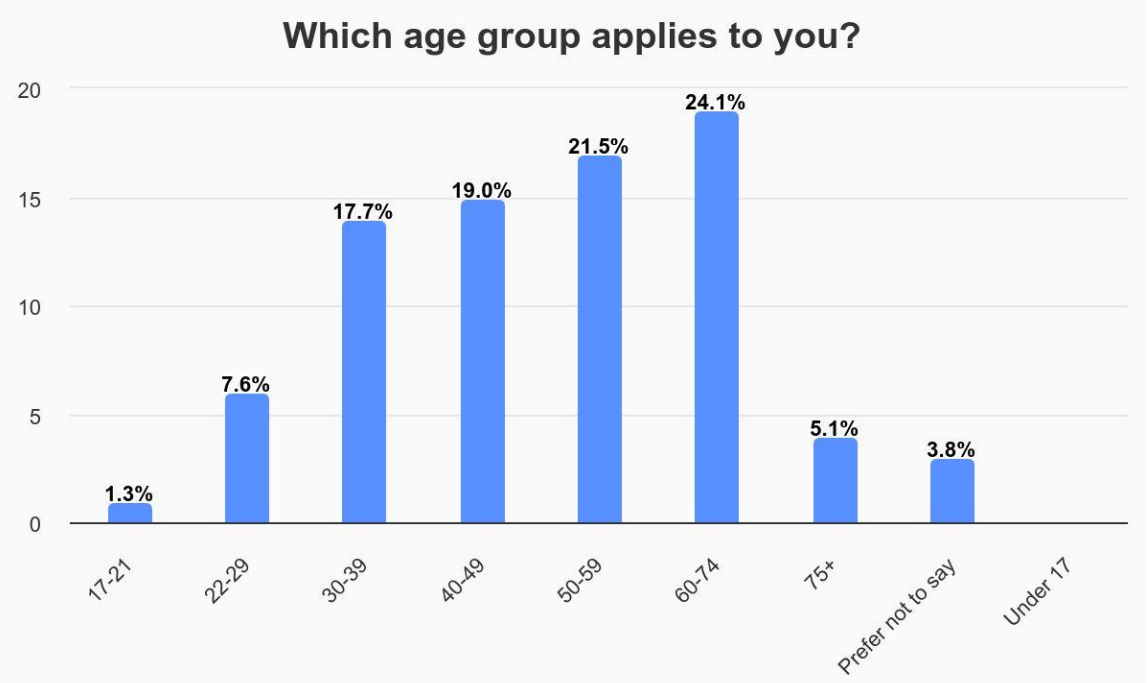
Responses to the Consultation

131 responses were received through the online survey.

No hard copies were received.

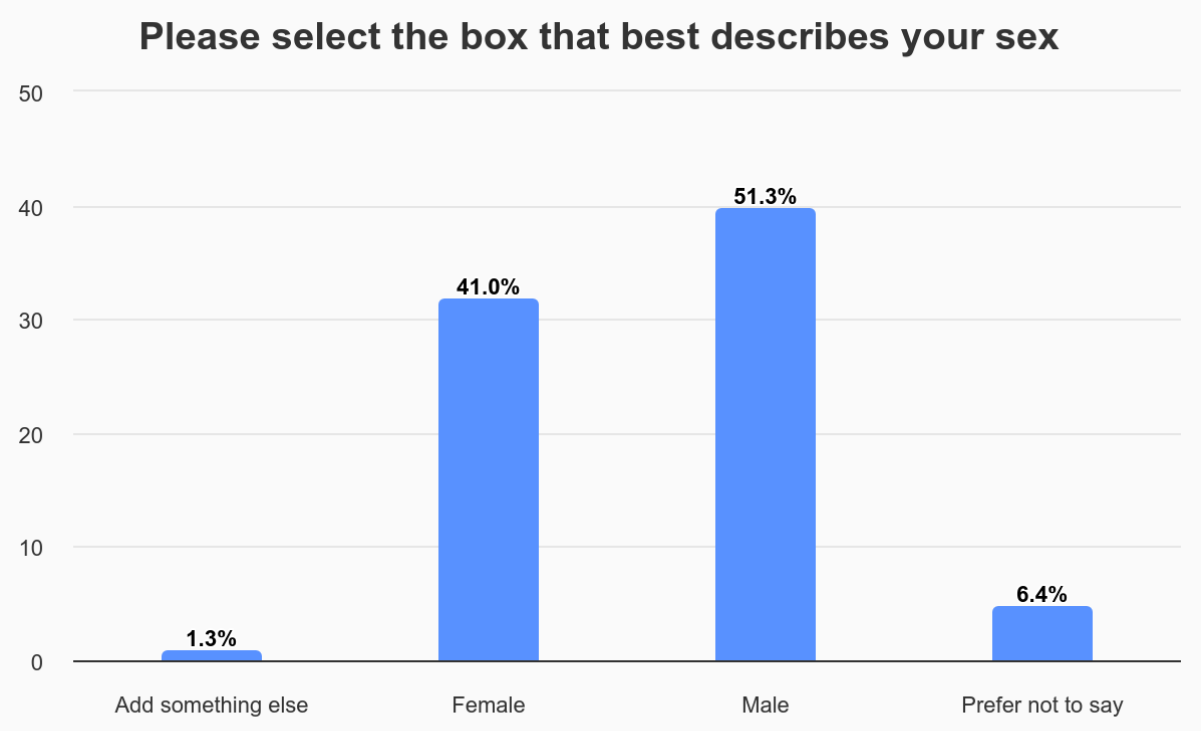
Respondents Demographic Data

Age



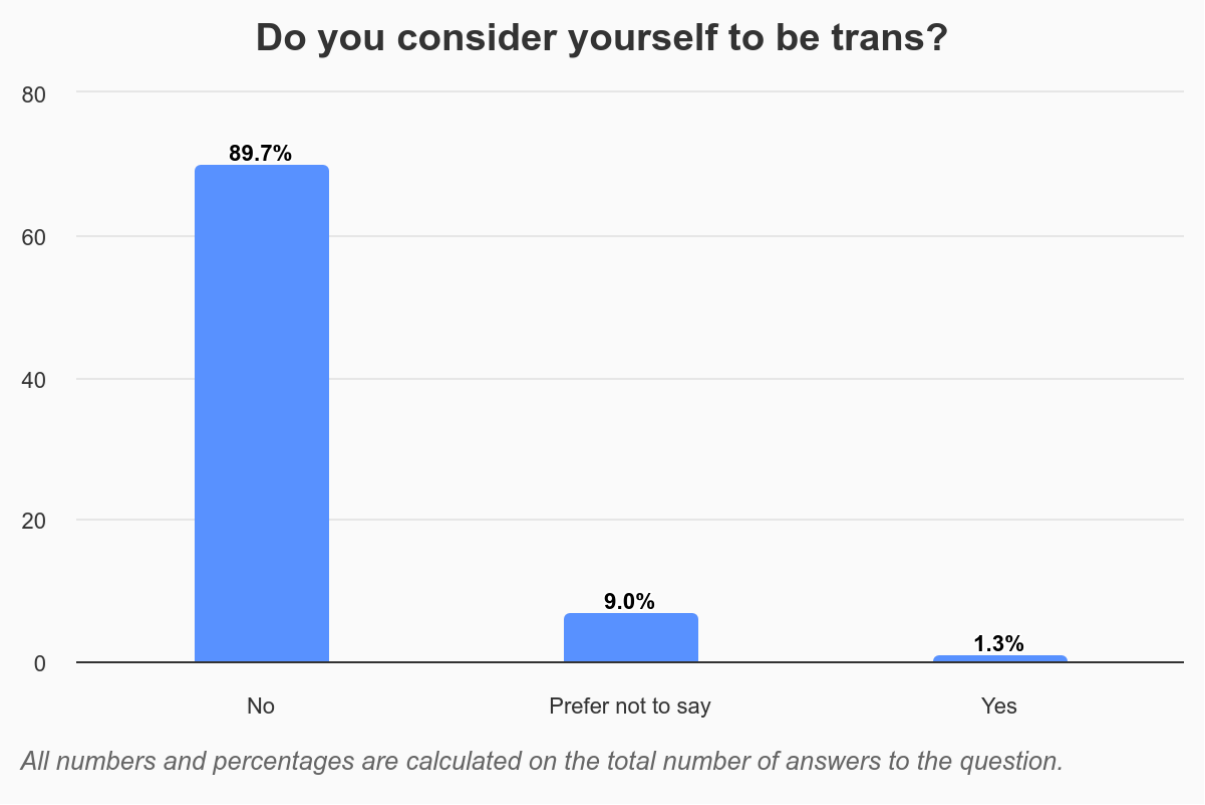
All numbers and percentages are calculated on the total number of answers to the question.

Sex



All numbers and percentages are calculated on the total number of answers to the question.

Gender Reassignment



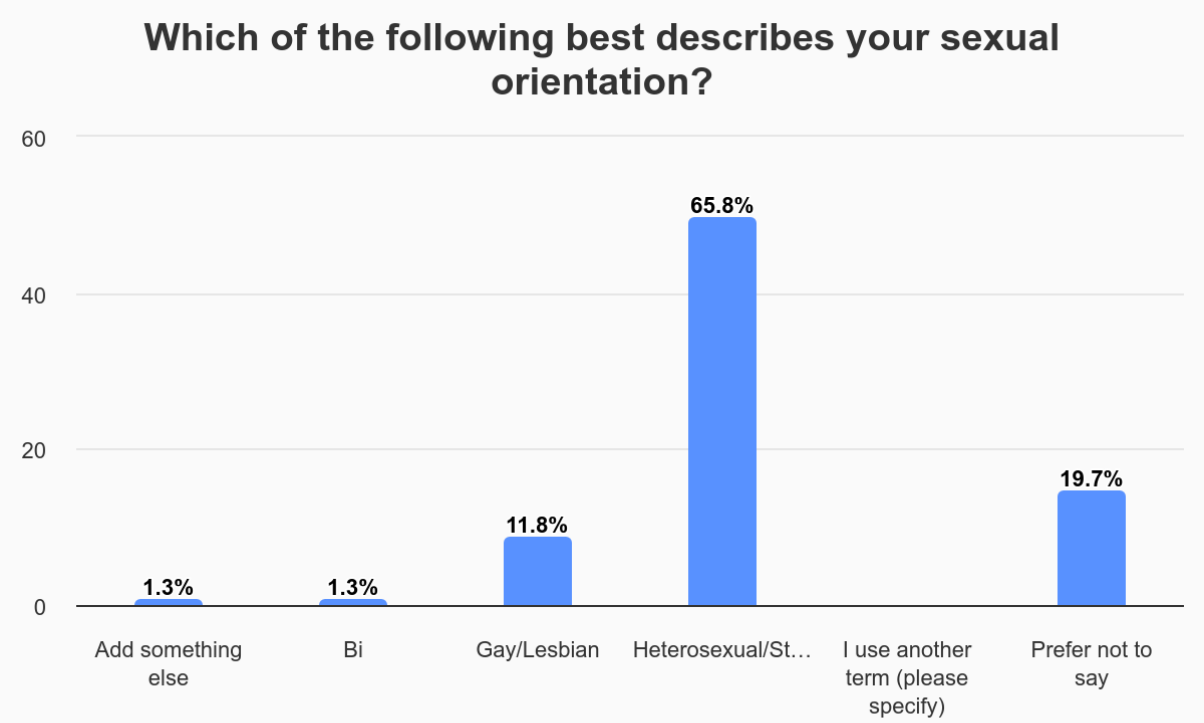
All numbers and percentages are calculated on the total number of answers to the question.

Ethnicity

Category	What is your ethnicity? Numbers of respondents
Asian/Asian British - Bangladeshi	0
Asian/Asian British - Chinese	1
Asian/Asian British - Indian	1
Asian/Asian British - Other	0
Asian/Asian British - Pakistani	0
Black/African/Caribbean/Black British - African	2
Black/African/Caribbean/Black British - Caribbean	2
Black/African/Caribbean/Black British - Other	0
Kurdish	0
Latin American	0
Mixed/Multiple - Other	1
Mixed/Multiple - White and Asian	1
Mixed/Multiple - White and Black African	0

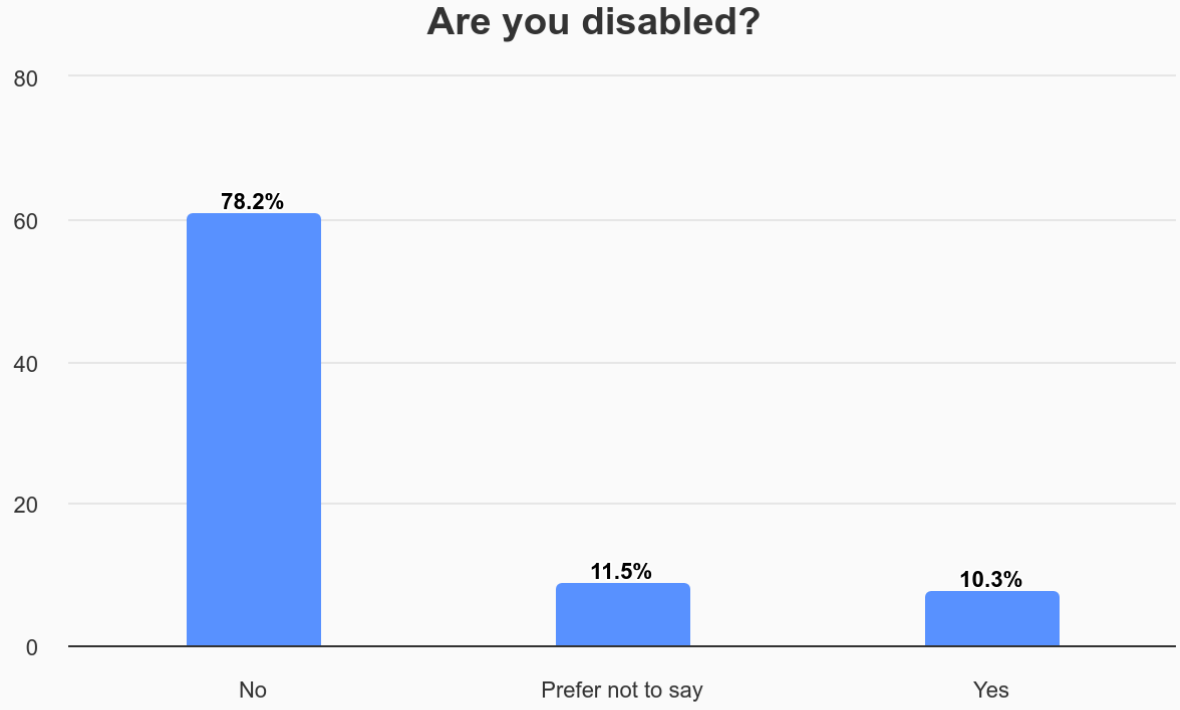
Mixed/Multiple - White and Black Caribbean	1
Other ethnic group - Any other ethnic group	2
Prefer not to say	5
Turkish	0
White - English/Welsh/Scottish/Northern Irish/British	41
White - Gypsy or Irish Traveller	0
White - Irish	4
White - Other	20
White - Roma	0

Sexual Orientation



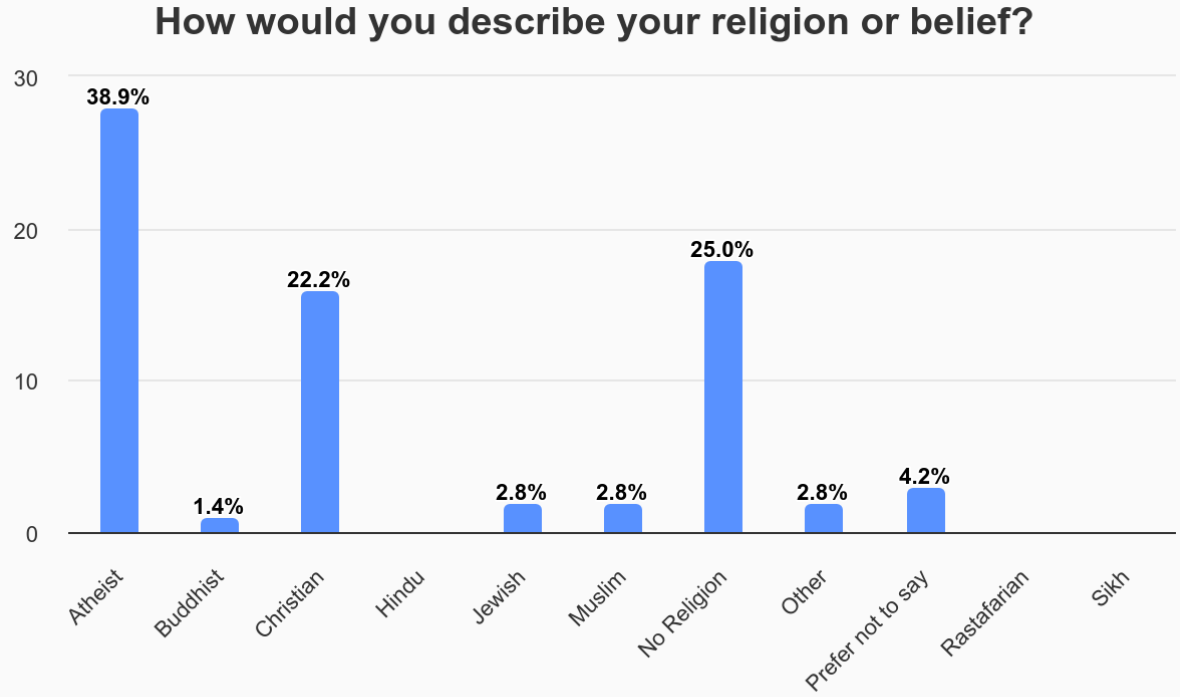
All numbers and percentages are calculated on the total number of answers to the question.

Disability



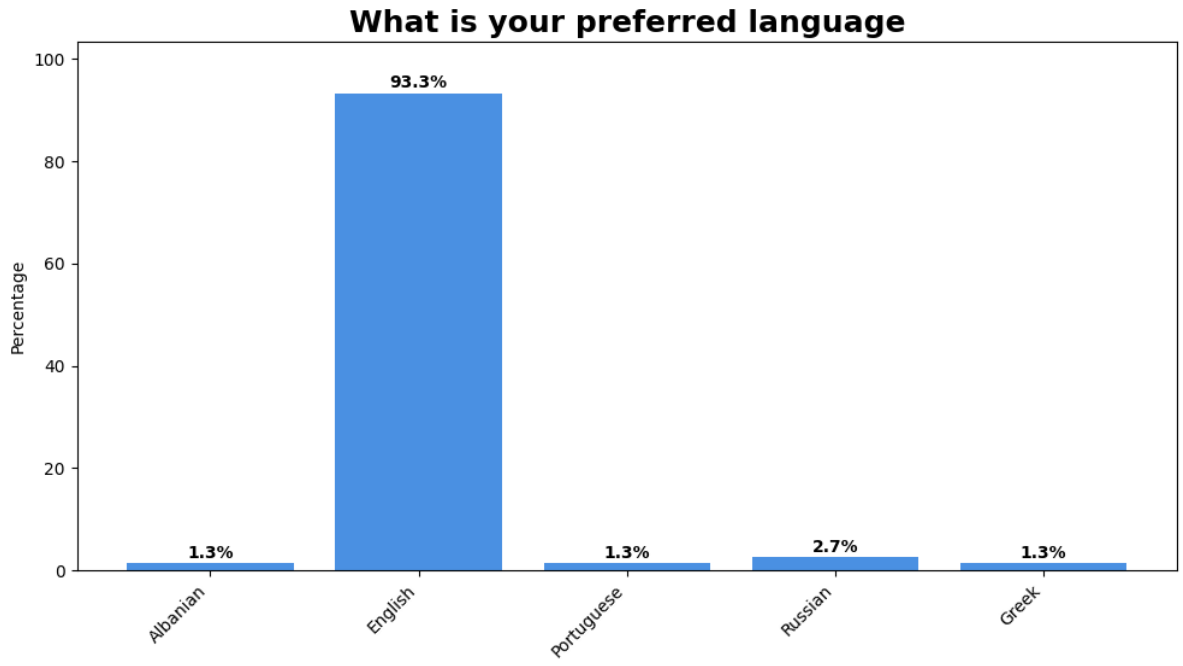
All numbers and percentages are calculated on the total number of answers to the question.

Religion or Belief



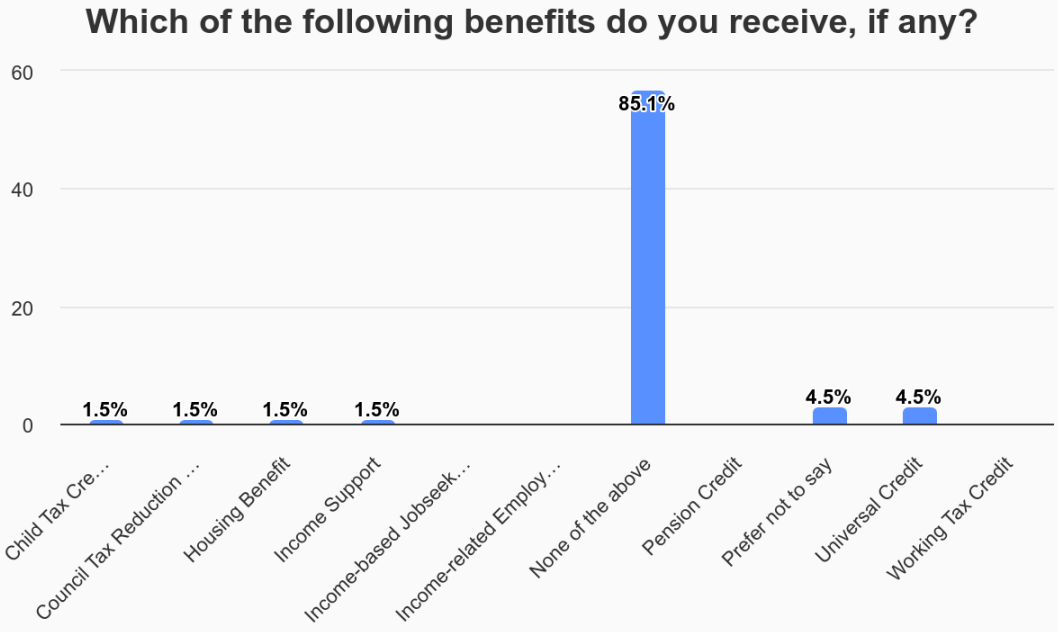
All numbers and percentages are calculated on the total number of answers to the question.

Preferred Language



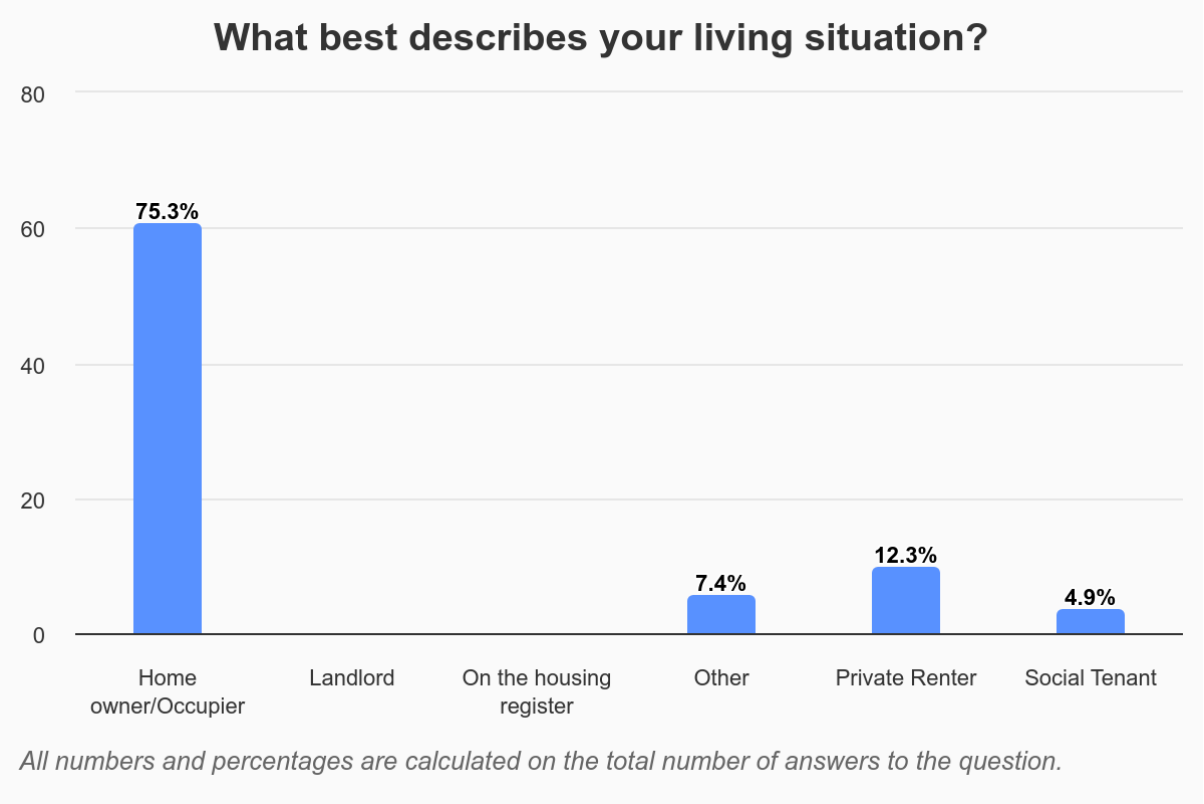
All numbers and percentages are calculated on the total number of answers to the question.

Receipt of Benefits



All numbers and percentages are calculated on the total number of answers to the question.

Living Situation



All numbers and percentages are calculated on the total number of answers to the question.

Summary of Findings

The consultation revealed a diverse range of views on the council's proposed budget measures:

Savings and Income Generation

Leisure centres: Support for commercialisation to reduce subsidy, provided affordability and quality are maintained; concerns about rising costs and prioritisation.

E-Billing: Majority support for digital billing on cost and environmental grounds, with caveats around digital exclusion and security.

CCTV charges: Broad agreement that insurers should pay for footage, seen as fair and a revenue opportunity; concerns about victim access and delays.

Adult Social Care Charging: Mixed views; some highlight fairness and efficiency, others fear hardship for vulnerable residents.

Private Sector Leasing incentives: Support for increasing PSL stock to reduce temporary accommodation costs, but some concerns raised about rewarding landlords versus investing in social housing.

Children's Services: Strong support for in-house solutions for care leavers and fostering, seen as cost-effective and better for wellbeing.

Capital Spending

Respondents prioritised investment in schools, housing, waste management, and climate resilience. There was opposition to cuts in clean air initiatives and concerns about spending on Alexandra Palace and other non-essential projects.

Additional Suggestions

Calls for efficiency through digital transformation, fraud reduction, and streamlined management. Suggestions for income generation included higher charges for non-essential services, fines for non-compliance, and leveraging council assets.

Spending Priorities

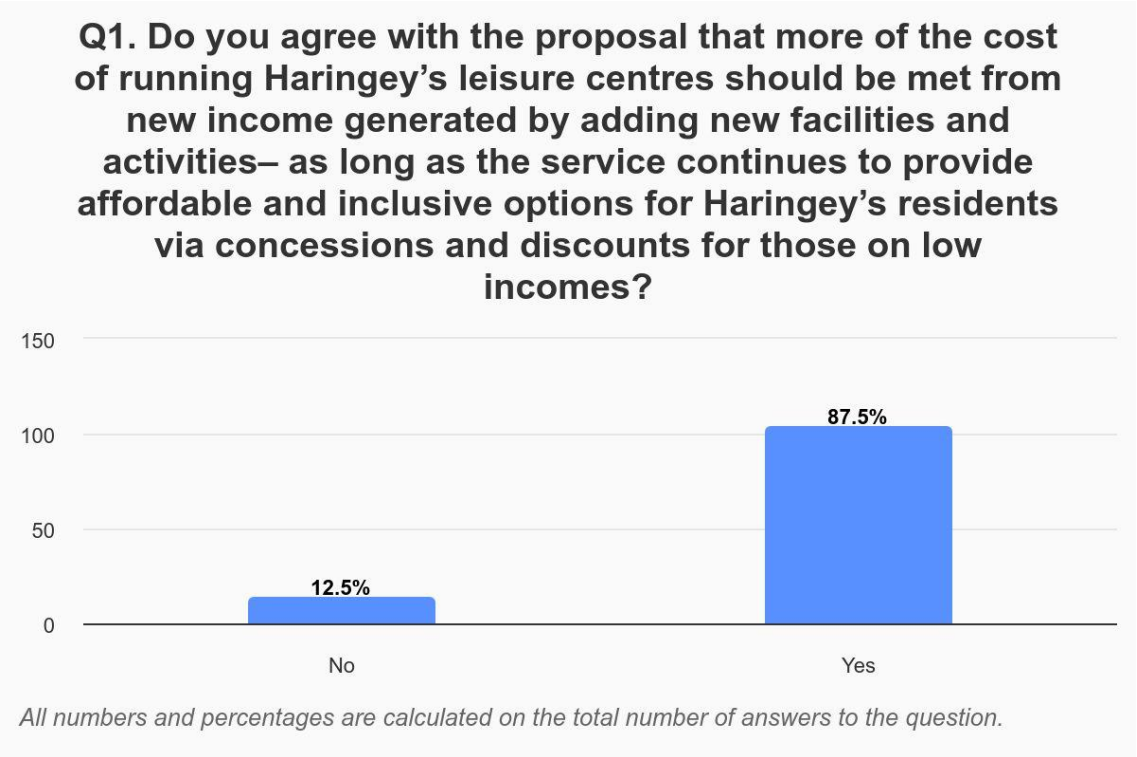
Protecting social care, housing, libraries, and environmental initiatives were consistently highlighted by respondents. External consultants, and non-critical services were seen as less of a priority.

Detailed Findings: Savings and Income Generation Proposals

Environment and Resident Experience

Proposal 1 - Leisure centre savings and increased income through delivery of a commercialisation plan

Question 1 - Do you agree with the proposal that more of the cost of running Haringey's leisure centres should be met from new income generated by adding new facilities and activities – as long as the service continues to provide affordable and inclusive options for Haringey's residents via concessions and discounts for those on low incomes?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

Responses not supportive of the proposal

Those who didn't support expressed concerns about existing facilities, what additional money would be spent on, and which facilities, if any, would be added. There were also concerns over the rise in cost as it was felt by some. There were responses that suggested that added investment was unnecessary and that the leisure services were fine as they are.

There were also suggestions that given the overall challenges the council and its residents deal with, upgrading leisure centres should not be a priority. There were also concerns about the overall cost for the council rising due to managing any extra services with a suggestion being to lease out the café space to one of the national chains.

There were concerns for providing subsidies, some felt they just missed out on the criteria but were still in need. There were also those who didn't think the increase in revenue by was realistic with fears it would end up more costly.

Responses supportive of the proposal

There was support on the grounds that all services should pay their way, particularly with the wider need across the council such as housing. There was also support on the ground that all residents regardless of income or ability to access them and this would help those who are currently struggling to enjoy their lives and is an effective way of reducing mental health challenges and is vital to the borough's health and wellbeing.

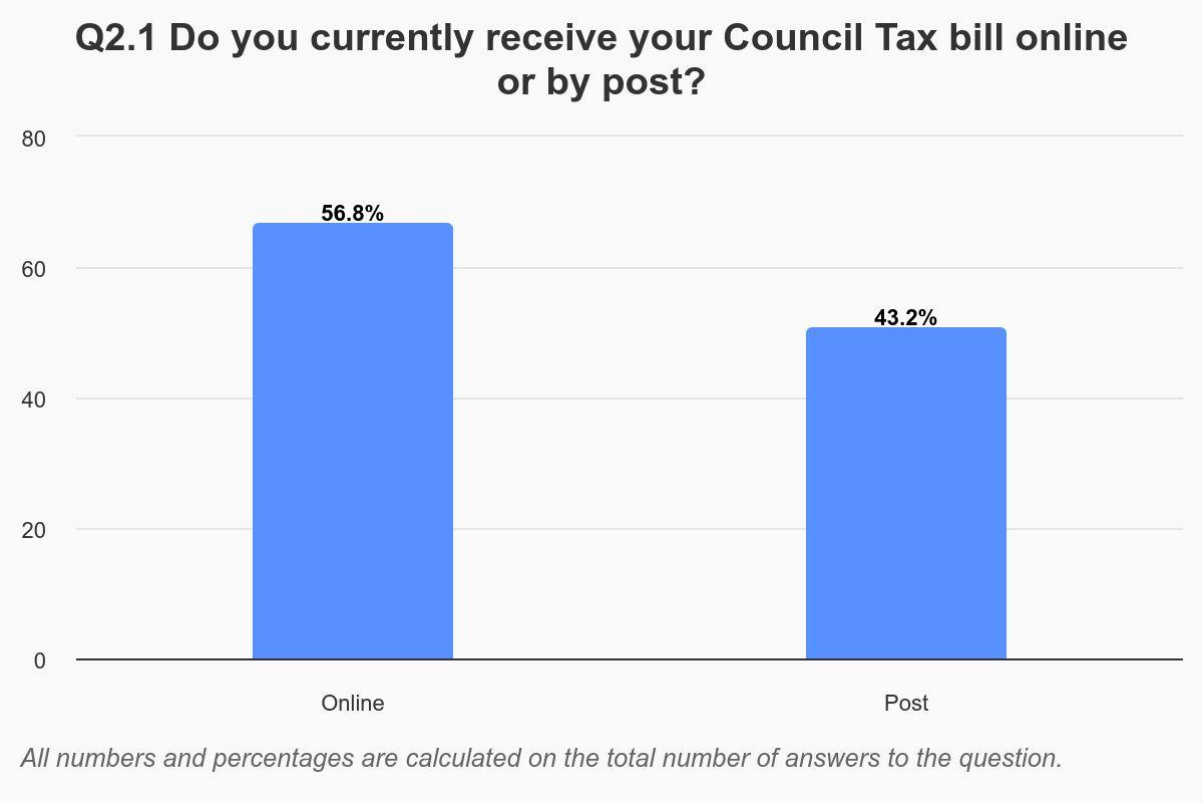
Some felt it was fair and even necessary due to the current economy. It was noted that there was a real need for facilities to be invested in. There was also support for the principal that leisure centres should be profit centres, rather than costs for the council and that those who don't use the centres shouldn't be asked to pay to subsidise it.

There were caveats on the grounds that the rise in costs was reasonable. Some showed support although would like to understand how "Low Income" was defined. It was felt that services should be paid for by those who use them. There was also support providing concessions would be made to those who need it.

It was also felt necessary that if those who used it had to pay more, then the quality of services needs to remain high.

Proposal 2 – Increasing the number of residents accessing their Council Tax bill online ("e-billing") and online forms

Question 2.1 – Do you currently receive your Council Tax bill online or by post?



All numbers and percentages are calculated on the total number of answers to the question.

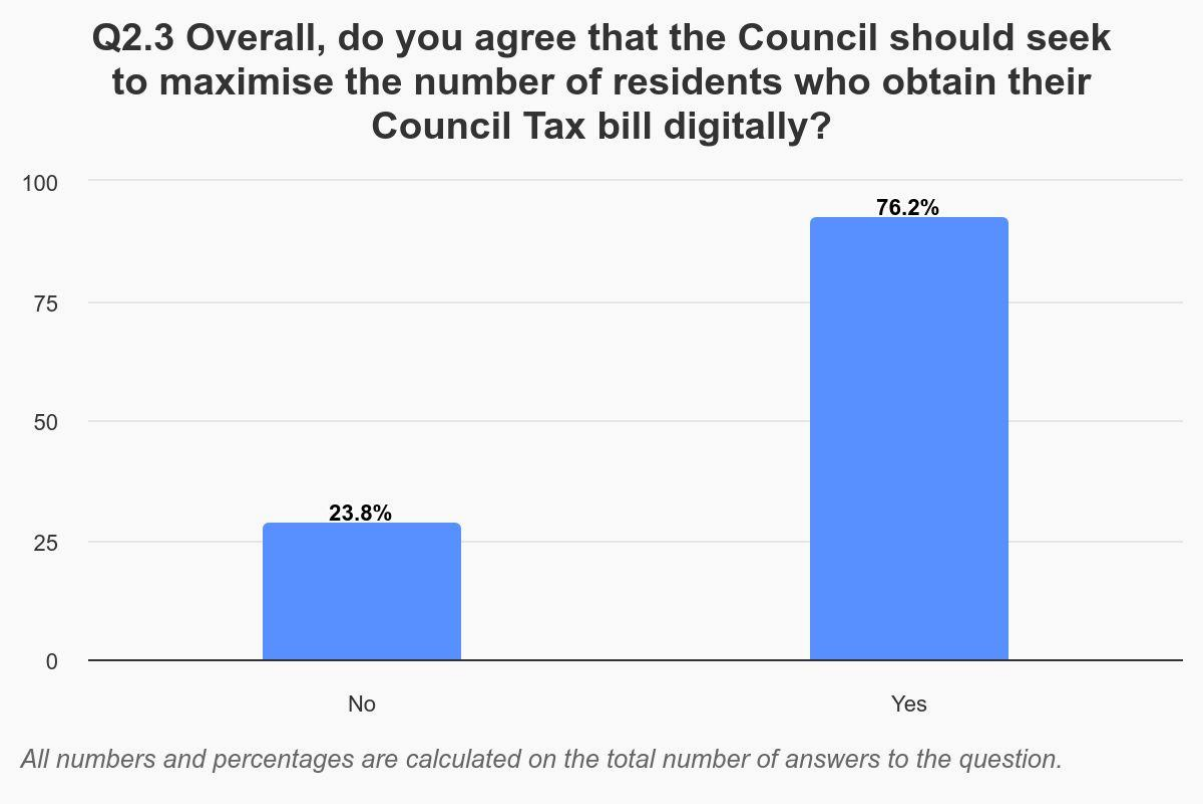
Question 2.2 – If you receive your Council Tax bill by post, do you have any concerns about e-billing that would put you off signing up?

For those who had concerns, there was a fear of the challenges of those who do not have access to the internet to view their bills. They thought this may put added pressure on services that to help people to manage their bills. It also was felt it would add extra cost to people who may be forced to pay for wi-fi access.

There were concerns that the council is not more tolerant of late payment so it would add more pressure. There were also concerns that the emails may end up missed or in spam as has happened with previous bills.

Some felt they were concerned about the security of their personal information. Others felt they needed the bills to use as I.D. for other external services.

Question 2.3 – Overall, do you agree that the Council should seek to maximise the number of residents who obtain their Council Tax bill digitally?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

Responses not supportive of the proposal

There were concerns over cyber security and whether it was worth the savings which some felt that advertising campaign would eat into it and would rather the amount be spent elsewhere. Some prefer to know their bill is on paper and would rather. Some felt it was an unimportant change in the grand scheme of things and the wrong decision to make savings.

There were also concerns about those without digital accessibility and those who needed printed documents for identification purposes. Some felt it should be a choice rather than mandatory. Others had concerns about missing emails with their bills in.

Responses supportive of the proposal

There were suggestions to add a surcharge on getting it via post rather than a saving for digital. Some added the caveat that those who are not digitally literate be given extra help and others felt those who didn't have access to the internet should be provided with paper documents.

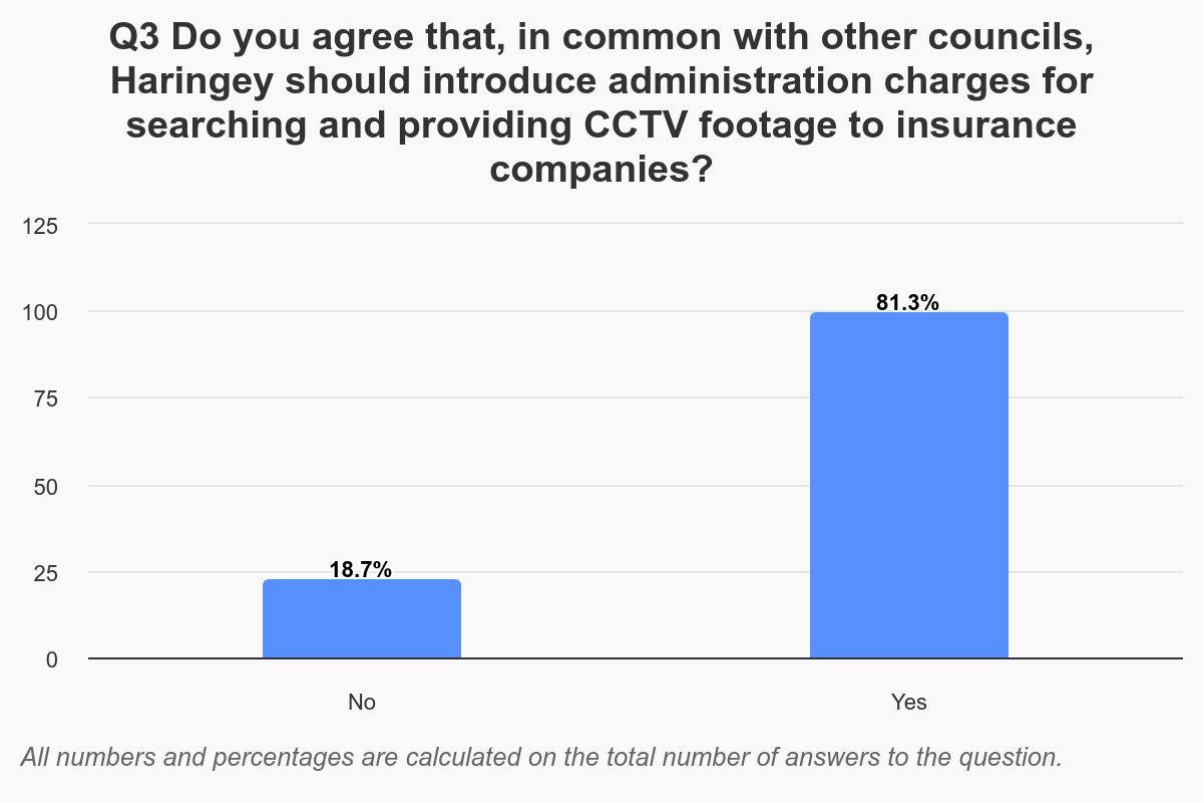
Some felt that it was not a new idea so people should be able to use it. It was also supported as a quick fix to earn money. There was support on environmental grounds due to the lack of paper used. There were suggestions that if an email address was already provided, the

council should just make an executive decision that the council tax bill will be delivered digitally reflecting what a number of other companies had done.

There was a lot of support on the grounds of the savings it provided. Some did have concerns over how usable the digital services may be as they had past troubles with the council.

Proposal 3 – Charge to Insurers for CCTV footage

Question 3.1 - Do you agree that, in common with other councils, Haringey should introduce administration charges for searching and providing CCTV footage to insurance companies?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

Responses not supportive of the proposal

Some respondents didn't support the proposal for reasons including that charges should never apply when footage is needed for victims of crime, stressing it was already difficult to get CCTV footage. It also included concerns over it causing delays in investigations.

There were also concerns it would push up insurance costs and lead to fewer requests risking further crime. There were also suggestions to use Artificial intelligence to streamline the process and make it cheaper for the council.

Responses supportive of the proposal

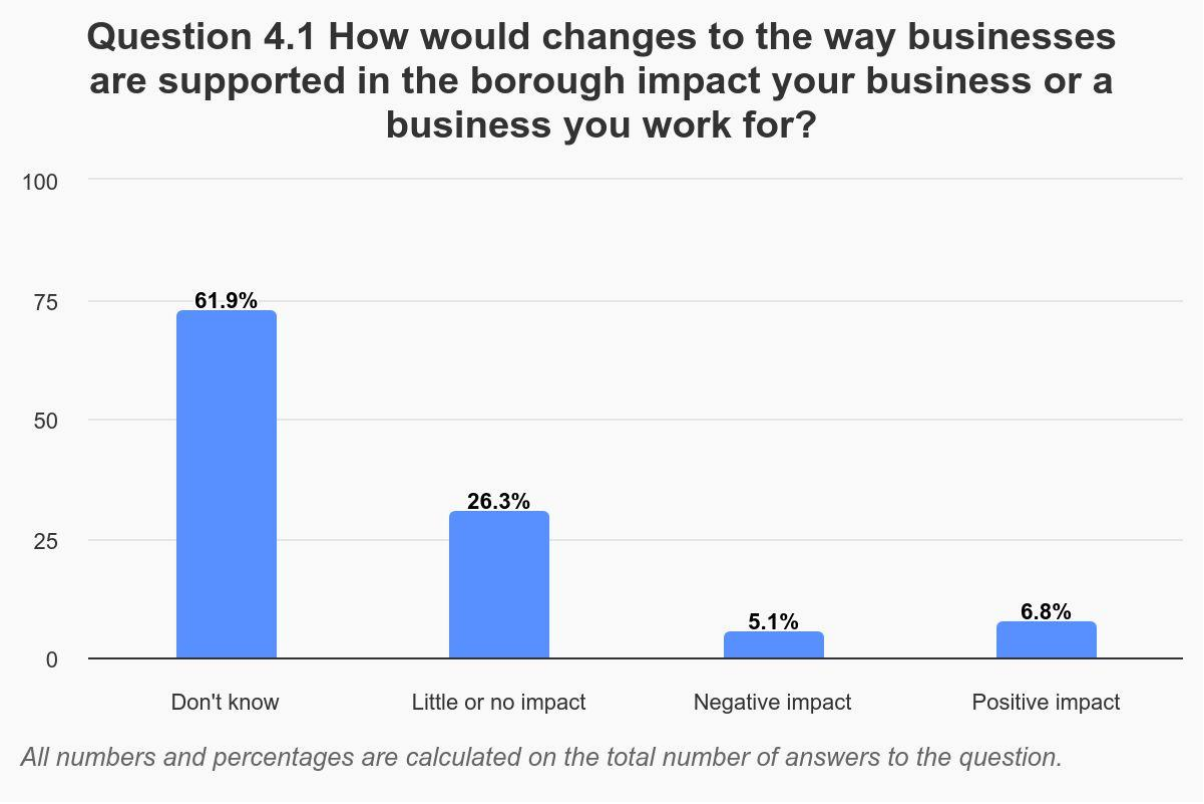
Some felt that as the insurance companies were a commercial outfit and may profit from the CCTV, they should be asked to pay. It was also noted that it was preferable for Insurers to pay rather than the council and council tax payers with others surprised it wasn't already in place. Some felt it was a good source of revenue.

There were some who felt that it was fine as insurance companies could afford it. There was qualified support as long as the pricing was reasonable.

Culture, Strategy and Communities

Proposal 4 - Review of support to businesses

Question 4.1 – how would changes to the way businesses are supported in the borough impact your business or a business you work for?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

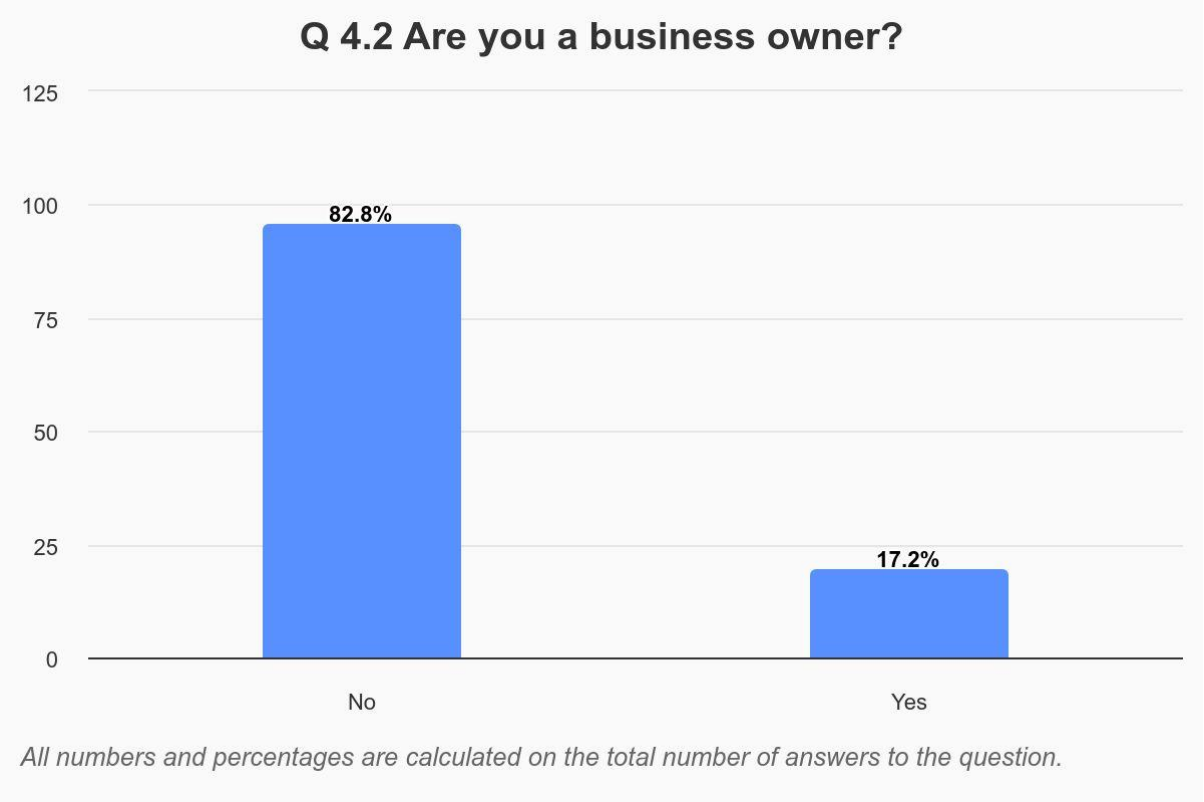
Don't know

Respondents who ticked don't know did so as they did not own a business in Haringey. Some felt the terminology was too vague and did not indicate what the council actually meant.

Little or no impact

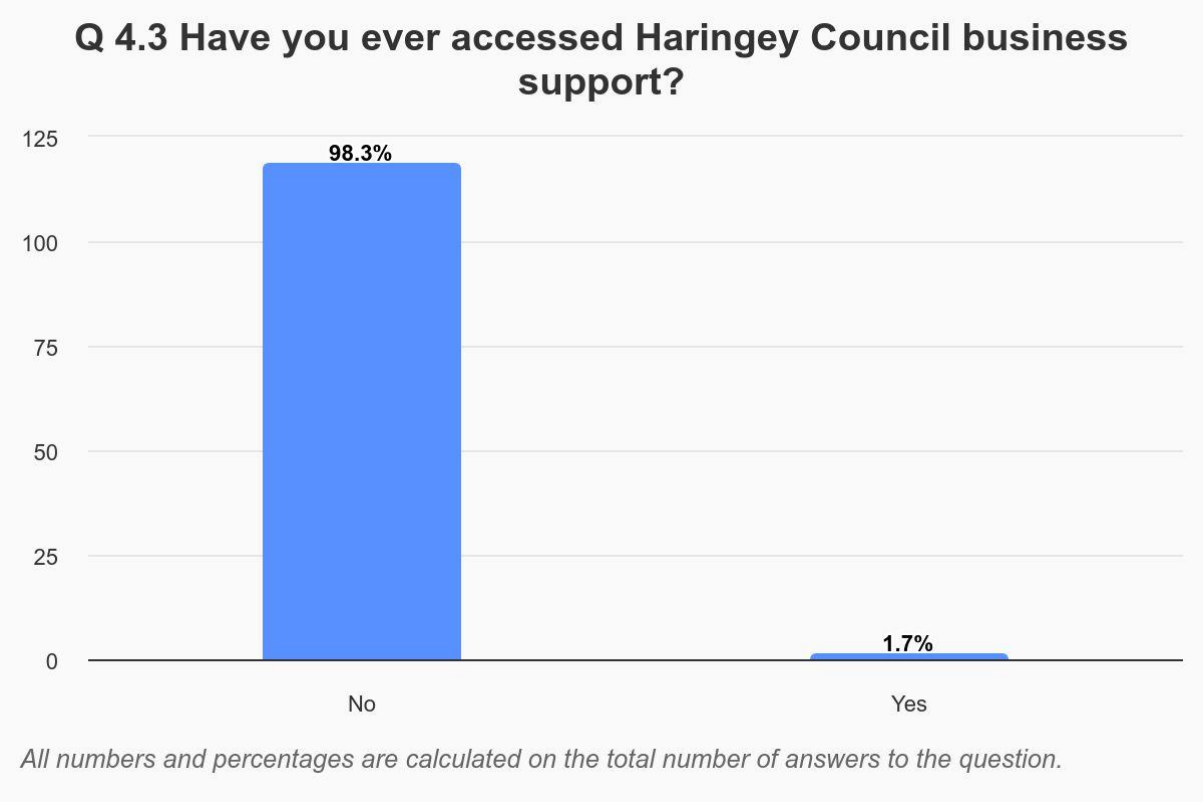
Most respondents did not manage businesses in Haringey.

Question 4.2 Are you a business owner?



All numbers and percentages are calculated on the total number of answers to the question.

Question 4.3 Have you ever accessed Haringey Council business support?

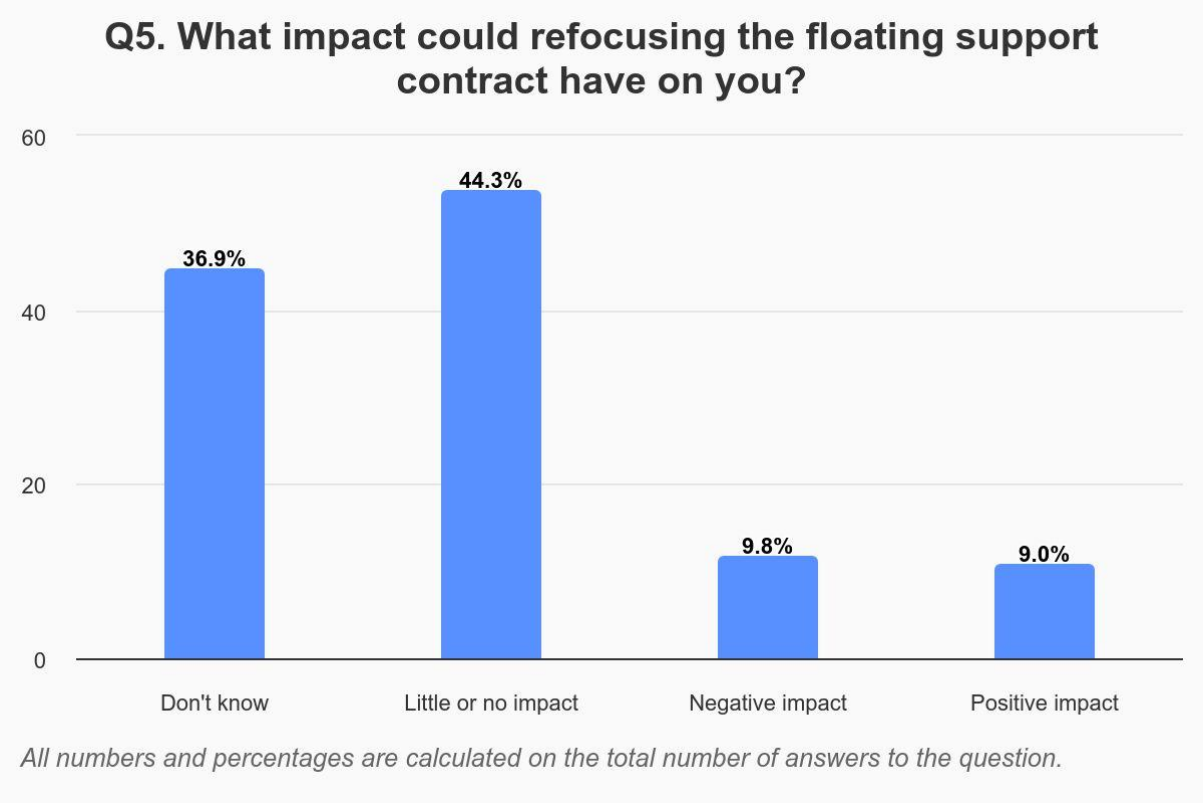


All numbers and percentages are calculated on the total number of answers to the question.

Adults, Health and Housing

Proposal 5 - Reduction in floating support contract

Question 5.1 - What impact could refocusing the 'Floating Support' contract have on you?



Please give reasons for your answer:

Don't know

Those who didn't know said it was because they didn't fully understand potential implications. There were also those who felt they couldn't answer as they had no experience of these services. Some were unaware of what floating support actually is.

Little or no impact

The majority of those who chose this option did so as they do not seek housing support. Some did still state concerns they have for others, particularly if there was a withdrawal of any service.

Negative impact

There was concern about reducing money off a budget when homelessness appeared to be rising. Some stressed it would be better for the council to intervene earlier, helping people stay in their homes rather than waiting until they are homeless.

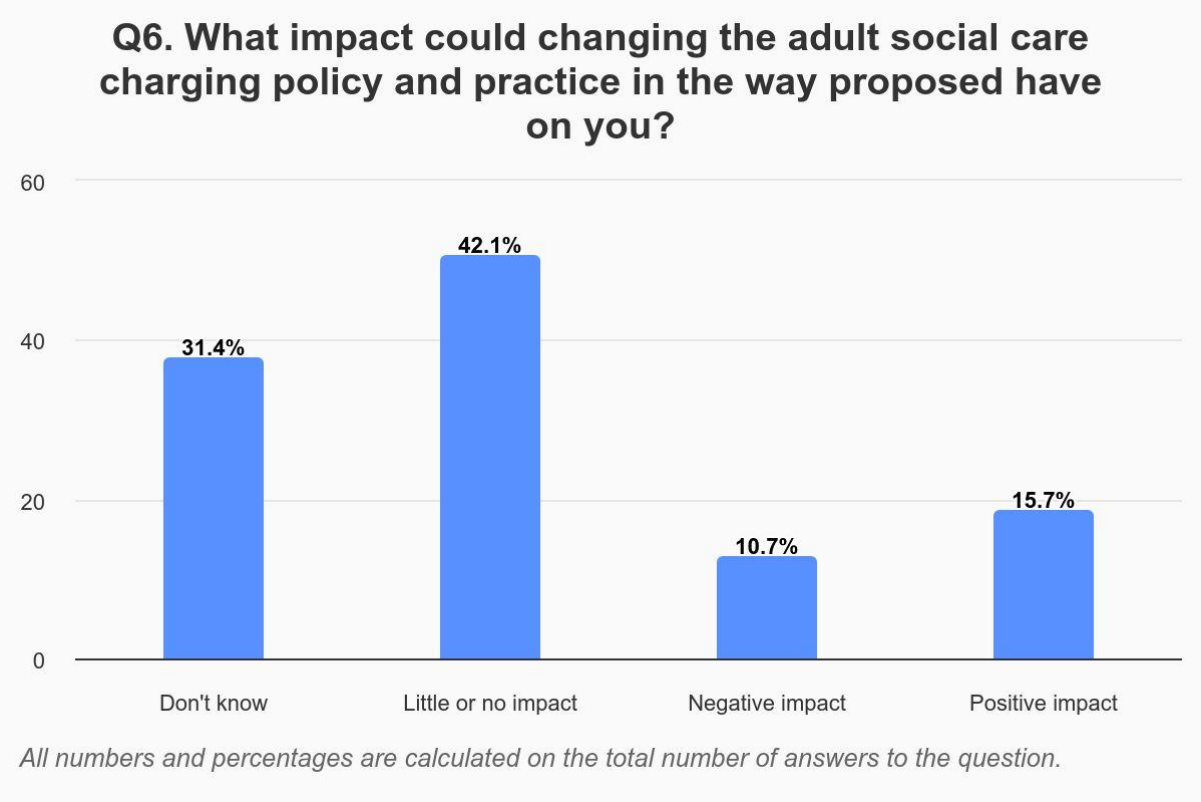
There were concerns about the council's ability recognise when residents have complex needs or are in crisis. It was also felt this was not a good strategy to look after the most vulnerable. Some suggested it would boost a rise in homelessness sending the burden elsewhere.

Positive impact

One person thought it would be fair in the circumstances, another supported the reduction if would bring in the overall benefit. One person thought a better service could be transformative.

Proposal 6 - Review of Adult Social Care Charging Policy and strengthening financial assessment processes

Question 6.1 - What impact could changing the adult social care charging policy and practice in the way proposed have on you?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

Don’t know

Those who selected ‘don’t know’ did so as they did not need the service but could see the impact it would have on others. Some were concerned that it may make people more reluctant to request care, especially if they are on low income. Some felt that the previous system was unsatisfactory, and others noted this would need more detail.

Little or no impact

Those who selected little or no impact did so as they do not seek the service. Some also did not understand what was being proposed. Some stated that those in need should gain assistance.

Negative impact

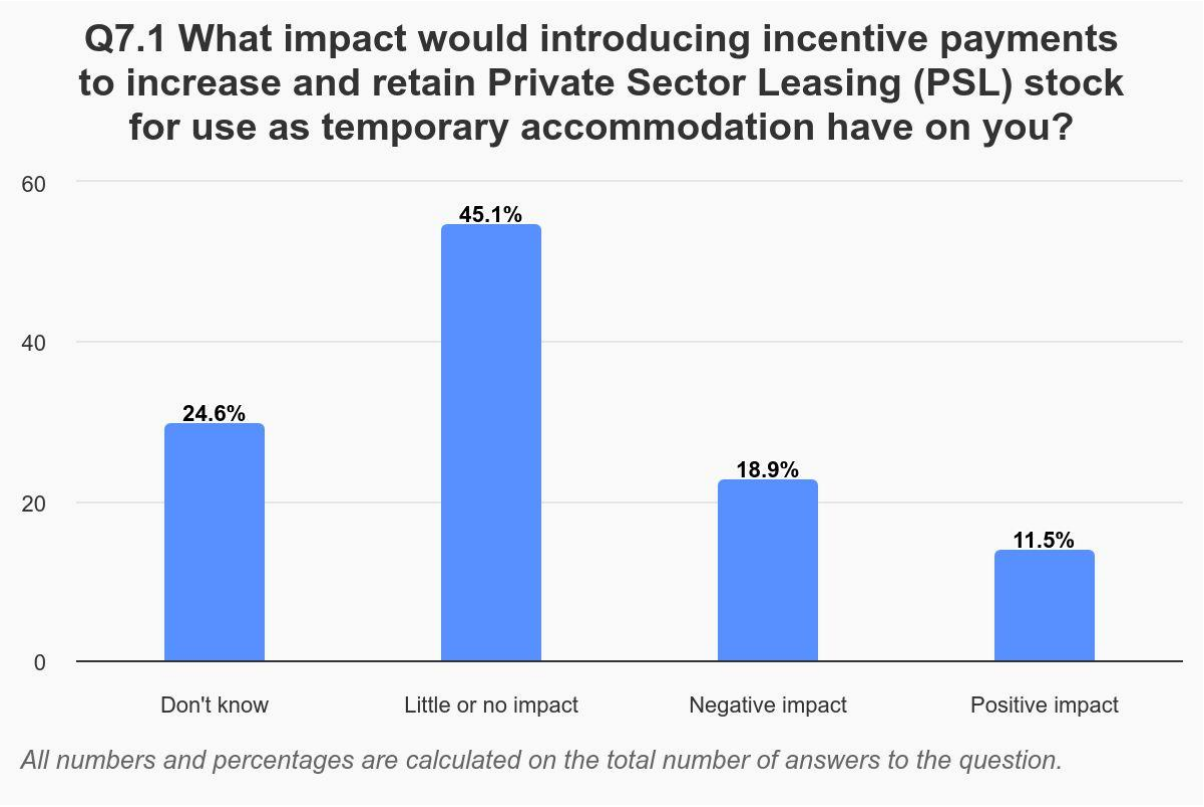
Some felt the council was taking money from the most in need to support other projects that were less of a priority or deemed as a vanity project. Others felt that people may be asked to pay more than they can afford. Some believe it will impact the most vulnerable. It was suggested that there are other, more efficient ways to work without needing more staff. Some were concerned the savings could eventually come at the cost of people's lives. Some felt it was discriminatory against those in and potentially a breach of the equality act.

Positive impact

Some thought the approach was fairer and more efficient. However, there were concerns that the amount to be saved was a bit ambitious.

Proposal 7 - Incentive payments to increase and retain Private Sector Leasing (PSL) stock for use as temporary accommodation

Question 7.1 - What impact would introducing incentive payments to increase and retain Private Sector Leasing (PSL) stock for use as temporary accommodation have on you?



Please give reasons for your answer:

Don't know

Those who selected don't know did so as they had no experience of the matter. Some did note that they were uncomfortable with "rewarding landlords". There were also questions around alternatives such as sourcing more properties to turn into social housing.

Little or no impact

Those who selected this option did so mainly as they were not social tenants or leaseholders. One respondent noted that it was a good idea to incentivise landlords to let their properties.

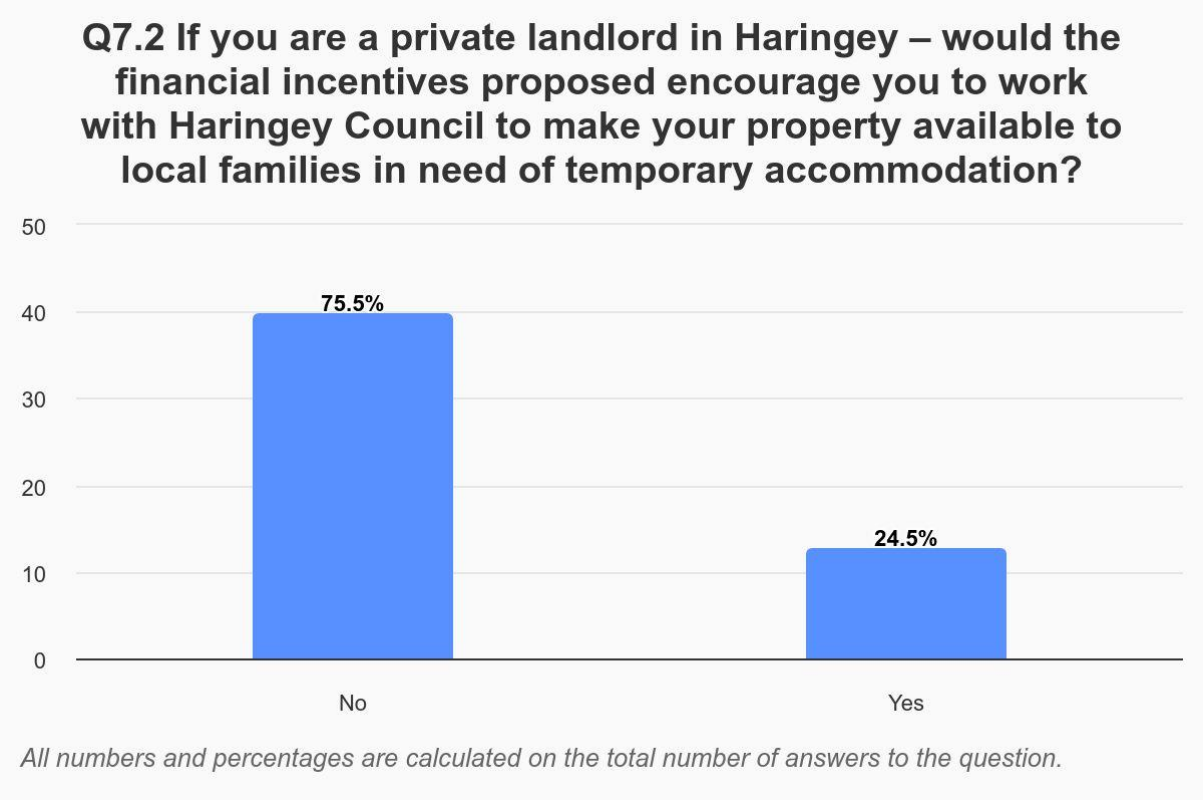
Negative impact

There were concerns about giving extra money to landlords when it is needed elsewhere. Some thought that instead the council should be building more social housing with rent and secure tenancies. Some thought the use of PSL stock for temporary accommodation should be stopped altogether. Some had concerns about the number of renters in the borough and the impact that was having. There were calls for the council to focus on rent controls.

Positive impact

Some thought it would solve the issue of empty houses. There was also support for the reduction in spending the council would have.

Question 7.2 – If you are a private landlord in Haringey – would the financial incentives proposed encourage you to work with Haringey Council to make your property available to local families in need of temporary accommodation?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

‘Yes’ Responses

Some had qualified support where it would need to be equal or higher to the market rate, others said they may possibly be happy to rent to young families.

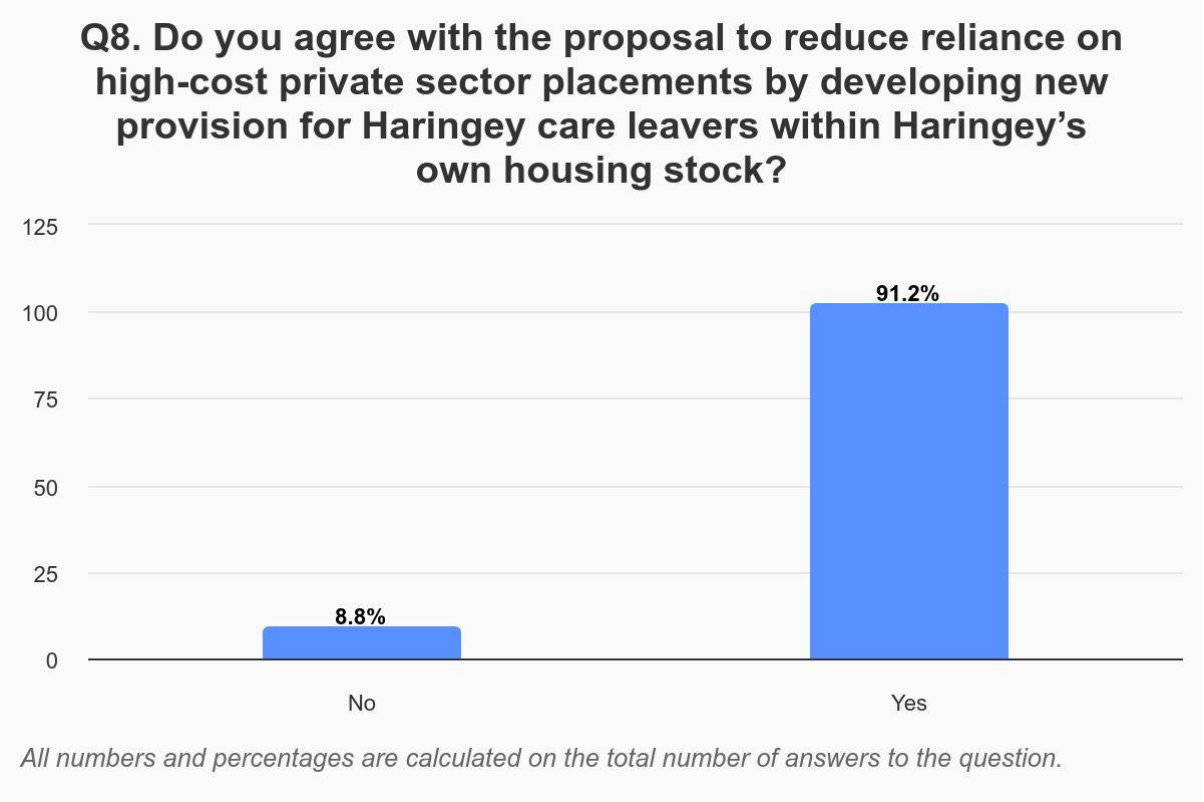
‘No’ responses

Those who said no did so mainly were because they were not private landlords. Some expressed fears about property damage and others thought it was not worth the hassle. There were also some who stated as a leaseholder they were not permitted to do this. Some were concerned about the paperwork and red tape. Some thought that landlords do not need incentives to rent a property.

Children’s Services

Proposal 8 - Care leavers accommodation

Question 8 - Do you agree with the proposal to reduce reliance on high-cost private sector placements by developing new provision for Haringey care leavers within Haringey’s own housing stock?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

Support

There was a lot of support for this idea, those who supported did so on the grounds of the policy increasing security of tenure and keeping vulnerable people safe from harm. It was also seen as cost effective and better than leaving it to the private sector.

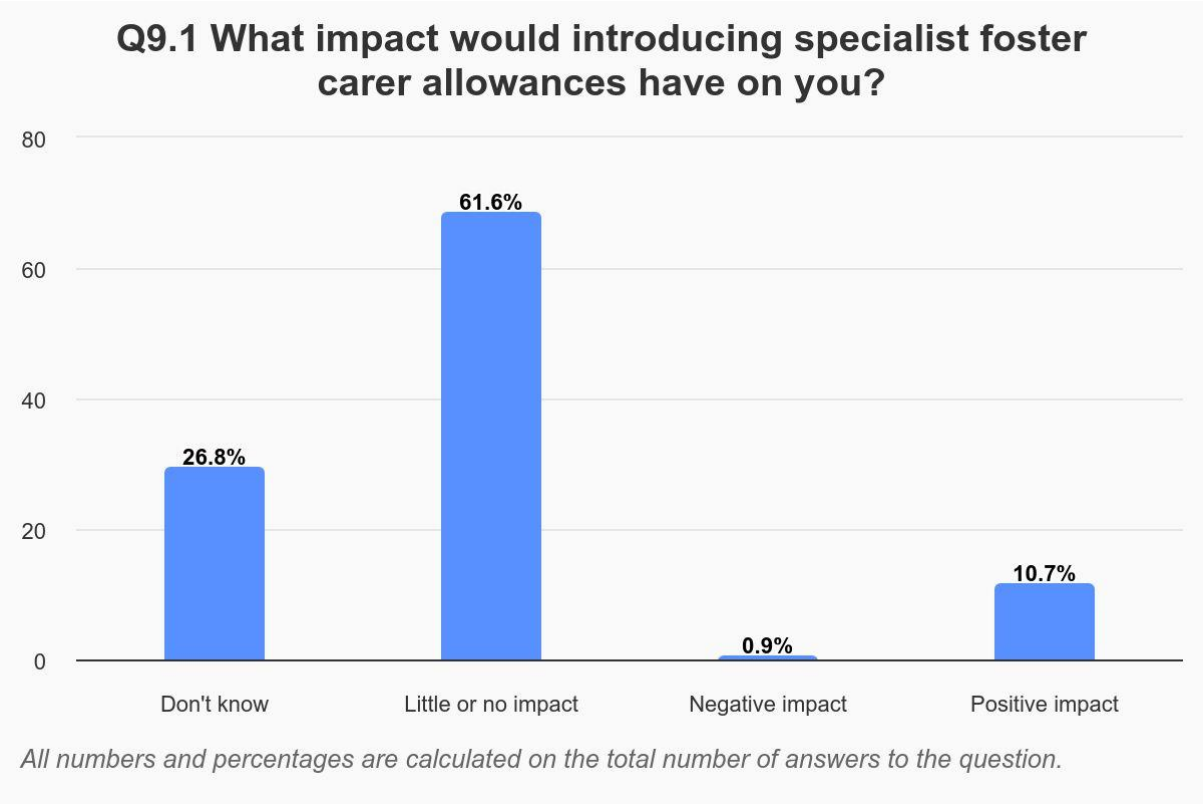
It was noted that care leavers need a supported transition to stay well so the proposal is beneficial in this regard. Some felt, however, that this should be a temporary housing situation. Some said it would add needed diversity to the area. There were comments hoping the proposal will help care leavers achieve in life. There were comments that suggested it was a positive move as care leavers are often neglected in the wider community.

Don't support

There were some respondents who didn't understand how the savings would be achieved and felt the plan was optimistic. Some thought it would be cheaper with property in the east of the borough, whilst others had concern that it would bring a rise in crime

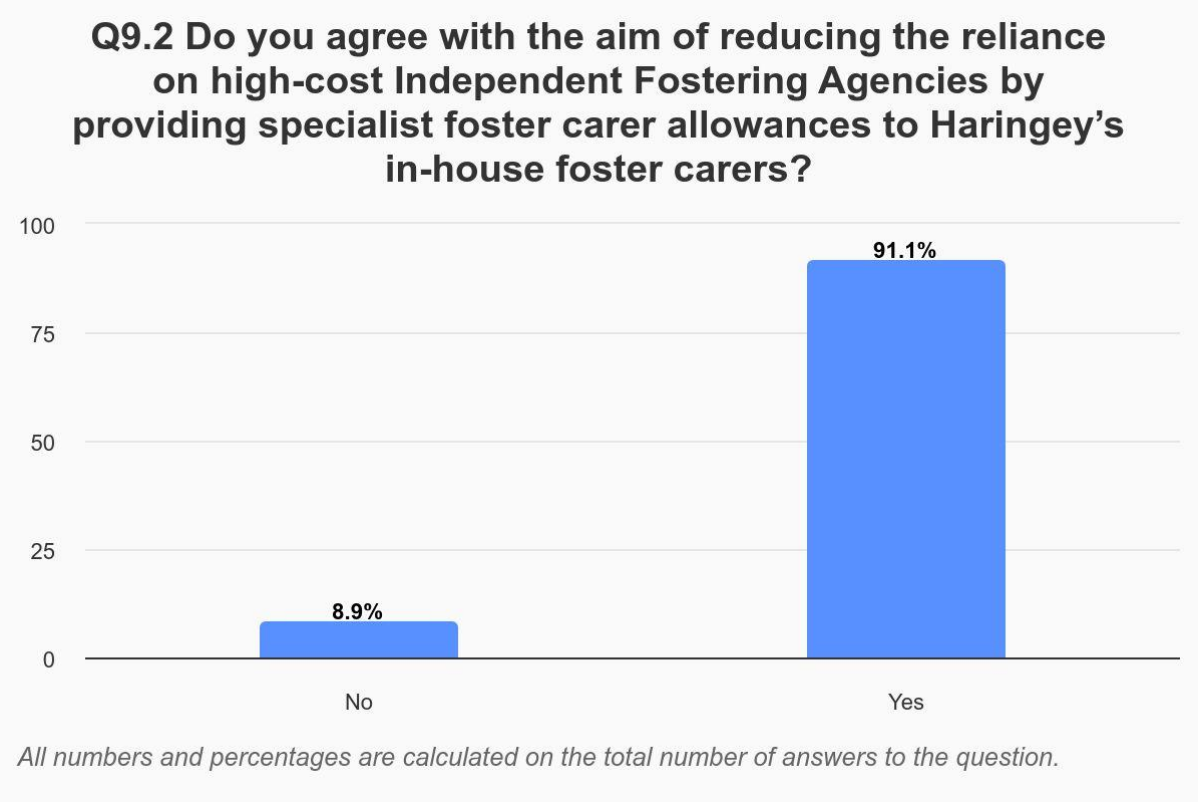
Proposal 9 - Introducing specialist foster carer allowances

Question 9.1 - What impact would introducing specialist foster carer allowances have on you?



All numbers and percentages are calculated on the total number of answers to the question.

Question 9.2 – Do you agree with the aim of reducing the reliance on high-cost Independent Fostering Agencies by providing specialist foster carer allowances to Haringey's in-house foster carers?



All numbers and percentages are calculated on the total number of answers to the question.

Please give reasons for your answer:

Don't support

Those who didn't support this proposal were concerned about the potential expenditure and whether Haringey's in-house services were enough to support it.

Support

Those who supported did so as they thought that it was a good move to use in-house services and noted that private sector business would always be more expensive. They also stated that vulnerable people should always be looked cared for in the most respectful way, not farmed out to make profit. There were also concerns about the effect of external agencies. It was also felt that the council would be able to monitor the support given. There was hope a therapy provision could be added.

Question 10 - Do you have any comments to make on the proposals to increase or reduce capital spending as described above?

There were comments agreeing with less expenditure on clean air zones. There was also support for “anything that brings essential services under council control”. Some felt the council should spend less money on Parkland Walk however some wanted more expenditure on trees across the borough.

There was concern that budget companies could lead to issues with the private sector managing services and housing poorly. There was also much concern about the reasoning why clean air zones were being cut with some feeling this should be a priority. There were also concerns about expenditure on Alexandra Palace.

There were calls for investment in leisure facilities such as steam rooms. There was also support for the Moselle Brook repair. There were concerns that schools would not have repairs carried out. There was also disappointment that there is no provision for increasing the budget for planning and conservation. Some people did not support proposals to increase online Council Tax billing, whilst reducing digital schemes.

Some comments hoped any commercial money from Alexandra Palace was put back into the community. There was also support for the purchase of waste management vehicles. There were also concerns sceptical of purchasing waste management vehicles.

There were requests to prioritise schools, anti-flooding and waste management. There was a comment suggesting the “Reduction in Digital Schemes” is too vague to comment on.

One respondent felt the tree proposal should be contingent on sponsorship. It sounds unlikely that the purchase of refuse vehicles by the council would save any money. There was also concern over cuts in expenditure to the childrens respite facility spending.

There was also a suggestion that the council set up a deal with a company that can provide travel vehicles for all services.

Question 11 - Are there any changes or proposals you think we should consider which might save money or achieve better value from council spend?

There were calls to save money by discontinuing publication of Haringey People. There was also comments about training staff better and having closer supervision of expenditure.

Some suggested cutting councillors’ allowances and selling off the Civic Centre site. There was also a suggestion to rethink the playgrounds in the Tottenham area as there were already football pitches. There was a comment to invest in community centres. There were also suggestions to avoid cost on maintenance by doing repairs early.

One comment suggested a reduction in SEND tribunals. There were also comments suggesting the council rely on agencies less. There was a call for the council to review its procurement process. There was also a suggestion for the council to re-evaluate its property and asset portfolio. Digital transformation to reduce administration costs was also mentioned.

There was also a suggestion to upgrade the energy systems in all Haringey buildings and a suggestion to remove any funding from religious groups. There were calls to reduce paper

and reduce staff parking and rent the spaces to the public. One comment suggested allowing pop-up shops in buildings to bring in revenue. There was concern over the level of money spent on social care. One suggestion recommended selling expensive social housing. One respondent suggested investing in the website to encourage more tasks online.

One respondent called for a review of the council's working from home policy. Another respondent suggested gaining sponsorship for local facilities.

Question 12 - Are there any changes or proposals you think we should consider which might generate more income?

Some of the suggestions included: the council to take a cut in commercial event revenue, attract larger companies to open businesses in the area, cancel Haringey People hard copies and charge property developers building big flats to cover the cost of support infrastructure such as GPs, community centres, and transport, for example.

There were also suggestions to charge Tottenham Hostpur FC for the upkeep of the surrounding neighbourhood, have higher charges for council services in more affluent areas, use powers to fine negative behaviors more diligently and fine rogue landlords.

There was also a suggestion to form a coalition with other local councils to create a think tank and lobby for reforms of council budgets and also reform local tax.

Some called to have an increase in parking permit costs (including EVs) and for larger vehicles which pollute more. Other respondents suggested permits for gambling premises, as well as for charges for festivals in Finsbury Park.

There was a call to lobby central government to overhaul council tax bands nationally e.g. 'I'm a home-owner, but I think I should pay more.'. There was also a suggestion to use ANPR more efficiently to issue fines and make overall better use of council assets that sit empty. There were respondents who suggested fining street bike providers for bikes left recklessly on the pavement.

There were suggestions to hold exhibitions or run courses and redevelop Wood Green Shopping City. There was also a call to get Crossrail 2 to Alexandra Palace and Turnpike Lane.

Offer council properties to outside organisations to hold exhibitions or run courses. Redevelop

Push for redevelopment of the Mall and Wood Green Centre by private businesses and allow construction of flats. Push hard for Crossrail 2 to come through Turnpike Lane and Alexandra Palace to incentivise investment into Wood Green. One respondent opted to spend less on tree surgery, and another requested that the council should take a percentage from EV charging points in the borough.

One resident requested charging non-Haringey residents to drive through the borough. One resident suggested developing Park Road leisure centre site with solar panels or having a data centre there. There was also a call to fine utility companies who dig up roads without fixing the problem.

Question 13 - If you were making the decision about savings or income for the council, what do you think it would be most important to consider?

The council were encouraged to have a better relationship with the voluntary sector to support them delivering where the council can't anymore, especially those running community centres. Some respondents suggested on focussing spending on core statutory services and rigorously reviewing all discretionary programmes for value for money. Some called to reduce duplicated roles or overlapping responsibilities across departments and streamline management structures.

There were also calls to expand digital transformation to cut administrative overheads and simplify processes for residents and phase out non-digital publications,

There were suggestions to encourage local employment and apprenticeships by prioritising local contractors and suppliers and consolidate underused council buildings and explore co-location of services to reduce maintenance and operational costs.

There was also a call to target fraud reduction in areas such as council tax, business rates and housing services through improved data matching and digital verification and review fees and charges for non-essential services, ensuring they reflect the true cost of delivery.

Some suggested to have permanent staff not outsourced staff and one respondent suggested only employing staff who live in the area. More community facilities for 60plus. I have a community centre near me in Commerce Road that never has anything on.

There was a suggestion to borrow money to build more housing. One suggestion requested cutting down on properties provided to families who have not long arrived in the country.

Some mentioned fairness, not overspending on provisions which are no longer affordable and apply to only a minority of residents. One suggestion was to focus on the medium to longer term when spending money. Another suggestion was to fine those who didn’t comply with the 20mph limit.

There were calls to have a very tight checking system of all accounts and claims to detect possible fraud. It was also mentioned to value helping the disabled and those in need of housing and education. One resident advised for Haringey to partner with other boroughs when making large purchases of waste trucks that could be shared. One resident suggested keeping libraries as they are beneficial to the community. There was also a call to raise council tax on HMOs.

There were calls not to forget elderly people and consider climate change mitigation and tree planting as a long-term investment. There was also a suggestion to charge Tottenham Hotspur FC more and ensure proper street lighting. There was also a call to maintain schools in the borough. There were lots of suggestions to consider value for money when investing. One person suggested increasing charges for driving.

Question 14 - What would you prioritise to protect spending on?

Respondents mentioned Adult and children's social care, libraries, leisure facilities, council housing, waste management and recycling, active transport and energy efficiency/renewables.

There were also suggestions for traffic management around schools, Arts and culture, environment (trees, parks, walking, cycling), Care for the most vulnerable and local services that create community.

There were suggestions for youth centres, cycling infrastructure, cycle lanes, sports facitlities and a call for money to spent on the disabled services as well as education.

There were a number of suggestions around housing and planning and evening classes. There were also suggestions for green space and to adapt to tackle climate change as well as tackling Anti-Social behaviour. There were also suggestions to spend money on libraries and looking after the elderly as well as our youngest.

There were also suggestions to support mental health as well as homeless people. One resident called to manage the condition of pavements. There was also suggestions to spend it on waste collections and leisure centres as well as SEND provision and helping independent businesses.

Question 15 - What do you think is less important?

Those initiatives that people suggested were less important to spend money on included managing Parkland walk, any projects to “beautify” the borough and working with external consultants. Some thought it was less important to support local businesses or community social projects along with activities for specific groups and the Haringey People magazine.

Some suggested the council should not focus on EV charging points and council tax reductions for those who are fit to work. Some residents thought it was less important to invest in the Borough of Culture, the high street and any environmental initiatives. Leisure centres were also deemed by some as less important to invest in.

Some suggested any non-critical services were less important. Some thought traffic schemes were less important as were any political or ideological initiatives. One respondent suggested it was not less important to spend money on private landlords; another suggested it was less important to spend it on publicity.

Some residents thought parks were less important, others thought changin street names shouldn’t be a priority. Some thought supporting Tottenham Hotspur FC host the Euros was less important as were “vanity projects”.

Question 16 - Do you have any other thoughts on the Council’s budget that you would like to share?

Some asked not raise council tax, another suggested issuing municipal bonds to attract investment. There were some who asked to focus spending on provision rather than external consultants. One comment was to train our building staff better and ensure houses are filled. One comment was to increase traffic enforcement including LTNs

One comment was for the council to be more transparent around its overall budget and plans for its assets.

One comment was for consultations to be simpler. There were suggestions to build more houses and lobby government for more central funds. One comment suggested a central review of staff costs. One respondent suggested a reduction in assisted living properties and in benefits. Some comments hoped for no more increases in council tax. One resident suggested staff salary should be performance related.

Appendix 4 - Cabinet responses: scrutiny recommendations (budget 2026/27)

#	Dept	Recommendation	Recommendation details	Lead officer	Cabinet Member	Cabinet response
1	Finance	Budget gap	The Panel noted with concern the risks associated with the cumulative new borrowing of £603m to be raised for Exceptional Financial Support by 2030/31 as illustrated in Table 3 of the draft Treasury Management Strategy Statement. The Panel also noted that, as stated in paragraph 13.6 of the November 2025 Cabinet report, due to the Council's limited financial resources, this may mean spending more in some areas of greatest need and priority and more significant reductions in other areas. It would therefore be necessary to understand further what this would entail for the future of adult social care services. The Panel recommended that Table 6 (Budget Gap 2026/27 to 2030/31) from the November 2025 Cabinet report be updated and published in the report to Cabinet in February 2026 in order to take	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this concern. The position presented for Exceptional Financial Support is forecast over the next five years based on assumed use in 2026/27. However. The following should be noted: • As per the draft budget presented elsewhere on this agenda and the updated Treasury Management Strategy Statement, the assumed need for EFS in 2026/27 has now reduced to £89.2m as part of finalising the draft budget. • This is also based on the 'do nothing' scenario – ie no further savings reductions or new income. • This assumes that the level of borrowing will increase as projected. Work continues across the council to reduce the borrowing requirement by consistently ensuring all capital projects are necessary and need to be done within the timescale suggested. The Cabinet are aware that the financial position is not sustainable and over the next 6 months, there will be work to: • focus on ensuring the current £53.9m savings for 2025/26 and 2026/27 are delivered in full • develop further cost reductions across all services, which will be considered by the new administration later

			into account any changes in the projections.			in the year. This includes statutory services, such as adult social care, to ensure that services and outcomes are met in the most cost-effective way possible but also an increased focus on preventative services that could lead to longer term cost reductions across. It is important to recognise that improving the council's financial sustainability will require looking across the next three to five years. This is likely to mean prioritising some services over others and will reflect the priorities of the new administration. At the same time, officers and Members (through Haringey, London and national networks) will continue discussions with Government that the position across the sector is not sustainable, to lobby for reforms to address the root causes of the budget pressures facing Haringey and more punitive conditions associated with EFS. An update on this work and financial position across the next five years will be reported in the next update to the Medium Term Financial Strategy in summer 2026. This will include a review of all assumptions around demand and price pressures.
2	Finance	EFS	The Panel recommended that information about the interest payments and the capital repayments for EFS be included in Budget papers in future years. OSC requested that Cabinet provide a more detailed response	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Resources notes this recommendation. This 2026/27 draft budget report includes details of the Council's borrowing costs, separating borrowing for the capital programme and EFS. This can be found in Section 8 and the Treasury Management Strategy Statement included at Appendix 10.

			on the long-term sustainability of the interest payments and the capital repayments for EFS.			The Council's Section 151 Officer's Section 25 Statement in Appendix 11 of the report clearly states that the level of debt and interest is too high and must be addressed through future financial plans and also that use of EFS is not sustainable and nor does it provide best value for the taxpayer. Whilst there continues to be reliance on EFS (and its associated borrowing costs) and interest rates remain above the target of 2%, further opportunities to reduce or slow down capital schemes for the 2027/28 programme. This applies to both the General Fund and HRA to reduce total debt forecasts and any changes to the capital programme set out in this report will be subject to further decisions by Cabinet.
3	AHH	Better Care Fund	The Panel expressed concern about the cuts to the Better Care Fund and the risk of the knock-on impact on adult social care services. It was recommended that this be monitored further by the Panel going forward. OSC requested an update on the response from January 2026 given that this was an 'emerging picture' and the proportion of Adult Social Care that is funded through the BCF. The Panel requested that more information be provided in relation to the BCF Support Programme for Neighbourhood Health Planning.	Sara Sutton Jo Baty	Cllr das Neves	The revised policy for the 26/27 Better Care Fund, to be renamed Integrated Care Funding Framework is still pending. We have been advised that funding will remain the same for 26/27, any uplift to be confirmed. Work has been ongoing to review the current expenditure and outcomes from the different funded workstreams/projects so that once the final guidance is received, we will be able to better understand the alignment and implications. We are awaiting more information on the support offer from the BCF Support Programme for Neighbourhood Planning. It is likely to be learning and development across organisations for staff who are implementing our neighbourhoods' models of health and care.

4	Finance	Digital solutions	The Panel welcomed the approach to invest to save through improvements to digital solutions but noted that similar proposals had been seen by Scrutiny in previous years that had not fully come to fruition. The Panel therefore noted a potential risk in the delivery of these improvements. The Panel challenged the Cabinet to explain how previous proposals to improve digital solutions to make savings had been delivered by the Council and why the Panel should have confidence that the current proposals would be successful.	Taryn Eves Jenna Scott-Brining	Cllr Carlin	It is acknowledged that, historically, some savings anticipated from digital initiatives have not been fully realised. Cabinet has rightly sought assurance that future savings are credible and deliverable. The context for delivery has now changed materially. This represents a fundamental shift from previous arrangements, where capability was fragmented and delivery relied heavily on short-term or external support. The Council now has a much stronger, more accountable model in place. Key changes include: • A new Digital Services function, established in March 2025, bringing together the full range of skills required to deliver complex change at scale, including enterprise architecture, service design, business analysis, delivery management and technical capability • Skilled, permanent in-house capacity to design and deliver solutions, reducing reliance on short-term or external resource and improving continuity, accountability and value for money • Service led delivery, with Digital working closely alongside services to co-design solutions that are operationally viable, owned by services, and aligned to Haringey's priorities • Robust governance through the Service Modernisation Programme, overseen by a Board comprising all Corporate Directors. No initiative proceeds without explicit agreement from the relevant service on scope, deliverability, and the timing and quantum of savings

						• Clear gateway and approval processes via the Service Modernisation Board, ensuring benefits, risks and dependencies are assessed before delivery, and that savings are formally signed off by services • Reduced financial risk, with savings held corporately from 2026/27 so that service budgets are not adjusted until solutions are implemented and savings are demonstrably deliverable Recognising the time required to implement and embed digital change effectively, the £2m of additional savings previously planned for 2026/27 has been re-profiled to 2027/28. This ensures that 2026/27 remains focused on securing savings already delivered or agreed, including those already removed from budgets. Progress will continue to be reported through Quarterly updates to Cabinet and Overview and Scrutiny, with more detailed six-monthly reporting available to Overview and Scrutiny to provide ongoing assurance.
5	AHH	Care provider pricing	The Panel felt that there was a particular ongoing risk over the rising costs from service providers within the adult social care sector and the potential impact of this on the modelling of anticipated expenditure over the MTFS period. The Panel made reference to the risk highlighted in the recent KPMG Value for Money Risk	Sara Sutton Jo Baty	Cllr das Neves	We recognise the pressures associated with rising provider costs and the impact this can have on future financial planning. A number of actions are already underway to strengthen both commissioning and procurement practice in this area. For home care, reablement and supported care, we have an established Dynamic Purchasing System (DPS) which helps ensure competitive pricing alongside quality based evaluation. We are currently reviewing our commissioning and procurement approach for these services to strengthen value for money further.

			Assessment to the Audit Committee which stated that: o *"The Council does not have adequate procurement processes in place to enable it to achieve value for money in respect of contracts entered into for services received."* o *"The Council does not have adequate processes in place to ensure that Adult Social Care spend is sufficiently forecast and managed"* (page 43, agenda papers for Audit Committee, 10th Nov 2025). It was recommended that the strengthening of procurement processes be monitored further by the Panel going forward and that this should include the sharing of an Action Plan with the Panel.			For care homes, we are moving towards a greater proportion of block contracts, which gives more stability around pricing and sufficiency. In parallel, we are involved in the North Central London (NCL) Councils Market Management Programme, through which boroughs take a coordinated approach to annual price reviews for both care homes and supported living. This helps manage market inflation collectively and improves the consistency of fee setting. A commissioning review of supported living is also in progress and is due to report in late January/early February. This will provide updated recommendations on future commissioning models and pricing approaches. These strands of work collectively strengthen oversight, forecasting and procurement practice, and we will continue to report progress to the Panel.
6	AHH	Supported living contracts	The Panel emphasised the importance of ensuring that the housing capital projects would align with social care commissioning needs and anticipated levels of demand. It was acknowledged as part of the	Sara Sutton Jo Baty	Cllr das Neves	Ensuring residents receive the right level of support is central to how supported living is commissioned and monitored. Each resident has a Support Plan that sets out their assessed needs, and these are reviewed at least annually to make sure the support remains appropriate.

			discussion that this was a complex area as different residents required different levels of support. The Panel recommended that the Cabinet should explain what oversight is in place to ensure that residents received appropriate levels of support.			Supported living services are currently commissioned through the DPS, with providers evaluated on both price and quality. Providers are expected to deliver care and support in line with each person's Support Plan, and any changes in need are reflected through the review process. We have a Quality Assurance and Contract Management Framework in place, and quality assurance visits are carried out on a risk basis. This gives oversight of service quality, safeguarding, and the extent to which residents' needs are being met. Any concerns or changes in risk trigger more frequent monitoring or formal contract actions where required.
7	AHH/CS	Transitions	The Panel recommended that further scrutiny was required on transitions, in partnership with the Children and Young People's Scrutiny Panel, in order to understand the reasons for the reduced numbers despite the national trends appearing to indicate greater demand. The Panel has previously been provided with details of service user numbers with a care package between the ages of 18-64 as this is the format of data collected. The Panel recommended that details of care packages by more specific age cohorts will be required in	Sara Sutton Ann Graham	Cllr das Neves / Cllr Brabazon	We will arrange for a further scrutiny of the data through a detailed report that responds to the points raised in the question. We will arrange this for the next Joint Children and Adults Overview Scrutiny with the agreement of the Chair of the Committee.

			order to scrutinise this area effectively (e.g. the 18-25 age group when considering transitions).			
8	AHH	Care worker retention	The Panel welcomed the additional investment in staffing. However, historic challenges with staff retention were acknowledged as part of the discussion and the Panel highlighted this as a substantial potential risk as this could impact on the Council's ability to fulfil its statutory duties. It was recommended that workforce issues be monitored further by the Panel going forward, particularly in relation to improvements to Care Act assessments. The Panel also recommended that the Cabinet set out how the risks associated with staff retention would be mitigated.	Sara Sutton Jo Baty	Cllr das Neves	A Staffing Task Group has been established for several months now to review recruitment, retention and workforce development with the Service – focusing on the continued professional development for our workforce and equality of opportunity as part of the Workforce Race Equality Team. We have extended our Leadership Group to involve a wider group of Senior Staff in shaping, developing and implementing the Improvement Plan and in co-production with residents for visibility. Our new Principal Social Worker commences in post in March 2026 and will lead the development and implementation of our Workforce Development Plan – working with residents, with Housing and Children's Services, with the NHS and the Voluntary and Community Sector to give our staff creative learning and development opportunities to give us resilience and stability.
9	AHH	Social care charges	The Panel concluded that this was a necessary piece of work and the income generation was welcomed by the Panel. The Panel sought	Sara Sutton Jo Baty	Cllr das Neves	We acknowledge the points raised by the Panel and welcome the opportunity to provide further reassurance.

			assurances that residents on low incomes would not be put in circumstances where they did not have access to care services and the Panel felt that this point had been answered to their satisfaction. However, the Panel expressed concerns that this policy change had not been carried out in the past as this could have achieved savings at an earlier stage. The Panel queried whether there were any other similar areas where practice was out of step with other comparable Boroughs and opportunities for income generation may be being missed and recommended that assurances be sought from the Cabinet that all possible such areas had been considered. OSC requested further reassurance from Cabinet on: 1 - Whether further information, guidance and advocacy are available before changes start.			We have statutory advocacy pathways in place, including through our commissioned advocacy services, and we maintain a strong partnership with Disability Action Haringey and other voluntary and community sector partners. These organisations will be fully briefed on the forthcoming changes so they can support residents effectively. The Minimum Income Guarantee (MIG) remains a central protection within the national charging framework, ensuring that everyone retains a set amount for daily living costs. Residents also have the right to request a review of their assessed charge if they believe it is unreasonable. In exceptional circumstances, charges can be reduced or waived under delegated powers held by the Head of Service. In response to the Committee's specific questions: 1. Information, guidance and advocacy – These will be available ahead of changes being implemented, with targeted communication and signposting for those who may need additional support. 2. Reasonable adjustments – These are embedded in our approach and are made proactively wherever possible. 3. Appeals, pauses and reviews – Residents can request a review at any time without any negative impact, and adjustments can be made where circumstances change. 4. Impact on care uptake – The Minimum Income Guarantee and the review/waiver processes ensure that residents are not placed in a position where cost prevents them from accessing essential care.

			2 - Whether reasonable adjustments were automatic rather than reactive 3 - Whether residents can appeal, pause or review these changes without any detrimental impact. 4 - Whether this policy could discourage care uptake from vulnerable groups.			We will monitor the impact of the charging policy and work with partners to ensure residents are supported throughout the process.
10	Finance	Business cases in budget papers	The Panel would like to recommend that business cases related to savings should also be included in budget papers being considered by Scrutiny Panels.	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Resources notes this recommendation. Consideration will be given to expanding the level of detail included for savings proposals as part of next year's budget process. All Cabinet and officer delegated decision reports include full details of financial, procurement and legal statutory comments and any assumptions from the business case to inform the decision.
11	ERE	Leisure income generation	The Panel noted that the Leisure provision was brought in house last year and so the Council now had full control so there is potentially more opportunity to generate income by utilising assets and improving the Council offer to be competitive with other comparable service providers. It was noted that the Council was now in a good position to carry out	Barry Francis Zoe Robertson	Emily	The Leisure Commercialisation Plan was formed using industry intelligence from third party independent leisure experts, who helped cost the in-house service in readiness for insourcing. This was later developed into a Commercialisation Plan including ideas from within the service. This was independently verified by 31ten as part of their work on financial assurance for the council. The Commercialisation Plan includes indicative income figures for a wide range of activities and is considered to be commercially sensitive due to the active competition in this

			an options appraisal to analyse this properly. **RECOMMENDATION:** That the Overview and Scrutiny Committee are provided with detailed figures in relation to the savings presented for Leisure Commercialisation as part of future budget monitoring reports. Details of social value would also be welcomed by the panel.			market. However, the plan is designed to flex and grow as new ideas come onboard, and services are tested and grown. In addition, appointments have been made to three new officers to the Leisure Management Team who all bring a wealth of experience in leisure and income generation and will all add their expertise to the Commercialisation Plan as it develops. The delivery of the plan is monitored through the council's budget monitoring process. Leisure budget reporting includes accounting for income and expenditure and is monitored monthly.
12	ERE	Moselle Brook culvert repairs	The Panel recognised that repairing the culvert was a necessity and the budget cited that the £1.1 million allocation could potentially increase following the initial repairs. **RECOMMENDATION**: The Scrutiny Panel recommended that following the initial repairs, a policy paper on the condition of the culvert and a survey regarding maintenance plans going forward with set timelines should be developed which could be reviewed on a 10-year basis. The Panel recommended robust systems for monitoring the state of the culvert be put in place.	Barry Francis Eubert Malcolm	Cllr Chandwani	The Cabinet Member for Resident Services and Tackling Inequality notes the recommendation. With regards current works, temporary plating has been installed over the culvert collapse area. This is in the western footway of the High Road, around 20m south of the White Hart Lane junction. This will be the priority location for long-term repair, with lining of the culvert anticipated, where it is under the carriageway and footway for a length of 50 linear m. Other culvert locations along the High Road, between the White Hart Lane and Scotland Green junctions have been surveyed. The survey report gives recommendations and identifies locations, prioritised for repairs within timescales, based on severity of condition. Repairs are anticipated to be carried out within funding constraints, prioritised in accordance with the survey report. With regards a longer-term maintenance plan for the Moselle Culvert, we accept the scrutiny recommendation. This strategy will be developed in conjunction with the environment agency and inspections and surveys undertaken as part of the annual highways works plans.

13	ERE	Waste vehicle fleet: insourcing	The Panel wanted further details regarding the financial options of buying or leasing the vehicles for the contract provision of recycling and waste collection, street cleansing and ancillary services from April 2027.The Panel were advised that a report to Cabinet in October 2024 on the Waste Services Review had noted that a high-level review of fleet purchasing considered 3 options which were hire, purchase, contractor purchase and authority purchasing. Authority purchase was the cheapest and preferred option, as the council could get better interest rates and contractor purchase was the most expensive due to addition of the contractor margin and less favourable interest rates. The report outlined that previously it has been common within waste contracts for contractors to purchase vehicles as part of requirements. A benchmarking of recent waste contracts awarded showed the trend has been more to authority purchase for these reasons.	Barry Francis Eubert Malcolm	Cllr Chandwani	The Cabinet Member for Resident Services and Tackling Inequality notes the comments. The finance options for purchasing vehicles to deliver the waste and street cleansing services were evaluated as part of the Waste Service Review, as noted by OSC. This work was undertaken by third party technical advisors, with engagement directly with vehicle suppliers and lease companies The options were further tested directly with the market during the first stage of the procurement process; the market showed a strong preference for the council financing vehicles and provided high-level cost differences should the authority go for a lease option. The report to Cabinet in March 2026 to recommend the award of the contract will also include further details of the value for money considerations of purchasing fleet.

			The Panel noted the above information and were advised that further financial details on these options could not be provided as this was commercially sensitive and would be part of the considerations for Cabinet when making a final decision on the service provider to deliver recycling and waste collection, street cleansing and ancillary services in March 2026. The Panel were disappointed that they were not provided with the business case in order to scrutinise this financial detail and recommended that the value for money considerations for fleet purchase be explicitly set out in the final Cabinet report in March 2026.			
14	ERE	Tree planting	The Panel considered the information on tree planting budget allocation and were not clear on the tree planting budget of £1.1m and wanted clarity on how this figure had been compiled, and what the £1.1m was being spent on? They queried whether this figure had changed from previous years i.e. was it less before and	Barry Francis Zoe Robertson	Ibrahim	The £1.1m tree planting budget is spread over 5 years, consisting of an average of £230k per year. This funding allows for: • Maintaining trees that have already been planted; • Match funding up to 250 community sponsored trees per year (community pays 1/3 and council pays 2/3) - average of £172k per year

			has been added to? The Panel recommended that it would be prudent to receive the tree planting plan with the funding allocations included to understand this figure and ensure that a correct, robust and consistent allocation was being agreed.			• £50,000 per year as match funding for external grant applications to further increase the number of trees planted in the borough (across streets, parks or housing estate locations). During the last four-year period the service has secured over £1m in match funding against the council's £600k commitment. This level of funding is an increase on the council's tree planting investment. In March 2022 the Council agreed a five-year tree planting capital allocation of £675k over the five-year period to March 2027. This next five year period will see £1.1m of investment to tree planting.
15	AHH	Void targets	In view of the challenges faced in meeting the 1% target, is this target still in place? That Cabinet comment on whether they are happy that having a 1% target is advantageous, given the challenges and the proportion of voids that are generated through the Neighbourhood Moves Scheme, and the fact that the Neighbourhood Moves scheme is being reviewed.	Sara Sutton Rachel Sharpe	Cllr Williams	Improvements to the service have been made, where changes to the management and teams across the Housing Repairs Service have assisted in the oversight and resource allocation in this area. This has been supported by an increased budget and new contracts being implemented to ensure appropriate resources are allocated. Progress against the pipeline of current void properties has been lower that initially projected, due to the previous ongoing union negotiations and procurement timescales, both of which have since been resolved. There has been sustained demand from the Neighbourhood Moves scheme through our new build programme, representing 18% (60) of the 330 new voids since April 2025. However, we will be assessing internal operational effectiveness and outcomes of the Neighbourhood Moves Scheme in addition to reviewing the voids end-to-end process in full, including analysis of the varying processes across all

						types of voids and teams involved in the process across Housing Services. This will enable focus on improvements at key stages to reduce turn-around times. The 1% target is still in place for the year 2025/26 however this will be reviewed for 2026/27 as part of our KPI setting process.
16	AHH	Floating support contracts	That Cabinet provide further assurances around the proposed £257k saving in floating support contracts. The Panel is concerned that this may be a false saving and would like further assurance that there is a genuine financial benefit arising from this saving. The Panel is concerned that the short term saving from a reduction in tenancy sustainment may result in additional costs to the Council in the long run.	Sara Sutton Rachel Sharpe	Cllr das Neves	The proposed £257k saving in the floating support contract has been assessed as part of the wider budget strategy, and we recognise the importance of tenancy sustainment in preventing homelessness and reducing long-term costs. The intention behind this saving is to achieve efficiencies without compromising critical support for vulnerable residents. To provide assurance: • We will continue to commission the Haringey Advice Partnership, as well as mental health and older people's floating support services. • While we acknowledge that the reduction may increase pressures on services and lead to longer waiting times, we are working closely with providers to mitigate these risks. This includes exploring ways to modernise services, deliver real-time advice and guidance so people aren't left waiting, and implement brief interventions where appropriate. • High-risk cases will be prioritised to ensure those most in need receive timely support. A detailed impact assessment has been undertaken to ensure that the reduction does not lead to increased evictions or homelessness.

						• Monitoring arrangements will be put in place to track tenancy sustainment outcomes and any potential cost pressures arising from this change. We remain committed to balancing financial sustainability with safeguarding residents and will continue to review the impact of these changes closely.
17	Finance	Borrowing costs (HRA)	The Housing Panel notes that while the 30-year HRA business plan and model provide a long-term assessment of financial viability, it does not in itself provide a mechanism for regular member scrutiny of incremental HRA borrowing decisions or their interaction with the Council's wider, pooled debt and treasury management arrangements. It is recommended that Cabinet considers introducing an annual HRA debt management statement alongside the HRA budget and Capital Strategy. The statement should summarise the Council's risk appetite for HRA borrowing, the key prudential metrics used to assess affordability and sustainability within the HRA model, how these are informed by sector practice and relevant peer	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this recommendation. The level of borrowing and debt is higher than statistical neighbours but the Council recognises the long term sustainability of the HRA relies on investment in both its existing stock and new Council Homes to address the shortage in supply. Therefore, although borrowing is high and debt levels are forecast to increase to deliver the capital programme, the HRA Business Plan remains in balance and as can be seen in Table 6.1 in the separate report on the agenda, is forecast to make a surplus (contribution to capital / reduced borrowing requirement) in excess of the internal target of £8m from year 2032/33 onwards as rental income from current voids brought back into operation and new homes begins to materialise. The financial position also improves year on year from that point. Full details of the borrowing strategy and forecast level of borrowing and debt across a five year period is included in the Treasury Management Strategy Statement which is included in the suite of budget reports presented to Cabinet and for approval by full Council each year. In year monitoring is also included in the treasury management quarterly monitoring

			benchmarks, and the cumulative impact of HRA borrowing decisions on the Council's overall debt position. The Panel considers this would strengthen transparency, support effective scrutiny, and ensure alignments between HRA investment decisions and the Council's broader capital and treasury strategies.			report to Audit Committee and the finance monitoring report to Cabinet and scrutiny panel. The Treasury Management Strategy Statement includes details of prudential indicators which reports interest costs as a percentage of rents due which is key performance indicator for financial sustainability and a measure of affordability. This ratio is set at minimum of 1.10 (interest cover). This means the HRA should generate enough surplus to cover the borrowing cost plus additional 10%. Over a long term this metric is forecast to increase above the 1.10 mark. The in-year reporting of both the TMSS and the HRA budget will explicitly include reporting against this indicator from 2026/27 and has been included in the final draft of the Business Plan for 2026/27. In addition, the financial model for the HRA tracks the loan to property values (LTV) and this has been set at 50% maximum. Where the LTV exceeds the 50%, we would consider loan repayment strategy such as setting aside sums yearly for repayment of loan at the end of maturity as done in General Fund. The current LTV forecast over the next ten years does not exceed 50% As part of the next review of the HRA Business Plan, starting in Summer 2026, all spend budgets across revenue and capital will be reviewed to identify opportunities to reduce costs and maximise value for money. This may require pausing or slowing of some capital schemes as interest rates remain higher than the target of 2% and prioritise schemes in line with the Council's priorities. Although there is no statutory requirement for Minimum Revenue Provision (MRP) within the HRA, this assumption will

						be reviewed for 2027/28 if debt levels do remain following the next annual review of the HRA in summer 2026. The HRA model is structured in line with CIPFA's Prudential Indicators (PI). All incoming projects are appraised using Discounted Cash Flow (DCF) methods to ensure viability and the HM Treasury 5 Case Model to demonstrate value for money. The HRA is supported by a Minimum HRA Reserve of £20m, which exceeds the benchmark of 10% of turnover.
18	AHH	Tenant affordability assessment – rent increases	That Cabinet give consideration to undertaking an assessment of tenant affordability, as it undertakes assumed year-on-year rent increases to its tenants as part of the planned investment programme. The Panel is concerned that that year-on-year rent increases would cross an affordability threshold at some stage and that the Council should be reviewing and modelling this.	Sara Sutton Rachel Sharpe	Cllr Williams	As household circumstances are prone to change this would be extremely difficult to model. For existing tenants, affordability assessments are carried out by our Income team and we provide budgeting and income maximisation advice. We encourage any tenants struggling to pay their rent to contact us for help as soon as possible. On an individual basis on letting a property, there is not currently an assessment of affordability of Part VI offers (beyond confirming benefits being received); the rents are set at a level that would be below Housing Benefit entitlement so would either be fully covered or, if in employment, receiving a greater income than a person on full benefits. The proposed rent increases follow the national rent policy of CPI + 1% for social rents, as set by Government. This approach is necessary to maintain the financial viability of the HRA and fund essential investment in existing stock and new homes. Without these increases, the HRA would face a significant shortfall, limiting our ability to meet statutory

						obligations on building safety, decarbonisation, and repairs. Ultimately, the HRA business plan would become unsustainable, and we would not be able to deliver the services that our tenants need if there were limited or no planned rent increases. In July 2025, government announced (as part of the Spending Review) that there will be a 10-year rent settlement for social housing from 1 April 2026 in which rents will be permitted to increase by CPI+1% per annum and this plan includes proposed rent increase in 2026/27 of 4.8% is based on September CPI of 3.8% plus 1%. Alongside this was a consultation on rent convergence. The convergence would allow rents for Social Rent properties that are currently below 'formula rent' to increase by a proposed set amount (likely to be either £1 or £2) each year, over and above the CPI+1% limit, until they 'converge' with formula rent. It is recognised nationally that this proposed rent convergence will assist close the gap in HRA funding caused by years of rent reduction and ensure that rents are comparable.
19	AHH	Neighbourhood moves scheme	That a review is undertaken of the Neighbourhood Moves Scheme to assess its financial and strategic impact on the Housing Register. The Panel is concerned that offering properties to households where there is no net improvement in housing need - such as cases where there is no overcrowding or priority change - should be reconsidered alongside the known	Sara Sutton Rachel Sharpe	Cllr Williams	The Neighbourhood Moves Scheme forms part of the Allocations Policy, for which there is a wider Allocations Policy review being undertaken. As part of this, we will be assessing internal operational effectiveness and outcomes. The Housing, Planning and Development Scrutiny Panel have requested an overview of the scheme which will be prepared for the March 2026 meeting.

			additional costs to the HRA, including void costs and reletting expenses. The Panel recommends that the review considers whether amendments are required to ensure that limited housing resources more effectively to reduce the impact of the housing crisis.			
20	Finance	Savings proposals in report – level of detail	That Cabinet endorse that future budget scrutiny reports include more detail on individual savings proposals, in order to reduce the number of clarification questions at the meeting.	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this recommendation and Cabinet and Officers will ensure that the level of detail on savings in future reports is sufficient to allow review by Overview and Scrutiny and Scrutiny Panels.
21	Finance	Independent sounding board	The Committee noted plans to establish an 'independent sounding board' to oversee the delivery of the new Financial Sustainability Plan. The Committee acknowledged that these plans were at an early stage but requested that further details be provided when available, including who would be appointed to it, whether the meetings would be held in public and whether the Committee would be able to see	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this recommendation. The Council's Chief Executive and Section 151 Officer are currently developing plans to bring in external sector expertise to support the Council in improving its financial sustainability. Further updates will be provided as part of the Quarterly Monitoring reports to Cabinet and Overview and Scrutiny.

			the agendas and minutes from the meetings.			
Further22	Finance	Debt level reporting	The Committee recommended that, in future years, the most up to date details of the Council's overall debt levels be provided to the Overview & Scrutiny Committee as an appendix in the agenda papers at the main budget scrutiny stage (i.e. November) in order to bring this in line with the information available at this point to the Audit Committee.	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Service notes this recommendation. Further details on debt and borrowing costs will be included in budget reports to Overview and Scrutiny Panel as well as continuing to be included in the Treasury Management Strategy Statement. In addition, from 2026/27, as well as reporting levels of debt and interest costs to Audit Committee as part of the Treasury Management Quarterly reporting, this will also be included in the quarterly finance monitoring report to Cabinet and Overview and Scrutiny Panel.
23	Finance	Monitoring processes	The Committee expressed concerns about the weaknesses in the monitoring processes that were highlighted in the KPMG report and recommended that reassurances were sought that more robust processes were being established. KPMG report (see Item 7): Agenda for Audit Committee on Monday, 10th November, 2025, 7.00 pm | Haringey Council	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this recommendation and the findings of the 2024/25 Annual report by KPMG. Full details of the weaknesses identified, recommendations and management responses were presented to Audit Committee on 29 January 2026. Progress will be reported to Audit Committee during 2026/27 and 2027/28 as part of the Annual Governance Statement.
24	Finance	Property lease/rent reviews	The Committee welcomed the ongoing work on lease and rent	Taryn Eves	Cllr Gordon	The Cabinet Member for Placemaking and Local Economy notes this recommendation.

			reviews within the Council's commercial portfolio. The Committee noted that this was an area where the government had encouraged local authorities to look at investment in digital technology and AI to improve the process of updating old leases and suggested that this possibility should be examined further by officers. The Committee also proposed to monitor this programme further as part of the budget scrutiny process next year.	Josephine Lyseight		Good progress has been made on improving the data and oversight of the Council's commercial property portfolio and this has been acknowledged in the recent Annual Auditors report by KPMG presented to Audit Committee on 29 January. Income is now £1m higher than was collected in the same period last year. However, the Council acknowledges that further improvements are needed and increased pace on review of overdue rent and lease reviews which is resulting in potential lost income to the Council but also unknown liabilities that could materialise. The Corporate Director is considering options to expand the capacity within the team to expedite the completion of the reviews and have a full and accurate register in place for the commercial property portfolio. The Council's Disposal Policy was agreed by Cabinet in June 2025 and stringent governance is now fully embedded for all disposals or surplus assets. This along with the introduction of the SAMPIP are two key recommendations from the external property review carried out in 2019/20. Disposal of surplus assets is part of good asset management and all disposals are subject to the SAMPIP process before disposal is recommended. The Cabinet Member welcomes Overview and Scrutiny Committee receiving further updates on progress as part of their work plan and during the 2027/28 budget process. Updates will also continue to be provided to Audit Committee as required during 2027/28 and a full report will be presented to their meeting in March 2026.

25	Finance	Bad debt provision	The Committee emphasised the importance of maintaining an approach that would not worsen the circumstances of residents experiencing financial difficulties.	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this recommendation. The Council's bad debts provision is £173m. This is considered high by the Section 151 Officer and is reflective of the improvements needed on income due from fees, charges, rents and housing benefit overpayments. The Council must make a provision for estimated bad debts each year based on realistic assumptions of amount recoverable. The methodology can be subject to review by KPMG as part of their External Audit each year. It is important that the Council collects money due because income directly supports the continuation of essential service provision and improves the financial position - reducing the budget gap. There are a range of initiatives underway to improve collection which distinguish between 'can't pay' and 'won't pay'; each of which requires a different response and support by services. For those that won't pay, the focus will be on making it as easy as possible to pay, which we know can be quite cumbersome currently, and enforcement action where appropriate. In response to those who 'can't pay', we try to avoid placing residents in additional financial stress. We know the cost of living crisis is deeply impacting many of our residents and we encourage residents to let us know at the earliest opportunity if they are struggling so that we can connect them to council and third sector sources of support, and put in place payment plans that are affordable. Where debts are not affordable and paying

						them would create financial hardship even after all available forms of support are obtained, we will write these debts off so that we don't incur additional costs attempting to recover. We offer personalised one-to-one help from the Financial Support Team which is accessible via a public phone number and email address. Haringey's Here to Help offer, in place since 2019, describes all the different sources of support available for those struggling, as well as direct assistance such as the Haringey Support Fund, foodbanks, and national benefits. We are determined that our residents get their share of the £19bn worth of unclaimed welfare benefits that they are eligible for. We assist over 24,000 households with their council tax either offering discounts or full exemptions; we have supported residents facing rent debt with over £1m a year help from Discretionary Housing Payments; we have worked with Thames Water to assist residents to get help with their water bills and helped save over £700,000 this year alone; we've helped over 500 families towards the purchasing of their school uniforms; we've helped low income pensioners claim nearly £2m of pension credit since October 2024. For Haringey Housing tenants struggling to pay their rent, we support all tenants in our social and private sector tenancies through proactive intervention, pragmatic repayment plans and detailed income maximisation casework. This involves engaging new tenants before and after sign-up, using automation to notify tenants the as soon as their rent accounts fall into arrears, supporting tenants to pay housing costs via UC and verifying rents swiftly using automation. We use

						predictive analytics to target arrears cases most at risk of tenancy failure and use tailored text messages to support non-payers. We recognise that eviction benefits no one and will only pursue legal action when all other options have been exhausted.
26	ERE	Housing benefit overpayments	The Committee expressed frustration that local authorities had to bear these additional costs through no fault of their own and suggested that the DWP should be lobbied to cover costs in full.	Barry Francis Kari Manovitch	Cllr Chandwani	The Council utilises every opportunity to lobby the Department for Works and Pensions (DWP) to fully subsidise statutory benefit payments, at local, regional and national levels, and has done so on numerous occasions over the past year, including: 1) As part of our response to the Government's Supported Housing consultation in 2025. 2) During routine conversations with the DWP about Supported Accommodation in Haringey. 3) During meetings with DWP as a member of BenX, a group of local authorities who meet regularly with DWP to discuss welfare policy. It will also be incorporated into the conversations held by the Corporate Director of Finance Resources with Government regarding the funding gap that Haringey faces. We will continue to use every opportunity to lobby for change, whilst reviewing our internal processes to ensure that the cost to the Council is minimised.
27	CSC	Election costs	The Committee recommended that the feasibility and potential cost savings of venue sharing with	Jess Crowe	Cllr Carlin	Haringey's only recent experience of running a multi borough count was the 2024 GLA election, which for the first time was counted by hand rather than through the usual ecount. This

			other Boroughs for future election counts should be considered.	Fiona Alderman Gareth Harrington		meant the responsibility for organising the count sat with the GLA constituencies. Suitable large venues in North London are limited, so both the Enfield and Haringey constituency and the Barnet and Camden constituency wanted to use Alexandra Palace. Enfield and Barnet acted as the lead boroughs for their respective counts. However, because Haringey has existing links with Alexandra Palace and the venue prefers to work with a single borough, we managed the operational delivery for both counts. This showed how complex a multi borough count is to run. Alexandra Palace is costly, but it remains one of the few venues that can securely and efficiently deliver a count for Haringey. Boroughs also generally want to count and declare in their own borough, so they are unlikely to share a venue simply to reduce costs. We will look at this further as part of our post-election review, but at this stage it does not appear that shared venues would offer practical or financial benefits for future council elections.
28	CSC	Advertising targets	The Committee acknowledged that the targets were challenging and suggested that the advertising income should be included in the tracker for the Committee during the Budget scrutiny next year so that the Committee could track this.	Jess Crowe Claire McCarthy	Cllr Carlin	The Cabinet member notes the recommendation and we will publish in the quarterly monitoring report.
29	Finance	Corp landlord model	The Committee recommended that this issue be added to a future	Taryn Eves	Cllr Carlin	The Cabinet Member for Finance and Resources notes this recommendation.

			Overview & Scrutiny Committee work programme to be monitored further after there had been further implementation of the corporate landlord model and there was greater clarity over the business rates issue.	Jonathan Kirby		The Corporate Landlord Model was established in April 2025 and work to fully embed the new model took place during 2026/27. A full asset condition survey was completed across the estate during 2025/26 and details of costs and income from running the buildings is now known. As reported in the 2026/27 draft budget, this has identified pressures of £800,000 from increased utility costs and business rates. Updates will be reported as part of the quarterly monitoring reports to Cabinet and Overview and Scrutiny Committee during 2026/27 but the Cabinet Member welcomes a more detailed update and progress with the Corporate Landlord Model to be reported to Overview and Scrutiny Committee as part of their work programme.
30	ERE	NLWA levy forecasts	Noting that the forecasts for levy contributions did not take into account any increase associated with the new North London Heat and Power facility, the Committee highlighted this potential additional cost as a possible future risk.	Barry Francis Eubert Malcolm	Cllr Chandwani	The Cabinet Member for Resident Services and Tackling Inequality notes the recommendation. The draft budget for 2026/27 and MTFS period to 2030/31 includes budget provision for the estimated levy based on the latest medium term financial plan published by NLWA. As reported in the budget report to Cabinet in November 2026, additional costs associated with the new heat and waste plant are likely and expected to be reflected in the levy payment from 2030 but any increase in financial impact on Haringey is not yet known. Updates will be provided as part of future financial reports as more information becomes available from NLWA.
31	Finance	Digital onboarding	Noting that this proposal was part of an ongoing process, the	Taryn Eves	Cllr Carlin	The Cabinet Member for Finance and Resources notes this recommendation. Progress against the delivery of all savings

			Committee proposed to monitor progress in this area during the budget scrutiny process next year.	Jenna Scott-Brining		will be reported to Cabinet and Overview and Scrutiny Committee as part of the Quarterly Monitoring reports during 2026/27. In line with the strengthened process for monitoring and reporting of savings, this will track both the delivery of the financial savings and progress with implementing the changes required to deliver the saving. It is acknowledged that the narrative and explanations for savings reported as at risk needs to improve and this will be addressed during 2026/27 to include more details on actions taken for delivery to be on track and/or any mitigations being put in place.
32	CSC	Business support cuts	OSC requested that further updates on the approach to business support comeback to the Committee as and when available. The Committee would also like there to be an All Member Briefing on the Haringey Growth Plan.	Jess Crowe Abigail Stratford	Cllr Gordon	Discovery work to inform the emerging Inclusive Growth Plan has just commenced. An all member briefing on the Inclusive Growth Plan will be arranged once the discovery work is complete and emerging options have been developed. Options for the business support service will be developed, informed by and alongside the emerging Inclusive Growth Plan. Further updates on scope and role of Business Support service will be brought back to Members once the discovery work to inform the Inclusive Growth Plan is complete.
33	Finance	Digital schemes reduction	Noting that digital was a significant area of spend, elements of which had been considered across the Scrutiny Panels as part of the budget process, it was recommended that this issue be added to the Committee's future	Taryn Eves Jenna Scott-Brining	Cllr Carlin	The Cabinet Member for Finance and Resources notes this recommendation. Spending and progress with the delivery of digital savings will be reported as part of the quarterly monitoring reports to Cabinet and Overview and Scrutiny Committee during 2026/27 but the Cabinet Member welcomes a more detailed update and progress with the Service Modernisation Programme to be

			work programme to be monitored further.			reported to Overview and Scrutiny Committee as part of their work programme.
34	Finance	Budget reports – financial circumstances	The Committee recommended that the budget reports should accurately reflect the structural financial issues faced by the Council and should make clear that the situation was now unsustainable without increased local government funding or fundamental changes to the services delivered by the Council.	Taryn Eves Josephine Lyseight	Cllr Carlin	The Cabinet Member for Finance and Corporate Services notes this recommendation. Details of the financial position are set out in the full report. The current levels of increasing demand and prices but significantly smaller increases in grants is explicitly reported as unsustainable with the use of Exceptional Financial Support expected to be required over the medium term. Members are specifically directed to the Section 151's Section 25 Statement at Appendix 11 of the report which provides full details and which Members must consider as part of agreeing the 2026/27 budget and which addresses this recommendation.

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Equality Impact Assessment

2026-27 Budget and 2026-2031 Medium Term Financial Strategy (MTFS)

January 2026

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1. Introduction

1.1. Purpose of report

This report considers the implications of the proposals in the **2026-27 Budget and 2026-2031 Medium Term Financial Strategy** (MTFS) report on people who share the protected characteristics as defined in the Equality Act 2010.

Where relevant, service areas have indicated if an Equality Impact Assessment (EQIA) will be conducted for each MTFS proposal prior to implementation, where approved. This report considers the potential impacts of the proposals, including the ways in which any negative impacts might be minimised or avoided. In addition, this report considers the wider context internal and external to Haringey Council in terms of potential equalities impact.

1.2. Public Sector Equality Duty

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share the protected characteristics and those who do not
- Foster good relations between people who share the protected characteristics and those who do not

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. These are sometimes referred to as the three aims or arms of the general equality duty.

Further information about the process for assessing the equalities implications for decisions taken by Haringey Council is available on the Haringey website.

1.3. Equalities profile of Haringey

According to the 2021 census, which is currently our most reliable source of socio-demographic data, the total population of the borough is 264,238.

In terms of equality, demographics break down as follows:

Sex:

- Haringey has a nearly equal gender distribution, with just over half of the population being female (51.8%), which is consistent with the figures for both England and London.

Age:

- Haringey has a relatively young population with just under a quarter of the population under the age of 20.
- 89% of the population is aged under 65 (in comparison to 88% for London and 81% for England).

Ethnicity:

- In 2021, Haringey's population of 264,238 comprised 57% White, 8.7% Asian, 17.6% Black, 7% Mixed or multiple ethnicities and 9.7% Other ethnic groups.
- Black, Asian, Mixed and Other ethnicities made up almost half (43%) the total of Haringey's population in 2021, ranking it the 24th most diverse local authority in the country (19th highest in London).
- The largest growth in population over the decade was in Other ethnic group which more than doubled by 4.9%, increasing its share from 4.7% in 2011 to 9.7% in 2021. Mixed or multiple ethnicities also recorded a nominal increase of 0.5%.

Religion:

- Almost two-fifths (39.3%) of people in Haringey reported their religion as Christian. The rest were as follows; 12,6% Muslims, 3.6% Jewish ,1.3% Hindus, and2.3% who reported another religion. Almost a third (31.6%) of people stated no religion and (8% chose not to answer.
- Haringey's Jewish population (3.6%) is more than double London's (1.7%)

Disability:

- In 2021, in Haringey, the proportion of disabled people was 16.6%, slightly above figures for London (15.6%) and just below England & Wales (17.8%).
- Haringey has the 12th highest percentage of disabled residents in London (16.6%) and the 10th highest percentage of residents whose day-to-day activities are limited a lot (7.9%).

Marital Status and Civil Partnership:

- The number of people in marriage or civil partnerships (72,881, 33.7%) has remained largely unchanged (0.1% decrease) since 2011. Those reported as separated, but still legally married or still legally in a civil partnership fell slightly by 1.2% from 8,066 in 2011 to 6,035 in 2021. Divorced or civil partnership dissolved and widowed or surviving civil partnership partner comprise 8.2% and 3.5% respectively

Pregnancy and Maternity:

- Borough Profile: Live Births in Haringey 2021: 3,376. As pregnancy and maternity are transient characteristics the only data available is the retrospective live birth data.

Sexual Orientation:

-
- 5.6% of Haringey resident identified as LGBTQ+, this includes 2.7% who identified as Gay or Lesbian, 2.1% who identified as Bisexual and 0.8 % who said other. All these percentages are higher than both London and England & Wales.

Gender reassignment:

- A total of 0.6% answered “No”, indicating that their gender identity was different from their sex registered at birth. Within this group:
- 389 (0.2%) identified as a trans man
- 383 (0.2%) identified as a trans woman
- 537 (0.2%) identified as another gender identity

2. Equalities context in Haringey

The impact of the budget proposals on equalities should be seen within the context of residents' lives in Haringey. Longstanding inequalities persist in Haringey as they do nationally and globally. In recent years global events, like the COVID-19 pandemic, cost of living and international conflict have impacted on people living in the borough by perpetuating health and economic inequalities and driving community tensions and hate crime.

In common with the whole country, the primary equality challenge in the last year has continued to be the impact of the ongoing cost-of-living crisis on residents. The cost-of-living crisis has compounded economic disadvantage, which often interacts with lack of equal opportunities and discrimination faced by individuals with protected characteristics, notably for disabled people, young people from lower socioeconomic backgrounds, and Black, Asian and minority ethnic residents are more likely to live in our more deprived wards and experience employment gaps.

The number of people receiving unemployment benefits in the borough has fallen very slightly in the last year. The most recent Cost of Living Statistical Bulletin states 7.5% of residents aged 16+ were claiming unemployment-related benefits in Haringey in May 2025 – circa 14,000 people. This is one of the lowest rates in the last 18 months, yet the 3rd highest of all UK local authorities. This represents a fall of 0.3% from November 2024 when 7.8% of Haringey residents were in receipt of these benefits. Furthermore, the same source states that 27.2% of residents aged 16 to 65 were claiming Universal Credit in Haringey in November 2025 – over 51,000 people – the highest ever figures. This represents an increase of 3.5% when compared to 23.7% of Haringey residents in receipt of this benefit in November 2024.

Deprivation figures provided by the Indices of Multiple Deprivation were updated in 2025. Whilst the new IMD data is still being analysed, under the new measurements Haringey is relatively more deprived than previously:

- Haringey now has, within London, the highest proportion of LSOA's that are in the 10% most deprived in the country (at 19.1%) (previously second at 9.7%).
- This increase in proportion of LSOA's in the top decile is true across almost all sub domains too, having approximately doubled in Income, Employment, Environment, and Children's Deprivation, and with a significant increase in Barriers to Housing and Services. When ranking Local Authority Districts across the UK on the measure for the 'Proportion of population living in income deprived households' Haringey is ranked 20th at 35.4%.
- Haringey's position in the Crime domain has improved the most, now relatively less deprived. This is a shift from being the most deprived in London, to the second most.
- Barriers to Housing and Services, as well as Income Deprivation Affecting Children (IDACI) has worsened the most. By score Haringey has moved from being 11th in London for Barriers, up to 5th, and for IDACI Haringey's national rank has moved from 61st to 20th, now in the top 10% nationally.

The State of the Borough report for May 2025 indicates that:

- Haringey has the 13th largest proportion of residents earning below the London Living Wage of all London boroughs.
- Haringey has a higher than average number and rate of children living in poverty. Children in the east of the borough are substantially more likely to be affected by income deprivation than those in the west.
- Inequality in life expectancy amongst men increased from 7.4 to 8.1 in the last year, it's highest level in the last decade, whilst inequality in women increased again from 3.5 to 4.2 years.

3. Budget Setting Context

3.1. Context for the Budget/MTFS

The proposals in this budget have been developed in a national context where setting local government budgets gets more difficult every year. Haringey has around £143m less in core government funding (in real terms) than it did in 2010 – a 55% drop. At the same time, there have been huge rises in the need for services and substantial price rises pushing up the cost of running services. Despite year-on-year efficiency savings, spending reductions and measures to increase revenue, Haringey will again require Exceptional Financial Support from government to balance our budget next year.

The council recognises that this is a challenging time for our residents, businesses and communities and this budget has been developed in this context, seeking to achieve the best possible outcomes with the limited resources available to us.

Exceptional Financial Support
The Council's financial position is challenging. Efforts to reduce costs and identify additional savings continues but an application to the Government for Exceptional Financial Support (EFS) is a necessary response to the Council's financial circumstances. EFS support will be provided through an agreement by Government that the Council can capitalise part of its day to day running costs. In practice this means that the Council has permission to either borrow or use capital receipts from the sale of assets to fund day-to-day expenditure.

Given the significant financial challenges we face as a council, this budget, as with the previous year's, presents difficult decisions which may have potential negative impacts on individuals with protected characteristics. Where negative impacts are anticipated, EQIAs will be developed in line with the relevant proposals and mitigating actions will be taken.

3.2. Council Tax

Currently, we are proposing to increase council tax by 2.99% with an additional 2% increase for Adult Social Care. This is the same as last year and is in line with the referendum thresholds published by Government as part of the Provisional Local Government Finance Settlement.

The Council Tax Reduction Scheme will provide financial assistance with Council Tax bills for residents who are on a low income or less able to pay. Find out more at www.Haringey.gov.uk/heretohelp.

3.3. Tackling inequality

Haringey Council's Corporate Delivery Plan 2024-26 commits to fairness and equality running through everything the council does to reduce inequality and promote equity of access, experience and outcomes.

This cross-cutting commitment recognises that:

- we need to use the levers available to us to reduce poverty and economic inequality in the borough and mitigate its worst impacts.
- some groups of residents experience unacceptable structural inequalities related to their protected characteristics and circumstances.
- as we respond to the climate emergency, we understand that there are some residents and communities who will need to be supported to secure a just transition to net zero – and who will be more affected by the impacts of climate change
- social inequalities drive the unacceptable health inequalities which have been all too starkly thrown into relief in the last two years.

The objective of reducing inequality needs to influence how we work with all our communities, target our resources, support and develop our workforce, design our services, and mobilise around key issues.

In this Budget/MTFS the council has sought to promote equality by tackling the rising cost pressures in adult social care, children's social care and temporary accommodation caused by inflation. This ensures we continue to support our most vulnerable residents and meet our statutory obligations, while continuing investment in capital projects that bring a range of social and economic benefits.

4. Assessing impact of MTFS proposals on equalities

The table below shows the detail of all MTFS policy proposals, noting where the requirement for a full Equalities Impact Assessment has been identified and, where potential equalities implications are anticipated, a summary of the findings.

The tables also show proposals for capital spend, noting any likely equality implications.

Adults, Health and Housing Proposals

Proposal	Full EQIA to be conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Savings				
Reduction in floating support contract This floating support service provides non-statutory, targeted, person-centred housing-related assistance to residents aged 18 and over living in Haringey, and those placed outside in temporary accommodation. Support includes tenancy sustainment support, income maximisation and support with benefits, crisis support and signposting to relevant services. This proposal would see the service refocus to: • Prioritise residents with complex needs or at high risk of tenancy breakdown • Introduce a shift towards short-term, intensive crisis intervention	Yes	Residents that access these services fall under a number of protected groups, namely older residents, disabled residents as well as residents from Black and Asian backgrounds. Should recommissioning for these services go forward, residents who are most at risk could benefit from a prioritisation strategy.	Residents who access this service who fall under a number of protected groups could be disproportionally affected negatively if this service is not going to be recommissioned.	As the service move into consultation on the process of recommissioning the service, additional care will be taken to include the view and opinions of people with protected characteristics.

We will work closely with the provider to implement a prioritisation strategy that ensures the most vulnerable residents receive support first. This approach will also strengthen collaborative working to connect people with the right services at the right time. In addition, we are working towards a digital modernisation programme to provide information and advice quickly and efficiently. These improvements will be achieved by reviewing how services are delivered, streamlining ways of working, reducing back-office costs, and focusing resources on activities that deliver the best outcomes for residents. Any reductions in service will be mitigated, in part, by the creation of two dedicated tenancy sustainment posts in the newly created Independence and Early Intervention Team that will offer tenancy sustainment support to Council Housing tenants. Residents will also continue to have access to Haringey Advice Partnership, mental health floating support, and older persons provision.				
Review of Adult Social Care Charging Policy and strengthening financial assessment processes This proposal to review adult social care policy and practice aims to save £909,000 in 2026/27 by implementing the following: • Revising the Charging Policy so charges for care begin from the date care starts and not after financial assessment, as is currently the case. This would align with other councils and ensure a fairer and more equitable approach. • Improving the financial assessment process - ensuring assessments are processed more quickly by adding staff capacity and improving co-ordination to reduce delays. Appropriate safeguards will be put in place for residents who experience genuine difficulty providing information needed to make an accurate financial assessment.	No	None anticipated	ASC is a universal service. People accessing may be more likely to fall under a range of intersectional protected characteristics which may lead to barriers in completing financial assessments promptly. This may include residents with cognitive impairments, language barriers, or limited digital access or literacy.	If the proposal moves forward to implementation, clear communication will be provided at the point of service commencement. Support to be made available in a timely fashion for residents facing barriers to help complete assessments quickly and avoid unnecessary delays.

			Any support needs that result in delays to completing financial assessments could cause stress for some of these residents.	
Incentive payments to increase and retain Private Sector Leasing (PSL) stock for use as temporary accommodation Since 2008, Haringey Council has faced a gradual decline in the number of landlords offering their properties for use as temporary accommodation. This trend has been driven by a combination of market pressures and funding constraints. Most notably, the continued rise in private rental prices—over 10% across London since September 2024—has made it increasingly difficult for the Council to compete with market rates. As a result, landlords are opting to lease their properties through agents or to other boroughs that offer higher rents or more attractive incentives. The Council's ability to retain PSL properties is further limited by the outdated Temporary Accommodation (TA) Subsidy, which is still based on 2011 Local Housing Allowance levels. This means that when three-year leases come to an end, landlords often request rent increases that the Council cannot meet, leading them to withdraw their properties from the PSL scheme in favour of more lucrative options. To address this, the Council is proposing a pilot scheme to offer landlords a one-off financial incentive at the start of new three or five-year leases. The estimated cost of this initiative is £1.5 million per year, with the aim to retain existing PSL properties and attract new ones thereby avoiding the higher costs associated with nightly paid and B&B accommodation.	EqIA screening tool in place indicates full EqIA not required.	Residents placed in Temporary Accommodation fall under a range of intersectional protected characteristics, including sex, age, disability, race, religion or belief and the local adopted socio-economic characteristic. The introduction of incentive payments will increase access to temporary accommodation could positively impact residents by reducing time spent in unsuitable bed and breakfast accommodation.	None anticipated	Not applicable
Capital Cost Reductions				
Locality Hub (Northumberland Resource Centre)	No	None anticipated	None anticipated	Not applicable

The property is in the Housing Revenue Account budget and general fund budget is no longer required				

Children's Services Proposals

Proposal	Full EQIA to be conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Savings				
Care leavers accommodation This proposal is for Haringey Children's Services and Housing to work together to develop 11 supported accommodation 'training flats' at Hornsey Town Hall to support 18–25-year-olds who have been in the care of Haringey Council. This is an alternative to current reliance on high-cost private sector placements. The proposed scheme includes: • 11 housing units for Haringey care leavers • Wraparound support and life-skills training delivered by a commissioned provider • Rent set at London Affordable Rent (currently £206.87/week), fully covered by housing benefit. To deliver the proposed scheme the anticipated costs and savings are: • Capital investment: £35,000 (furnishing, repairs, meters, office setup) • Cost avoidance: £21,545 per placement annually • Total savings: Up to £267,944 assuming 80% occupancy. The proposed model is in line with the council's statutory duties to support care leavers and offers a sustainable,	Tbc	Yes – care leavers fall under a range of intersectional characteristics, sharing the characteristic of age as 18–25-year-olds. The proposal anticipates that centralised support for this group of young residents will provide stability and improve outcomes	None anticipated	Not applicable

local solution to rising supported accommodation costs by reducing reliance on costly, fragmented private sector placements. It is anticipated that centralised support for this group of young residents will provide stability and improve outcomes.				
Introducing specialist foster carer allowances This proposal is to introduce a structured, transparent, and equitable payment system for specialist foster carers in Haringey. This is expected to deliver savings by increasing the number of specialist foster carers working with Haringey Council directly and reducing the need to use high-cost Independent Fostering Agencies to provide foster carers. The proposed model is based on a tiered payment system reflecting the complexity of children's needs. • Tier 1 – Enhanced Support (£700–£850/week) for children with moderate emotional/behavioural needs • Tier 2 – Intensive Support (£900–£1,100/week) for children with significant trauma or mild disabilities • Tier 3 – Complex Needs (£1,200–£1,300/week) for children with high-level needs, including parent-child placements. This tiered approach ensures that payments are aligned with the complexity of care required, while also incentivising carers to develop the skills and capacity to support children with higher needs.	Yes	Yes, indirect impacts are anticipated on those children and young people foster placements sharing a range of characteristics including age.	None anticipated	Not applicable

Capital Cost Reductions				
In borough respite scheme This scheme has not progressed as anticipated and instead £900,000 of the budget will be retained for developing in-house respite facilities – the remainder removed from the programme and added to the pre-pipeline until further proposals are developed.	No	None anticipated	None anticipated	Not applicable

Environment and Resident Experience Proposals

Proposal	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Savings				
Leisure centre savings and increased income through delivery of a commercialisation plan Leisure services were brought back under the direct control of the Council in October 2024. As part of the this, the Council committed to £800,000 a year in additional resources for the running of the centres. Current operations are being run within this budget. The service is in a period of stabilisation and transformation, with an externally validated commercialisation plan in place aimed at growing income and membership. This plan aims to generate £7.5 million of income annually. This new proposal seeks to increase the range of and quality of facilities available at our leisure centres to generate additional income and deliver savings in 2028/29 and 2029/30. Achieving this may require further capital investment, as improved facilities are key to increasing footfall in the centres and growing the number of memberships.	Yes	As a universal service, access to improved leisure facilities are anticipated to positively benefit all users. The commercialisation plan delivers a broader range of services through our existing facilities, including more programming for single sex and disability sessions, plus potential to accommodate other groups with protected characteristics. The future redesign of the leisure offer will result in more welcoming, accessible and inclusive leisure centres which meet the needs of Haringey's diverse communities and encourage higher levels of physical activity amongst residents.	None anticipated.	Not applicable
Increasing the number of residents accessing their Council Tax bill online ("e-billing") and online forms We propose to increase the number of residents who receive their Council Tax bill online rather than in the post. It saves the council money when residents obtain	No	None	Potential for indirect impacts on older people, people with disabilities, people from different ethnic backgrounds.	If this proposal is taken forward for implementation, consider language and disability access needs

their Council Tax bill online, because it reduces printing and postage costs and is more efficient. 33,125 people are on e-billing already, out of 114,963 Council Tax accounts. We estimate that a further 40,000 could switch to e-billing if we invested £12,000 in communications and promotion. This could save an estimated £35,000 on printing and postage alone. The online Council Tax bill is in pdf format and can be printed and used for proof of address in the same way that the posted version can. The activities to increase e-billing uptake will include a promotion campaign over 6 months, including targeted social, and the use of existing email data to encourage residents to sign up to e-billing. The promotion campaign will also promote the use of online forms for Council Tax requests, to reduce the manual work that Council Tax staff have to do. The automation that exists in the forms will reduce the workload and enable staff savings.				under the Translation and Interpretation Policy Consider residents who may need paper for visa/home-office evidence. Communications should include reassurance regarding paper copy availability, assisted digital, translations, visa exemption
Charge to Insurers for CCTV footage This proposal involves charging insurance companies when they request CCTV footage relating to motor insurance claims that they process. Currently the Council receives approximately 120 CCTV footage requests from insurance companies per year. It makes no charge for handling these requests despite the staff time involved. The proposal is to recover costs by charging insurers to conduct an initial search for footage, and a further charge if footage is located and provided, in the range charged by other local authorities. It is estimated that this will generate income of up to £48,000 per year. If taken forward, further benchmarking would be required including a legal review of the structure of the proposal, fees charged, and any exemptions.	No	None anticipated	None anticipated	Not applicable

Capital Cost Reductions				
Clean Air School Zones Proposal to pause all works during 2026/27 to then re-visit in next year's annual review programme	No	None anticipated	Potential for indirect discrimination depending on location and pupil / staff / parents and carer cohorts of schools that are on pause.	Ensure the annual review maps current geographical distribution of any schemes implemented. If programme restarts prioritise equitable distribution of initiatives.
Capital Investment				
Moselle Brook The Moselle culvert plays a critical role managing surface water flooding.Partial collapse of the culvert in 2024 requires urgent permanent works.	No	None anticipated	None anticipated	Not applicable
Tree planting Increase in tree planting across the borough – sponsorship / grant funding will be explored.	No	Potential for disproportionality in positive impacts on some groups sharing protected characteristics.	None anticipated	Equitable geographical scheme implementation – reflecting current gaps in tree canopy in the borough
Waste Management Purchase of the waste vehicles by the Council rather than them being leased through the waste contract is more cost effective. The new waste contract will commence in 2027. This budget is already included in the capital programme for 2027/28, but the vehicles need to be purchased in advance of the contract start date and so this will bring forward the budget into 2026/27.	No	None anticipated	None anticipated	Not applicable

Culture, Strategy & Engagement Proposals

Proposal	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Savings				
Review of support to businesses The Business Support function underpins Haringey's economic ambitions by helping local businesses grow, stay in the borough, and contribute to thriving high streets. It aims to boost business rate income and create local jobs. Currently, key activities include: • The Haringey Business Forum • The Haringey Business Bulletin • Access to finance through The Opportunity Investment Fund and Productive Valley Fund, supply chain opportunities, and signposting to opportunities • Delivery of the Haringey Markets Strategy • Supporting Town centre partnerships, Business Improvement Districts, and local business networks The current revenue budget totals £577,780. The proposal is to fundamentally review the purpose and remit of this service. Recent strategic opportunities such as the London Growth Plan, Borough of Culture 2027 and the European Football Championships coming to Tottenham in 2028 mean we need to redefine and re-prioritise the Council's approach to inclusive growth. The team will redesign the Business Strategy to focus on growth in Haringey, working with our partners in key business sectors, drawing them into the new Business Forum. The current strategy and team need to be reshaped to deliver such an approach, and we believe we can do so with a smaller budget. A £100,000 saving is proposed for 2026/27. Engagement with businesses will take part as part of the review.	No	None anticipated	None anticipated	Not applicable

Finance and Resources

Proposal	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Capital Cost Reductions				
Reduction in Digital Schemes A detailed review of all schemes relating to digital and technology has been undertaken and £1.2m of reductions have been identified based on the latest planned projects.	No	None anticipated	None anticipated	Not applicable
Capital Investment				
Schools Capital Programme Immediate essential repairs for 8 schools (6 primary and 2 secondary) cannot be contained within existing programme	No	Positive impacts can be anticipated for children and young people attending the schools in the essential repairs programme.	None anticipated	Not applicable
Alexanda Palace This will be an investment into the Panorama Room and Kitchen, the key facility used to host the darts. In addition, investment in Mothergrid and the stage, to allow large performance to take place at the palace. This capital investment is expected to support the palace in delivering its income generation strategy and will be through a loan from the Council so no impact on the Council's revenue position.	No	None anticipated	None anticipated	Not applicable

Management Actions

Proposal	Full EQIA conducted?	Positive Impacts anticipated	Negative Impacts anticipated	Mitigating actions anticipated
Savings				
Management actions	No	None anticipated	None anticipated	Not applicable

This proposal includes a range of actions that will be taken at an operational level within the council to ensure maximum efficiency and reduce costs.				

5. Impact of Budget/MTFS on Equalities

The council works to prevent or mitigate any potential negative impacts of MTFS proposals on equalities ensuring as far as possible that MTFS proposals taken forward align with the principles set out in section 3.3 above.

Full EQIAs will be carried out for proposals as indicated in the table above and measures tailored to the relevant proposals will be outlined in those EQIAs to mitigate any potentially disproportionate negative impacts.

5. **Consultation**

The budget proposals for 2026-27 have been subject to a formal public consultation. A Budget Consultation Report is appended to the Budget Cabinet Report.

Respondents were asked:

- if they supported some proposals and/or
- to what extent proposals would impact them and to provide reasons for their response
- to share their views on capital spending reductions and capital investments
- to share any other changes or proposals that might save money or achieve better value from council spending or generate income
- their views on priorities for protecting spending and any other thoughts on the council's proposed budget.

5.1 Key findings:

All savings proposals under consultation were supported by a majority of respondents. When questioned about the impact of certain proposals, a majority of respondents selected 'little or no impact', or 'don't know'. Where reasons were provided, many respondents indicated that neither they nor any members of their family had any experience of the potentially affected service.

Respondents prioritised investment in schools, housing, waste management, and climate resilience. There was opposition to the pause in implementing clean air zones for schools and concerns about spending on Alexandra Palace and other non-essential projects.

Respondents spending priorities were for frontline services that benefit residents with a range of protected characteristics. Priorities highlighted include: protecting social care, housing, libraries, and environmental initiatives

Where asked for further suggestions around saving money, generating income and council priorities, residents put forward a range of suggestions. These responses can be seen on the online consultation page as well as in the Budget 2026-2027 Consultation Report.

5.2 Potential Impact on Residents' Protected Characteristics:

Age:
There was support for the proposals for in-house foster carers and care leavers accommodation. Respondents felt that there would be a positive impact on this protected characteristic with children and young adults benefiting from these proposals.

Some respondents were concerned the proposals relating to Adult Social Care Charging Policy might negatively impact residents under this protected characteristic.

There was more concern from older respondents about the Council Tax e-billing proposal, however this proposal was supported providing a paper bill was still available.

Disability:
Some respondents were concerned the proposals relating to Adult Social Care Charging Policy and the Floating Support Refocus might negatively impact residents under this protected characteristic. Anticipated mitigations for these proposals are set out in the table above.

Gender reassignment:
No impacts were raised by respondents under this protected characteristic.

Marriage and Civil Partnership:
No impacts were raised by respondents under this protected characteristic.

Pregnancy and Maternity:
No impacts were raised by respondents under this protected characteristic.

Race:
No impacts were raised by respondents under this protected characteristic.

Religion and Belief:
No impacts were raised by respondents under this protected characteristic.

Sex:
No impacts were raised by respondents under this protected characteristic.

Sexual orientation:

No impacts were raised by respondents under this protected characteristic.

Socio-economic:
Some respondents were concerned the proposals relating to Adult Social Care Charging Policy and the Floating Support Contract refocus might negatively impact residents under this protected characteristic. Anticipated mitigations for these proposals are set out in the table above.

In summary, there is no evidence that the proposed 2026-2027 Budget could cumulatively create disproportionately negative impacts on any groups sharing protected characteristics. However, those proposals and programmes that have a geographical aspect to their implementation e.g. tree planting schemes and Clean Air School Zones should consider programme design and implementation that seek to tackle the range of inequalities most particularly faced by residents in neighbourhoods experiencing multiple factors of deprivation.

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Haringey Council
Written Statement/Record of a decision made by an officer under delegated authority

Decision Maker (Post Title)	Corporate Director of Finance and Resources - Section 151 Officer
Subject of the decision	2026-27 Council Tax Base Report
Date of decision	13 January 2026
Decision	I approve the recommendation as set out in the attached report: That, the council tax base for 2026-27 is set at **80,924** in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and That the assumed collection rate is set at **92.50%** for 2026-27.
Reasons for the decision	The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the S151 officer in consultation with the cabinet member for Finance and Resources. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It represents a measure of the taxable capacity of the Council and when multiplied by the band D council tax rate indicates the Council's tax generating potential for that year.
Details of any alternative options considered and rejected by the officer when making the decision	No alternatives were considered as this is a requirement of a Statutory Instrument.
Conflicts of interest – Executive decisions **Details of any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and details of dispensation granted by the Council's Head of Paid Service**	None
Conflicts of interest – Non executive decisions **Where the decision is taken under an express delegation e.g. by a Committee, the name of any Member who declared a conflict of interest in relation to this matter at the committee meeting,**	N/A

Title of any document(s), including reports, considered by the officer and relevant to the above decision or where only part of the report is relevant to the above decision, that part) **These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information**	2026-27 Provisional Local government finance settlement report including the 2026-27 council tax report that sets the referendum principle. Consultation: provisional local government finance settlement 2026 to 2027 GOV.UK
Reasons for exemption with reference to categories of exemption specified overleaf, or **Reason why decision is confidential (see overleaf)** **Note: decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.**	N/A
Communicating your decision: **Who needs to know about this decision and is a plan in place to tell them? (officers in your department, in other departments where necessary, members, external stakeholders).**	In accordance with the Council's constitution, the Cabinet Member for Finance and Reources has been consulted on the contents of this report.
Signature of Decision Maker	T. Eves
Name of Decision Maker	Taryn Eves, Corporate Director of Finance and Resources and Section 151 Officer
Does the decision need to be published? **Yes** [√] **No** [ ]	

Title: Council Tax base for 2026/27

Report authorised by: Taryn Eves, Director of Finance and Section 151 Officer

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All
Report for Key/

Non-Key Decision: Key decision

1. Describe the issue under consideration

1.1. This report sets out the recommended Council Tax Base for 2026/27. Regulations require the council tax base to be set by 31st January each year.

2. Introduction

2.1. The determination of the council tax base is an important element of the Council's budget setting process. This is because, it is the estimated base that is multiplied by the average council tax amount to derive the amount of council tax precept that the Council will budget for in 2026/27.

2.2. The increase in properties coming into rating over the last year was 537 compared to 380 the previous year. Insight from the planning and regeneration services has suggested year on year growth of 900-1000 new properties however, these have not translated into the same level of increases in the revenues system. Further work will be undertaken to better understand why these properties are not transpiring to increases on the rating list, some of which could be due to applicable reductions and exemptions. Considering the actual change since the prior year, rather than assume growth in line with Planning estimates, a more prudent growth assumption of 561 is proposed for 2026/27. As 80% of properties in the Borough are within Bands A – D, the modelling assumes that any of these new properties coming into rating through the year will also be within one of these categories.

2.3. The number of discounts applied continues to fall, largely due to the continued review of single person discount entitlement. Furthermore, the Council has elected to apply the maximum premiums to empty homes. Although still generating additional income, there has been a decrease of 142 in properties paying the premium compared to the previous year. The leading factor for this is the empty homes premium at 100% which has fallen by 42% mainly due to residents challenging the assessment and providing evidence to show not empty.

2.4. Analysis of the numbers claiming under the Council Tax Reduction Scheme (CTRS) shows that pension claimants have increased however working age claimants have continued to reduce giving a total 3.8% reduction compared to 2025/26. This may in part be due to the continued move in claimants to Universal Credit for benefits. Although the economic situation remains volatile, including some forecast increases to unemployment rates in the forthcoming year, the total CTR discount is estimated to remain in line with the December 2025 claimant numbers.

2.5. Taking all of the above into consideration, a 1,231 increase in the Taxbase before allowance for collection rate is forecast.

2.6. The other key element of the council tax base calculation is the projected collection rate. The collection rate was decreased last year to 95.75%. The in-year monitoring shows collection continues to be challenging and has consistently fallen short of the target by 2.5% to 3.1% through every period of the year. It is therefore proposed to reduce the assumed collection rate down to 92.5% for 2026/27.

2.7. In summary, after taking all of the above into consideration, a final Taxbase for 2026/27 should be set as 80,924 equating to a decreased yield of £3.002m. compared to the last financial year. This represents a 2% decrease in taxbase compared to 2025/26. The implications of this have been built into the 2026/27 Budget and 2026/2031 MTFS report.

3. Recommendations

3.1. That:

- the London Borough of Haringey's council tax base is 80,924 for the year 2026/27 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, detailed in Statutory Instrument 2012:2914 which came into force on 30th November 2012.

- the assumed collection rate will be 92.5% for 2026/27.

4. Reason for Decision

4.1. The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the Section 151 Officer in consultation with the Cabinet Member for Finance and Corporate Services.

4.2. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It is the estimate of the taxable capacity of the Council, and when multiplied by the band D council tax rate, determines the Council Tax precept for next year.

5. Alternative options considered

5.1. No alternatives were considered as this is a statutory requirement.

6. Background information

6.1. The Council as Billing Authority is required to calculate the tax base for the Borough in order for it to calculate its own council tax and is also required to notify this figure by 31st January each year to any major precepting authority (the Greater London Authority) as well as the levying bodies (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority and London Pension Fund Authority) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.

6.2. The calculation of the council tax base is prescribed by regulations. It is the aggregate of estimated number of properties in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions which are likely to apply and any estimated increase / decrease in the list in the forthcoming year. The Council levies council tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D; these proportions are set out in statute. Finally, the council must estimate its rate of council tax collection for the year and apply this figure to arrive at the council tax base figure.

6.3. The calculation below sets the tax base and not the council tax amount itself which is due to be set on 2nd March 2026 at Full Council.

7. Calculation of the Billing Authority's Council Tax base

7.1. The calculation is in two parts; 'A' (the Relevant Amount), which is the calculation of the estimated adjusted band D properties, and 'B', the estimated level of collection.

Relevant Amount

7.2. The calculation of 'A' – the relevant amount for each band is complex and includes several calculations which are shown in detail in Appendices 1 & 2. The resultant relevant number of properties per band is summarised in the table below:

Band	Relevant Amount (i.e. Number of Dwellings)
A	2,920
B	9,742
C	24,058
D	22,744
E	11,839
F	7,163
G	7,567
H	1,454
TOTAL	**87,486**

***Relevant amounts have been rounded for presentation purposes**

Collection Rate

7.3. The collection rate (B) is the council's estimate of the proportion of the overall council tax collectable for the year that will ultimately be collected. This is expressed as a percentage.

7.4. In arriving at a decision on the collection rate a number of factors need to be taken into account which includes:

- Internal systems and processes involved in the billing and collection process

- Appeals against valuation
- The mobility of the local population, particularly in the private rented sector
- The level and timeliness of information available when properties are sold, or let *and*
- The customer's ability to pay

7.5. For 2026/27, the collection rate is forecast at 92.5% a reduction of 3.25% compared to 2025/26.

Council Tax Base

7.6. The tax base is calculated by applying the following formula:

A x B = T

Where:

A is the total amount of the relevant amounts for that year
B is the authority's estimate of its collection rate for that year.
T is the calculated tax base for that year

7.7. In accordance with the requirements of the regulations and following the calculations in Appendix 1 to this report and above, the calculation of the Council Tax Base (T) for the London Borough of Haringey in 2026/27 is as follows:

2026/27	
Total Amount of Relevant (A)	87,486
X	
Collection Rate (B)	92.5%
Council Tax Base (T)	**80,924**

8. Contribution to Strategic Outcomes

8.1. The calculation of the council tax base is prescribed in law. Whilst the council tax base may have some impact on the Council's ability to generate revenue and therefore assist with delivery of corporate goals, the Council needs to adhere to the prescribed technical calculation set out by law in deriving its council tax base.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Chief Finance Officer's Comments

9.1. The council tax base set out in this report and any projected surplus/deficit on the council tax collection fund as of 31 March 2026 will be used to budget the council tax receivable for 2026/27 that will be included in the final Budget recommended to Full Council on 2nd March 2026.

Director of Legal and Governance Comments

9.2. The Head of Legal and Governance has been consulted in the preparation of this report and makes the following comments.

9.3. Pursuant to the Council's Constitution at Part Two – Articles of the Constitution - Article 4, paragraph 4.01(b) the decision on setting the council tax is delegated by Full Council to the s151 officer in consultation with CAB and the Cabinet Member for Finance.

Pursuant to the Local Government Finance Act 1992 (the Act) and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (the Regulations), the Council is required to calculate its council tax base by the 31st January in calculating the council tax amount due in the following financial year and to also notify all precepting/levying bodies of its council tax base.

9.4. In light of the above, coupled with (1) the assurance given at paragraph 7.7 above that the calculation has been conducted in accordance with the requirements under the Act and the Regulations, and (2) the equality comments below, there is no legal reason why the Director of Finance and Section 151 Officer cannot adopt the Recommendations contained in this report.

9.5. Equality Comments

9.6. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

9.7. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

9.8. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2026/27. The Council as Billing Authority has a statutory duty to calculate the tax base for the borough and notify this figure to the relevant authorities annually on January 31st. Forecast calculations have been modelled using data gathered from previous years and information on new properties in the borough. There are no known equalities implications arising from this decision.

10. Use of Appendices

10.1. Appendix 1 – Calculation of the estimated adjusted band D properties for the London Borough Haringey 2026/27.

11. Local Government (Access to Information) Act 1985

11.1. None.

APPENDIX 1

Calculation of the Billing Authority's Tax Base

1 Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (S.I. 1992 No.612) and amended by (S.I. 2012 No. 2914) states that a Billing Authority's Council Tax Base for a financial year shall be calculated by applying the formula –

'A' x 'B'

Where 'A' is the total of the relevant amounts for each of the Valuation Bands which are shown or likely to be shown in the Authority's Valuation list as at 30 November in the year prior to the year in question, adjusted for estimated discounts, exemptions, disregards, increases / decreases; and where 'B' is the Authority's estimate of its collection rate for that year.

2 The Regulations state that item **'A'** should be calculated by applying the following formula:

((H – Q + E + J) – Z (F / G) where

H is the number of chargeable dwellings in that band

Q is a factor to take account of the discounts of council tax payable. It is calculated as Q = (R x S)

R is the number of discounts estimated to be payable in respect of these dwellings

S is the percentage relating to each discount classification

E is a factor to take account of any premiums to be added to the Council tax base

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums calculated by the authority in accordance with paragraph 7 due to factors such as:

(a) New properties and properties being banded

(b) Variations in number of exempt properties

(c) Successful Appeal against bandings

(d) Variations in the number of discounts

Z is the total amount that the authority estimates will be applied in relation to the authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.

F is the relevant prescribed proportion of council tax to be paid for each dwelling in that band.

G is the relevant prescribed proportion of council tax to be paid for Band D

APPENDIX 1

3 The calculations for **A** for the London Borough of Haringey and the summary is set out below: -

Calculation Item	Disabled Band A	A	B	C	D	E	F	G	H	2026/27 Total
H	3	7,273	19,021	35,815	28,193	11,475	5,491	4,737	739	112,747
Q	0	-1,048	-2,579	-3,348	-1,784	-628	-217	-150	-14	-9,766
E	0	125	127	70	88	22	19	9	6	466
J	0	45	118	223	175	0	0	0	0	561
(H-Q+E+J)	3	**6,396**	**16,687**	**32,760**	**26,673**	**10,869**	**5,293**	**4,597**	**731**	**104,008**
Z	0	-2,015	-4,162	-5,695	-3,929	-1,183	-334	-56	-4	-17,379
(H-Q+E+J) - Z	3	**4,380**	**12,525**	**27,065**	**22,744**	**9,686**	**4,959**	**4,540**	**727**	**86,626**
F/G	0	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	0.00
((H-Q+E+J) - Z) x (F/G)	**0**	**2,920**	**9,742**	**24,058**	**22,744**	**11,839**	**7,163**	**7,567**	**1,454**	**87,486**

The table below compares the 2026/27 calculations with those for 2025/26 and highlights where the biggest variances are estimated to occur.

Calculation Item	202526 Tax Base	2026/27 Tax Base	Change
H	112,186	112,747	561
Q	-9,854	-9,766	88
E	608	466	-142
J	350	561	211
(H-Q+E)	**102,941**	**103,447**	**507**
Z	-18,044	-17,379	664
(H-Q+E) - Z	**84,897**	**86,068**	**1,171**
((H-Q+E) - Z) x (F/G)	**86,255**	**87,486**	**1,231**
Collection Rate	95.75%	92.50%	-3.25%
Council tax base	**82,589**	**80,924**	**-1,665**

APPENDIX 7
2025/26 - 2030/31 Draft Capital MTFS (GF) CAPITAL MTFS BUDGET

SCHEME REF	SCHEME DESCRIPTION	PORTFOLIO HOLDER	Delivery Stage	Capital Strategy Principle	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total	Source of Funding
					(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
101	Schools - essential and planned repairs and maintenance to the primary schools portfolio	Cllr Brabazon	Pipeline	1	3,723	2,345	2,000	2,000	2,000		**12,068**	E
102	Schools - modernisation and improvements to the primary schools portfolio (including SEND provision)	Cllr Brabazon	Pipeline	1	3,496	13,232	5,402	5,402	5,402	2,902	**35,838**	H & E
104	DFE - Childcare Expansion Capital Grant	Cllr Brabazon	Delivery	1	25	0	0	0	0		**25**	E
105	Replacement of Reinforced Autoclaved Aerated Concrete in schools across the borough	Cllr Brabazon	Delivery	1	251	0	0	0	0		**251**	E
110	Schools - capital budget fully passported to schools for capital works	Cllr Brabazon	Delivery	1	504	531	531	531	531		**2,628**	E
114	Schools - modernisation and improvements to the secondary schools portfolio (including SEND provision)	Cllr Brabazon	Pipeline	1	2,210	0	0	0	0		**2,210**	H
121	Essential repairs and maintenance for Pendarren House Activities Centre	Cllr Brabazon	Pipeline	1	229	228	0	0	0		**457**	H
124	Expansion of In-Borough Residential Care Facilities	Cllr Brabazon	Pipeline	3	381	472	17	0	0		**870**	H
125	Expansion of SEND provision across the borough's schools in line with the Safety Value Programme	Cllr Brabazon	Pipeline & Delivery	1	3,446	2,937	4,640	0	0		**11,023**	H & E
126	Upgrade and developments required to the early years and social care case management systems (Liquid Logic)	Cllr Brabazon	Delivery	1	220	250	1,780	0	0		**2,250**	H
127	A grant to provide musical instruments to Haringey schools and adjacent borough schools	Cllr Brabazon	Delivery	2	579	0	0	0	0		**579**	E
Children's Services					**15,064**	**19,995**	**14,370**	**7,933**	**7,933**	**2,902**	**68,198**	

Source of Funding	(£'000)	%								
Core Capital Programme Borrowing	32,743	48.01%		5,440	13,896	4,699	2,902	2,902	2,902	**32,743**
Community Infrastructure Levy (CIL)	0	0.00%								-
Capital Grants from Central Government Departments	34,876	51.14%		9,045	6,099	9,671	5,031	5,031	-	**34,876**
Capital Funding from GLA ,TfL & Other LA's	0	0.00%								-
Revenue Contribution to Capital Outlay (RCCO)	0	0.00%								-
Usable Capital Reserve	0	0.00%								-
Land Appropriation	0	0.00%								-
Grants & Contribs from Non-departmental Public Bodies	579	0.85%		579	-	-	-	-	-	**579**
Developer Contributions (S106 & S278)	0	0.00%								-
	68,198			**15,064**	**19,995**	**14,370**	**7,933**	**7,933**	**2,902**	**68,198**

201	Aids, Adaptations and Assistive Technology in homes to support people living at home for longer - funded by Disabled Facilities Grant	Cllr das Neves	Delivery	2	3,616	2,200	2,200	2,200	2,200		**12,416**	E
211	Community Alarm Service for residents supported to live at home	Cllr das Neves	Delivery	1	177	177	177	0	0		**531**	H
213	Refurbishment of Canning Cresent to provide Crisis accommodation and the Clarendon Recovery College	Cllr das Neves	Delivery	2	682	0	0	0	0		**682**	H
225	Locality Hub	Cllr das Neves	Pipeline	3	338	0	0	0	0		**338**	H
226	General Fund contribution to the acquisition of homes to reduce numbers in emergency temporary accommodation	Cllr Williams	Pipeline	3	4,850	0	5,000	5,000	5,000	5,000	**24,850**	H
Adults, Housing & Health					**9,663**	**2,377**	**7,377**	**7,200**	**7,200**	**5,000**	**38,817**	

Source of Funding	(£'000)	%								
Core Capital Programme Borrowing	26,401	68.01%		6,047	177	5,177	5,000	5,000	5,000	**26,401**
Community Infrastructure Levy (CIL)	0	0.00%								-
Capital Grants from Central Government Departments	12,416	31.99%		3,616	2,200	2,200	2,200	2,200	-	**12,416**
Capital Funding from GLA ,TfL & Other LA's	0	0.00%								-
Revenue Contribution to Capital Outlay (RCCO)	0	0.00%								-
Usable Capital Reserve	0	0.00%								-
Land Appropriation	0	0.00%								-
Grants & Contribs from Non-departmental Public Bodies	0	0.00%								-
Developer Contributions (S106 & S278)	0	0.00%								-
	38,817			**9,663**	**2,377**	**7,377**	**7,200**	**7,200**	**5,000**	**38,817**

119	Implementation of School Street initiatives - new schemes paused for 2026/27	Cllr Ali	Pipeline	3	361	0	0	0	0		**361**	CIL
301	Essential and planned repairs and replacement of street lighting	Cllr Chadwani	Delivery	1	1,012	1,000	1,000	1,000	1,000		**5,012**	H & E
302	Essential and planned repairs to the boroughs roads	Cllr Chadwani	Delivery	1	5,351	6,000	6,000	6,000	6,000		**29,351**	H & E
303	Essential and planned repairs to major structures (including bridges across the borough).	Cllr Chadwani	Pipeline	1	1,730	0	0	0	0		**1,730**	H
304	Essential and planned repairs to surfaces at risk of flooding.	Cllr Chadwani	Pipeline	1	1,200	900	900	900	900		**4,800**	H
305	Implementation of the Brough parking Plan, which includes red routes & junctions management	Cllr Chadwani	Pipeline	1	268	250	250	250	250		**1,268**	H & E
309	Implementation of highways improvements in line with TfL funding arrangements	Cllr Chadwani	Delivery	3	1,983	1,200	1,200	1,200	1,200		**6,783**	E
310	Works funded by developers to improve the environment around new developments	Cllr Chadwani	Delivery	3	250	250	250	250	250		**1,250**	E
311	Essential and planned replacement of parks infrastructure	Cllr Arkell	Delivery	1	760	450	450	450	450		**2,560**	H, E & CIL

SCHEME REF	SCHEME DESCRIPTION	PORTFOLIO HOLDER	Delivery Stage	Capital Strategy Principle	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total	Source of Funding
					(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
313	Essential and planned replacement of equipment within the borough's parks and open spaces	Cllr Arkell	Delivery	3	1,849	400	400	400	400		**3,449**	H, E & CIL
314	Essential repairs to Parkland Walk bridges across the borough	Cllr Arkell	Delivery	1	1,196	350	2,500	350	0		**4,396**	H
322	Essential and planned maintenance of Finsbury Park - this is a ringfenced budget.	Cllr Arkell	Delivery	3	300	500	500	500	500		**2,300**	E
325	Essential and planned replacement of vehicles required to maintain the boroughs parks and open spaces	Cllr Arkell	Pipeline	3	0	674	0	0	0		**674**	H
328	Street & Greenspace Greening Programme	Cllr Ali	Delivery	3	142	75	0	0	0		**217**	H & E
332	Annual budget for modification of existing bays or creation of new disabled bays	Cllr Chadwani	Pipeline	1	305	80	80	80	80		**625**	H
333	Waste Management - new waste bins	Cllr Chadwani	Pipeline	1	98	321	0	0	0		**419**	H & E
334	Improvements to the parks depots	Cllr Arkell	Pipeline	1	57	0	0	0	0		**57**	H
335	Budget to make Streets safer and the Streets for People programme	Cllr Chadwani	Pipeline	1	2,717	0	0	0	0		**2,717**	CIL
336	Following insourcing of the Council's leisure centres, essential investment into the building and equipment at New River Sports Centre to deliver the commercialisation plan, increase membership and increased income	Cllr Arkell	Pipeline	3	918	533	0	0	0		**1,451**	H
338	Road safety measures across the borough to meet statutory requirements	Cllr Chadwani	Pipeline	1	631	530	530	530	530		**2,750**	CIL
341	Following insourcing of the Council's leisure centres, essential investment into the building and equipment across all leisure centres to deliver the commercialisation plan, increase membership and increased income	Cllr Arkell	Pipeline	3	1,992	2,580	1,063	1,063	0		**6,698**	H
343	Essential and planned maintenance of parks and open spaces within Tottenham	Cllr Arkell	Pipeline	3	1,500	0	0	0	0		**1,500**	H
345	Replacement Parks and Housing Machinery	Cllr Arkell	Pipeline	3	300	250	100	50	50		**750**	H
346	Budget for the purchase of replacement waste vehicles and bins for commencement of the new contract in 2027.	Cllr Chadwani	Pipeline	1	0	23,751	1,714	0	0		**25,465**	H
452	This budget funds community carbon reduction initiatives	Cllr Ali	Pipeline	3	113	0	0	0	0		**113**	E
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	Cllr Carlin	Pipeline	1	60	0	0	0	0		**60**	H
4013	Implementation of Clean Air School Zones - new schemes paused for 2026/27	Cllr Ali	Pipeline	3	400	0	400	400	0		**1,200**	H
4014	Walking and Cycling Action Plan (WCAP) - implementation of Low Traffic Neighbourhoods	Cllr Chadwani	Pipeline	1	609	609	609	609	609		**3,045**	CIL
4015	Walking and Cycling Action Plan (WCAP) - implementation of cycle routes across the borough	Cllr Chadwani	Pipeline	1	433	567	567	567	566		**2,700**	CIL
4016	Walking and Cycling Action Plan (WCAP) Cycle Parking (Hangers) improvements	Cllr Chadwani	Pipeline	1	118	118	118	118	118		**590**	CIL
New Scheme	Moselle Brook - The Moselle culvert plays a critical role managing surface water flooding . Partial collapse of the culvert in 2024 requires urgency permanent works.	Cllr Chadwani	Pipeline	1	0	1,100					**1,100**	H
New Scheme	Expansion of the tree planting programme across the borough	Cllr Ali	Pipeline	1	0	157	217	253	259	264	**1,149**	H
Environment & Resident Experience					**26,653**	**42,645**	**18,848**	**14,970**	**13,161**	**264**	**116,540**	

Source of Funding	(£'000)	%								
Core Capital Programme Borrowing	90,886	77.99%		16,412	38,552	15,074	11,196	9,389	264	**90,886**
Community Infrastructure Levy (CIL)	12,494	10.72%		5,200	1,824	1,824	1,824	1,823	-	**12,494**
Capital Grants from Central Government Departments	1,063	0.91%		744	319					**1,063**
Capital Funding from GLA ,TfL & Other LA's	6,783	5.82%		1,983	1,200	1,200	1,200	1,200	-	**6,783**
Revenue Contribution to Capital Outlay (RCCO)	2,300	1.97%		300	500	500	500	500	-	**2,300**
Usable Capital Reserve	0	0.00%								-
Land Appropriation	0	0.00%								-
Grants & Contribs from Non-departmental Public Bodies	1,597	1.37%		1,597	-	-	-	-	-	**1,597**
Developer Contributions (S106 & S278)	1,417	1.22%		417	250	250	250	250	-	**1,417**
	116,540			**26,653**	**42,645**	**18,848**	**14,970**	**13,161**	**264**	**116,540**

402	Shaping Tottenham programme	Cllr Gordon	Pipeline	2	5,099	11,112	2,182	0	0		**18,393**	H, E & CIL
406	This a fund to provide loans to business'	Cllr Gordon	Delivery	2	1,358	0	0	0	0		**1,358**	E
408	Essential and planned improvements to Down Lane Park	Cllr Arkell	Delivery	2	300	2,400	0	0	0		**2,700**	H & E
448	A programme of public realm improvements across the borough	Cllr Gordon	Delivery	3	0	1,500	0	0	0		**1,500**	E
458	The budget is for the provision of full Fibre Broadband and Wi-Fi connections to Council affiliated Buildings and Community Centres, and Business Support	Cllr Gordon	Delivery	2	921	0	0	0	0		**921**	E
483	This is a fund to provide loans to business in specified areas	Cllr Gordon	Delivery	2	816	0	0	0	0		**816**	E
480	Shaping Wood Green programme	Cllr Gordon	Pipeline	3	4,144	6,429	1,028	0	0		**11,601**	H, E & CIL
4005	A project to increase the amount of affordable work space in the borough	Cllr Gordon	Delivery	2	1,633	0	0	0	0		**1,633**	E
4010	Selby Urban Village Project is a mixed use community centre, sports and housing project	Cllr Gordon	Delivery	3	1,366	11,839	14,294	619	0		**28,118**	E

SCHEME REF	SCHEME DESCRIPTION	PORTFOLIO HOLDER	Delivery Stage	Capital Strategy Principle	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total	Source of Funding
					(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
421	Acquisition of homes linked to the Compulsory Purchase Order at High Road West	Cllr Gordon	Delivery	2	5,900	44,288	66,368	26,368	17,712	400	**161,036**	H & E
464	Improvement to Bruce Castle Museum	Cllr Arkell	Delivery	1	228	0	0	0	0		**228**	H
447	A contribution to the upkeep of Alexandra Palace	Cllr Arkell	Pipeline	1	470	470	470	0	0		**1,410**	H
330	New Civic Centre development	Cllr Carlin	Delivery	2	27,628	30,697	1,546	0	0		**59,871**	H
630	Libraries IT upgrade	Cllr Arkell	Pipeline	2	719	150	0	0	0		**869**	H
631	Essential works at Alexandra Palace to comply with the Protect duty (Martyn's Law)	Cllr Arkell	Pipeline	1	182	363	0	0	0		**545**	H
632	Essential works at Alexandra Palace for Health & Safety	Cllr Arkell	Pipeline	1	286	293	0	0	0		**579**	H
633	Essential works at Alexandra Palace for Compliance works	Cllr Arkell	Pipeline	1	1,194	1,006	0	0	0		**2,201**	H
New Scheme	A loan to Alexandra Palace to refurbish the Panaroma Room to ensure a quality environment	Cllr Arkell	Pipeline	1	0	3,000	500				**3,500**	H
New Scheme	This is to fund works to the emergency exit at Alexandra Palace, otherwise the facility will not be capable of being used	Cllr Arkell	Pipeline	1	0	750					**750**	H
New Scheme	A loan to upgrade the lighting rig at Alexandra Palace to bring it to modern standards	Cllr Arkell	Pipeline	1	0	1,500					**1,500**	H
Culture, Strategy & Communities					**52,244**	**115,797**	**86,388**	**26,987**	**17,712**	**400**	**299,528**	

Source of Funding	(£'000)	%									
Core Capital Programme Borrowing	105,610	35.26%		42,240	56,044	6,126	400	400	400	**105,610**	63,370
Community Infrastructure Levy (CIL)	527	0.18%		527						**527**	-
Capital Grants from Central Government Departments	22,528	7.52%		3,947	13,339	4,623	619			**22,528**	18,581
Capital Funding from GLA ,TfL & Other LA's	78,002	26.04%		2,554	6,200	25,968	25,968	17,312		**78,002**	75,448
Revenue Contribution to Capital Outlay (RCCO)	3,500	1.17%				3,500				**3,500**	3,500
Usable Capital Reserve	2,174	0.73%		2,174	-	-	-	-	-	**2,174**	-
Land Appropriation	2,100	0.70%				2,100				**2,100**	2,100
Grants & Contribs from Non-departmental Public Bodies	4,873	1.63%		802		4,071				**4,873**	4,071
Developer Contributions (S106 & S278)	80,214	26.78%			40,214	40,000				**80,214**	80,214
	299,528			**52,244**	**115,797**	**86,388**	**26,987**	**17,712**	**400**	**299,528**	

316	Essential and planned repairs to the Council's buildings in its operational estate portfolio	Cllr Carlin	Pipeline	1	7,575	7,600	6,378	897	0		**22,450**	H
342	Public Protection - To replace life expired IT system	Cllr Carlin	Pipeline	1	200	0	0	0	0		**200**	H
4011	Essential and planned repairs to the Council's buildings in its commercial property portfolio	Cllr Carlin	Pipeline	1	4,000	4,000	3,000	4,186	0		**15,186**	H
4012	Compliance works for Energy Performance Certificates	Cllr Carlin	Pipeline	1	1,000	500	500	500	0		**2,500**	H
602	Digital inclusion for Residents	Cllr Carlin	Pipeline	1	1,263	860	860	0	0		**2,983**	H
604	Core infrastructure support (e.g. Microsoft Server Backup)	Cllr Carlin	Pipeline	1	1,163	662	564	0	0		**2,389**	H
621	Libraries buildings upgrade	Cllr Arkell	Delivery	2	994	0	0	0	0		**994**	H
607	Replacement of the Council's e-procurement system. This is now being delivered by the project to replace SAP and will be a future decision to Cabinet	Cllr Carlin	Pipeline	1	114	0	0	0	0		**114**	H
624	Investment into digital technology - from 2026/27, this is part of scheme 660	Cllr Carlin	Delivery	1	120	0	0	0	0		**120**	H
625	CCTV Move and Replacement of end of Life Infrastructure	Cllr Carlin	Pipeline	1	1,466	733	0	0	0		**2,200**	H
626	Replacement of the Council's main data platform which has reached end of life	Cllr Carlin	Pipeline	1	1,098	1,000	0	0	0		**2,098**	H
627	Hybrid AV between now and Civic Centre coming on line	Cllr Carlin	Pipeline	2	694	450	0	0	0		**1,144**	H
628	New technology to support the Adult Social Care Improvement Plan, specifically the Adults Front Door	Cllr Carlin	Pipeline	1	989	0	0	0	0		**989**	H
629	Digital and technology upgrade to the Council's leisure centres following insourcing.	Cllr Carlin	Delivery	3	269	0	0	0	0		**269**	H
635	Mobile Replacement (Smart Phones / Devices)	Cllr Carlin	Pipeline	1	425	225	0	0	0		**650**	H
636	Essential and planned repairs and maintenance to the Council's AV and desktop equipment	Cllr Carlin	Pipeline	1	300	150	0	0	0		**450**	H
655	Data Centre Move	Cllr Carlin	Delivery	1	212	0	0	0	0		**212**	H
656	BT Big Switch Off	Cllr Carlin	Delivery	1	1,546	0	0	0	0		**1,546**	H
657	Corporate Laptop Refresh	Cllr Carlin	Pipeline	1	1,719	40	1,100	0	0		**2,859**	H
659	Essential and planned upgrade to fully implement Microsoft 365	Cllr Carlin	Pipeline	1	540	0	0	0	0		**540**	H
660	Service Modernisation Programme - investment into digital technology to improve ways of working and improved access to services by residents, visitors and businesses.	Cllr Carlin	Pipeline	1	1,965	1,000	0	0	0		**2,965**	H
Finance & Resources					**27,652**	**17,220**	**12,402**	**5,583**	**0**	**0**	**62,858**	

Source of Funding	(£'000)	%									
Core Capital Programme Borrowing	62,851	99.99%		27,646	17,220	12,402	5,583	-	-	**62,851**	
Community Infrastructure Levy (CIL)	0	0.00%								-	
Capital Grants from Central Government Departments	0	0.00%								-	
Capital Funding from GLA ,TfL & Other LA's	0	0.00%								-	
Revenue Contribution to Capital Outlay (RCCO)	0	0.00%								-	
Usable Capital Reserve	0	0.00%								-	
Land Appropriation	0	0.00%								-	
Grants & Contribs from Non-departmental Public Bodies	7	0.01%		7						**7**	
Developer Contributions (S106 & S278)	0	0.00%								-	
	62,858			**27,652**	**17,220**	**12,402**	**5,583**	-	-	**62,858**	

697	Exceptional Financial Support	Cllr Carlin	Pipeline	1	54,000	89,205	100,000	100,000	100,000	100,000	**543,205**	H

SCHEME REF	SCHEME DESCRIPTION	PORTFOLIO HOLDER	Delivery Stage	Capital Strategy Principle	2025/26 Qtr.2 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget	2025/26 - 30/31 Total	Source of Funding
					(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	
699	Approved Capital Programme Contingency	Cllr Carlin	Pipeline	1	11,437	5,375	0	0	0		**16,812**	H
Corporate Items					**65,437**	**94,580**	**100,000**	**100,000**	**100,000**	**100,000**	**560,017**	

Source of Funding	(£'000)	%								
Core Capital Programme Borrowing	560,017	100.00%		65,437	94,580	100,000	100,000	100,000	100,000	**560,017**
Community Infrastructure Levy (CIL)	0	0.00%								-
Capital Grants from Central Government Departments	0	0.00%								-
Capital Funding from GLA ,TfL & Other LA's	0	0.00%								-
Revenue Contribution to Capital Outlay (RCCO)	0	0.00%								-
Usable Capital Reserve	0	0.00%								-
Land Appropriation	0	0.00%								-
Grants & Contribs from Non-departmental Public Bodies	0	0.00%								-
Developer Contributions (S106 & S278)	0	0.00%								-
	560,017			**65,437**	**94,580**	**100,000**	**100,000**	**100,000**	**100,000**	**560,017**

TOTAL GF CAPITAL PROGRAMME				**196,713**	**292,614**	**239,385**	**162,673**	**146,007**	**108,566**	**1,145,957**	

Source of Funding	(£'000)	%		2025/26 Qtr.2 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	2029/30 Budget (£'000)	2030/31 Budget (£'000)	2025/26 - 30/31 (£'000) Total	
Core Capital Programme Borrowing	877,667	76.59%		163,222	220,470	143,479	125,081	117,691	108,566	**878,508**	(842)
Community Infrastructure Levy (CIL)	13,751	1.20%		5,727	1,824	1,824	1,824	1,823	-	**13,021**	730
Capital Grants from Central Government Departments	70,883	6.19%		17,351	21,957	16,494	7,850	7,231	-	**70,883**	(0)
Capital Funding from GLA ,TfL & Other LA's	84,785	7.40%		4,537	7,400	27,168	27,168	18,512	-	**84,785**	0
Revenue Contribution to Capital Outlay (RCCO)	5,800	0.51%		300	500	4,000	500	500	-	**5,800**	0
Usable Capital Reserve	2,174	0.19%		2,174	-	-	-	-	-	**2,174**	0
Land Appropriation	2,100	0.18%		-	-	2,100	-	-	-	**2,100**	0
Grants & Contribs from Non-departmental Public Bodies	7,168	0.63%		2,984	-	4,071	-	-	-	**7,055**	112
Developer Contributions (S106 & S278)	81,630	7.12%		417	40,464	40,250	250	250	-	**81,631**	(0)
	1,145,957			**196,713**	**292,614**	**239,385**	**162,673**	**146,007**	**108,566**	**1,145,957**	
				180,175							
				- 16,538							

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APPENDIX 8

Flexible Use of Capital Receipts Strategy 2025/26

Since 2019/20, the Council has approved the flexibility to apply capital receipts to fund transformation projects as enabled by the Secretary of State's Direction and outlined in the Government's Statutory Guidance on the flexible use of capital receipts.

Extension of the flexibility until 2030 was announced in the Local Government Finance Policy Statement 2025/6 in November 2024 which also removed the rule that only statutory redundancy could be financed through receipts.

The Statutory Guidance published in April 2022 details that authorities must update their Flexible Use of Capital Receipts Strategy during the given year if their initial plan changes and requires additional capitalisation of expenditure. This Annex provides an update on the Capital Receipts Flexibility Strategy for 2025/26 that was agreed by Council in March 2025, and any final use will be determined as part of the year end outturn position reported to Cabinet in July 2026.

For 2025/26, the Council may propose to use the flexibility to fund up to £7.7m of qualifying transformation expenditure. The Council's flexible use of capital receipts to fund transformation projects will continue to be subject to development and approval of robust business cases. The business cases will demonstrate that the initiative will transform services, generate future savings or reduce future costs, and the costs being funded are implementation or set up costs and not on-going operational costs.

Projected outturn 2025/26 flexible use of capital receipts

Council at its budget setting meeting in March 2025 agreed a programme of investments for transformation activities in 2025/26. These are described below. The estimated outturn indicates that there will be an underspend of £3.2m. This will be confirmed as part of the closing of accounts process and reported in the outturn report to Cabinet in July 2026.

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Flexible Use of Capital Receipts 2025/26 - Estimated Outturn

Title	Description	2025/26 Budget (£'000)	Forecast Outturn (£'000)
Corporate Support to all improvement programmes	To support a broad range of transformation projects across the Council	671	671
Counter fraud work	Funding to be used to fund a range of initiatives across the Council, to prevent fraud	75	75
Strategic Asset Management	Support to improve the asset management function of the Council	1500	1500
Demand Management in Adult social Care	This covers a range of transformation and change initiatives in Adults social care to invest in prevention and reduce demand for high cost services	500	500
Funding for the Corporate Change Team	To develop and implement a new Change Framework to deliver transformation across the Council.	1790	1790
Temporary Accommodation Reduction Project	To invest in prevention and service re-design to reduce the overall level of demand for temporary accommodation	200	0
Invest to save	To provide funding for a range of initiatives in services to either reduce costs, increase income, or both	3000	0
Grand Total		**7,736**	**4,536**

APPENDIX 8

The proposed use of flexible receipts in 2026/27 is set out in the table below.

Flexible Use of Capital Receipts 2026/27

Title	Description	2026/27 (£'000)
Counter fraud work	Funding to be used to fund a range of initiatives across the Council, to prevent fraud	75
Adults Commissioning	Funding for targeted commissioning improvement in Adults which will avoid costs and deliver savings.	750
Children's Services	This covers a range of transformation and change initiatives and to support the delivery of savings in children's services.	125
Funding for the Corporate Change Team & Communications	Part year funding for the Corporate Change Team to September 2026 pending a full review.	685
Invest to Save	To provide funding for a range of initiatives in services to either reduce costs, increase income, or both. This could include across Adults Social Care and Temporary Accommodation. In addition, the Council knows that it has to replace its current ERP system. This is subject to a decision by Cabinet in summer 2026 but initial funding through capital receipts required to fund the Discovery Stage of the project and full options appraisal.	4,000
Grand Total		**5,635**

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APPENDIX 9

Capitalisation Policy and Procedures London Borough of Haringey 2026/27

Property, Plant and Equipment

Capital expenditure can be defined as; expenditure on the acquisition, creation or enhancement of a non-current asset. Non-current assets can be surmised as items of property, plant and equipment in control of the Council which gives rise to probable economic benefit for a future period of more than 12 months. In certain circumstances, items such as software may be considered an intangible asset (such as an Enterprise Resource Plan system).

The asset does not have to be owned by the Council, but rights to a future economic benefit must have been acquired by a past event.

Acquisition and Creation of Assets

The Council will capitalise all 'attributable' costs incurred in the creation or acquisition of new assets with a value above the de-minimis value of £10,000. Attributable costs will include labour arising from the construction of the asset, including directly incurred employee costs such as Project Management; and incremental costs incurred in bringing the asset into the condition for its intended use.

> Example 1 – Acquisition of a new panel van including registration cost, delivery charge and tracker installation.

Non-Current Asset Enhancement

Enhancement cost will be capitalised if it substantially lengthens the useful life of the asset or replacement is assumed as part of the assessment of the asset life, which restores the benefit of the asset that has been consumed.

> Example 2 – Roof renewal which was assumed as part of a 40 year useful life assessment

Further capitalisation of asset enhancements will be considered if works substantially increase the market value of the asset or substantially increases the ability of the asset to contribute to the Councils objectives.

Enhancement expenditure incurred by the Council on leased assets will be treated as revenue expenditure funded from capital.

De Minimis Levels below which expenditure is revenue

The Code of Practice on Local Authority Accounting applies to all expenditure items of property, plant and equipment, however, where appropriate the Council is able to set de minimis levels in accordance with the principals of materiality. Capitalisation de minimis levels are set as follows, however capitalisation may still be considered at a lower limit, for example where funding is derived from a grant.

Individual costs for the acquisition and creation of a non-current asset must be in excess of £10,000.

Aggregated costs for the acquisition and creation of a non-current asset must be in excess of £10,000.

Capital Grants

The Council may wish to capitalise items of expenditure, in accordance with funding conditions, which are below the de-minimis level where expenditure is financed from grants.

Feasibility expenses must be charged to the revenue account, as costs cannot be attributed to a probable future inflow of economic benefit to the Council.

Investment Properties

Investment properties are land, buildings or both which are held solely for revenue returns and capital appreciation. Items of expenditure on the enhancement of existing Investment assets will be capitalised in accordance with the policy for Property Plant and Equipment and adjusted through the annual Fair Value assessment process.

Statutorily Defined as Capital

Revenue Expenditure Funded from Capital Under Statute (REFCUS) describes transactions that would not be capitalised under proper accounting practice, but that are defined as capital expenditure under the Local Government Act 2003 and its associated regulations.

Example 3 – Health and Safety / Fire Safety works to communal areas.

Disposal of Assets

The disposal proceeds generated from the of an asset is a capital receipt if it is above £10,000 and above, which have been generated from the disposal of Property, Plant and Equipment.

In accordance with regulations, up to 4% of a disposal receipt generated from General Fund asset can be used to fund a disposal. In accordance with IAS 36 and IPSAS 21 examples of such costs are ‘legal costs, stamp duty and similar transaction taxes, costs of removing the asset, and direct incremental costs to bring an asset into condition for its sale’

Guidance and Publications

The Capitalisation Policies and Procedures set out in this document have been developed with regards to the following guidance and publications;

- Code of Practice on Local Authority Accounting in the United Kingdom – CIPFA

APPENDIX 9

- The Code Guidance Notes for Practitioners – CIPFA
- Practitioner's Guide to Capital Finance in Local Government – CIPFA
- International Accounting Standard (IAS) 16 and International Public Sector Accounting Standard (IPSAS) 17 Property, Plant and Equipment
- AS 40 and IPSAS 16 Investment Property
- IAS 38 and IPSAS 31 Intangible Assets
- The Local Government Act 2003 and the 2003 Capital Financing Regulations (as amended) Financial Reporting Standard (FRS) 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland

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London Borough of Haringey
Treasury Management Strategy Statement 2026/27

1. Introduction

1.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risks are therefore central to the Council's prudent financial management.

1.2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

2. External Context – provided by the Council's appointed treasury advisor, Arlingclose

Economic background

2.1. The impact on the UK from the government's Autumn Budget is likely to be one of the major influences on the Authority's treasury management strategy for 2026/27. Other influences will include lower short-term interest rates alongside higher medium- and longer-term rates, modest economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and ongoing geopolitical issues.

2.2. The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.

2.3. Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

2.4. CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.

2.5. The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.

2.6. The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.

2.7. The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions

Credit outlook

2.8. Credit outlook: Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly during October and November, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.

2.9. While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the authority's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

Interest rate forecast (18th December 2025)

2.10. Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following The Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.

2.11. Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

2.12. A more detailed economic and interest rate forecast provided by Arlingclose is included in this document as Annex A.

2.13. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3.5%, and that new long-term loans will be borrowed at an average rate of 5%.

3. Local Context

Capital Expenditure and Financing

The Council's capital plans and Exceptional Financial Support are the main factors driving its borrowing requirements. These plans are set out in the Council's Capital Strategy for 2026–2036 and the Capital Programme 2026-2031, which forms part of the main budget report and has been taken into account in preparing this report. Table 1 below summarises the Council's planned capital expenditure, including both previously approved schemes and those proposed for approval as part of the 2026/27 Budget and Medium-Term Financial Strategy (MTFS).

Table 1: Capital Expenditure

	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	£m
General Fund Account (GF)	80	143	204	139	63	46	9
Housing Revenue Account (HRA)	160	282	376	525	460	415	311
Exceptional Financial Support (EFS)	10	54	89	100	100	100	100
Total	**250**	**479**	**669**	**765**	**623**	**561**	**420**

3.1 Regulatory and professional guidance requires that elected members understand the scale and nature of any commercial activity in the context of the Council's overall financial position. The capital expenditure figures in Table 1 confirms that no such commercial activity is included in the future programme.

3.2 The programme excludes other long-term liabilities—such as Private Finance Initiative (PFI) commitments and leasing arrangements—which already incorporate borrowing instruments.

3.3 Subject to approval by the MHCLG, the Exceptional Financial Support (EFS) arrangements (see Sections 3.19–3.24) will permit certain revenue expenditure items (day to day running costs) to be treated as capital and funded by Capital Receipts and borrowing.

3.4 Table 2 sets out the proposed funding for the capital programme covering 2026/27 to 2030/31. Any shortfall in available resources will create a borrowing requirement.

Table 2: Capital Financing

	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	£m
General Fund							
Borrowing	46.0	108	131	43	25	18	9
Borrowing - EFS	10.0	54	89	100	100	100	100
Borrowing - Self-Funding (see para 8.3)	2.8	0	0	0	0	0	0
Capital Receipts	0.0	0	0	0	0	0	0
Capital Grants from Central Government Departments	13.9	17	22	16	8	7	0
Capital Funding from GLA ,TfL & Other LA's	9.6	5	7	27	27	19	0
Revenue Contribution to Capital Outlay (RCCO)	0.3	0	1	4	1	1	0
Usable Capital Reserves	0.8	2	0	0	0	0	0
Land appropriation	0.0	0	0	2	0	0	0
Community Infrastructure Levy	2.9	6	2	2	2	2	0
Grants & Contribs from Non-departmental Public Bodies	0.0	3	0	4	0	0	0
S106/Developer Contributions	3.5	0	40	40	0	0	0
TOTAL GENERAL FUND (GF) FINANCING	**89.9**	**197**	**293**	**239**	**163**	**146**	**109**
Housing Revenue Account (HRA)							
Capital Grants	20.9	146	229	90	91	73	45
Major Repairs Reserve	22.6	23	25	26	28	30	31
Revenue contributions	4.4	0	0	5	2	1	1
RTB Capital Receipts	9.8	11	10	8	8	5	5
Leaseholder Contributions to Major Works	8.3	7	7	7	7	8	7
Other Subsidy	0.0	0	17	11	18	22	24
Market Sales Receipts	4.7	0	7	0	0	7	0
Borrowing	89.5	95	81	378	306	269	198
TOTAL HRA FINANCING	**160.1**	**282**	**376**	**525**	**460**	**415**	**311**
TOTAL CAPITAL FINANCING	**250.0**	**479**	**669**	**765**	**623**	**561**	**420**

3.5 The Council's Capital Strategy and programme are subject to rigorous scrutiny and challenge to ensure that all capital plans are both affordable and prudent. While Table 1 illustrates the five-year impact of the capital programme, each scheme is assessed in its entirety, recognising that some projects extend beyond a five-year timeframe. The Capital Delivery Framework, included in Section 10 of the Capital

Strategy for 2026–2036, outlines a structured lifecycle for the development and delivery of capital projects and programmes—from initial business case formulation through to implementation and closure. It incorporates HM Treasury's Green Book Five Case Model across a Gateway process and assess project deliverability. The framework also embeds CIPFA principles to ensure that all investment decisions are strategically aligned, financially sustainable, and focused on delivering measurable outcomes.

3.6 On 31 December 2025, the Council held £1,141.9m of borrowing and £73.0m of treasury investments. This is set out further in detail at Annex B. Forecast changes in these sums are shown in the balance sheet analysis in Table 3 below.

Table 3: Balance Sheet Summary and Forecast (Capital Financing Requirement)

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
General Fund CFR	782	853	951	970	972	966	951
EFS CFR	10	64	155	260	368	478	592
HRA CFR	627	722	803	1,181	1,487	1,756	1,954
Total CFR	**1,419**	**1,640**	**1,909**	**2,411**	**2,826**	**3,201**	**3,498**
Less: Other debt liabilities*	-59	-34	-16	-12	-9	-7	-5
Loans CFR	**1,360**	**1,605**	**1,893**	**2,399**	**2,818**	**3,194**	**3,493**
Less: Balance sheet Resources (Internal borrowing)	-394	-387	-387	-390	-393	-396	-396
CFR Funded by External Borrowing	**966.5**	**1,217.8**	**1,505.5**	**2,009.0**	**2,424.2**	**2,797.4**	**3,096.6**
Breakdown of External Borrowing:							
Existing borrowing**	981.3	1,115	1,033	973	893	833	773
New borrowing to be raised		38	317	776	1,163	1,486	1,731
New Borrowing to be raised for EFS		64	155	260	368	478	592

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

3.7 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The Council's current approach is to keep borrowing and investments below their underlying levels—a practice commonly referred to as internal borrowing.

3.8 Under CIPFA's Prudential Code for Capital Finance in Local Authorities, the Council's total debt should remain below its highest forecast CFR over the next three years. As shown in Table 3, the Council expects to remain compliant with this recommendation throughout the Medium-Term Financial Strategy (MTFS) period.

3.9 The Council's capital expenditure outlined in Table 1, shows a total expenditure of £669m, with a borrowing requirement of £317m (Table 2) required to finance the Council's core capital programme plan and EFS in 2026/27. There is a revenue impact of the recommended borrowing strategy referred to as Capital Financing Costs, covering both interest costs and the Minimum Revenue Provision (MRP). The Minimum Revenue Provision (MRP) is when the Council has to make an annual contribution from revenue and is required to ensure that the Council pays down debt in a prudent manner. Annex C sets out the Council's MRP statement for 2026/27. The es timated MRP over the MTFS period is set out in Table 4:

Table 4: Estimated MRP 2025/26 to 2030/31

	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
General Fund MRP	16	17	19	20	20	21
EFS MRP	0.3	2	5	8	11	14
PFI/Leases	21	17	4	4	3	3
Total MRP	**37**	**36**	**29**	**31**	**34**	**38**

3.10 The Council's underlying need to borrow to finance its capital programme is measured by the capital financing requirement (CFR). This increases when new debt financed capital expenditure is incurred and reduces when MRP is made. Table 3 (above) shows the estimated CFR over the MTFS period.

Loans to third parties

3.11 Within the proposed 2026/27 capital programme there is a loan to Alexander Palace & Park Charitable Trust for the refurbishment of the Panaroma Room of £3.5m. In addition, there will be a loan to Alexander Palace & Park Charitable Trust for the purchase of a new lighting grid (the Motherlode) for £1.5m. These loans are crucial to maintain the attractiveness of the Trust as an events venue and their financial sustainability.

3.12 Should the Council wish to make loans to other third parties it would only do so if the business case is approved. Such loans will only be considered when all of the criteria are satisfied:

3.13 The loan is towards expenditure which would, if incurred by the Council, be capital expenditure;

- The purposes for which the loan is given is consistent with the Council's priorities in the Corporate Delivery Plan;
- Due diligence is carried out that confirms the Council can legally make the loan and there is a clear assessment of the risk of loss over the loan term;
- A formal loan agreement is put in place which stipulates the loan amount, period, repayment terms and loan rate - this will be set at a level that seeks to mitigate any perceived risks of loan loss and takes appropriate account of any regulatory requirements relating subsidy.

Reporting Requirements

3.13 In line with CIPFA's current *Treasury Management Code* and *Prudential Code* (20 December 2021), the Council receives and approves the following reports, which incorporate a range of strategies, policies, and both estimated and actual figures:

- **Quarterly Treasury Management Update Reports** – including the Mid-Year Update, which provides progress updates on the capital position, revises Prudential Indicators where necessary, and advises whether any policy changes are required.
- **Annual Treasury Management Report** – a retrospective review detailing actual prudential, capital, and treasury management indicators, and comparing actual treasury operations against original estimates.
- **Treasury Management Strategy** – setting out prudential capital and treasury management indicators alongside the Council's treasury strategy (this report).

3.14 The Council adheres to these Codes of Practice and reporting requirements when it prepares the Treasury Management Strategy Statement and related reports during the financial year, reporting to Audit Committee, Overview and Scrutiny Committee, Cabinet and Full Council as required during the reporting cycle.

Training

3.15 The Treasury Management Code requires that a designated Council officer (the "responsible officer") ensures members with treasury management responsibilities receive appropriate and sufficient training. This requirement is particularly important for members involved in scrutiny. In addition, the Code stipulates that all organisations must maintain a formal and comprehensive knowledge and skills framework or training policy. This policy should support the effective acquisition and retention of treasury management expertise for all individuals involved in management, delivery, governance, and decision-making.

3.16 Training is provided to all Members involved in monitoring treasury management performance. Members of the Overview and Scrutiny Committee and the Audit Committee receive dedicated Treasury Management training to support their annual review, scrutiny, and approval of the Treasury Management Strategy Statement as part of the budget planning process. The Council will regularly assess whether both treasury management staff and Members possess the necessary knowledge and skills to fulfil their roles and will ensure these competencies are maintained and kept up to date.

Treasury management advisors

3.17 The Council recognises the benefits of engaging external providers of treasury management services to access specialist expertise and resources. Haringey currently retains the services of **Arlingclose Ltd**, which provides comprehensive advice and support across a wide range of areas, including

- Strategy development and implementation
- Regulatory compliance and reporting
- Investment guidance and counterparty credit assessments
- Economic outlook and financial market analysis
- Interest rate forecasting
- Debt management and funding options
- Training for Members and officers
- Technical accounting support

3.18 Treasury management decisions remain the responsibility of the Council and are informed, though not solely determined, by the latest advice from external advisors. The Council will continue to ensure that

it does not place undue reliance on the services of its treasury advisors, maintaining independent judgment and accountability in all decision-making.

Exceptional Financial Support

3.19 The Council's financial position is challenging. Efforts to reduce costs, deliver existing savings over the MTFS period and identify additional savings continues however as part of budget planning, and in line with the latest update on the Medium Term Financial Position presented to Cabinet in November, an application to the Ministry for Housing, Communities and Local Government for Exceptional Financial Support (EFS) for 2026/27 will be required to ensure that in line with statutory duties, a legally balanced budget can be set.

3.20 If approved for 2026/27, this will enable the Council—through Government agreement—to capitalise a portion of its day-to-day running costs. In practice, this means the Council has permission to either borrow or use capital receipts from asset sales to fund revenue expenditure.

3.21 Borrowing these amounts may be required if it represents better value than applying capital receipts. The associated borrowing costs have been incorporated into the Treasury Management budget from 2026/27 onwards.

An update on the 2026/27 Provisional Local Government Finance Settlement will be presented to Overview and Scrutiny Committee on 19 January 2026 and will be incorporated into the draft 2026/27 budget that is presented to Cabinet on 10 February 2026. For planning purposes, this draft TMSS has been prepared on the basis that up to £100m of EFS may be required and through a capitalisation directive, that allows borrowing for some day to day services. The outcome of the Council's application will not be known until February 2026 after the final Local Government Finance Settlement 2026/27 is published. The expectation is that any EFS required to balance the budget will be minimised.

3.22 This draft TMSS will be updated to reflect the final EFS requirement with the final TMSS presented to Full Council on 2 March 2026 for approval. Full details will also be set out in the Chief Finance Officer's Section 25 Statement of the 2026/27 Budget and Medium-Term Financial Strategy report to Cabinet on 10 February 2026.

3.23 Support through EFS is not a long term sustainable financial strategy and work will continue through 2026/27 to reduce the amount of EFS in future years.

3.24 Taking into account the proposed capital programme and the EFS requirement, the Council's Capital Financing Requirement (CFR) is projected to increase, while treasury investments remain minimal. Consequently, there is an anticipated new borrowing requirement of up to £2,221m over the forecast period 2026/27 to 2030/31 (see Table 3). Table 5 provides a breakdown of the forecast borrowing position at each financial year-end, covering both the General Fund and the Housing Revenue Account (HRA) capital programmes.

Table 5: Year-end Borrowing Position Summary

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
General Fund borrowing	459.8	588	611	727	819	880	924
EFS borrowing	10.0	64	155	260	368	478	592
HRA borrowing	511.4	566	739	1,022	1,237	1,439	1,580
Total borrowing	**981.3**	**1,218**	**1,505**	**2,009**	**2,424**	**2,797**	**3,097**

Liability Benchmark

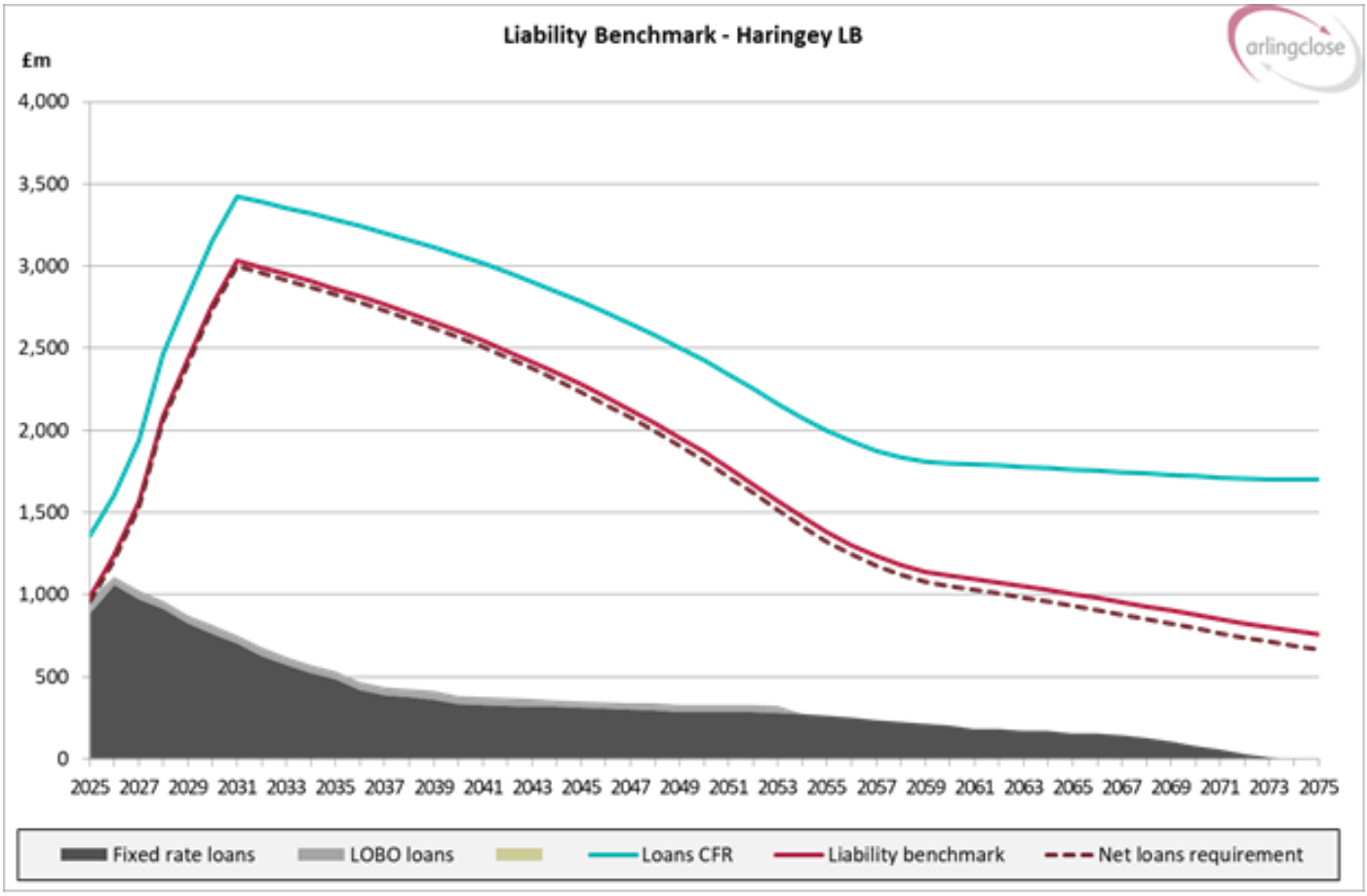
3.25 The liability benchmark has been calculated to compare the Council's actual borrowing position against an alternative low-risk strategy. This benchmark represents the optimal borrowing level that minimises risk. It assumes the same borrowing forecasts as shown in Table 3, but that cash and investment balances are kept to a minimum of £30 million at each year-end. This will drive best practice and to ensure liquidity while reducing credit risk.

3.26 The liability benchmark is a key tool for determining whether the Council is likely to be a long-term borrower or a long-term investor. This insight is critical for shaping the Council's strategic focus and decision-making. The benchmark itself represents an estimate of the cumulative external borrowing required to fund the Council's current capital and revenue plans, while maintaining treasury investments at the minimum level necessary to manage day-to-day cash flow.

Table 6: Prudential Indicator – Liability Benchmark

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
Loans CFR	1,360.4	1,605	1,893	2,399	2,818	3,194	3,493
Less: Balance Sheet resources	-394	-387	-387	-390	-393	-396	-396
Net loans requirement	**966.5**	**1,218**	**1,505**	**2,009**	**2,424**	**2,797**	**3,097**
Plus: Liquidity allowance	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Liability Benchmark	**996**	**1,248**	**1,535**	**2,039**	**2,454**	**2,827**	**3,127**

3.27 The long-term liability benchmark assumes the same capital expenditure funded by borrowing as reflected in the CFR, with Minimum Revenue Provision (MRP) on new capital expenditure has an average 28-year asset life. However, each group of assets is calculated separately and the asset life ranges from 7-50. It also assumes income, expenditure, and reserves increase annually. The chart below illustrates this benchmark alongside the maturity profile of the Council's existing borrowing.



4 Borrowing Strategy

4.1 As at 31 December 2025, the Council held £1,141.9m in loans as part of its strategy to fund previous years' capital programmes. The balance sheet forecast in Table 3 indicates that the Council expects to increase its borrowing by up to £574m by the end of 2026/27 (1st Jan 2026 – 31st Mar 2027). In addition, the Council may borrow further sums to pre-fund future borrowing requirements, provided this remains within the authorised borrowing limit set out in the Capital Strategy and would be financially beneficial.

4.2 Borrowing can take the form of internal or external borrowing. Internal borrowing is a temporary measure where the Council uses its own cash reserves—held for other purposes—to defer the need for external borrowing. If these cash balances were not used for internal borrowing, they would instead be invested in accordance with the Treasury Management Strategy, generating a return for the Council. When deciding whether to use cash balances rather than external borrowing, there needs to be consideration of the cost of borrowing against the level of lost investment return.

Objectives

4.3 The Council's primary objective when borrowing is to achieve an appropriately low-risk balance between securing low interest costs and ensuring certainty of those costs over the period funds are required. Maintaining flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy

4.4 The Council's borrowing strategy continues to prioritise affordability without compromising the long-term stability of its debt portfolio. The scale of the capital programme and the need to diversify the debt portfolio to minimise refinancing risk means that some long-term borrowing will be required during

2026/27. Accordingly, the Council's strategy is to meet its borrowing requirement during the financial year through a balanced mix of short-term and long-term borrowing.

4.5 The Council aims to maintain a balance between short-term borrowing—offering the potential to refinance at a lower cost if interest rates fall—and long-term fixed-rate debt, which provides certainty and protection should interest rates rise.

4.6 In recent years, the Council has sourced all its long-term borrowing from the Public Works Loan Board (PWLB). However, it will continue to explore alternative sources, including banks, pension funds, and other local authorities, and may consider issuing bonds or similar instruments to reduce interest costs and avoid over-reliance on a single funding source, in line with the CIPFA Code.

4.7 The Council has faced challenges in securing borrowing from other sources due to being perceived as higher risk compared to other authorities. PWLB loans remain available provided local authorities do not engage in purchasing investment assets primarily for yield. The Council has not undertaken such activity in the past and does not intend to and therefore retain access to PWLB funding.

4.8 The Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

4.9 In addition, the Council may utilise short-term borrowing to manage unexpected cash flow shortfalls.

4.10 The Council's Medium-Term Financial Strategy includes provision for a Capitalisation Direction from Government. If approved, this would allow the Council to either borrow or use capital receipts from asset sales to fund day-to-day expenditure. It is for the Council to determine at year-end which capital resources—such as capital receipts or borrowing—will be allocated for this purpose. It is assumed in the TMSS that borrowing will be at PWLB rates included in Appendix A and MRP will be required using the asset life method with a proxy 'asset life' of 20 years.

Sources of Borrowing

4.11 The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- UK Infrastructure Bank Ltd
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Haringey Pension Fund and the London Collective Investment Vehicle)
- capital market bond investors
- retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other Sources of Debt Finance

4.12 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire Purchase
- Private Finance Initiative
- Sale and Lease Back

- Similar asset based finance

Municipal Bonds Agency

4.13 The UK Municipal Bonds Agency, established in 2014 by the Local Government Association, provides an alternative to the PWLB by issuing bonds on the capital markets and lending the proceeds to local authorities. This source of finance is more complex than PWLB borrowing for two reasons:

- Borrowing authorities must provide bond investors with a guarantee to repay their investment if the Agency is unable to do so.
- There is a lead time of several months between committing to borrow and confirming the interest rate payable.

4.14 There are currently no plans to borrow from the Municipal Bonds Agency during 2026/27. Any future decision to do so will be subject to a separate report to the Audit Committee.

LOBOs

4.15 The Council currently holds £50 million in LOBO (Lender's Option Borrower's Option) loans. The next option date on these loans is not until 2027/28 under which the lender can propose an interest rate increase at specified dates. Following such a proposal, the Council has the option to either accept the new rate or repay the loan at no additional cost. Given that interest rates remain elevated, there is a reasonable possibility that lenders may seek to exercise their options. If this occurs, the Council intends to repay the LOBO loans to mitigate refinancing risk in future years.

4.16 When loans are repaid prematurely, a premium is typically payable to the lender to compensate for interest forgone at the contractual rate when prevailing market rates are lower. If early repayment was considered, to refinance LOBOs, the Council would need to borrow both the original principal and the premium payable. However, this approach can be advantageous where interest savings over the life of the replacement loan exceed the premium costs. Replacing LOBOs that include a lender option to increase rates with fixed-rate debt would also reduce refinancing and interest rate risk.

4.17 Any decision to repay a LOBO loan will be made by the Section 151 Officer in consultation with the Lead Cabinet Member for Finance and Corporate Services, in accordance with Haringey's Constitution.

Short-term and Variable Rate Loans

4.18 These loans expose the Council to potential increases in short-term interest rates. To manage this risk, they are governed by the interest rate exposure limits set out in the treasury management indicators in this report. Where appropriate, the Council may use financial derivatives to reduce volatility and provide greater certainty over borrowing costs.

Debt Rescheduling

4.19 The Public Works Loan Board (PWLB) permits authorities to repay loans before their maturity date, applying either a premium or a discount based on a formula linked to current interest rates. Other lenders may also agree to negotiate early redemption terms. The Council may take advantage of these opportunities to replace existing loans with new ones or to repay loans without replacement, where this is expected to deliver overall cost savings or reduce financial risk. In the current interest rate environment, more favourable debt rescheduling options could emerge compared to previous years.

Borrowing Limits

4.20 The Council's total borrowing limits are set out in Table 6 below.

4.21 The **Authorised Limit** represents the statutory maximum level of external borrowing, calculated on a gross basis (i.e., without offsetting investments), as required under Section 3(1) of the Local Government Act 2003. This limit, referred to in legislation as the Affordable Limit, is set to include borrowing and other long-term liabilities such as finance leases, which are identified separately. It is based on a prudent estimate of the most likely scenario, with additional headroom to accommodate unexpected cash flow movements without breaching the statutory limit.

4.22 The **Operational Boundary** is directly linked to the Council's estimates of the Capital Financing Requirement (CFR) and anticipated cash flow needs. It is calculated using the same prudent assumptions as the Authorised Limit, reflecting the most likely scenario rather than the worst case. However, unlike the Authorised Limit, it does not include additional headroom for unexpected cash movements. Both the Operational Boundary and the Authorised Limit apply at the overall total level.

4.23 The Chief Finance Officer has delegated authority, within the overall limit for any given year, to adjust the separately agreed limits for borrowing and other long-term liabilities. Such decisions will be informed by financial option appraisals and best value considerations. Any changes between these limits will be reported to Audit Committee.

Table 7: Borrowing Limits

	2025/26 Limit £m	2026/27 Limit £m	2027/28 Limit £m	2028/29 Limit £m	2029/30 Limit £m	2030/31 Limit £m
Authorised limit - borrowing	1,410	1,641	1,931	2,584	3,043	3,705
Authorised limit - PFI & Leases	66	56	49	43	36	29
Authorised limit - total external debt	**1,476**	**1,697**	**1,980**	**2,626**	**3,079**	**3,734**
Operational boundary - borrowing	1,360	1,591	1,881	2,384	2,793	3,155
Operational boundary - PFI & Leases	60	51	45	39	33	26
Operational boundary - total external debt	**1,420**	**1,642**	**1,925**	**2,422**	**2,825**	**3,181**

Table 8: Ratio of General Fund Gross Financing Costs to Net Revenue Stream

	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
General Fund						
MRP	37.4	37.4	36.0	28.6	31.5	33.7
Interest	20	20	26	31	36	40
Total Financing Costs	**57.8**	**57.8**	**61.7**	**59.8**	**67.5**	**73.3**
Net Revenue Stream	**291**	**291**	**348**	**370**	**385**	**399**
Financing Cost to NRS	**20%**	**18%**	**16%**	**18%**	**18%**	**19%**

Table 9: Ratio of Gross Financing Costs to HRA rents

	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
Housing Revenue Account						
Interest	20	30	45	56	66	73
Dwellings Rent	104	130	140	150	162	173
Financing Cost to NRS	**20%**	**23%**	**32%**	**38%**	**41%**	**43%**

4.24 In October 2025, Cabinet approved the development and incorporation of a Limited Liability Partnership to support the purchase and lease of residential accommodation and the initiation of a market exercise to access to long term institutional finance. If Cabinet take a decision to proceed, the Council may fund the initial acquisition and renovation costs prior to the Council leasing the properties to the Haringey Limited Liability Partnership (HLLP). The Council will recoup both the acquisition, renovation costs (and the carry costs) through the premium that it will receive at the point of entering the lease with the HLLP but there could be short term borrowing required.

5 Treasury Investment Strategy

5.1 The treasury investment strategy is unchanged from that set out in the approved 2025/26 TMSS. The Council holds invested funds consisting of income received in advance of expenditure, together with balances and reserves. Treasury investment balances are expected to be at similar levels in the coming year as they have been in 2025/26.

Objectives

5.2 In accordance with the CIPFA Code, the Council is required to invest its treasury funds prudently, prioritising the security and liquidity of investments before seeking the highest possible return. The Council's objective is to maintain an appropriate balance between risk and return, minimising the risk of loss from defaults while avoiding unduly low investment income. For funds expected to be invested for more than one year, the Council aims to achieve a total return at least equal to the prevailing rate of inflation, thereby preserving the spending power of the invested sum. In addition, the Council is committed to being a responsible investor and will take environmental, social, and governance (ESG) factors into account when making investment decisions (see Section 5.4).

Strategy

5.3 As indicated by the liability benchmark, the Council expects to remain a long-term borrower. Consequently, new treasury investments will primarily be made to manage day-to-day cash flows using short-term, low-risk instruments. The Council will continue its policy of utilising highly creditworthy and highly liquid investments, such as deposits with the Debt Management Office (DMO), AAA-rated money market funds, and other entities on the Council's approved counterparty list.

ESG policy

5.4 Environmental, social, and governance (ESG) factors are increasingly influencing global investment decisions. When selecting banks and funds, the Council will prioritise institutions that are signatories to the UN Principles for Responsible Banking and funds managed by organisations that adhere to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance, and/or the UK Stewardship Code.

Business Models

5.5 Under IFRS 9, the accounting treatment for certain investments depends on the Council's "business model" for managing them. The Council's approach is to derive value from its treasury investments by collecting contractual cash flows. Therefore, where the other qualifying criteria are met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

5.6 The Council may invest its surplus funds with any of the counterparty types in Table 10, subject to the limits shown.

Table 10: Treasury Investment Counterparties and Limits

Sector	Time Limit	Counter-party Limit	Sector Limit
The UK Government	50 years	Unlimited	n/a
Money Market Funds	n/a	£10m	Unlimited
Local authorities & other government entities	25 years	£5m	Unlimited
Banks (secured)*	2 years	£5m	Unlimited
Banks (unsecured)*	13 months	£5m	Unlimited
Building societies (unsecured)*	13 months	£5m	£20m
Registered providers (unsecured)*	5 years	£5m	£20m
Strategic Pooled Funds	n/a	£5m	Unlimited
Real Estate Investment Trusts	n/a	£5m	Unlimited

Minimum Credit Rating

5.7 Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is at least A–. Where available, the credit rating specific to the investment or investment class will be used; otherwise, the counterparty's credit rating will apply. However, investment decisions are never based solely on credit ratings—other relevant factors, including external advice, will always be considered.

Government

5.8 The Council may invest in loans, bonds, and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in and generally carry a lower risk of insolvency, though they are not entirely risk-free. Investments with the UK Government are considered to have zero credit risk due to its ability to create additional currency and may therefore be made in unlimited amounts for terms of up to 50 years.

Bank Secured Investments

5.9 Bank secured investments are backed by the borrower's assets, which helps limit potential losses in the event of insolvency. The amount and quality of this security will be a key consideration in investment decisions. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where no specific credit rating exists for the investment, but the collateral has a rating, the higher of the collateral rating and the counterparty rating will be applied. The combined total of secured and unsecured investments with any single counterparty will not exceed the cash limit for secured investments.

Banks and Building Societies (unsecured)

5.10 The Council may invest in accounts, deposits, certificates of deposit, and senior unsecured bonds with banks and building societies, excluding multilateral development banks. These investments carry the risk of credit loss through bail-in if the regulator determines that the institution is failing or likely to fail. Arrangements relating to operational bank accounts are outlined below.

Registered Providers (unsecured)

5.11 The Council may invest in loans, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money Market Funds

5.12 Money market funds are pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over banks of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic Pooled Funds

5.13 Strategic pooled funds include bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Since these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real Estate Investment Trusts (REITs)

5.14 REITs are publicly traded companies that invest mainly in real estate and pay most of their rental income to investors in a similar manner to pooled property funds. As with pooled property funds, REITs offer enhanced returns over the longer term,but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational Bank Accounts

5.15 The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk Assessment and Credit Ratings

5.16 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.17 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of

the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

5.18 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects

5.19 The Council acknowledges that investing with certain counterparties, although financially secure, may subject it to criticism, whether valid or not, that could impact its public reputation. This risk will be considered when making investment decisions.

5.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits

5.21 The Council's revenue reserves available to cover investment losses are forecast to be £30 million on 31st March 2026 and £30 million on 31 March 2027. In order that no more than 100% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

5.22 Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 11: Additional Investment Limits

	Cash Limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£10m in total
Loans to unrated corporates	£10m in total
Money market funds*	£50m in total
Real Estate Investment Trusts	£10m in total

* These limits apply for both Haringey Council and Haringey Pension Fund, so the limit for Money Market Funds is £10m per MMF and £50m aggregate limit for the Council, and £50m for the Pension Fund.

Liquidity Management

5.23 The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

6 Treasury Management Prudential Indicators

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators which largely remain unchanged in 2026/27 TMSS from previous years.

Security

6.2 The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio average credit rating	Above A, score of 6 or lower

Liquidity

6.3 The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling 3-month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£30m

Interest rate exposures

6.4 This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest Rate Risk Indicator	Target
Upper limit on one-year revenue impact of a 1% rise in interest rates	£2m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£2m

6.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates

Maturity structure of borrowing

6.6 This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing are shown on the following page:

Refinancing Rate Risk Indicator	Upper Limit	Lower Limit
Under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

6.7 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Total short-term borrowing

6.8 In recent years, the Council has used short term borrowing (under 1 year in duration) from other local authorities to meet short-term liquidity requirements. Short term borrowing can also be raised from other counterparties such as banks. This approach offers increased flexibility for cash flow management by the Council and can serve as an alternative to borrowing from PWLB over a longer term. More recently this source has proved to be more expensive form of borrowing and the amount of temporary borrowing undertaken has decreased.

6.9 Short-term borrowing exposes the Council to refinancing risk. This is the risk that interest rates may rise quickly over a short period of time, resulting in significantly higher rates when the loans mature. In such cases, there is a risk that the new replacement borrowing would need to be taken at higher interest rates compared to the maturing loans.

6.10 Bearing this in mind, the Council has set a limit on the total amount of short-term borrowing that has no associated protection against interest rate rises, as a proportion of all borrowing.

Short term borrowing	Target
Upper limit on short-term borrowing that exposes the Council to interest rate rises as a percentage of total borrowing	20%

Long-term treasury management investments

6.11 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments are detailed below. This has been increased from £5m to £20m from 2026/27 to reflect the potential principal to be invested beyond year end.

Price Risk Indicator	2026/27	2027/28	2028/29
Limit on principal invested beyond year end	£20m	£20m	£20m

7 Related Matters

7.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives.

7.2 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

7.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

7.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk will be included to count against the counterparty credit limit and the relevant foreign country limit.

7.5 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account

7.6 On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Since then, new long-term loans borrowed are assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive

7.7 The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Corporate Director of Finance and Resources (S151 Officer) considers this to be the most appropriate status.

8 Financial Implications

8.1 The budget for investment income in 2026/27 is £1.05m based on an average investment portfolio of £30 million at an interest rate of 3.5%.

8.2 The budget for total debt interest paid in 2026/27 is detailed in Table 12 below for both the General Fund and HRA. If the actual levels of investments and borrowing, or the actual interest rates, differ from those forecasted, the performance against the budget will be correspondingly different. This will be reported through the quarterly Treasury Management report to Audit Committee and in the finance quarterly monitoring report to Cabinet.

8.3 As debt on the General Fund needs to be repaid, the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay its borrowing. This is known as the minimum revenue provision (MRP). In line with guidance, MRP does not need to be paid on HRA borrowing and the Council currently uses this flexibility. However given the level of borrowing this will remain under review each year. Table 12 sets out the revenue budgets in both the General Fund and HRA for both interest costs on borrowing and minimum revenue provision (MRP) charges. The concept of self-financing schemes and the assumed savings are no longer within the TMSS. The interest and MRP budgets reflect the costs of financing the scheme and associated savings are accounted for in the Council's service revenue budgets.

8.4 The Department for Levelling Up, Housing and Communities (DLUHC) now Ministry of Housing, Communities and Local Government (MHCLG), issued statutory guidance (updated 2018) on determining a prudent level of MRP. The Council's MRP Policy Statement for 2026/27 is included in Annex C.

Table 12: Revenue budget for interest costs and MRP

	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
General Fund MRP	16	17	19	20	20	21
EFS MRP	0.3	2	5	8	11	14
Total Loans MRP	**17**	**19**	**24**	**28**	**31**	**35**
General Fund Interest	**20**	**26**	**31**	**36**	**40**	**42**
EFS Interest	3	8	13	18	24	30
Total Capital Financing Costs	**40**	**53**	**68**	**82**	**95**	**107**
HRA Interest Costs	20	30	45	56	66	73
PFI/Lease MRP	**20.8**	**16.8**	**4.5**	**3.6**	**2.6**	**2.6**
Total Council Revenue Impact	**81**	**100**	**117**	**142**	**163**	**183**

9 Other Options Considered

9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Corporate Director of Finance and Resources (S151 Officer), having consulted the Cabinet Member for Finance and Corporate Services, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are as follows.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Economic & Interest Rate Forecast – December 2025

Underlying assumptions:

- As expected, the Monetary Policy Committee (MPC) reduced Bank Rate at 3.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.

- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.

- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.

- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.

- CPI inflation rates have risen due to higher energy prices and less favourable base effects. The current CPI rate of 2.6% could rise further in Q1 2026. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over 2% target in 2026.

- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.

- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges.

Forecast:

- In line with our forecast, Bank Rate was cut to 3.75% in December.
- The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2026, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.
- Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.

- This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.

- The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.

Interest Rate Forecast:

The table below shows the most recent interest rate forecast provided by Arlingclose.

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Central Case	3.90	3.80	3.75	3.80	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.94	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-1.00	-1.05	-1.10	-1.10	-1.10	-1.10
10yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.47	4.45	4.45	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-1.00	-1.05	-1.10	-1.10	-1.10	-1.10
20yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.13	5.10	5.10	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95
50yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.73	4.70	4.75	4.65	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95

PWLB Standard Rate = Gilt yield + 1.00%
PWLB Certainty Rate = Gilt yield + 0.80%
PWLB HRA Rate = Gilt yield + 0.40%
National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Annex B – Existing Investment & Debt Portfolio Position - December 2025

	Actual portfolio £m	Average rate %
External borrowing:		
Public Works Loan Board	1,064.9	3.47%
LOBO loans from banks	50.0	4.75%
Local authorities	27.0	4.24%
Total external borrowing	**1,141.9**	**4.15%**
Treasury investments:		
The UK Government (DMADF)	23.0	3.70%
Money market funds	50.0	3.92%
Total treasury investments	**73.0**	**3.81%**

Annex C - Minimum Revenue Provision Statement 2026/27

Where the Authority funds capital expenditure with debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods, which is what this policy allows for.

The following statement incorporates options recommended in the Guidance, as well as well as locally determined prudent methods:

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding.

The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

For capital expenditure incurred before 1st April 2008, MRP will be determined using the annuity basis and an average asset life of 33 years.

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over up to 20 years.

For assets acquired by lease, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

For assets acquired under the Private Finance Initiative, MRP will be made over the asset life on the annuity basis.

Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.

Asset Lives
Investment in assets generates a future flow of benefits. The overall length of those benefits (asset lives) varies for each asset type. Within the MRP policy, these asset lives are used:

	Years
Lighting Infrastructure	50
Highways Structures	50
Roads and Pavements, Street Signage, Public Realm	30
Acquisition of Property	40
Operational Property - extensive refurbishment	40
Operational Property - non extensive refurbishment	30
Parks Asset Management	20
External Equipment (e.g. park equipment, cycle hangers)	10
Waste Vehicles (Large)	8
CCTV Cameras	5
Waste Vehicles (small/medium)	4
Non waste vehicles	5
IT	7

Capital loans
For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.

For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.

For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised.

Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.

For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

Housing Revenue Account
No MRP will be charged in respect of assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.

Based on the Authority’s latest estimate of its CFR on 31st March 2026, the General Fund budget for MRP has been set as follows:

	31.03.2026 Estimated CFR £'m	2026/27 Estimated MRP £'m
Capital expenditure before 01.04.2008	161.5	2.2
Supported capital expenditure after 31.03.2008	0.0	0.0
Unsupported capital expenditure after 31.03.2008	637.7	14.7
Leases and Private Finance Initiative	48.6	16.7
Transferred debt	0	0
Capital loans to third parties	6.0	0.3
Voluntary overpayment (or use of prior year overpayments)	n/a	n/a
EFS	64	1.9
Total General Fund	917.8	35.9
Assets in the Housing Revenue Account	722.0	0
HRA subsidy reform payment	0	0
Total Housing Revenue Account	722.0	
Total	1,639.8	19.5

Overpayments

In earlier years, the Authority has not made voluntary overpayments of MRP that are available to reduce the revenue charges in later years.

Capital receipts

Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.
- Any other capital receipts applied to repay debt will be used to reduce MRP in [10] equal instalments starting in the year after receipt is applied. 10 years is used because this matches the period over which discounts on the early repayment of borrowing are credited to revenue

Capitalisation Direction

The current financial position of the Council continues to be very serious. The Council will be submitting a an EFS request to government The outcome will not be known until late February 2026 when an in-principle decision is expected. If agreed, then MHCLG will issue a capitalisation direction. This does not involve any new money. Instead, the Council will be allowed to capitalise its deficits on its revenue budget. The direction allows Councils to repay the EFS over a period up to 20 years. The proposed capital programme includes up to £100m of EFS in 2026/27, This policy is effective from 1/4/26.

Appendix 11

SECTION 25 STATEMENT BY THE CHIEF FINANCE OFFICER

13.1 The Local Government Act 2003 (Section 25) requires that the Chief Financial Officer reports the following matters to Members when agreeing the annual budget and Council Tax level:

- The robustness of the estimates made for the purpose of the budget calculations (i.e. providing reasonable assurance that the budget proposed in this report is not likely to be materially overspent in year); and
- The adequacy of the financial reserves.

13.2 Given the Council's challenging financial position as set out in this 2026/27 budget report, this statement also provides the Chief Finance Officer's reporting on the Council's financial position, steps being taken to improve financial sustainability and the medium-term outlook.

13.3 For Members, the Section 25 Statement provides the context for budgetary discussions and Members should have regard to this report when making decisions in setting the Council's budget. This statement is a legal requirement and ensures that Members have all the professional advice from the Chief Finance Officer when budget decisions are being made.

13.4 Similar to that reported in last year's budget report and throughout 2025/26, Haringey's financial position continues to be challenging. The Council is not currently financially sustainable with an annual revenue budget gap of £52.2m in 2026/27 which is currently assumed to be capitalised through a Capitalisation Direction granted by the Secretary of State for Housing, Communities and Local Government (MHCLG). The annual revenue budget gap is modelled to increase to £291.71m by 2030/31.

13.5 This is on top of £10m of EFS required in 2024/25 and estimated requirement of £54m in 2025/26. The ongoing use of Capitalisation Directions increases the financial pressures on the Council's revenue budget by increasing its net cost of borrowing into the future, from £10m budgeted for 2026/27 to £44m projected for 2029/30 – this will equate to 11% of the Council's budget. This is not sustainable, or an effective use of public money in line with the Best Value Duty.

13.6 The remainder of this statement provides further details on the financial position and actions being taken by the Council to improve its financial sustainability over the next three years and reflects the national, London and local context.

13.7 The outcome of Fairer Funding 2.0 and as published in the Provisional Local Government Finance Settlement, means the Council will see an increase of £12.8m in Government funding over the next three years, of which £9.5m is planned for 2026/27 (see Section 8.7 for full details). However, this remains far short of the additional costs incurred year on year from increased demand and price of services. As a result, and as set out in Section 8, there is still an

ongoing reliance on Exceptional Financial Support of £52.2m to set a balanced budget for 2026/27.

13.8 The long awaited three year government funding settlement published for 2026/27 to 2028/29 is welcome because it provides certainty for financial planning purposes and there is an imperative need to move towards medium term planning and setting a three year budget. However, even with the increase in government funding for Haringey, returning to financial sustainability and eliminating the ongoing reliance on EFS is going to be difficult to achieve. It will require ongoing reductions in spending and prioritising within a much smaller financial envelope. As set out in this report, based on the latest assumptions, there will remain a budget gap of up to £291.71m between 2026/27 and 2030/31 if everything else remains the same.

13.9 An emergency response has been in place since the start of the financial year, initially with GOLD and Silver arrangements and then subsequently overseen by the Financial Recovery Board. These arrangements remain agile and responsive, remain under review and will be further strengthened throughout 2026/27.

- Continued review and implementation of the revised financial resilience plan to take account of the latest position but also a more pragmatic approach to financial resilience. The current plan was built around a priority of not requiring EFS in 2025/26 or 2026/27 but in light on the latest position, this is no longer possible and therefore the framing of the plan is being re-visited.

- Continuing with the emergency governance and oversight arrangements that are established within the organisation and introducing further independence to the current Financial Recovery Board.

- Ensuring all budget holders are held to account for delivering within their allocated cash limits, recognising the work that has taken place to ‘right-size’ budgets. All Corporate Directors have signed off that their service budgets reflect known pressures for 2026/27, that savings assumed will be delivered and they will report a balanced position at the year end.

- Strengthening the spend control mechanisms that are already in place across the organisation in order to further drive a consistent commitment to value for money, namely:

    - Spend control panel for all non-essential spend over £1,000;
    - Recruitment Panel - agency and permanent recruitment restrictions on non essential roles;
    - Single point of governance for all of the capital programme (Strategic Capital Board);

- Single point of governance for all commissioning and procurements over £160,000 (Commissioning Panel and Board);
- All reports which involve spending over £25,000 to be reviewed by the Section 151 Officer.

- A strong focus on delivering the £30m of savings already contained within the 25/26 budget, and the £23.2m planned in the 2026/27 budget by 1st April 2026, in order to secure a full year effect.

- Full review of the Housing Revenue Account Business Plan to ensure its long- term sustainability and positive cashflow.

Financial Management Code

13.10 In relation to the annual budget setting process and the development of the proposed budget in this report, Haringey is fully compliant with the CIPFA Financial Management (FM) Code. However, as reported last year, there is scope for improvement. The review planned in 2025/26 has not yet taken place due to the focus on the development of the financial recovery plan and putting in place the emergency arrangements and controls across the organisation to reduce spend. This review of the FM Code will need to take place in 2026/27 and review progress against the objectives and strengthening financial management across the organisation. A more detailed action plan will be published and progress reported to Audit Committee through the Annual Governance Statement (AGS).

13.11 On 24 November 2025, full Council agreed the revised and updated Financial Regulations. The last review was carried out in 2021. Some of the updates this time were general, such as updating of job titles but the financial regulations now include clear responsibilities of budget managers, Directors and Corporate Directors to work within their approved budgets. This was not previously explicit in the regulations. In early 2026, a structured engagement plan will be implemented with all relevant officers to reset responsibilities and accountability for good financial management and spending in line with budget.

13.12 The Council is in compliance with all other codes and standards.

CIPFA Resilience Index

13.13 CIPFA has released the data for its 2024/25 financial resilience index and this evidences much of the conclusions made by myself as Section 151 Officer within this statement. The chart below shows the relative ranking (high or low risk) for each indicator which is used to measure the financial stress of council's by CIPFA. Bars closer to the left indicate a higher risk of financial stress for that authority relative to comparable authorities (London Boroughs).

Appendix 11

Chart 1 – CIPFA Financial Stress Indicators

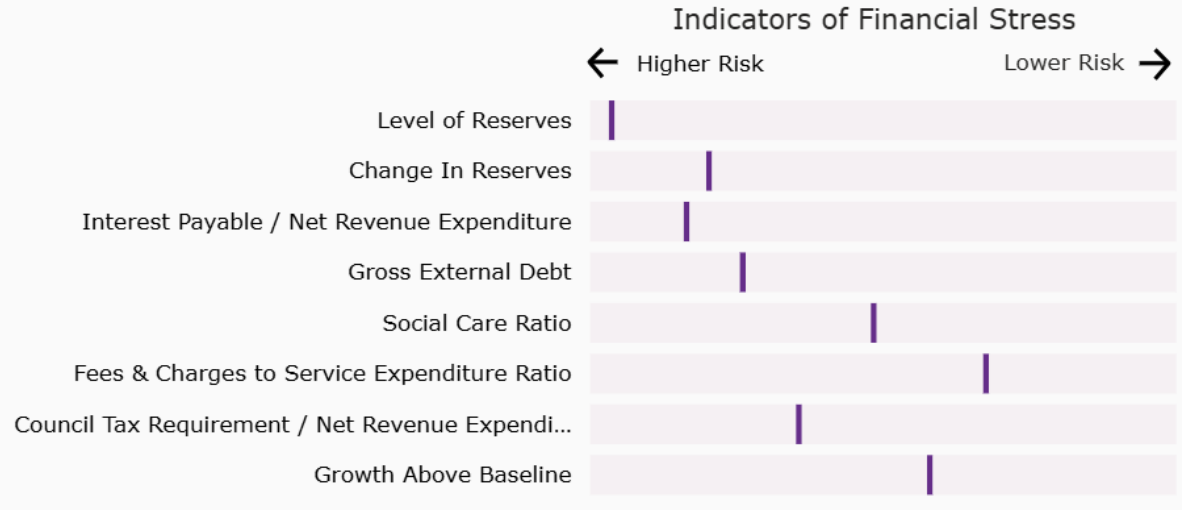


Chart 2 – Reserve Balances 2024/25

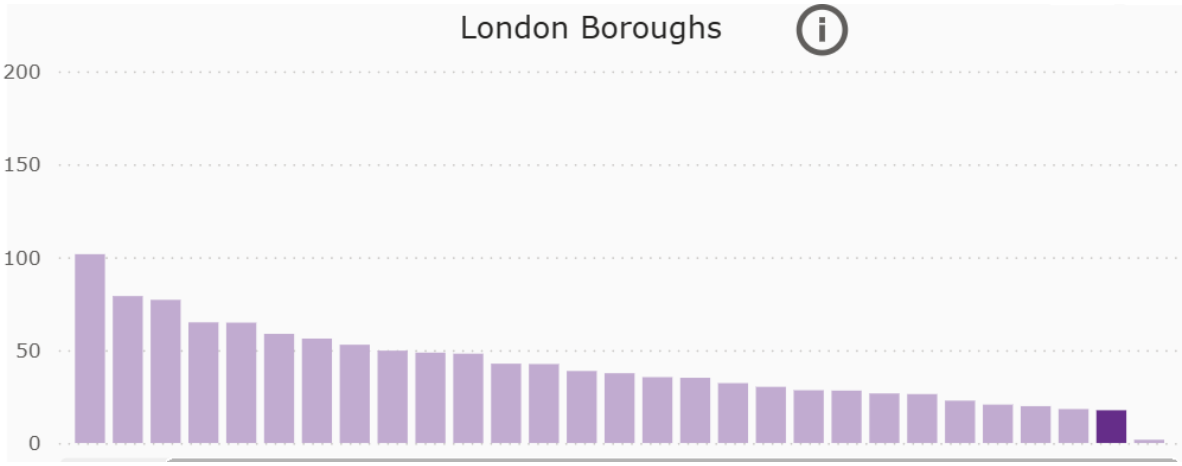
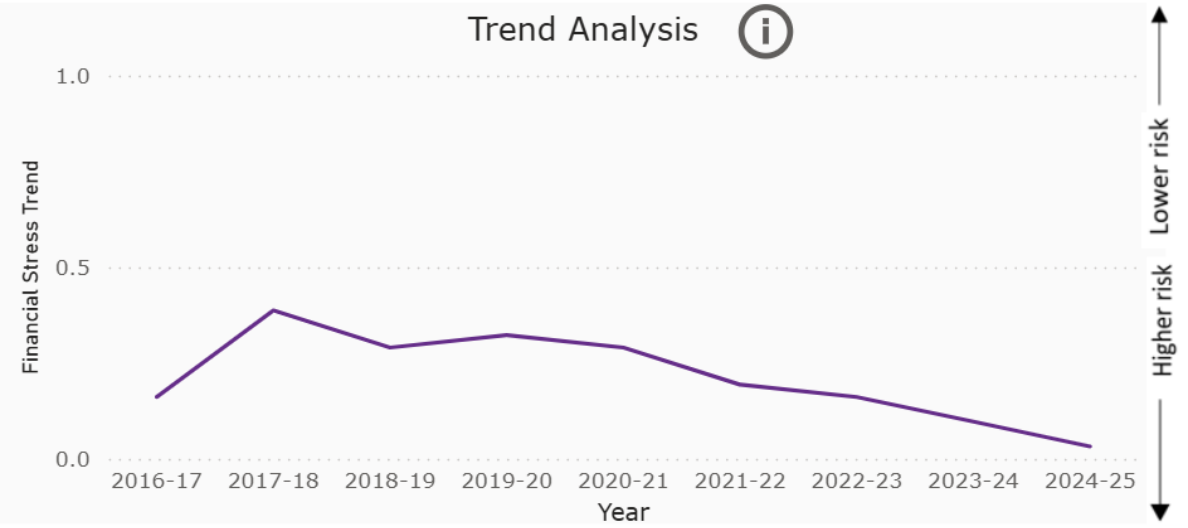


Chart 3 – Change in Reserves



13.14 Use of reserves to fund on-going expenditure is not a sustainable solution for any Local Authority but Haringey's low levels mean this does not even provide a one off solution in the short term. A full review of all reserves has

been undertaken in 2025/26 and £1.4m from the Services Reserve and Unspent Grants Reserve has been identified as being available and will be used to reduce the in-year overspend in 2025/26. Therefore, there is no other available use of reserves to contribute to balancing the budget for 2026/27.

13.15 Recognising these low levels are not sustainable, the MTFS from 2027/28 assumes a £3m contribution to the budget planning reserve to improve financial resilience but the feasibility of this contribution will be reviewed each year depending on the Council's financial position and reliance on EFS.

13.16 The change in reserves from 2016/17 to 2024/25 as shown in Chart 3 is also highlighted as high risk and the year-on-year reduction is due to the reliance on previous use of reserves for balancing the budget and managing an in-year overspend. The level of reserves as a percentage of income is 11%, the lowest percentage across statistical neighbours.

13.17 Levels of debts are showing as higher compared to others. A key indicator used by CIPFA is the level of debt as a percentage of income, which for Haringey is 223%, the third highest percentage across London (our statistical neighbours) and indicating a high level of risk to financial sustainability.

13.18 There are two aspects of debt which the Council is working to address.

- Minimising increases in the level of debt associated with the capital programme. Significant reductions have been made across the General Fund capital programme over recent years. The latest annual review is removing 4 schemes equating to £6.421m that would otherwise have resulted in an increased borrowing requirement. Despite these reductions, the revenue budget for 2026/27 includes interest payable estimate of £36m and £19m for MRP. There is more that must be done as part of the 2027/28 annual review that will take place in summer 2026 to limit the programme to essential capital investment or that which is on an invest to save basis and therefore contribution to closing of the budget gap in future years. The 2026/27 capital programme also now includes the EFS requirement for previous and current years, 2026/27 and forecasts for future years. This is a forecast at this stage and will be revisited each year depending on the financial outlook.

- Reducing levels of customer debt (which is also too high) and improving collection rates. The focus over the last year has been on Adult Social Care debt and the project is proving successful but the pace is slow and this must continue through 2026/27 with the ongoing review of aged debt but also improvements in the financial assessment process to collect charges from those who have the ability to pay for their own care. Given the age of some debt, write offs are expected to increase and could be over and above the level of bad debts provision assumed within the revenue budget. This could increase the overspend position should they materialise.

- The same scrutiny and deep dive must now also be applied to other services where existing debt and collection is lower than expected, namely, parking,

commercial property and council tax and this will be led by a newly formed Corporate Debt Board in 2026/27 that will be chaired by myself as the Section 151 Officer. The focus will be on improving process to ensure income is collected in a more timely manner, making it easier for people to pay, supporting those who cannot pay and therefore reducing levels of debt and consequently the amount that needs to be written off.

Financial Resilience Assessment

13.19 In Autumn 2024, I commissioned an external financial resilience assessment by CIPFA. The assessment highlighted the issues above around debt, reserves and financial sustainability and made 36 recommendations to the Council to address. These recommendations, together with the recommendations from the Section 151 Officer are the basis for the Council's Financial Recovery Plan which has been in place since April 2025 with its progress being reported quarterly to Cabinet.

13.20 Good progress has been made in some areas but there is still significant work for the Council to complete before the plan is implemented in full and this must remain the focus during 2026/27. The plan will also be subject to review and a revised financial sustainability plan will be published for end of March 2026.

2025/26 Financial Position

13.21 The 2024/25 financial year was a pivotal point for the Council in terms of its financial position, particularly in terms of adult social care and temporary accommodation but also children's social care and SEND that led to significant overspends. Some use of reserves and one off historic balances were required, as well as £10m of EFS to balance the budget at the year end.

13.22 The financial pressures have continued into 2025/26, and despite setting what was expected to be a balanced budget with £50m additional budget included for social care and temporary accommodation, the latest position is showing an overspend of £19.2m as at the end of November 2025. It should be noted that the 2025/26 budget was set with an assumed use of £37m of EFS.

13.23 The spending controls on all non essential spend and recruitment have been in place since the beginning of the year and to date have avoided almost a £1m of spending. These together with the other controls as set above is expected to continue to have an impact in the last quarter of the year to reduce the overspend position but should this position remain, the EFS requirement in year will exceed the £37m currently approved and a provisional application of £54m has been submitted to Government. The final EFS requirement for 2025/26 will not be known for certain until the accounts have been closed at the end of May 2026.

2026/27 Budget

13.24 The draft budget reflects the latest Government grant for 2026/27 as published in the provisional Local Government Finance Settlement on 17 December and the outcome of Fairer Funding 2.0. The additional £9.5m compared to what was assumed in previous finance updates is welcome but continues to be insufficient to meet the growing demand and increased price of services in Haringey.

13.25 The settlement includes a significant simplification of Government grants, with now previously separate grants rolled into the Fairer Funding Assessment. For grants that continue to sit outside of the settlement and their value is known, these are reflected throughout this report and where they remain unknown but are expected to continue, 2026/27 values have been assumed in line with the 2025/26 value. In line with the Council's budget principle, if grants reduce going forward, it is assumed that expenditure will reduce accordingly. This budget principle will need to be enforced going forward given the financial position.

13.26 The draft budget reflects a 4.99% increase in Council Tax but this remains a decision for full Council on 2 March 2026. The Council Tax base calculation for budget setting purposes for 2026/27 has shown a reduction on previous years. Although there are more dwellings across the borough, this is not translating into additional revenue. This is in part because of the number of discounts and exemptions, however, this needs to be further investigated to truly identify the issue. The second driver for the reduction is collection rates, which although has seen a slight improvement in year, is still well below the target collection rate of 95.5%. The budget for 2026/27 assumes a collection rate of only 92.5%. More will need to be done in 2026/27 given this is a vital source of income for the council. This will include distinguishing between 'can't pay' and 'won't pay'. The solution is not yet known for each of these cohorts but must be a priority.

13.27 Fees and charges reflect a 3.8% increase on average in line with CPI in October 2025. For 2027/28, the Council will need to again undertake benchmarking against other neighbouring authorities to consider opportunities for new charges for services or where benchmarking shows we continue to remain below others.

13.28 The estimate of pressures for 2026/27, uses the latest 2025/26 forecast position and forecast demand and prices for 2026/27. Scenario planning is more widely used for demand led services than previously and includes an estimate of risk and uncertainty. The full details are set out in Appendix 2 and includes an additional £45.272m for service specific pressures. The main areas are as follows:

- £19.046m for adult social care
- £13.854m for housing demand and almost solely for temporary and emergency accommodation.

- £5.648m for children's services, including placements and home to school transport;

13.29 In addition, £42.4m additional budget has been included for council wide pressures. This includes:

- £6.071m for the staff pay award;
- £1.731m for inflation on non social care / housing contracts;
- £15.0m to increase corporate contingency to £25m to manage risks and uncertainties in year;
- £17.458m for capital financing relates costs; and
- £1.461m for the additional cost associated with concessionary fares on public transport.

13.30 The budget includes assumed savings of £23.2m for 2026/27, of which £14.9m are from previously approved budgets and £8.3m new savings. Given the Council's track record on the delivery of savings, the Council is focussing its attention and limited resources on the delivery of existing and those previously approved before adding further new savings on top. In total, by the end of March 2027, we will need to have delivered £53.2m of savings over the last two years, which is almost 15.5% of the net budget. Making reductions of this scale is challenging but the robustness of these estimates has been tested and delivery plans are already in place or to be developed before the start of the year. However, based on previous years, delivery can be volatile and the monthly monitoring process will continue to track not only the delivery of the financial savings but also progress with making the 'changes' needed to deliver the savings.

13.31 All the estimates in the draft budget are based on the best possible information and assumptions but do include an element of risk and uncertainty. Corporate contingency therefore has been increased to £25m for 2026/27 to manage some of this risk. Financial Plans assume this £25m is maintained every year over the next five years but this will be reviewed annually depending on the level of risk in the budget and the robustness of the estimate for demand and price pressures.

13.32 I have examined the assumptions used within the budget calculations and have also considered the appropriate risks set out in Section 9 of the main report.

Adequacy of Reserves

13.33 The Council is required to maintain an adequate level of reserves to deal with unexpected events and pressures. Sections 32 and 43 of the Local Government Finance Act 1992 requires the Council to have regard to the level of reserves when calculating the budget requirement.

13.34 The appropriate level of reserves must be considered alongside an assessment of risk, taking into account the robustness of savings plans, levels of risk in estimates in demand and price and wider economic factors.

The adequacy of reserves is assessed as part of the budget process and monitored regularly throughout the year to the closure of accounts at the end of the year.

13.35 Throughout 2025/26, I have reported on the low levels of reserves for Haringey. The longer term sustainability of the Council relies on the need to avoid reliance on reserves to balance the annual budget in the future and to have a longer term plan to replenish reserves available for managing risks and uncertainties. In March 2025, the MTFS at that point assumed a £3m annual contribution to replenish the budget stabilisation reserve. Given the financial position, this has been reversed for 2026/27 but is still an assumption for 2027/28 onwards and will be reviewed as part of the annual budget setting process. It is by no means certain that I will be able to make this contribution in 2027/28.

13.36 There are no reserves available to balance the budget for 2026/27 because it is assumed any remaining uncommitted reserves will be used to fund the 2025/26 overspend and minimise the final request for EFS from MHCLG when the 2025/26 accounts are closed.

13.37 As set out in Section 9, there is no Transformation Reserve. However, addressing the financial challenges and the level of change required to processes and service provision over the next few years, some spend will be required on an invest to save basis. In the absence of a transformation reserve, the Council will utilise its flexibility to use capital receipts for this purpose and as set out in Appendix 8. This means fewer capital receipts available to fund EFS or the wider capital programme but it is the view of myself that longer term sustainability will require a longer term approach given that structural change cannot be fully delivered in one year.

13.38 The five year forecast of reserves is set out in Section 9 of the main report.

13.39 It is my recommendation that the 'General Fund reserve should not be reduced below £15m, which equates to approximately 4.4% of the net budget of £343.4m. If any use of the reserve funds the 2025/26 overspend, this will need to be replenished as soon as practically possible.

Exceptional Financial Support (EFS)

13.40 Based on the current financial position in 2025/26 and the level of forecast expenditure for 2026/27, it is clear that the Council is not able to set a balanced budget for 2026/27.

13.41 The intention of EFS is to provide a temporary bridge for an authority during the transition towards a sustainable financial position. The latest guidance from CIPFA The Section 25 notice additional support states that ‘CIPFA is aware that EFS is no longer the temporary bridge envisaged when it was initially introduced and is now seen by many as a structural part of the local government finance system’.

13.42 Even where there is a need to borrow related to EFS, the Section 151 Officer is still required to observe the principles contained within the Prudential Code. This includes:

- Ensuring that all decisions remain governed by the Prudential Code and that capital and borrowing plans are affordable, prudent and sustainable. This is a challenging when the Council is not able to set a balanced budget without EFS but EFS remains a facility available to Local authorities to recommend a balanced budget.
- Recognising that borrowing increases pressure on the revenue budget, requiring principal and interest repayment. The draft 2026/27 revenue budget includes the costs of £89.2m of EFS required in 2026/27, as well as additional costs from borrowing associated with previous requirements. Full details are set out in the Treasury Management Strategy Statement at Appendix 10.
- Embedding robust forecasting and stress-testing within the medium-term financial plans, tracking debt servicing capacity under varied interest and economic conditions. As set out through this Section 25 Statement and this report, the draft budget has been developed based on best estimates of forecast budget pressures, using forecasting and stress testing, the financial risks facing the authority are clearly documented, the updated medium term financial position and actions the authority is taking over the next 6 months. The capital financing budget includes the interest and MRP for the capital programme and EFS in line with the MRP policy set out in the Treasury Management Strategy Statement and will be monitored and reported through the quarterly finance updates to Audit Committee and Cabinet.

13.43 It should be noted that although the forecast EFS requirements and associated borrowing costs have been assumed within the MTFS position in this report, these will be reviewed every year in light of the actions the Council is taking and any change in its financial position. Also, in line with the borrowing strategy in the Treasury Management Strategy Statement, actual borrowing will only be undertaken when needed and use of internal balances will be utilised first, should they be available. The timeliness of borrowing will be determined by the cashflow model and on advice from external treasury advisors.

13.44 An application has therefore been submitted to MHCLG for EFS for 2026/27. An in-principle decision will not be known until mid February 2026 but this report, the draft budget and MTFS, has been developed on the basis it will be agreed. This will mean that the Council will have a Capitalisation Direction which gives permission to fund day to day running costs of up to £52.2m for 2026/27 through the capital programme. This assumption is based on there being no available reserves to fund the 2026/27 shortfall because of their likely use to fund the 2025/26 overspend. Should any reserves be available, these will be utilised before any use of EFS and with borrowing as the last resort.

13.26 For the purposes of this draft budget, it is assumed that all of the EFS requirement in 2026/27 is funded through borrowing and these assumptions are accounted for in the Treasury Management Strategy Statement which is set out in Appendix 10 of the main report and the Capital Strategy, which is a separate report on the agenda – both will be subject to approval by full Council on 2 March 2026.

13.27 Every £1m of borrowing results in approximately £62,000 of revenue borrowing costs and the 2026/27 draft budget includes £10m for associated EFS borrowing costs. This is £8m for interest costs (based on PWLB average of 5% for the year) and £2m for MRP, both of which are payable over the next 20 years.

13.28 However, it should be noted that external borrowing is only taken when it is necessary to do so and internal borrowing, through the use of cash balances (subject to the treasury management limits), is utilised first and therefore the actual costs of borrowing may be below budgeted costs. Any variation will be reported through the quarterly monitoring report to Cabinet.

13.45 In my opinion, this decision to apply for EFS is considered a last resort but necessary for achieving a balanced budget. Although an assumption has been made on the level of support required for the purpose of meeting the legal requirement to set a balanced budget for 2026/27, work must continue to control and reduce spend that results in final EFS support required in 2026/27 being less than assumed.

13.46 The EFS application should be regarded as intended to provide an “interim measure” whilst wider national and regional policy issues are addressed as well as the Council developing its longer term financial strategy. Reliance on EFS is not a financially sustainable strategy but there is no alternative at this stage. It is the Council’s aspiration to be able to set a balanced budget from 2028/29 without a new EFS requirement. This will rely on the Council delivering structural change in how services are delivered to reduce costs and prioritisation of services within a smaller financial envelope. Although an aspiration, I cannot give that assurance at this stage until the planned work during 2026/27 has been completed. In addition, officers and Members will need to work with Government to re-consider statutory requirements of local authorities and reforms to address the increasing demand and market forces that are driving the increases in social care and temporary accommodation costs.

13.30 If the application for EFS is not approved in February 2026, a balanced budget will not be able to be set and I would need, under a duty and an obligation, to issue a notice under section 114 of the 1988 Local Government and Housing Act (a “section 114 notice”). The consequences are that full Council would be required to meet to consider that notice and take action as appropriate. Other steps and interventions could also follow. Issuing a s114 notice would not resolve the financial challenge on its own – some form of capitalisation direction would still be required.

13.31 Although it is impossible to give an absolute assurance, on the basis of the risks and issues set out in this report and the assumption that the application for EFS is successful, it is my opinion as Section 151 Officer that the budget should progress for approval on the basis that:

- Known risks have been identified.
- The estimates are based on the best available information at this stage.
- Known spending pressures of £45.3m have been built into service budgets based on the latest estimates of current and future demand and prices.
- Noting the risks, the increase in corporate contingency to £25m.
- The level of reserves for managing risks and uncertainties is £5.441m at the end of March 2026 which is low but the MTFS includes a replenishment of £3m per annum from 2027/28 onwards (if achievable).
- The level of General Fund Reserve is maintained at £15m (if achievable) which represents 4.4% of the net revenue budget.
- The budget reductions of £23.2m for 2026/27 have been subject to due diligence to ensure some certainty on the delivery of change to deliver the reductions and increased income during 2026/27. Progress will be monitored and reported monthly internally and quarterly to Cabinet and Scrutiny Panels.
- Work has already commenced on preparations for developing longer term financial planning. An update on the financial position over the next five years will next be updated in the MTFS to Cabinet in summer / autumn 2026 with Cabinet being asked to consider in year budget proposals to reduce the 2026/27 EFS requirement rather than waiting until February 2027.
- The HRA is included as a separate report on the agenda and is reporting a balanced position for 2026/27 and across the next 10 years. A full review of the HRA plan will be carried out during 2026/27 to identify efficiencies and savings to improve the position in the medium term and move closer to the internally set target of an £8m contribution to capital each year.
- There is no current deficit for financial instruments in accordance with IFRS9. All treasury investments are currently through the Debt Management Office and Money Market Funds.
- The current statutory over-ride on the DSG deficit has been extended to March 2028. The Government is expected to set out plans to reform services for children with special educational needs and disabilities, “including ensuring councils are properly funded to help support and protect the most vulnerable children”. The Council is part of the Safety

Valve programme and good progress is being made towards the target of alleviating the in year deficit on the high needs block by 2028. However, this programme carries an element of risk and uncertainty beyond the Council's control in terms of the cost of placements and ongoing increases in demand for EHCPs. If the statutory over-ride is not extended beyond 2028 or the proposed reforms do not address the financial issues within the current system, any remaining deficit on the DSG needs to be funded by the Council and there are currently insufficient reserves should this scenario arise.

Conclusions

- The law requires that local authorities set and deliver a balanced budget for the following year by 11 March. This statement is my assurance to the Council that what is being proposed in the budget and council tax setting report will meet that requirement, but only if the EFS requirement of £89.2m is agreed by MHCLG.
- The financial forecast of the Council's MTFS for 2026/27 to 2029/30 shows that there is no identified short-term remedial action to balance the budget and use of Government Exceptional Financial Support, therefore, has had to become a necessity for 2026/27 and likely to continue to be so over the next three years.
- I am satisfied that the budget calculations for 2026/27 takes account of liabilities and financial risks based on the latest information and accounting for risk and uncertainty.
- The level of unallocated reserves for managing risks and uncertainties are too low to say they are adequate but every effort will be made to maintain the General Fund reserve at £15m and the draft budget assumes increased corporate contingency of £25m, an increase from £12m in the current year.
- The Council has arrangements to fulfil its statutory duties but only if its application for EFS is agreed by Government in February 2026.

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Annex 2 - Summary of General Fund Revenue 2026/27 Budget and Medium Term Financial Plan 2030-2031

	2025/26	Movement	2026/27	Movement	2027/28	Movement	2028/29	Movement	2029/30	Movement	2030/31
	Plan		Projected		Projected		Projected		Projected		Projected
Directorate	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adults, Housing and Health	123,676	59,495	183,171	4,876	188,047	6,293	194,340	7,430	201,770	0	201,770
Children's Services	69,643	13,284	82,927	1,307	84,233	1,424	85,658	1,680	87,338	0	87,338
Culture, Strategy and Communities	19,286	1,918	21,204	(1,270)	19,934	(27)	19,907	98	20,005	1,230	21,235
Environment & Resident Experience	13,158	338	13,495	(804)	12,691	(3,136)	9,555	(250)	9,305	0	9,305
Finance & Resources (inc Chief Executive)	34,208	1,456	35,664	(3,260)	32,404	(2,885)	29,519	0	29,519	0	29,519
Corporate Budgets	68,227	32,638	100,865	51,038	151,902	70,976	222,878	83,263	306,142	81,743	387,885
Council Cash Limit	**328,198**	**109,128**	**437,326**	**51,886**	**489,212**	**72,646**	**561,858**	**92,221**	**654,079**	**82,973**	**737,052**
Exceptional Financial Support/Savings	**(37,020)**	**(47,279)**	**(84,299)**	**98,896**	**(113,891)**	**138,998**	**(171,807)**	**177,013**	**(250,035)**	**165,946**	**(323,403)**
Total General Fund Budget Requirement	**291,178**	**61,848**	**353,027**	**196,486**	**375,321**	**276,572**	**390,050**	**352,346**	**404,044**	**331,891**	**413,649**
Funding											
Council Tax	(141,850)	(4,101)	(145,951)	(8,789)	(154,741)	(9,347)	(164,087)	(9,909)	(173,996)	(5,235)	(179,231)
Revenue Support Grant	(27,858)	(69,282)	(97,141)	(13,988)	(111,129)	(2,051)	(113,180)	(2,264)	(115,443)	(2,309)	(117,752)
Business Rates Top-Up Funding	(62,613)	601	(62,011)	(1,559)	(63,570)	(1,323)	(64,893)	(1,298)	(66,191)	(1,324)	(67,515)
Business Rates Retained Income	(20,921)	(13,906)	(34,827)	(663)	(35,490)	(675)	(36,165)	(723)	(36,888)	(738)	(37,626)
Business Rates Section 31	(26,013)	26,013	0	0	0	0	0	0	0	0	0
Business Rates - 8 Authority Pool	(2,000)	2,000	0	0	0	0	0	0	0	0	0
Total (Main Funding)	**(281,255)**	**(58,675)**	**(339,930)**	**(24,999)**	**(364,929)**	**(13,395)**	**(378,325)**	**(14,194)**	**(392,519)**	**(9,605)**	**(402,124)**
New Homes Bonus	(309)	309	(0)	0	(0)	0	(0)	0	(0)	0	(0)
Other External Grants	(9,614)	(3,482)	(13,096)	2,704	(10,392)	(1,334)	(11,725)	200	(11,525)	0	(11,525)
Total (Core/Other External Grants)	**(9,923)**	**(3,174)**	**(13,096)**	**2,704**	**(10,392)**	**(1,334)**	**(11,725)**	**200**	**(11,525)**	**-**	**(11,525)**
Total Funding	**(291,178)**	**(61,849)**	**(353,027)**	**(22,295)**	**(375,321)**	**(14,729)**	**(390,050)**	**(13,994)**	**(404,044)**	**(9,605)**	**(413,649)**

Forecast EFS Requirement to balance the budget

Revised Budget Gap	**-**	**(47,279)**	**(47,279)**	**(29,591)**	**(76,871)**	**(57,917)**	**(134,787)**	**(78,228)**	**(213,015)**	**(73,368)**	**(286,383)**
Ongoing 25/26 EFS Requirement	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**	**-**	**(37,020)**
Forecast EFS requirement/Budget Gap	**(37,020)**	**(47,279)**	**(84,299)**	**(29,591)**	**(113,891)**	**(57,917)**	**(171,807)**	**(78,228)**	**(250,035)**	**(73,368)**	**(323,403)**

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Annex 3

Haringey Council – Reserves Policy

Background

1. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
2. CIPFA issued Local Authority Accounting Panel (LAAP) Bulletin No.55, Guidance Note on Local Authority Reserves and Balances and Bulletin 13 (Local Authority Reserves and Balances). Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.
3. This note sets out the Council's policy for compliance with the statutory regime and relevant non-statutory guidance.

Overview

1. The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management.
2. The Council will maintain:
    - a General Fund general reserve;
    - a Housing Revenue Account (HRA) general reserve; and
    - a number of earmarked reserves.
3. Additionally, the Council is required to maintain ***unusable*** reserves to comply with accounting requirements although, as the term suggests, these reserves are not available to fund expenditure.

General Fund general reserve

4. The purpose of the general reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should mitigate against immediate service reductions if there were any unforeseen financial impacts.
5. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. The level of the reserve will be a matter of

judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves. The level will be expressed as a cash sum over the period of the general fund medium-term financial strategy. The level will also be expressed as a percentage of the general funding requirement (to provide an indication of financial context). The balance for 1 April 2026 is £15.2m,

HRA general reserve

The purpose of the HRA general reserve is similar to the General Fund general reserve above except applied to the ring-fenced HRA. The financial plan previously had a target to deliver an ongoing £8m minimum annual surplus however, this has become increasingly difficult to sustain due to the level of planned investment in existing stock and new build programmes that is required. However, the plan does achieve a positive revenue contribution to capital outlay (RCCO) for each year in the medium term while the HRA minimum reserve balance of £20m provides an appropriate level of financial cover, in recognition of the risks such as changes in government policies, operational factors and those associated with an extensive development programme.

Earmarked reserves

6. The purpose of earmarked reserves is to enable sums to be set aside for specific purposes or in respect of potential or contingent liabilities where the creation of a provision is not required or permitted.

7. Reserves fall into two categories – uncommitted reserves allocated to manage risks and uncertainties in respect of both expenditure and income and other reserves which are deemed as committed.

8. The Council will maintain the following earmarked reserves. **Risks and Uncertainties:**

a) **Labour Market Growth Resilience Reserve -** It is beneficial for the Council to support people into work, and this reserve will support activities which achieve that aim.

b) **Budget Planning Reserve –** This reserve is a key tool for managing the impact of financial plans from one year to another. This reserve requires balances to be at different levels year to year depending on the demand as identified through previous and current budget plans. It can also be used to support delivery of agreed savings.

c) **Collection Fund Smoothing Reserve** – As local tax revenue has become a more significant source of income for the authority over recent years, this reserve is a vital tool to smooth funding streams across the MTFS period. It will also be used to manage the profiling of when Section 31 grants and any surplus/deficits on the Collection Fund hit the Council's General Fund.

Contracts and Commitments:

d) **Schools Reserve -** This balance represents the net balances held by the Council's 61 schools. The Secretary of State for Education allows Local Authorities to have within their Scheme for Financing Schools, a provision whereby surplus balances that are deemed excessive can be withdrawn from the school in question and applied elsewhere within the Dedicated Schools Budget.

e) **Services Reserve -** It is Council policy that services may request funds to be carried forward, subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained.

f) PFI lifecycle Reserve - The PFI reserve is ringfenced for using to fund future years' capital investment associated with PFI arrangements. The PFI arrangement ceased during 2025/26 although some outstanding commitments remain.

g) **Debt Repayment Reserve** - this reserve represents funds the Council has set aside for debt related costs including the potential repayment of debt and for funding of future capital expenditure. It is planned to be fully drawn down during 2025/26 to offset in year borrowing costs.

h) **Insurance Reserve -** The Council self-insures a number of risks including liability, property and theft. Insurance claims are erratic in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account in the same way as a premium to an external insurance provider would smooth charges to the revenue account.

i) **Unspent Grants Reserve -** This reserve holds grant income recognised in the Comprehensive Income & Expenditure Statement (CIES) when received, but which will finance related expenditure in future years. These come with conditions setting out how the funding must be used.

j) **Public Health Reserve -** This reserve was created during 2025/26 to hold any unspent Public Health grant not fully utilised in year which can be accessed in future years to manage any unexpected public health spending required. It was previously held within the Services reserve.

<u>Management and control</u>

9. The schools reserve and the insurance reserve are clearly defined and require no further authority for the financing of relevant expenditure.

10. The use of all other reserves requires budgetary approval in the normal way.

11. All reserves are reviewed as part of the budget preparation, financial management and closing processes.

Reporting and review

12. The regular Finance Update reports presented to Cabinet throughout each financial year will include relevant information on the reserve position.

13. The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process and the five year forecast position from 1 April 2026 is set out in Table 12 of Annex 1. The report will contain estimates of reserves where necessary. The Audit Committee will consider actual reserves when approving the statement of accounts each year.

14. The Council will review the reserves policy on an annual basis.

Annex 4

The Formal Budget Resolution

The Council is recommended to resolve, in accordance with the Local Government Finance Act 1992 (the 'Act'), as amended by the Localism Act 2011, as follows:

1) It is noted that on 14 January 2026 the Corporate Director of Finance and Resources (Section 151 Officer), after consultation with the Cabinet Member for Finance and Corporate Services, calculated the 2026/27 Council Tax Base for the whole Council area as **80,924**.

2) The Council Tax Requirement for the Council's own purposes for 2026/27 is calculated as **£145,951,130.40**

3) That the following amounts be calculated for the year 2026/27 in accordance with Sections 31 to 36 of the Act:

   a) **£ 942,767,341.35** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;

   b) **£796,816,210.95** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;

   c) **£145,951,130.40** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year;

   d) **£1,803.56** being the Council Tax Requirement at 3(c) above, divided by the Council Tax Base at 1, above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;

4) To note that the Greater London Authority has issued a precept to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area as indicated in the table below.

5) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2026/27 for each part of its area and for each of the categories of dwellings.

Haringey

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1202.37	1402.77	1603.16	1803.56	2204.35	2605.14	3005.93	3607.12

GLA

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
340.34	397.06	453.79	510.51	623.96	737.40	850.85	1021.02

Total

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1542.71	1799.83	2056.95	2314.07	2828.31	3342.54	3856.78	4628.14

6) Pursuant to Section 52ZB of the Act and the principles determined by the Secretary of State to apply to local authorities in England in 2026/27 as set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2026/27, it is determined that the Council's relevant basic amount of Council Tax for the year is not excessive.

London Borough of Haringey
Treasury Management Strategy Statement 2026/27

1. Introduction

1.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risks are therefore central to the Council's prudent financial management.

1.2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

2. External Context – provided by the Council's appointed treasury advisor, Arlingclose

Economic background

2.1. The impact on the UK from the government's Autumn Budget is likely to be one of the major influences on the Authority's treasury management strategy for 2026/27. Other influences will include lower short-term interest rates alongside higher medium- and longer-term rates, modest economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and ongoing geopolitical issues.

2.2. The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage.

2.3. Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The most recent Monetary Policy Report (November) projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending. The view of modest economic growth going forward was echoed by the Office for Budget Responsibility in its Economic and fiscal outlook published in line with the Autumn Statement which revised down its estimate of annual real GDP to around 1.5% on average between 2025 and 2030.

2.4. CPI inflation was 3.2% in November 2025, down from 3.6% in the previous month and below the 3.5% expected. Core CPI eased to 3.2% from 3.4%, contrary to forecasts of remaining at 3.6%. Looking forward, the MPC continues to expect inflation to fall to around 3% in calendar Q1 2026, before steadily returning to the 2% target by late 2026 or early 2027.

2.5. The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to October 2025, the unemployment rate increased to 5.1%, higher than the level previously expected by the BoE, while the employment rate slipped to 74.9%. Pay growth for the same period eased modestly, with total earnings (including bonuses) growth at 4.7% and while regular pay was 4.6%.

2.6. The US Federal Reserve also continued to cut rates, including reducing the target range for the Federal Funds Rate by 0.25% at its December 2025 meeting, to 3.50%-3.75%, in line with expectations. The minutes of the meeting noted that most Fed policymakers judged that further rate cuts would be likely in 2026 if inflation continues to ease, however they were still divided in their assessment of the risks between inflation and unemployment.

2.7. The European Central Bank (ECB) kept its key interest rates unchanged in December for a fourth consecutive meeting, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB maintained that future policy decisions will remain data-dependent, that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions

Credit outlook

2.8. Credit outlook: Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly during October and November, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.

2.9. While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the authority's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

Interest rate forecast (18th December 2025)

2.10. Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following The Autumn Budget and an assessment of the fiscal measures and their market implications, and following the BoE MPC meeting held on 18th December.

2.11. Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

2.12. A more detailed economic and interest rate forecast provided by Arlingclose is included in this document as Annex A.

2.13. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3.5%, and that new long-term loans will be borrowed at an average rate of 5%.

3. Local Context

Capital Expenditure and Financing

The Council's capital plans and Exceptional Financial Support are the main factors driving its borrowing requirements. These plans are set out in the Council's Capital Strategy for 2026–2036 and the Capital Programme 2026-2031, which forms part of the main budget report and has been taken into account in preparing this report. Table 1 below summarises the Council's planned capital expenditure, including both previously approved schemes and those proposed for approval as part of the 2026/27 Budget and Medium-Term Financial Strategy (MTFS).

Table 1: Capital Expenditure

	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	£m
General Fund Account (GF)	80	143	204	139	63	46	9
Housing Revenue Account (HRA)	160	282	376	525	460	415	311
Exceptional Financial Support (EFS)	10	54	84	100	100	100	100
Total	**250**	**479**	**664**	**765**	**623**	**561**	**420**

3.1 Regulatory and professional guidance requires that elected members understand the scale and nature of any commercial activity in the context of the Council's overall financial position. The capital expenditure figures in Table 1 confirms that no such commercial activity is included in the future programme.

3.2 The programme excludes other long-term liabilities—such as Private Finance Initiative (PFI) commitments and leasing arrangements—which already incorporate borrowing instruments.

3.3 Subject to approval by the MHCLG, the Exceptional Financial Support (EFS) arrangements (see Sections 3.19–3.24) will permit certain revenue expenditure items (day to day running costs) to be treated as capital and funded by Capital Receipts and borrowing.

3.4 Table 2 sets out the proposed funding for the capital programme covering 2026/27 to 2030/31. Any shortfall in available resources will create a borrowing requirement.

Table 2: Capital Financing

	31.3.25	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Actual	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m	£m
General Fund							
Borrowing	46.0	108	131	43	25	18	9
Borrowing - EFS	10.0	54	84	100	100	100	100
Borrowing - Self-Funding (see para 8.3)	2.8	0	0	0	0	0	0
Capital Receipts	0.0	0	0	0	0	0	0
Capital Grants from Central Government Departments	13.9	17	22	16	8	7	0
Capital Funding from GLA ,TfL & Other LA's	9.6	5	7	27	27	19	0
Revenue Contribution to Capital Outlay (RCCO)	0.3	0	1	4	1	1	0
Usable Capital Reserves	0.8	2	0	0	0	0	0
Land appropriation	0.0	0	0	2	0	0	0
Community Infrastructure Levy	2.9	6	2	2	2	2	0
Grants & Contribs from Non-departmental Public Bodies	0.0	3	0	4	0	0	0
S106/Developer Contributions	3.5	0	40	40	0	0	0
TOTAL GENERAL FUND (GF) FINANCING	**89.9**	**197**	**288**	**239**	**163**	**146**	**109**
Housing Revenue Account (HRA)							
Capital Grants	20.9	146	229	90	91	73	45
Major Repairs Reserve	22.6	23	25	26	28	30	31
Revenue contributions	4.4	0	0	5	2	1	1
RTB Capital Receipts	9.8	11	10	8	8	5	5
Leaseholder Contributions to Major Works	8.3	7	7	7	7	8	7
Other Subsidy	0.0	0	17	11	18	22	24
Market Sales Receipts	4.7	0	7	0	0	7	0
Borrowing	89.5	95	81	378	306	269	198
TOTAL HRA FINANCING	**160.1**	**282**	**376**	**525**	**460**	**415**	**311**
TOTAL CAPITAL FINANCING	**250.0**	**479**	**664**	**765**	**623**	**561**	**420**

3.5 The Council's Capital Strategy and programme are subject to rigorous scrutiny and challenge to ensure that all capital plans are both affordable and prudent. While Table 1 illustrates the five-year impact of the capital programme, each scheme is assessed in its entirety, recognising that some projects extend beyond a five-year timeframe. The Capital Delivery Framework, included in Section 10 of the Capital

Strategy for 2026–2036, outlines a structured lifecycle for the development and delivery of capital projects and programmes—from initial business case formulation through to implementation and closure. It incorporates HM Treasury's Green Book Five Case Model across a Gateway process and assess project deliverability. The framework also embeds CIPFA principles to ensure that all investment decisions are strategically aligned, financially sustainable, and focused on delivering measurable outcomes.

3.6 On 31 December 2025, the Council held £1,141.9m of borrowing and £73.0m of treasury investments. This is set out further in detail at Annex B. Forecast changes in these sums are shown in the balance sheet analysis in Table 3 below.

Table 3: Balance Sheet Summary and Forecast (Capital Financing Requirement)

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
General Fund CFR	782	853	956	975	976	971	956
EFS CFR	10	64	150	255	363	474	587
HRA CFR	627	722	803	1,181	1,487	1,756	1,954
Total CFR	**1,419**	**1,640**	**1,909**	**2,411**	**2,826**	**3,200**	**3,497**
Less: Other debt liabilities*	-59	-34	-16	-12	-9	-7	-5
Loans CFR	**1,360**	**1,605**	**1,893**	**2,399**	**2,817**	**3,194**	**3,493**
Less: Balance sheet Resources (Internal borrowing)	-394	-387	-387	-390	-393	-396	-396
CFR Funded by External Borrowing	**966.5**	**1,217.8**	**1,505.5**	**2,009.0**	**2,424.0**	**2,797.2**	**3,096.3**
Breakdown of External Borrowing:							
Existing borrowing**	981.3	1,115	1,033	973	893	833	773
New borrowing to be raised		38	322	780	1,168	1,490	1,736
New Borrowing to be raised for EFS		64	150	255	363	474	587

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

3.7 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The Council's current approach is to keep borrowing and investments below their underlying levels—a practice commonly referred to as internal borrowing.

3.8 Under CIPFA's Prudential Code for Capital Finance in Local Authorities, the Council's total debt should remain below its highest forecast CFR over the next three years. As shown in Table 3, the Council expects to remain compliant with this recommendation throughout the Medium-Term Financial Strategy (MTFS) period.

3.9 The Council's capital expenditure outlined in Table 1, shows a total expenditure of £664m, with a borrowing requirement of £296m (Table 2) required to finance the Council's core capital programme plan and EFS in 2026/27. There is a revenue impact of the recommended borrowing strategy referred to as Capital Financing Costs, covering both interest costs and the Minimum Revenue Provision (MRP). The Minimum Revenue Provision (MRP) is when the Council has to make an annual contribution from revenue and is required to ensure that the Council pays down debt in a prudent manner. Annex C sets out the Council's MRP statement for 2026/27. The es timated MRP over the MTFS period is set out in Table 4:

Table 4: Estimated MRP 2025/26 to 2030/31
/;

	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
General Fund MRP	16	17	19	20	20	21
EFS MRP	0.3	2	5	8	11	14
PFI/Leases	21	17	4	4	3	3
Total MRP	**37**	**36**	**29**	**32**	**34**	**38**

3.10 The Council's underlying need to borrow to finance its capital programme is measured by the capital financing requirement (CFR). This increases when new debt financed capital expenditure is incurred and reduces when MRP is made. Table 3 (above) shows the estimated CFR over the MTFS period.

Loans to third parties

3.11 Within the proposed 2026/27 capital programme there is a loan to Alexander Palace & Park Charitable Trust for the refurbishment of the Panaroma Room of £3.5m. In addition, there will be a loan to Alexander Palace & Park Charitable Trust for the purchase of a new lighting grid (the Motherlode) for £1.5m. These loans are crucial to maintain the attractiveness of the Trust as an events venue and their financial sustainability.

3.12 Should the Council wish to make loans to other third parties it would only do so if the business case is approved. Such loans will only be considered when all of the criteria are satisfied:

3.13 The loan is towards expenditure which would, if incurred by the Council, be capital expenditure;

- The purposes for which the loan is given is consistent with the Council's priorities in the Corporate Delivery Plan;
- Due diligence is carried out that confirms the Council can legally make the loan and there is a clear assessment of the risk of loss over the loan term;
- A formal loan agreement is put in place which stipulates the loan amount, period, repayment terms and loan rate - this will be set at a level that seeks to mitigate any perceived risks of loan loss and takes appropriate account of any regulatory requirements relating subsidy.

Reporting Requirements

3.13 In line with CIPFA's current *Treasury Management Code* and *Prudential Code* (20 December 2021), the Council receives and approves the following reports, which incorporate a range of strategies, policies, and both estimated and actual figures:

- **Quarterly Treasury Management Update Reports** – including the Mid-Year Update, which provides progress updates on the capital position, revises Prudential Indicators where necessary, and advises whether any policy changes are required.
- **Annual Treasury Management Report** – a retrospective review detailing actual prudential, capital, and treasury management indicators, and comparing actual treasury operations against original estimates.
- **Treasury Management Strategy** – setting out prudential capital and treasury management indicators alongside the Council's treasury strategy (this report).

3.14 The Council adheres to these Codes of Practice and reporting requirements when it prepares the Treasury Management Strategy Statement and related reports during the financial year, reporting to Audit Committee, Overview and Scrutiny Committee, Cabinet and Full Council as required during the reporting cycle.

Training

3.15 The Treasury Management Code requires that a designated Council officer (the "responsible officer") ensures members with treasury management responsibilities receive appropriate and sufficient training. This requirement is particularly important for members involved in scrutiny. In addition, the Code stipulates that all organisations must maintain a formal and comprehensive knowledge and skills framework or training policy. This policy should support the effective acquisition and retention of treasury management expertise for all individuals involved in management, delivery, governance, and decision-making.

3.16 Training is provided to all Members involved in monitoring treasury management performance. Members of the Overview and Scrutiny Committee and the Audit Committee receive dedicated Treasury Management training to support their annual review, scrutiny, and approval of the Treasury Management Strategy Statement as part of the budget planning process. The Council will regularly assess whether both treasury management staff and Members possess the necessary knowledge and skills to fulfil their roles and will ensure these competencies are maintained and kept up to date.

Treasury management advisors

3.17 The Council recognises the benefits of engaging external providers of treasury management services to access specialist expertise and resources. Haringey currently retains the services of **Arlingclose Ltd**, which provides comprehensive advice and support across a wide range of areas, including

- Strategy development and implementation
- Regulatory compliance and reporting
- Investment guidance and counterparty credit assessments
- Economic outlook and financial market analysis
- Interest rate forecasting
- Debt management and funding options
- Training for Members and officers
- Technical accounting support

3.18 Treasury management decisions remain the responsibility of the Council and are informed, though not solely determined, by the latest advice from external advisors. The Council will continue to ensure that

it does not place undue reliance on the services of its treasury advisors, maintaining independent judgment and accountability in all decision-making.

Exceptional Financial Support

3.19 The Council's financial position is challenging. Efforts to reduce costs, deliver existing savings over the MTFS period and identify additional savings continues however as part of budget planning, and in line with the latest update on the Medium Term Financial Position presented to Cabinet in November, an application to the Ministry for Housing, Communities and Local Government for Exceptional Financial Support (EFS) for 2026/27 will be required to ensure that in line with statutory duties, a legally balanced budget can be set.

3.20 If approved for 2026/27, this will enable the Council—through Government agreement—to capitalise a portion of its day-to-day running costs. In practice, this means the Council has permission to either borrow or use capital receipts from asset sales to fund revenue expenditure.

3.21 Borrowing these amounts may be required if it represents better value than applying capital receipts. The associated borrowing costs have been incorporated into the Treasury Management budget from 2026/27 onwards.

An update on the 2026/27 Provisional Local Government Finance Settlement will be presented to Overview and Scrutiny Committee on 19 January 2026 and will be incorporated into the draft 2026/27 budget that is presented to Cabinet on 10 February 2026. For planning purposes, this draft TMSS has been prepared on the basis that up to £100m of EFS may be required and through a capitalisation directive, that allows borrowing for some day to day services. The outcome of the Council's application will not be known until February 2026 after the final Local Government Finance Settlement 2026/27 is published. The expectation is that any EFS required to balance the budget will be minimised.

3.22 This draft TMSS will be updated to reflect the final EFS requirement with the final TMSS presented to Full Council on 2 March 2026 for approval. Full details will also be set out in the Chief Finance Officer's Section 25 Statement of the 2026/27 Budget and Medium-Term Financial Strategy report to Cabinet on 10 February 2026.

3.23 Support through EFS is not a long term sustainable financial strategy and work will continue through 2026/27 to reduce the amount of EFS in future years.

3.24 Taking into account the proposed capital programme and the EFS requirement, the Council's Capital Financing Requirement (CFR) is projected to increase, while treasury investments remain minimal. Consequently, there is an anticipated new borrowing requirement of up to £2,221m over the forecast period 2026/27 to 2030/31 (see Table 3). Table 5 provides a breakdown of the forecast borrowing position at each financial year-end, covering both the General Fund and the Housing Revenue Account (HRA) capital programmes.

Table 5: Year-end Borrowing Position Summary

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
General Fund borrowing	459.8	588	613	729	821	881	926
EFS borrowing	10.0	64	150	255	363	474	587
HRA borrowing	511.4	566	742	1,025	1,240	1,442	1,583
Total borrowing	**981.3**	**1,218**	**1,505**	**2,009**	**2,424**	**2,797**	**3,096**

Liability Benchmark

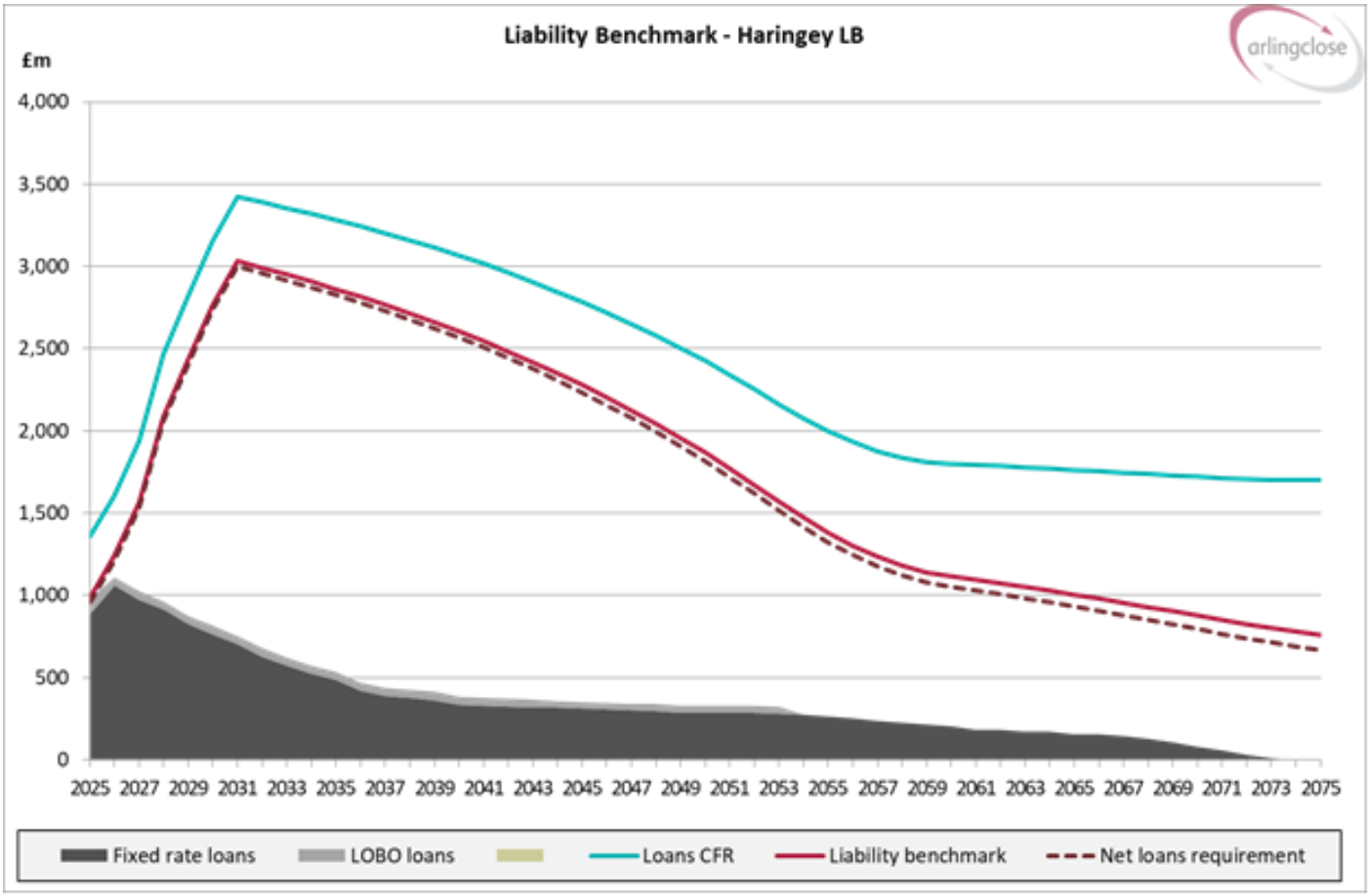
3.25 The liability benchmark has been calculated to compare the Council's actual borrowing position against an alternative low-risk strategy. This benchmark represents the optimal borrowing level that minimises risk. It assumes the same borrowing forecasts as shown in Table 3, but that cash and investment balances are kept to a minimum of £30 million at each year-end. This will drive best practice and to ensure liquidity while reducing credit risk.

3.26 The liability benchmark is a key tool for determining whether the Council is likely to be a long-term borrower or a long-term investor. This insight is critical for shaping the Council's strategic focus and decision-making. The benchmark itself represents an estimate of the cumulative external borrowing required to fund the Council's current capital and revenue plans, while maintaining treasury investments at the minimum level necessary to manage day-to-day cash flow.

Table 6: Prudential Indicator – Liability Benchmark

	31.3.25 Actual £m	31.3.26 Estimate £m	31.3.27 Forecast £m	31.3.28 Forecast £m	31.3.29 Forecast £m	31.3.30 Forecast £m	31.3.31 Forecast £m
Loans CFR	1,360.4	1,605	1,893	2,399	2,817	3,194	3,493
Less: Balance Sheet resources	-394	-387	-387	-390	-393	-396	-396
Net loans requirement	**966.5**	**1,218**	**1,505**	**2,009**	**2,424**	**2,797**	**3,096**
Plus: Liquidity allowance	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Liability Benchmark	**996**	**1,248**	**1,535**	**2,039**	**2,454**	**2,827**	**3,126**

3.27 The long-term liability benchmark assumes the same capital expenditure funded by borrowing as reflected in the CFR, with Minimum Revenue Provision (MRP) on new capital expenditure has an average 28-year asset life. However, each group of assets is calculated separately and the asset life ranges from 7-50. It also assumes income, expenditure, and reserves increase annually. The chart below illustrates this benchmark alongside the maturity profile of the Council's existing borrowing.



4 Borrowing Strategy

4.1 As at 31 December 2025, the Council held £1,141.9m in loans as part of its strategy to fund previous years' capital programmes. The balance sheet forecast in Table 3 indicates that the Council expects to increase its borrowing by up to £472m by the end of 2026/27 (1st Jan 2026 – 31st Mar 2027). In addition, the Council may borrow further sums to pre-fund future borrowing requirements, provided this remains within the authorised borrowing limit set out in the Capital Strategy and would be financially beneficial.

4.2 Borrowing can take the form of internal or external borrowing. Internal borrowing is a temporary measure where the Council uses its own cash reserves—held for other purposes—to defer the need for external borrowing. If these cash balances were not used for internal borrowing, they would instead be invested in accordance with the Treasury Management Strategy, generating a return for the Council. When deciding whether to use cash balances rather than external borrowing, there needs to be consideration of the cost of borrowing against the level of lost investment return.

Objectives

4.3 The Council's primary objective when borrowing is to achieve an appropriately low-risk balance between securing low interest costs and ensuring certainty of those costs over the period funds are required. Maintaining flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy

4.4 The Council's borrowing strategy continues to prioritise affordability without compromising the long-term stability of its debt portfolio. The scale of the capital programme and the need to diversify the debt portfolio to minimise refinancing risk means that some long-term borrowing will be required during

2026/27. Accordingly, the Council's strategy is to meet its borrowing requirement during the financial year through a balanced mix of short-term and long-term borrowing.

4.5 The Council aims to maintain a balance between short-term borrowing—offering the potential to refinance at a lower cost if interest rates fall—and long-term fixed-rate debt, which provides certainty and protection should interest rates rise.

4.6 In recent years, the Council has sourced all its long-term borrowing from the Public Works Loan Board (PWLB). However, it will continue to explore alternative sources, including banks, pension funds, and other local authorities, and may consider issuing bonds or similar instruments to reduce interest costs and avoid over-reliance on a single funding source, in line with the CIPFA Code.

4.7 The Council has faced challenges in securing borrowing from other sources due to being perceived as higher risk compared to other authorities. PWLB loans remain available provided local authorities do not engage in purchasing investment assets primarily for yield. The Council has not undertaken such activity in the past and does not intend to and therefore retain access to PWLB funding.

4.8 The Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

4.9 In addition, the Council may utilise short-term borrowing to manage unexpected cash flow shortfalls.

4.10 The Council's Medium-Term Financial Strategy includes provision for a Capitalisation Direction from Government. If approved, this would allow the Council to either borrow or use capital receipts from asset sales to fund day-to-day expenditure. It is for the Council to determine at year-end which capital resources—such as capital receipts or borrowing—will be allocated for this purpose. It is assumed in the TMSS that borrowing will be at PWLB rates included in Appendix A and MRP will be required using the asset life method with a proxy 'asset life' of 20 years.

Sources of Borrowing

4.11 The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- UK Infrastructure Bank Ltd
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Haringey Pension Fund and the London Collective Investment Vehicle)
- capital market bond investors
- retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other Sources of Debt Finance

4.12 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire Purchase
- Private Finance Initiative
- Sale and Lease Back

- Similar asset based finance

Municipal Bonds Agency

4.13 The UK Municipal Bonds Agency, established in 2014 by the Local Government Association, provides an alternative to the PWLB by issuing bonds on the capital markets and lending the proceeds to local authorities. This source of finance is more complex than PWLB borrowing for two reasons:

- Borrowing authorities must provide bond investors with a guarantee to repay their investment if the Agency is unable to do so.
- There is a lead time of several months between committing to borrow and confirming the interest rate payable.

4.14 There are currently no plans to borrow from the Municipal Bonds Agency during 2026/27. Any future decision to do so will be subject to a separate report to the Audit Committee.

LOBOs

4.15 The Council currently holds £50 million in LOBO (Lender's Option Borrower's Option) loans. The next option date on these loans is not until 2027/28 under which the lender can propose an interest rate increase at specified dates. Following such a proposal, the Council has the option to either accept the new rate or repay the loan at no additional cost. Given that interest rates remain elevated, there is a reasonable possibility that lenders may seek to exercise their options. If this occurs, the Council intends to repay the LOBO loans to mitigate refinancing risk in future years.

4.16 When loans are repaid prematurely, a premium is typically payable to the lender to compensate for interest forgone at the contractual rate when prevailing market rates are lower. If early repayment was considered, to refinance LOBOs, the Council would need to borrow both the original principal and the premium payable. However, this approach can be advantageous where interest savings over the life of the replacement loan exceed the premium costs. Replacing LOBOs that include a lender option to increase rates with fixed-rate debt would also reduce refinancing and interest rate risk.

4.17 Any decision to repay a LOBO loan will be made by the Section 151 Officer in consultation with the Lead Cabinet Member for Finance and Corporate Services, in accordance with Haringey's Constitution.

Short-term and Variable Rate Loans

4.18 These loans expose the Council to potential increases in short-term interest rates. To manage this risk, they are governed by the interest rate exposure limits set out in the treasury management indicators in this report. Where appropriate, the Council may use financial derivatives to reduce volatility and provide greater certainty over borrowing costs.

Debt Rescheduling

4.19 The Public Works Loan Board (PWLB) permits authorities to repay loans before their maturity date, applying either a premium or a discount based on a formula linked to current interest rates. Other lenders may also agree to negotiate early redemption terms. The Council may take advantage of these opportunities to replace existing loans with new ones or to repay loans without replacement, where this is expected to deliver overall cost savings or reduce financial risk. In the current interest rate environment, more favourable debt rescheduling options could emerge compared to previous years.

Borrowing Limits

4.20 The Council's total borrowing limits are set out in Table 6 below.

4.21 The **Authorised Limit** represents the statutory maximum level of external borrowing, calculated on a gross basis (i.e., without offsetting investments), as required under Section 3(1) of the Local Government Act 2003. This limit, referred to in legislation as the Affordable Limit, is set to include borrowing and other long-term liabilities such as finance leases, which are identified separately. It is based on a prudent estimate of the most likely scenario, with additional headroom to accommodate unexpected cash flow movements without breaching the statutory limit.

4.22 The **Operational Boundary** is directly linked to the Council's estimates of the Capital Financing Requirement (CFR) and anticipated cash flow needs. It is calculated using the same prudent assumptions as the Authorised Limit, reflecting the most likely scenario rather than the worst case. However, unlike the Authorised Limit, it does not include additional headroom for unexpected cash movements. Both the Operational Boundary and the Authorised Limit apply at the overall total level.

4.23 The Chief Finance Officer has delegated authority, within the overall limit for any given year, to adjust the separately agreed limits for borrowing and other long-term liabilities. Such decisions will be informed by financial option appraisals and best value considerations. Any changes between these limits will be reported to Audit Committee.

Table 7: Borrowing Limits

	2025/26 Limit £m	2026/27 Limit £m	2027/28 Limit £m	2028/29 Limit £m	2029/30 Limit £m	2030/31 Limit £m
Authorised limit - borrowing	1,410	1,641	1,931	2,584	3,043	3,704
Authorised limit - PFI & Leases	66	56	49	43	36	29
Authorised limit - total external debt	**1,476**	**1,697**	**1,980**	**2,627**	**3,079**	**3,733**
Operational boundary - borrowing	1,360	1,591	1,881	2,384	2,793	3,154
Operational boundary - PFI & Leases	60	51	45	39	33	26
Operational boundary - total external debt	**1,420**	**1,642**	**1,926**	**2,423**	**2,826**	**3,180**

Table 8: Ratio of General Fund Gross Financing Costs to Net Revenue Stream

	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
General Fund						
MRP	37.4	36.0	28.7	31.5	33.7	37.8
Interest	20	26	31	36	40	42
Total Financing Costs	**57.8**	**61.8**	**59.9**	**67.7**	**73.4**	**79.8**
Net Revenue Stream	**291**	**348**	**370**	**385**	**399**	**408**
Financing Cost to NRS	**20%**	**18%**	**16%**	**18%**	**18%**	**19%**

Table 9: Ratio of Gross Financing Costs to HRA rents

	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
Housing Revenue Account						
Interest	20	30	45	56	66	74
Dwellings Rent	104	130	140	150	162	173
Financing Cost to NRS	**20%**	**23%**	**32%**	**38%**	**41%**	**43%**

4.24 In October 2025, Cabinet approved the development and incorporation of a Limited Liability Partnership to support the purchase and lease of residential accommodation and the initiation of a market exercise to access to long term institutional finance. If Cabinet take a decision to proceed, the Council may fund the initial acquisition and renovation costs prior to the Council leasing the properties to the Haringey Limited Liability Partnership (HLLP). The Council will recoup both the acquisition, renovation costs (and the carry costs) through the premium that it will receive at the point of entering the lease with the HLLP but there could be short term borrowing required.

5 Treasury Investment Strategy

5.1 The treasury investment strategy is unchanged from that set out in the approved 2025/26 TMSS. The Council holds invested funds consisting of income received in advance of expenditure, together with balances and reserves. Treasury investment balances are expected to be at similar levels in the coming year as they have been in 2025/26.

Objectives

5.2 In accordance with the CIPFA Code, the Council is required to invest its treasury funds prudently, prioritising the security and liquidity of investments before seeking the highest possible return. The Council's objective is to maintain an appropriate balance between risk and return, minimising the risk of loss from defaults while avoiding unduly low investment income. For funds expected to be invested for more than one year, the Council aims to achieve a total return at least equal to the prevailing rate of inflation, thereby preserving the spending power of the invested sum. In addition, the Council is committed to being a responsible investor and will take environmental, social, and governance (ESG) factors into account when making investment decisions (see Section 5.4).

Strategy

5.3 As indicated by the liability benchmark, the Council expects to remain a long-term borrower. Consequently, new treasury investments will primarily be made to manage day-to-day cash flows using short-term, low-risk instruments. The Council will continue its policy of utilising highly creditworthy and highly liquid investments, such as deposits with the Debt Management Office (DMO), AAA-rated money market funds, and other entities on the Council's approved counterparty list.

ESG policy

5.4 Environmental, social, and governance (ESG) factors are increasingly influencing global investment decisions. When selecting banks and funds, the Council will prioritise institutions that are signatories to the UN Principles for Responsible Banking and funds managed by organisations that adhere to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance, and/or the UK Stewardship Code.

Business Models

5.5 Under IFRS 9, the accounting treatment for certain investments depends on the Council's "business model" for managing them. The Council's approach is to derive value from its treasury investments by collecting contractual cash flows. Therefore, where the other qualifying criteria are met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

5.6 The Council may invest its surplus funds with any of the counterparty types in Table 10, subject to the limits shown.

Table 10: Treasury Investment Counterparties and Limits

Sector	Time Limit	Counter-party Limit	Sector Limit
The UK Government	50 years	Unlimited	n/a
Money Market Funds	n/a	£10m	Unlimited
Local authorities & other government entities	25 years	£5m	Unlimited
Banks (secured)*	2 years	£5m	Unlimited
Banks (unsecured)*	13 months	£5m	Unlimited
Building societies (unsecured)*	13 months	£5m	£20m
Registered providers (unsecured)*	5 years	£5m	£20m
Strategic Pooled Funds	n/a	£5m	Unlimited
Real Estate Investment Trusts	n/a	£5m	Unlimited

Minimum Credit Rating

5.7 Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is at least A–. Where available, the credit rating specific to the investment or investment class will be used; otherwise, the counterparty's credit rating will apply. However, investment decisions are never based solely on credit ratings—other relevant factors, including external advice, will always be considered.

Government

5.8 The Council may invest in loans, bonds, and bills issued or guaranteed by national governments, regional and local authorities, and multilateral development banks. These investments are not subject to bail-in and generally carry a lower risk of insolvency, though they are not entirely risk-free. Investments with the UK Government are considered to have zero credit risk due to its ability to create additional currency and may therefore be made in unlimited amounts for terms of up to 50 years.

Bank Secured Investments

5.9 Bank secured investments are backed by the borrower's assets, which helps limit potential losses in the event of insolvency. The amount and quality of this security will be a key consideration in investment decisions. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where no specific credit rating exists for the investment, but the collateral has a rating, the higher of the collateral rating and the counterparty rating will be applied. The combined total of secured and unsecured investments with any single counterparty will not exceed the cash limit for secured investments.

Banks and Building Societies (unsecured)

5.10 The Council may invest in accounts, deposits, certificates of deposit, and senior unsecured bonds with banks and building societies, excluding multilateral development banks. These investments carry the risk of credit loss through bail-in if the regulator determines that the institution is failing or likely to fail. Arrangements relating to operational bank accounts are outlined below.

Registered Providers (unsecured)

5.11 The Council may invest in loans, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money Market Funds

5.12 Money market funds are pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over banks of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic Pooled Funds

5.13 Strategic pooled funds include bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Since these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real Estate Investment Trusts (REITs)

5.14 REITs are publicly traded companies that invest mainly in real estate and pay most of their rental income to investors in a similar manner to pooled property funds. As with pooled property funds, REITs offer enhanced returns over the longer term,but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational Bank Accounts

5.15 The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk Assessment and Credit Ratings

5.16 Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.17 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of

the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

5.18 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects

5.19 The Council acknowledges that investing with certain counterparties, although financially secure, may subject it to criticism, whether valid or not, that could impact its public reputation. This risk will be considered when making investment decisions.

5.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment Limits

5.21 The Council's revenue reserves available to cover investment losses are forecast to be £30 million on 31st March 2026 and £30 million on 31 March 2027. In order that no more than 100% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

5.22 Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 11: Additional Investment Limits

	Cash Limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£10m in total
Loans to unrated corporates	£10m in total
Money market funds*	£50m in total
Real Estate Investment Trusts	£10m in total

* These limits apply for both Haringey Council and Haringey Pension Fund, so the limit for Money Market Funds is £10m per MMF and £50m aggregate limit for the Council, and £50m for the Pension Fund.

Liquidity Management

5.23 The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

6 Treasury Management Prudential Indicators

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators which largely remain unchanged in 2026/27 TMSS from previous years.

Security

6.2 The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit Risk Indicator	Target
Portfolio average credit rating	Above A, score of 6 or lower

Liquidity

6.3 The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling 3-month period, without additional borrowing.

Liquidity Risk Indicator	Target
Total cash available within 3 months	£30m

Interest rate exposures

6.4 This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest Rate Risk Indicator	Target
Upper limit on one-year revenue impact of a 1% rise in interest rates	£2m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£2m

6.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates

Maturity structure of borrowing

6.6 This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing are shown on the following page:

Refinancing Rate Risk Indicator	Upper Limit	Lower Limit
Under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

6.7 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Total short-term borrowing

6.8 In recent years, the Council has used short term borrowing (under 1 year in duration) from other local authorities to meet short-term liquidity requirements. Short term borrowing can also be raised from other counterparties such as banks. This approach offers increased flexibility for cash flow management by the Council and can serve as an alternative to borrowing from PWLB over a longer term. More recently this source has proved to be more expensive form of borrowing and the amount of temporary borrowing undertaken has decreased.

6.9 Short-term borrowing exposes the Council to refinancing risk. This is the risk that interest rates may rise quickly over a short period of time, resulting in significantly higher rates when the loans mature. In such cases, there is a risk that the new replacement borrowing would need to be taken at higher interest rates compared to the maturing loans.

6.10 Bearing this in mind, the Council has set a limit on the total amount of short-term borrowing that has no associated protection against interest rate rises, as a proportion of all borrowing.

Short term borrowing	Target
Upper limit on short-term borrowing that exposes the Council to interest rate rises as a percentage of total borrowing	20%

Long-term treasury management investments

6.11 The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments are detailed below. This has been increased from £5m to £20m from 2026/27 to reflect the potential principal to be invested beyond year end.

Price Risk Indicator	2026/27	2027/28	2028/29
Limit on principal invested beyond year end	£20m	£20m	£20m

7 Related Matters

7.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives.

7.2 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

7.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

7.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk will be included to count against the counterparty credit limit and the relevant foreign country limit.

7.5 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Housing Revenue Account

7.6 On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Since then, new long-term loans borrowed are assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive

7.7 The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Corporate Director of Finance and Resources (S151 Officer) considers this to be the most appropriate status.

8 Financial Implications

8.1 The budget for investment income in 2026/27 is £1.05m based on an average investment portfolio of £30 million at an interest rate of 3.5%.

8.2 The budget for total debt interest paid in 2026/27 is detailed in Table 12 below for both the General Fund and HRA. If the actual levels of investments and borrowing, or the actual interest rates, differ from those forecasted, the performance against the budget will be correspondingly different. This will be reported through the quarterly Treasury Management report to Audit Committee and in the finance quarterly monitoring report to Cabinet.

8.3 As debt on the General Fund needs to be repaid, the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay its borrowing. This is known as the minimum revenue provision (MRP). In line with guidance, MRP does not need to be paid on HRA borrowing and the Council currently uses this flexibility. However given the level of borrowing this will remain under review each year. Table 12 sets out the revenue budgets in both the General Fund and HRA for both interest costs on borrowing and minimum revenue provision (MRP) charges. The concept of self-financing schemes and the assumed savings are no longer within the TMSS. The interest and MRP budgets reflect the costs of financing the scheme and associated savings are accounted for in the Council's service revenue budgets.

8.4 The Department for Levelling Up, Housing and Communities (DLUHC) now Ministry of Housing, Communities and Local Government (MHCLG), issued statutory guidance (updated 2018) on determining a prudent level of MRP. The Council's MRP Policy Statement for 2026/27 is included in Annex C.

Table 12: Revenue budget for interest costs and MRP

	31.3.26	31.3.27	31.3.28	31.3.29	31.3.30	31.3.31
	Estimate	Forecast	Forecast	Forecast	Forecast	Forecast
	£m	£m	£m	£m	£m	£m
General Fund MRP	16	17	19	20	20	21
EFS MRP	0.3	2	5	8	11	14
Total Loans MRP	**17**	**19**	**24**	**28**	**31**	**35**
General Fund Interest	20	26	31	36	40	42
EFS Interest	3	8	13	18	24	29
Total Capital Financing Costs	**40**	**53**	**68**	**82**	**95**	**107**
HRA Interest Costs	20	30	45	56	66	74
PFI/Lease MRP	**20.8**	**16.8**	**4.5**	**3.6**	**2.6**	**2.6**
Total Council Revenue Impact	**81**	**100**	**118**	**142**	**163**	**183**

9 Other Options Considered

9.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Corporate Director of Finance and Resources (S151 Officer), having consulted the Cabinet Member for Finance and Corporate Services, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are as follows.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Economic & Interest Rate Forecast – December 2025

Underlying assumptions:

- As expected, the Monetary Policy Committee (MPC) reduced Bank Rate at 3.75% in December, although, with a 6-3 voting split and obvious concerns about economic growth, presented a much more dovish stance than had been expected given recent inflationary data.

- The Budget measures remain a concern for policymakers, for both growth and inflation. Additional government spending will boost demand in a constrained supply environment, while pushing up direct costs for employers. The short to medium-term inflationary effects will promote caution amongst policymakers.

- UK GDP recovered well in H1 2024 from technical recession, but underlying growth has petered out as the year has progressed. While government spending should boost GDP growth in 2025, private sector activity appears to be waning, partly due to Budget measures.

- Private sector wage growth and services inflation remain elevated; wage growth picked up sharply in October. The increase in employers' NICs, minimum and public sector wage levels could have wide ranging impacts on private sector employment demand and costs, but the near-term impact will likely be inflationary as these additional costs get passed to consumers.

- CPI inflation rates have risen due to higher energy prices and less favourable base effects. The current CPI rate of 2.6% could rise further in Q1 2026. The Bank of England (BoE) estimates the CPI rate at 2.7% by year end 2025 and to remain over 2% target in 2026.

- The MPC re-emphasised that monetary policy will be eased gradually. Despite recent inflation-related data moving upwards or surprising to the upside, the minutes suggested a significant minority of policymakers are at least as worried about the flatlining UK economy.

- US government bond yields have risen following strong US data and uncertainty about the effects of Donald Trump's policies on the US economy, particularly in terms of inflation and monetary policy. The Federal Reserve pared back its expectations for rate cuts in light of these issues. Higher US yields are also pushing up UK gilt yields, a relationship that will be maintained unless monetary policy in the UK and US diverges.

Forecast:

- In line with our forecast, Bank Rate was cut to 3.75% in December.
- The MPC will reduce Bank Rate in a gradual manner. We see a rate cut in February 2026, followed by a cut alongside every Monetary Policy Report publication, to a low of 3.75%.
- Long-term gilt yields have risen to reflect both UK and US economic, monetary and fiscal policy expectations, and increases in bond supply. Volatility will remain elevated as the market digests incoming data for clues around the impact of policy changes.

- This uncertainty may also necessitate more frequent changes to our forecast than has been the case recently.

- The risks around the forecasts lie to the upside over the next 12 months but are broadly balanced in the medium term.

Interest Rate Forecast:

The table below shows the most recent interest rate forecast provided by Arlingclose.

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Central Case	3.90	3.80	3.75	3.80	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.94	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-1.00	-1.05	-1.10	-1.10	-1.10	-1.10
10yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.47	4.45	4.45	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-1.00	-1.05	-1.10	-1.10	-1.10	-1.10
20yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.13	5.10	5.10	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95
50yr gilt yield													
Upside risk	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.73	4.70	4.75	4.65	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Downside risk	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95

PWLB Standard Rate = Gilt yield + 1.00%
PWLB Certainty Rate = Gilt yield + 0.80%
PWLB HRA Rate = Gilt yield + 0.40%
National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Annex B – Existing Investment & Debt Portfolio Position - December 2025

	Actual portfolio £m	Average rate %
External borrowing:		
Public Works Loan Board	1,064.9	3.47%
LOBO loans from banks	50.0	4.75%
Local authorities	27.0	4.24%
Total external borrowing	**1,141.9**	**4.15%**
Treasury investments:		
The UK Government (DMADF)	23.0	3.70%
Money market funds	50.0	3.92%
Total treasury investments	**73.0**	**3.81%**

Annex C - Minimum Revenue Provision Statement 2026/27

Where the Authority funds capital expenditure with debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP but does not preclude the use of other appropriate methods, which is what this policy allows for.

The following statement incorporates options recommended in the Guidance, as well as well as locally determined prudent methods:

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding.

The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

For capital expenditure incurred before 1st April 2008, MRP will be determined using the annuity basis and an average asset life of 33 years.

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over up to 20 years.

For assets acquired by lease, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

For assets acquired under the Private Finance Initiative, MRP will be made over the asset life on the annuity basis.

Where former operating leases have been brought onto the balance sheet due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the MRP charges will be adjusted so that the overall charge for MRP over the life of the lease reflects the value of the right-of-use asset recognised on transition rather than the liability.

Asset Lives
Investment in assets generates a future flow of benefits. The overall length of those benefits (asset lives) varies for each asset type. Within the MRP policy, these asset lives are used:

	Years
Lighting Infrastructure	50
Highways Structures	50
Roads and Pavements, Street Signage, Public Realm	30
Acquisition of Property	40
Operational Property - extensive refurbishment	40
Operational Property - non extensive refurbishment	30
Parks Asset Management	20
External Equipment (e.g. park equipment, cycle hangers)	10
Waste Vehicles (Large)	8
CCTV Cameras	5
Waste Vehicles (small/medium)	4
Non waste vehicles	5
IT	7

Capital loans
For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.

For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.

For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised.

Where expected credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.

For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

Housing Revenue Account
No MRP will be charged in respect of assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.

Based on the Authority’s latest estimate of its CFR on 31st March 2026, the General Fund budget for MRP has been set as follows:

	31.03.2026 Estimated CFR £'m	2026/27 Estimated MRP £'m
Capital expenditure before 01.04.2008	161.5	2.2
Supported capital expenditure after 31.03.2008	0.0	0.0
Unsupported capital expenditure after 31.03.2008	637.7	14.7
Leases and Private Finance Initiative	48.6	16.7
Transferred debt	0	0
Capital loans to third parties	6.0	0.3
Voluntary overpayment (or use of prior year overpayments)	n/a	n/a
EFS	64	1.9
Total General Fund	917.8	35.9
Assets in the Housing Revenue Account	722.0	0
HRA subsidy reform payment	0	0
Total Housing Revenue Account	722.0	
Total	1,639.8	19.5

Overpayments

In earlier years, the Authority has not made voluntary overpayments of MRP that are available to reduce the revenue charges in later years.

Capital receipts

Proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.
- Any other capital receipts applied to repay debt will be used to reduce MRP in [10] equal instalments starting in the year after receipt is applied. 10 years is used because this matches the period over which discounts on the early repayment of borrowing are credited to revenue

Capitalisation Direction

The current financial position of the Council continues to be very serious. The Council will be submitting a an EFS request to government The outcome will not be known until late February 2026 when an in-principle decision is expected. If agreed, then MHCLG will issue a capitalisation direction. This does not involve any new money. Instead, the Council will be allowed to capitalise its deficits on its revenue budget. The direction allows Councils to repay the EFS over a period up to 20 years. The proposed capital programme includes up to £100m of EFS in 2026/27, This policy is effective from 1/4/26.