

Public Document Pack



Town Hall
Royal Tunbridge Wells

Tuesday 29 November 2016

To the Members of the Tunbridge Wells Borough Council

I request your attendance at a meeting of the Tunbridge Wells Borough Council to be held at the Council Chamber, Town Hall, Royal Tunbridge Wells, TN1 1RS, on Wednesday 7 December 2016, at 6.30 pm, when the following business is proposed to be transacted.

- 1 **Apologies for absence**
- 2 **Declarations of Interest**
To receive any declarations of interest by Members in items on the agenda. For any advice on declarations of interest, please contact the Monitoring Officer before the meeting.
- 3 **Announcements**
To receive announcements from the Mayor, the Leader of the Council, members of the Cabinet and the Chief Executive.
- 4 **The minutes of the previous meeting** (Pages 1 - 8)
The minutes of the previous meeting held on 12 October 2016 to be approved as a correct record.
- 5 **Questions from members of the public**
To receive questions from members of the public, of which due notice has been given, pursuant to Council Procedure Rule 8, to be submitted and answered.
- 6 **Questions from members of the Council**
To receive questions from members of the Council, of which due notice has been given, pursuant to Council Procedure Rule 10, to be submitted and answered.
- 7 **Notice of Use of Urgency Procedure**
To receive notice of the use of the Urgency Procedure in respect of Cabinet decision CAB102/16 (Property Investment Portfolio – Potential Acquisition) in accordance with Overview and Scrutiny Procedure Rule 14.
- 8 **Council Tax Reduction Scheme 2017/18** (Pages 9 - 218)
- 9 **Members' Allowances 2017/18** (Pages 219 - 246)

- 10 **External Auditor Procurement** (Pages 247 - 284)
- 11 **Notice of Motions**
To receive notice of any Motions in accordance with Council Procedure Rule11.
- 12 **Urgent Business**
To deal with any business the Mayor regards as urgent due to special circumstances.
- 13 **Common Seal of the Council**
To authorise the Common Seal of the Council to be affixed to any contract, minute, notice or other document arising out of the minutes, or pursuant to any delegation, authority or power conferred by the Council.
- 14 **Date of next meeting**
The next meeting will be held on Wednesday 22 February 2017.

William Benson
Chief Executive

Please note that this meeting may be recorded or filmed by the Council for administrative reasons. Any other third party may also record or film meetings, unless exempt or confidential information is being considered, but they are requested as a courtesy to others to give notice of this to the Committee Administrator. The Council is not liable for any third party recordings

TUNBRIDGE WELLS BOROUGH COUNCIL

MINUTES of a meeting of the Tunbridge Wells Borough Council, duly convened and held at the Council Chamber, Town Hall, Royal Tunbridge Wells, TN1 1RS, at 6.30 pm on Wednesday, 12 October 2016

PRESENT:

The Mayor Councillor David Neve (Chairman)
Councillors Backhouse, Bland, Bulman, Chapelard, Mrs Cobbold, Dawlings, Gray, Dr Hall, Hamilton, Hannam, Hastie, Heasman, Hill, Holden, Horwood, Huggett, Jamil, Jukes, Lewis-Grey, Lidstone, Mackonochie, March, Munn, Noakes, Nuttall, Oakford, Ms Palmer, Podbury, Rankin, Scholes, Simmons, Sloan, Mrs Soyke (Vice-Chairman), Stanyer, Stewart, Mrs Thomas, Uddin, Weatherly and Williams

IN ATTENDANCE: William Benson (Chief Executive), Lee Colyer (Director of Finance and Corporate Services (Section 151 Officer)), Mathew Jefferys (Interim Democratic Services and Elections Manager) and Paul Taylor (Director of Change and Communities)

APOLOGIES FOR ABSENCE

FC30/16 Apologies were received from Councillors Barrington-King, Basu, Bland, Elliott, Hills, McDermott, Moore, Reilly and Woodward.

DECLARATIONS OF INTEREST

FC31/16 No declarations of pecuniary or significant other interest were made.

ANNOUNCEMENTS

FC32/16 The Mayor noted that a written summary of his past and future engagements had been made available to members.

The Mayor stated that the Civic Dinner was a record success with the number of attendees and Past Mayors attending and that the sum raised for one evening was £6,556.

He invited a number of public speakers to talk about events attended by the Mayor and Mayoress.

Zoe Sayer and Colin Reynolds from the Financial Risk Department at Axa-PPP talked about their team building event with 120 colleagues from the department to attempt some Guinness World Records. They explained that they invited the Mayor as they needed an independent witness for the afternoon and had been honoured by his attendance and how excited and enjoyable it had been having the Mayor there. One of their Guinness World record attempts has been submitted and is waiting to be verified. They thanked the Mayor and said that his attendance had added prestige to their event.

Linda Page Chairman of Cranbrook in Bloom spoke about their annual presentation and thank you evening attended by over 120 people. They had invited the Mayor to present the certificates and that the evening was a great success with the children being given Mayor's Bears badges and how delighted they were with them.

Robin from The Wiesbaden Riding competition explained about the history of the event and that it had started 32 years ago with competitors from all different countries attending the dressage and jumping competition. The Mayor watched part of the jumping competition and presented the prizes at the ceremony. He thanked the Council for their support and interest in the competition and explained that as well as the competition they liked to show the competitors all the best of what Tunbridge Wells has to offer as a Town and their feed back from the competitors was how welcomed they felt by all in Tunbridge Wells.

Councillor Jukes made an announcement that there would be a peer review at the Council next week and this was being done by an independent group from the Local Government Association. This review would report on how the Council was performing and the results of the review would be available in about three months time.

The Chief Executive introduced the Council's new Monitoring Officer, Estelle Culligan who would be advising the council in the future.

THE MINUTES OF THE PREVIOUS MEETING DATED 20 JULY 2016

FC33/16 **RESOLVED** – That the minutes of the meetings dated 20 July 2016 be approved as a correct record.

THE MINUTES OF THE PREVIOUS MEETING DATED 7 SEPTEMBER 2016

FC34/16 **RESOLVED** – That the minutes of the meeting dated 7 September 2016 were approved as a correct record.

QUESTIONS FROM MEMBERS OF THE PUBLIC

FC35/16 The Mayor advised that no questions from members of the public had been received under Council Procedure Rule 8.

QUESTIONS FROM MEMBERS OF THE COUNCIL

FC36/16 **Question one from Councillor Munn**

“Given the new Chancellor’s pragmatic view on the economy and the unprecedentedly low interest rates, what approach is the Council taking to the recommendation from the Local Government Association’s Housing Commission that local authorities build housing once again?”

Response from Councillor Weatherly

“Thank you Councillor Munn for the question.

I read the Housing Commission’s report with interest and was pleased that its approach was focussed on working proactively with the Government and partners to make change happen.

The housing agenda is a fast changing one at present and I’m sure Councillor Munn will want to join me in welcoming the very positive announcements made by the new Prime Minister, the Communities Secretary and the

Housing Minister last week which focussed on boosting the supply of new homes.

In direct response to his question I'd advise that, yes, the council could build council houses but not without some significant issues.

For example if the Council wanted to build more than 50 council houses it would need to reopen the Housing Revenue Account and restore it to the balance it was prior to the Stock Transfer in the early 1990's. The financial case of this Council building large numbers of homes would be complicated by virtue of expensive construction and land costs not being covered by below market rents and with tenants then having the right to buy their property at a discount. These issues were in part the reason behind the stock transfer and the creation of Registered Social Landlord's such as Town and Country Housing Group (TCHG) who are perhaps better placed to provide new social housing.

I'm sure he is aware that we work very closely with TCHG and will continue to do so.

These are important issues and need to be carefully thought through. I'd also suggest it would be prudent to wait for the new Housing White Paper which will be published later in the year and will, I understand, contain 'further significant measures'."

Supplementary question from Councillor Munn

Councillor Munn said that he was a little disappointed that there is no immediate prospect on the council moving on this because there was a national housing crisis that the private sector was unmotivated to resolve. He said that this council was being repeatedly asked to approve developments that do not offer any affordable housing despite the council's 35% policy on that and in view of very detailed and helpful response from Councillor Weatherly could he have a full copy of her speech?

Response from Councillor Weatherly

Yes.

Question two from Councillor Uddin

"The Tunbridge Wells Borough Council (TWBC) has agreed that there is no place for hate crime in the borough. Sadly I was contacted by a few of our Muslim community members in relation to this despicable criminal activities and how this has impacted their daily lives. What assurance can the TWBC give to the Muslim community as to how this awful act will be dealt with by the appropriate authority and what support mechanisms exist for people to report this to the police?"

Response from Councillor Weatherly

"Let me start by saying there is absolutely no place for hate crime in our borough. This was the view of Full Council in July and this is the view of our borough now.

Indeed I was really saddened to learn that some of our local community had been the victims of hate crime as there is simply no place for it. I would like to reiterate that this is something that the Council and Kent Police take incredibly seriously. I can also confirm that it is considered on a daily basis through the Community Safety Unit and its partnership approach.

I am aware of the examples to which Cllr Uddin's question refers as I have spoken to him personally on this matter and I know that the response from local Kent Police is ongoing and has been robust.

I'd also like to encourage all communities to report incidents of hate crime to Kent Police. This should be done by calling 101 or 999 if it is an emergency. Hate crime is a crime, and like any crime, it will not be tolerated."

Question three from Councillor Backhouse

The Mayor explained that before Councillor Backhouse asked his question, which he was minded to allow, some of it was a matter of record and this information could have been obtained from Officers.

Councillor Backhouse thanked the Mayor for this information and explained that he was both a Town Councillor for Southborough and High Brooms and a Borough Councillor for Sherwood, many of his constituents are not aware of the levels of unemployment in the Borough and that is why he was asking the question today.

"How successful was the Jobs Fair in September?
What are the levels of unemployment in; a) TWBC b) Sherwood Ward?"

Response from Councillor March

"Our third Jobs & Training Fair, held in the Assembly Hall Theatre was a great success. As in previous years it was held in partnership with Job Centre Plus but for the first time it was promoted across West Kent with our partners in Sevenoaks and Tonbridge & Malling.

With 35 employers and training providers gathered in one place and over 350 local people looking for work coming through the doors, there was a lively crowd. Feedback from both the employers and job-seekers was positive and the seminars were well-attended."

Supplementary question from Councillor Backhouse

Councillor Backhouse thanked Councillor March for her response and asked if there any other plans to follow up for young parents who have been out of the jobs market?

Response from Councillor March

Councillor March explained that they were planning a smaller jobs fair in Tonbridge in March - asked for by the exhibitors - and large one in Tunbridge Wells in September. Councillor March also informed the meeting that she had

attended a Skills fest event at Salomons today held with the Education Business Partnership. It was attended by about 1,000 pupils aged 14 -18 years of age and exhibitors from all over UK attended to advise on apprenticeships, degree and college courses.

Second part of Question three from Councillor Backhouse

At the Mayor's discretion Councillor Backhouse returned to re-iterate the second part of his original question which was unanswered.

"What are the levels of unemployment in: a) TWBC b) Sherwood Ward?"

Response from Councillor March

The numbers as at August 2016 for Tunbridge Wells Borough was 575, equivalent to 0.8 per cent. For Sherwood Ward the number was 45, equivalent to 1.2 per cent.

These figures are well below the county average of 1.6 per cent and the national average of 1.8 per cent.

Supplementary question from Councillor Backhouse

Councillor Backhouse asked whether Councillor March was aware that unemployment when he became Councillor in 2010 was nine per cent in Sherwood and that the decrease was a massive one and reflected the work put in by Officers and Department for Work and Trade.

Response from Councillor March

Councillor March said she hoped we had many more Jobs Fairs and Skillfests as obviously it was working.

FOUR-YEAR FUNDING SETTLEMENT TO 2019/20

FC37/16 The Mayor opened the item and noted that the report had been subject to very rigorous debate at the advisory boards and the subject of an all Member briefing.

Councillor Jukes introduced the report he stated that he had hoped Councillor Barrington-King would introduce but he was not here so he would do his best even though it was not part of his Portfolio. He advised members that this was a historic opportunity to accept this Local Government four year funding; that it had been through the Cabinet Advisory Board and there had been briefings on it, it was a well laid motion and moved the resolution.

Councillor Horwood seconded the motion and reserved his right to speak.

Councillor Scholes commented that on Page 21 a name of an officer John Scarborough should not be there, not because he had left but no names of officers should be included in table.

This was agreed.

The Mayor invited comments, and reminded Members that this did not need a recorded vote - only the budget needed a recorded vote.

The Mayor took a vote on the motion.

MOTION CARRIED

RESOLVED –

1. That the Government's four-year funding settlement be accepted; and
2. That the Efficiency Plan, as set out at Appendix A to the report, be agreed.

PROPOSED CHANGES TO THE CONSTITUTION (PLANNING SCHEME OF DELEGATION)

FC38/16 The Mayor opened the item

Councillor Horwood introduced the report and noted that of the two recommendations, the second recommendation was logical and hoped that no one would question it. He said that it was the practice previously and was now being added to the constitution.

Councillor Dawlings seconded the motion.

The Mayor invited comments.

Councillor Mrs Thomas added that she would endorse the recommendations.

The Mayor took a vote on the motion.

MOTION CARRIED

RESOLVED – That, in order to ensure the Constitution was up-to-date and provided for good decision making, the following amendments to the Constitution be approved:

- a) 'Notifications' - amend paragraphs 8.1 and 8.5 of Section 8 of Table 3 to Part 3 of the Constitution, as set out in paragraphs 2.11 and 2.12 of the report; and
- b) 'Non-residential threshold' - amend paragraph 8.3 of Section 8 of Table 3 of the to Part 3 of the Constitution, as set out in paragraph 2.15 of the report.

APPROVAL OF TIMETABLE OF MEETINGS 2017/2018

FC39/16 The Mayor opened the item.

Councillor Jukes introduced the report and noted that this was just annual housekeeping on the times the Council have their meetings and there was nothing controversial about the report.

Councillor March seconded the motion and reserved her right to speak.

Councillor Chapelard commented that he was disappointed that Cabinet wished to put meetings back to daytime at 10.30am rather than evening at 6.30pm. Last year it was agreed to trial evening meetings and that he did not feel that two meetings was conclusive either way, attendance had been two and three in the evenings and one and four in the day and he considered this a score draw. Councillor Chapelard expressed disappointment meetings were not continuing in the evening thus denying some Councillors the opportunity to attend and make representations. He noted in respect of paragraph 2.4 of the report that Councillors could go to the Cabinet Advisory Boards in the evening however, these may only have one member of the Cabinet present and surely it was better to have the opportunity to talk at Cabinet in front of all decision makers.

Councillor March was surprised by the comments and said that if Councillor Chapelard had got all his other members along that they might have looked at it slightly differently but he did not have the support. Attendees were generally members of public coming to listen rather than Councillors coming to speak. She continued that at each of Community Cabinet Advisory Boards there are normally three members of Cabinet. She thought Councillor Chapelard was a little unclear as to what a trial actually meant and explained that there had been two meetings in the evening already with two more to go and she considered that to be a good trial. It had not been as successful as they would have liked and that they would have been willing to continue evening meetings if it had been successful. Councillor March added that they would be going back to day time meetings where support from officers was readily available and that she was very sorry that they could not support Councillor Chapelard further on this.

As the proposer of the motion, Councillor Jukes endorsed Councillor March's comments and added that he thought evening meetings might have had more engagement from the community however, Cabinet meetings were obviously not exciting enough to get people to come out. He stated that it was far more useful to have meetings during day where there was a good attendance.

The Mayor took a vote on the motion.

MOTION CARRIED

RESOLVED – That the Timetable of Meetings for 2017/18, as at appendix A to the report, be agreed.

URGENT BUSINESS

FC40/16 The Mayor confirmed there was no urgent business to consider within the provisions of Council Meetings Procedure 2.1.12

COMMON SEAL OF THE COUNCIL

FC41/16 **RESOLVED** – That the Common Seal of the Council be affixed to any contract, minute, notice or other document arising out of the minutes or pursuant to any delegation, authority or power conferred by the Council.

DATE OF NEXT MEETING

FC42/16 It was noted that the next meeting of the Full Council would take place on Wednesday 7 December 2016 at 6.30pm

NOTE: The meeting concluded at 7.15 pm.

Full Council

7 December 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Council Tax Reduction Scheme 2017/18

Final Decision-Maker	Full Council
Portfolio Holder(s)	Councillor Barrington-King, Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer, Director of Finance and Corporate Services
Head of Service	Stephen McGinnes, Head of Revenues and Benefits Shared Service
Lead Officer/Report Author	Stephen McGinnes, Head of Revenues and Benefits
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the outcome of the public consultation be noted;
2. That the potential impact of the proposed changes on working age claimants with the protected characteristics of disability, age and sex, under the Equalities Act (2010) be noted; and
3. That the Council Tax Reduction Scheme 2017, as set out at Appendix D to the report, incorporating the changes within Appendix A to the report, be agreed.

This report relates to the following Five Year Plan Key Objectives:

A Confident Borough – In providing financial support to low income households the Council will support communities enjoy good health and resilience to the challenges they may encounter.

Timetable

<i>Meeting</i>	<i>Date</i>
Management Board	28.09.2016
Discussion with Portfolio Holder	28.09.2016
Cabinet Advisory Board	04.10.2016
Cabinet	27.10.2016
Council	07.12.2016

Council Tax Reduction Scheme 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To report the outcome of the public consultation on proposed changes to the Council Tax Reduction Scheme and make a recommendation on the 2017/2018 scheme.

2. INTRODUCTION AND BACKGROUND

- 2.1 Council Tax Reduction (CTR) was introduced by the Department for Communities and Local Government (DCLG) in April 2013 as a replacement for the Council Tax Benefit (CTB) scheme administered on behalf of the Department for Work and Pensions (DWP).
- 2.2 As part of its introduction, central government set out a number of key elements:
- The duty to create a local scheme for working age applicants was placed with billing authorities;
 - Funding was reduced by the equivalent of 10% from the levels paid through benefit subsidy to authorities under the previous CTB scheme; and
 - Persons of pension age, although allowed to apply for CTR, would be 'protected' from any reduction in support through regulations prescribed by central government.
- 2.3 Across Kent, a common 'platform' approach was adopted for the design of local schemes, with the new schemes broadly replicating the former CTB scheme but with a basic reduction in entitlement for working age claimants. In Tunbridge Wells, working age claimants must pay at least 18.5% of the council tax liability. The figure of 18.5% represented the 10% funding loss applied to the working age caseload across Kent. In other parts of Kent, the percentage varies.
- 2.4 Since its introduction in April 2013, our local scheme has been 'refreshed' annually for data changes, but the core elements remain as were originally agreed.
- 2.5 As mentioned above, the scheme is 'underpinned' by the Kent-wide agreement, which recognises that all the Kent districts (as the billing authorities) will seek to have a common 'platform'. The original three year period of that scheme ceased on 31 March 2016, but as reported to the Cabinet in September 2015, it was agreed with Kent County Council, Kent Police and Kent and Medway Fire & Rescue that the scheme would effectively 'roll on' for one more year (i.e. into 2016/17).
- 2.6 With funding for the scheme through Revenue Support Grant (RSG) subject to further cuts as part of the reductions in local government finance settlements, a

greater share of the cost burden has continued to fall on billing authorities and the other major precepting bodies. This has been one of the main catalysts for the scheme to be reviewed.

- 2.7 To review the scheme a group of finance officers from the Kent districts and major precepting authorities worked together to set objectives for the review which were agreed to be:
- Having regard to the reductions in grant and the financial pressures facing the Council, to make the scheme less costly (if possible) and more efficient in terms of its operation; and
 - To have regard to the impact such changes may have on vulnerable residents.

3. AVAILABLE OPTIONS

3.1 Following consideration of a wide range of options (reported to Cabinet in June 2016) the conclusion was that the most practical option would be to maintain a scheme similar to our current scheme and consult on possible adjustments to make it more affordable.

3.2 The primary reasons were that:

- It is known to our claimants and largely mirrors the Housing Benefit (HB) system, reducing complexity;
- Our systems are adapted for this type of scheme and the changes can therefore be implemented with little additional cost; and
- Our staff are familiar with the administration of this type of scheme and, as it is aligned to housing benefit enabling us to continue to take advantage of 'economies of scale'.

3.3 Having completed that consultation the Council can decide to:

Do nothing – maintain the existing CTR scheme without making any changes and manage the reduction in funding through reductions in other services or changes.

Amend the existing CTS – The Council has identified and consulted on 13 possible changes to its scheme, as summarised at 4.1. The Council could implement all of the changes identified or any combination of changes.

The Council currently has a savings target of £1.1m to meet in 2017/2018 due the wider reduction in grant income. The changes outlined would contribute £76,000 towards that target.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Given the financial challenge facing the Council it is recommended that the Council implements the changes set out within the consultation, subject to the amendments set out below.

	Recommendation	Reason
Option 1 - Reducing the maximum level of support for working age applicants from 81.5% to 80%	Implement	Consultation findings support change.
Option 2 - Removing the Family Premium for all new working age applicants	Implement	Consultation findings support change. Change brings CTRS in line with wider welfare system.
Option 3 - Reducing backdating to one month	Implement	Consultation findings support change. Scope to address vulnerability through hardship scheme (option 13)
Option 4 - Using a set income for self-employed earners after one year's self-employment	Implement with amendment	Period extended to 18 months in response to consultation feedback.
Option 5 - Option 5 Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks	Implement	Consultation findings support change. Scope to address exceptional cases of vulnerability through hardship scheme (option 13)
Option 6 - Reducing the capital limit from the existing £16,000 to £6,000	Implement with amendment	Capital limit to be extended to £10,000 in response to consultation comments.
Option 7 - To introduce a standard level of non-dependant deduction of £10 for all claimants who have non-dependants resident with them.	Implement	Consultation findings support change. Encourage work and simplify CTR scheme.

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Option 8 - To take any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction	Implement	Inclusion of maintenance income within calculation provides a level of support based on ability to pay.
Option 9 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge	Implement	Consultation findings support change. Limit based on average of band D promotes fairness and balance to interest of wider Council Tax payer.
Option 10 - To remove Second Adult Reduction from the scheme	Implement	Second adult rebate does not consider means of main householder. Support still available for low income households through main CTR scheme.
Option 11 - To remove the work related activity component in the calculation of Council Tax Reduction	Implement	Consultation findings support change. Change brings CTRS in line with wider welfare system.
Option 12 - To limit to number of dependent children within the calculation for Council Tax Reduction to a maximum of two	Implement	Consultation findings support change. Change brings CTRS in line with wider welfare system. Promotes fairness and balance with interest of wider Council Tax payer.
Option 13 - To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship	Implement	Consultation findings support change. Provides flexibility to safeguard cases of exceptional hardship.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Following a report to the Cabinet on 23 June 2016, public consultation was undertaken between 1 July and 24 August 2016.

- 5.2 The survey was carried out on-line, with a direct email to approximately 12,108 households and was promoted on the Council's website, social media and in the local newspaper. Paper copies were available in the Gateway and on request.
- 5.3 The survey was open to all Tunbridge Wells residents aged 18 years and over (i.e. people who pay Council Tax or receive Council Tax Reduction) with the results weighted according to the known population profile to counteract non-response bias.
- 5.4 A total of 1117 people responded to the questionnaire. The consultation results are provided at Appendix B.

RECOMMENDATION FROM CABINET ADVISORY BOARD

- 5.5 The Finance and Governance Cabinet Advisory Board was consulted on this decision at its meeting on 4 October 2016 and agreed the following recommendation:

That the recommendation set out in the report be supported.

RECOMMENDATION FROM CABINET

- 5.6 The Cabinet, at its meeting on 27 October 2016, endorsed the recommendations in the report.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 A decision on the final scheme to be implemented is required by a meeting of Full Council. That decision will be publicised through the local media with those residents directly affected by the changes notified in writing of planned changes.
- 6.2 The revised CTRS will take effect from 1 April 2017 and be reflected in the Annual Council Tax bills to be sent in March 2017.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	The Local Government Finance Act 1992 provides a statutory duty to consult on a proposed scheme and Council to approve a scheme by 31 January 2017. Consideration must be given to the finding of the	John Scarborough, Head of Legal Partnership 26 May 2016

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	consultation and equality impact assessment in reaching a decision.	
Finance and other resources	The National Council Tax Benefit Scheme was replaced with a locally determined discount scheme in 2013/14. This transferred the liability for Council Tax Benefits to the Council and has reduced the amount of Council Tax that can be collected. Since then, the Council's Revenue Support Grant has continued to fall and by 2018/19, all funding will have been withdrawn. The present scheme costs the Council and preceptors around £5.4m per year, but with the government funding cuts levied, benefit expenditure reductions need to be made to contribute to the overall savings that need to be made.	Jane Fineman, Head of Finance and Procurement
Staffing establishment	No impact.	Head of Revenues and Benefit
Risk management	No impact.	Head of Revenues and Benefit
Environment and sustainability	No impact.	Head of Revenues and Benefit
Community safety	No impact.	Head of Revenues and Benefit
Health and Safety	No impact.	Head of Revenues and Benefit
Health and wellbeing	No impact.	Head of Revenues and Benefit
Equalities	<p>Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.</p> <p>The decisions recommended through this paper could directly impact on end users. The impact has been analysed and varies between groups of people. An equality impact assessment has found that:</p> <p>Current Scheme</p> <ul style="list-style-type: none"> <input type="checkbox"/> All working age claimants have received a reduction in their benefit amount. <input type="checkbox"/> Pension age claimants, who will also have protected characteristics, have not received a reduction, as they are protected from any changes. <input type="checkbox"/> People in receipt of Council Tax 	West Kent Equalities Officer

	<p>Reduction with disabilities, carers and families with children receive a level of support higher than claimants without those characteristics, as a result of receiving additional allowances within the current scheme.</p> <p>Proposed changes to the scheme from 2017:</p> <ul style="list-style-type: none"><input type="checkbox"/> The changes proposed within the consultation will continue to maintain a range of additional allowances and income disregards for people with disabilities and carers and apply a consistent percentage reduction to the benefit award for all people of working age.<input type="checkbox"/> All options could impact on working age claimants with one or more of the protected characteristics of disability, age, sex or race, to varying degrees.<input type="checkbox"/> The possible introduction of an exceptional hardship scheme will be considered as an action to mitigate any possible impacts. <p>A copy of the full equality impact assessment is provided as Appendix C.</p>	
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8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Summary of Changes
- Appendix B: Consultation Output
- Appendix C: Equality Impact Assessment
- Appendix D: Full copy of Scheme

9. BACKGROUND PAPERS

- Report by ACS Consultancy

	% Agree option Residents	% Agree Option Stakehold ers	Comments	Recommendation
<p>Option 1 - Reducing the maximum level of support for working age applicants from 81.5% to 80%</p> <p>£3,500 people £6,500 TWBC £43,500 Preceptors £0.27 average impact</p>	62%	66.7%	<p>The majority of respondents were in favour of option 1, reducing the maximum level of support of working age applicants from 81.5% to 80%.</p> <p>Respondents with a disability were not in favour of option one there is a 21% difference between those with a disability and those without in favour of this option.</p>	Implement – exceptional cases resulting from vulnerability addressed through hardship scheme
<p>Option 2 - Removing the Family Premium for all new working age applicants</p> <p>460 people £1,000 TWBC £72,000 Preceptors £3.49 average impact</p>	47%	60%	<p>Overall, the greatest proportion of respondents (47%), were in favour of removing the family premium for all new working age applicants. However, the graphs below show that there significant variances in support for this option between groups.</p> <p>As a group women were not in favour of option 2.</p>	Implement
<p>Option 3 - Reducing backdating to one month</p> <p>50 people £500 TWBC £2,000 Preceptors £0.92 average impact</p>	77%	60%	<p>The majority of respondents said they were in favour of reducing the backdating of Council Tax Benefit applications to one month with comments referencing the need to take responsibility.</p> <p>The lowest levels of agreement with this option came from respondents with a disability with comments highlighting concerns that assistance may be required or delay unavoidable.</p>	Implement – exceptional cases resulting from vulnerability addressed through hardship scheme.
<p>Option 4 - Using a set income for self-employed earners after one year's self-employment</p>	48%	60%	<p>Comments express concern that does not allow new starters time to grow; self-employed often work longer hours to earn a basic income and national incentives to encourage</p>	Implement – period extended to 18 months.

<p>320 people £22,000 TWBC £147,000 Preceptors £15.35 average impact</p>			entrepreneurship.	
<p>Option 5 - Option 5 Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks</p> <p>No data.</p>	78%	80%	Respondents from BME groups had higher levels of agreement with this option, 88%.	Implement
<p>Option 6 - Reducing the capital limit from the existing £16,000 to £6,000</p> <p>46 people £4,000 TWBC £28,000 Preceptors £63.30 average impact</p>	57%	0%	<p>People without a disability were almost 50% more likely to be in favour of this option compared to those with a disability.</p> <p>Comments express concern in relation to inheritance and that this option does not encourage saving. Other comments state if they have the money they should not be claiming benefit.</p>	Implement – savings limit amended to £10,000
<p>Option 7 - To introduce a standard level of non-dependant deduction of £10 for all claimants who have non dependants resident with them.</p> <p>191 people £7,000 TWBC £48,000 Preceptors £5.60 average impact</p>	72%	80%	The majority of respondents were in favour of option 7. That trend was reflected across all groupings.	Implement
<p>Option 8 - To take any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction</p> <p>202 people £11,500 TWBC £76,500 Preceptors</p>	53%	20%	<p>Comments suggest maintenance is an income and that all income should be considered when calculating benefits. While others suggest that child maintenance is for the child and not the adult and therefore should not be considered as part of the household income.</p> <p>Women also had lower levels of agreement</p>	Implement

£8.36 average impact			with this option compared to men.	
<p>Option 9 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge</p> <p>171 people £9,500 TWBC £63,500 Preceptors £8.11 average impact</p>	57%	60%	<p>There is a 29% difference in levels of agreement between respondents with a disability and those without. The comments suggest there could be a concern about having room for carers and or equipment, with these being reason for requiring a larger property.</p> <p>Note: Council tax band reduction available to disabled residents and disregard (25%) for carers. Subject to qualifying criteria.</p>	Implement
<p>Option 10 - To remove Second Adult Reduction from the scheme</p> <p>21 people £10 TWBC £10,000 Preceptors £1.02 average impact</p>	59%	20%	<p>Overall, 59% of respondents were in favour of option 10. There are three groups where the levels of agreement are significantly lower than their counterparts. 26% of respondents with a disability agreed with this option. Council Tax benefit recipients also had lower levels of agreement at 40% compared to 67% for non-claimants.</p>	Implement
<p>Option 11 - To remove the work related activity component in the calculation of Council Tax Reduction</p> <p>No data</p>	54%	60%	<p>Disabled respondents had the lowest levels of agreement with this option at 34%, and there is an 23% difference in agreement between this group and respondents without a disability.</p>	Implement
<p>Option 12 - To limit to number of dependent children within the calculation for Council Tax Reduction to a maximum of two</p> <p>42 people £3,500 TWBC £18,000 Preceptors £9.88 average impact</p>	71%	60%	<p>The majority of respondents are in favour of option 12 – with high levels of agreement were seen across all groups.</p>	Implement
<p>Option 13 - To introduce a scheme, in addition to Council Tax</p>	79%	100%	<p>The majority of respondents are in favour of option 13 – with high levels of agreement</p>	Implement

<i>Reduction, to help applicants suffering exceptional hardship</i>			were seen across all groups.	
<i>No data.</i>				

Council Tax Reduction Scheme 2017/2018 Consultation

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Headlines

	% Agreeing with option	Rank of preferable Option
Option 1 - Reducing the maximum level of support for working age applicants from 81.5 per cent to 80 per cent	62%	8.64
Option 2 - Removing the Family Premium for all new working age applicants	47%	6.56
Option 3 - Reducing backdating to one month	77%	8.82
Option 4 - Using a set income for self-employed earners after one year's self-employment	48%	5.53
Option 5 - Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks	78%	8.74
Option 6 - Reduce the capital limit from the existing £16,000 to £6,000	57%	7.43
Option 7 - To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependants resident with them	72%	6.83
Option 8 - To take any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction	53%	6.57
Option 9 - To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge	57%	6.98
Option 10 - To remove Second Adult Reduction from the scheme	59%	6.47
Option 11 - To remove the Work Related Activity component in the calculation of Council Tax Reduction	54%	5.05
Option 12 - To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two	71%	7.33
Option 13 - To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship	79%	7.97

Methodology

Tunbridge Wells Council undertook a consultation on its proposed changes to council tax benefit between 1 July and 24 August 2016. A copy of the survey is available at Appendix B.

The survey was carried out online, with a direct email to 12,108 council tax customers who had signed up for e-billing, 91 stakeholder groups and was promoted on the Councils website, social media and in the local newspaper. Paper copies were available on request.

The survey was open to all Tunbridge Wells's residents aged 18 years and over (i.e. people who pay council tax or receive council tax benefit). Data has been weighted according to the known population profile to counteract nonresponse bias.

A total of 1117 people responded to the questionnaire, this report discusses the weighted results; however unweighted results are shown at appendix A for reference. Please note not every respondent answered every question therefore the total number of respondents refers to the number of respondents for the question being discussed not to the survey overall.

There was a low response rate from people aged 18 to 24 years, those aged 75 years and over and people from a BME background (each group received less than 30 responses), therefore although weighting has been applied (age and gender) the results for these groups should be treated with caution.

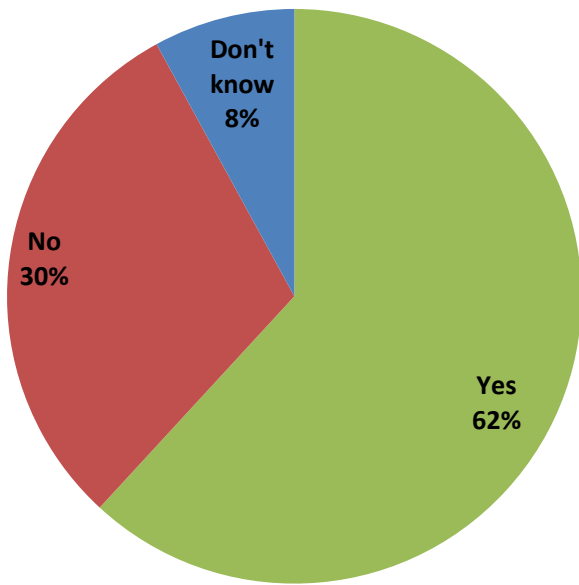
Option 1 - Reducing the maximum level of support for working age applicants from 81.5 per cent to 80 per cent

The majority of respondents were in favour of option 1, reducing the maximum level of support of working age applicants from 81.5% to 80%.

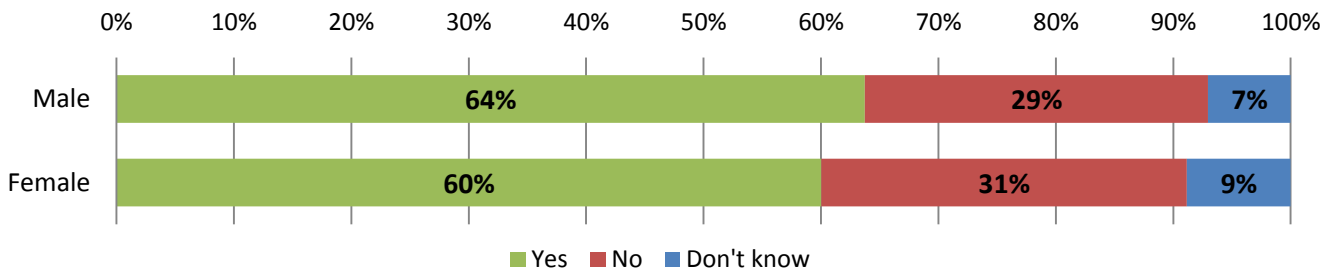
18-24 year olds were the group least in favour of this option and with just under a third of respondents not sure about it. Please note there was a low response rate to the survey from 18-24 years olds therefore these results should be treated with caution.

Respondents with a disability were not in favour of option one there is a 24% difference between those with a disability and those without in favour of this option.

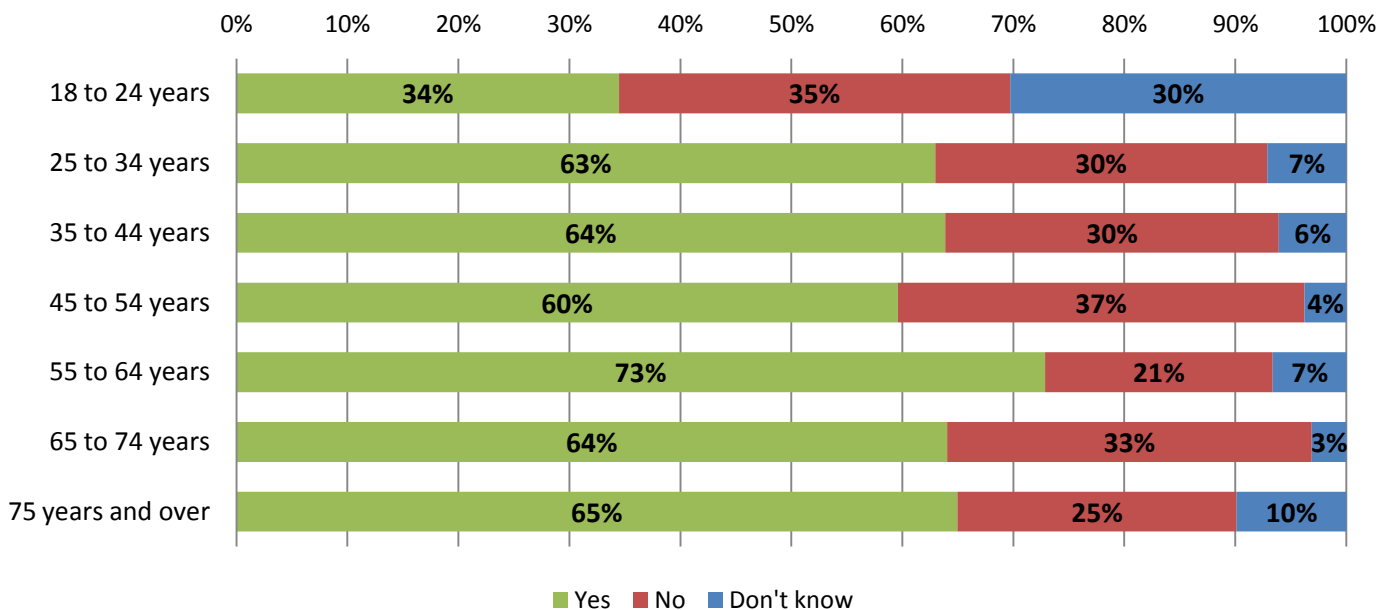
Those receiving Council Tax Benefits answered similarly to those with a disability, however this group overall were marginally more in favour of option 1 than the disability group.



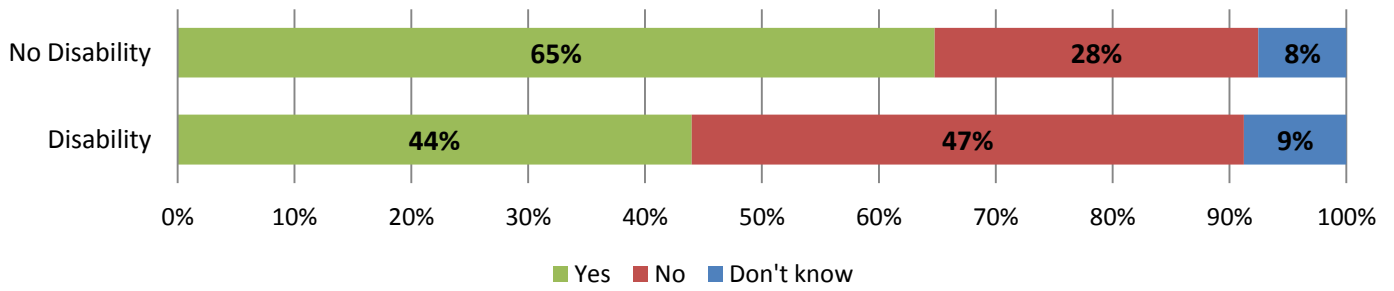
Gender



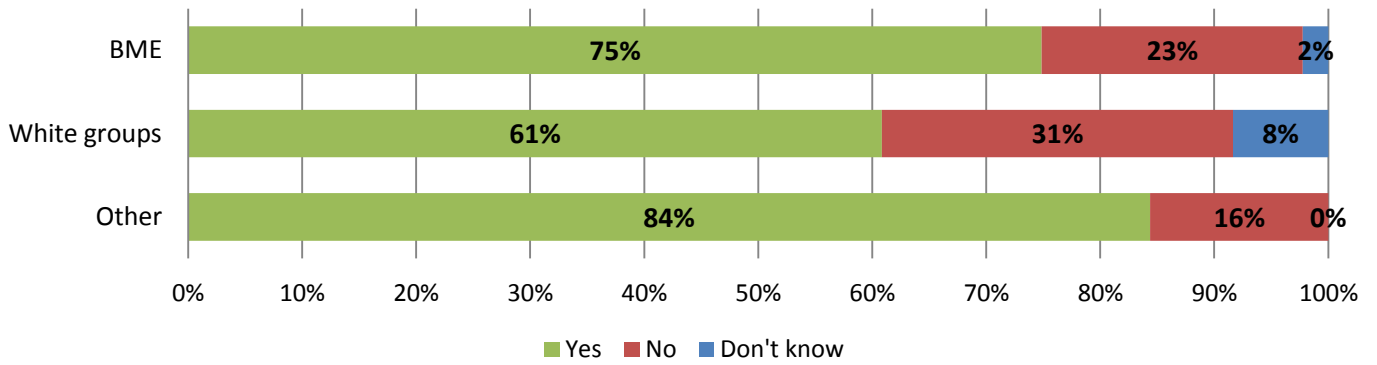
Age



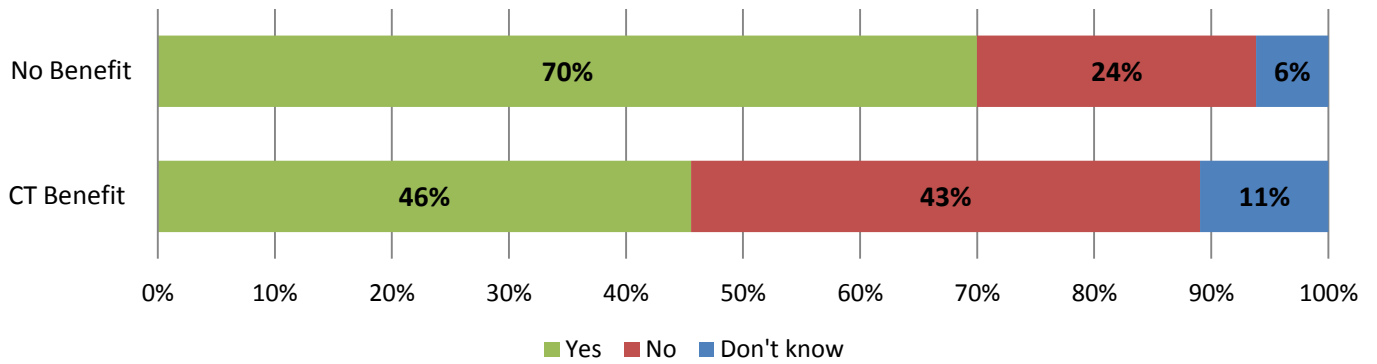
Disability or Health problem Expected to last , at least 12 months



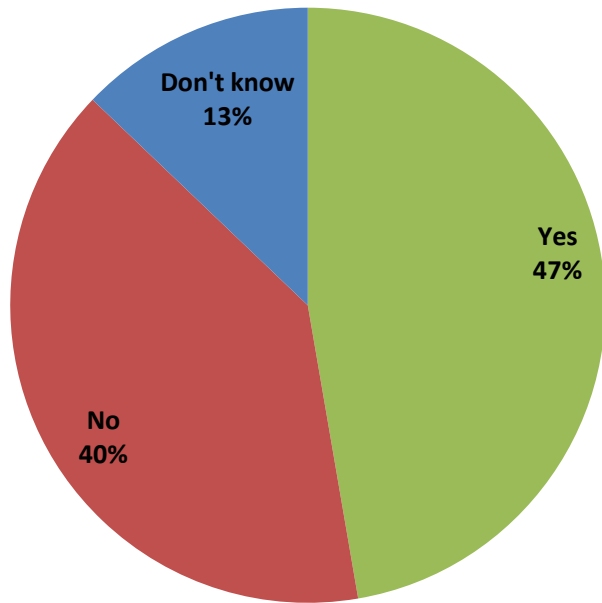
Ethnicity



Benefit Recipient



Option 2 Removing the Family Premium for all new working age applicants

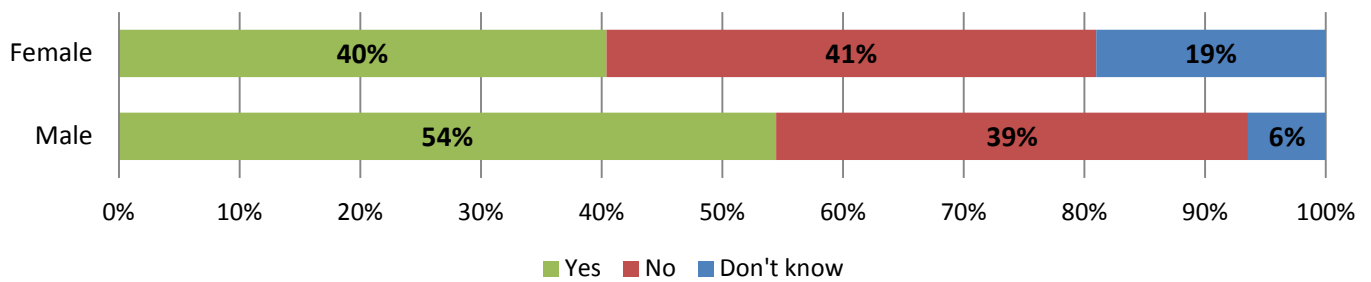


Overall, the greatest proportion of respondents (47%), were in favour of removing the family premium for all new working age applicants. However, the graphs below show that there significant variances in support for this option between groups.

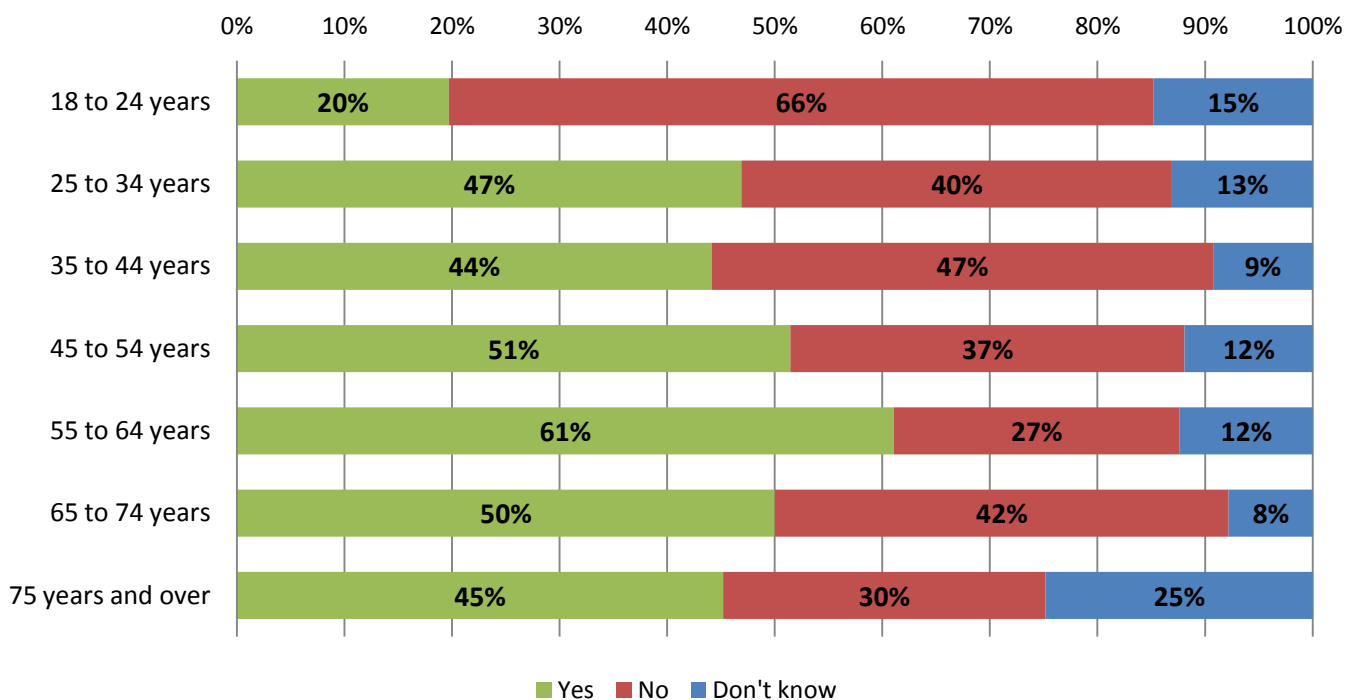
As a group women were not in favour of option 2, this could be because women are more likely to be the recipient of the Family Premium. In addition almost 1 in 5 women were uncertain about making this change to the scheme.

Those aged 18 to 24 years, with a disability and in receipt of council tax benefit had significantly lower levels in favour of this option.

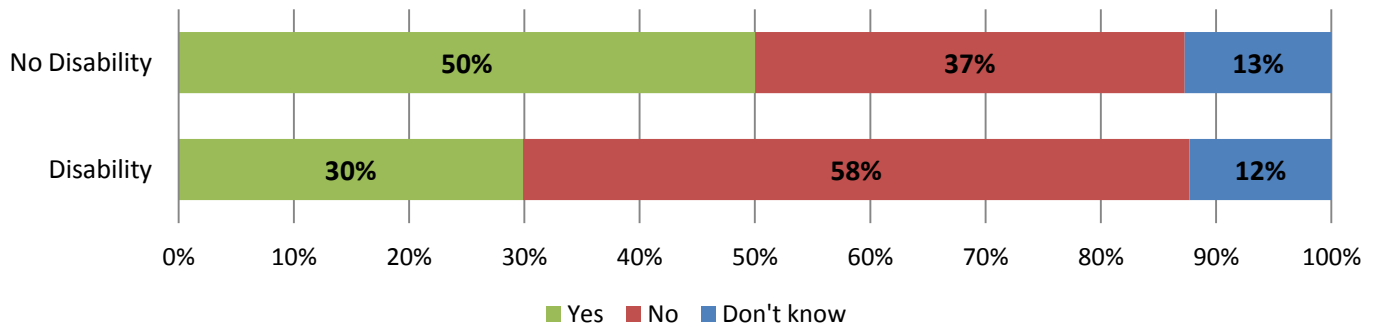
Gender



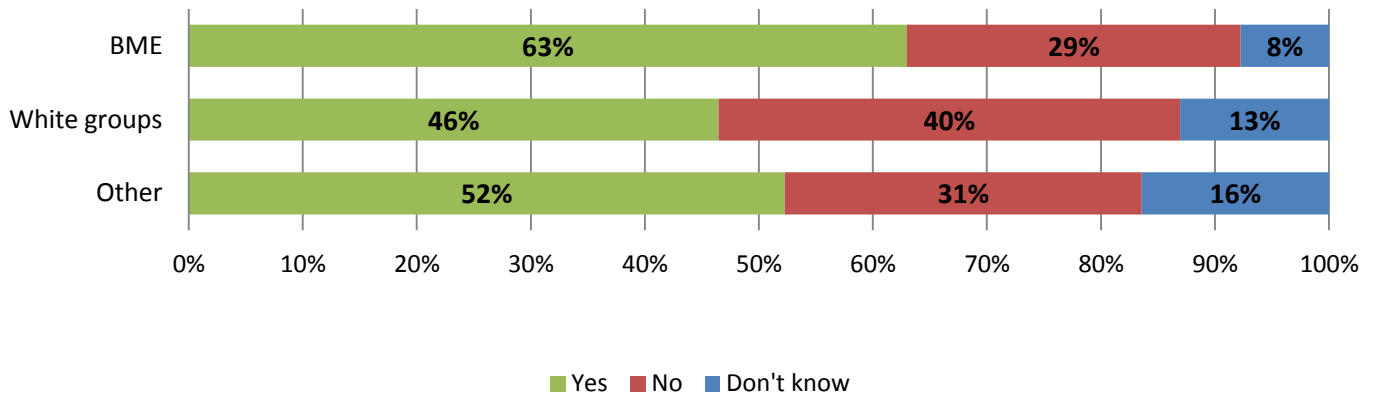
Age



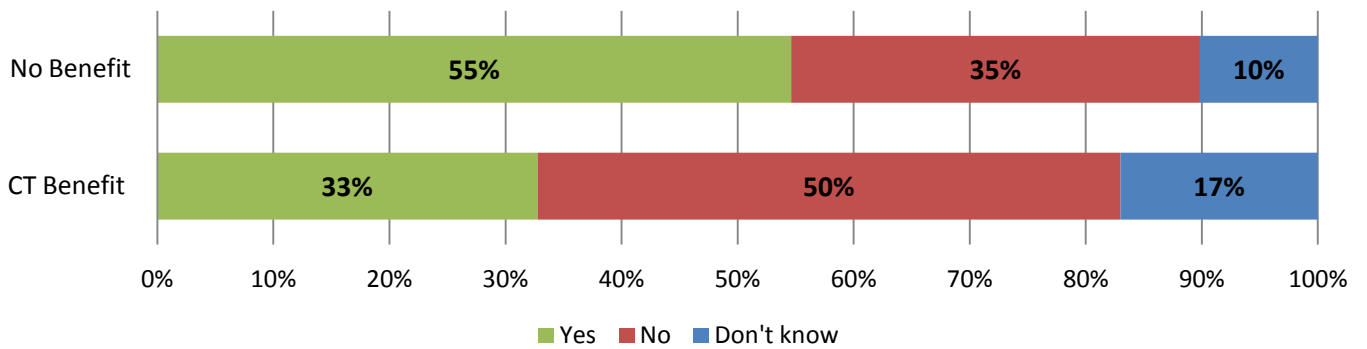
Disability or Health problem Expected to last , at least 12 months



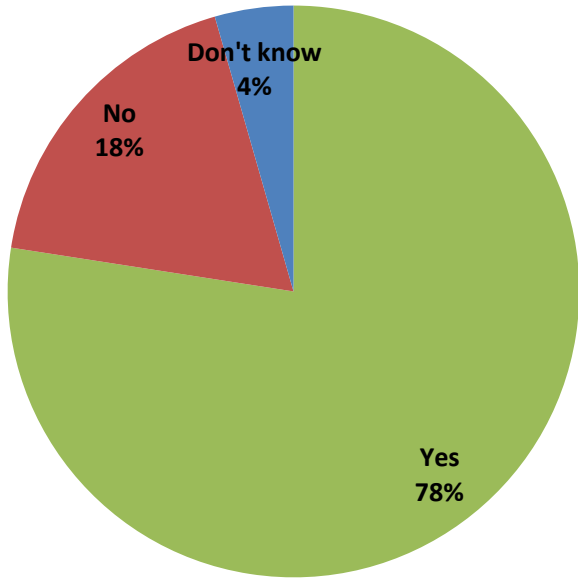
Ethnicity



Benefit Recipient



Option 3 Reducing backdating to one month

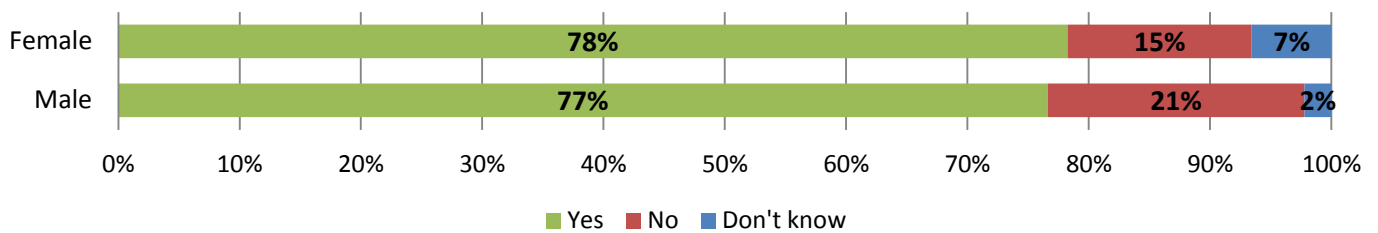


The majority of respondents said they were in favour of reducing the backdating of Council Tax Benefit applications to one month.

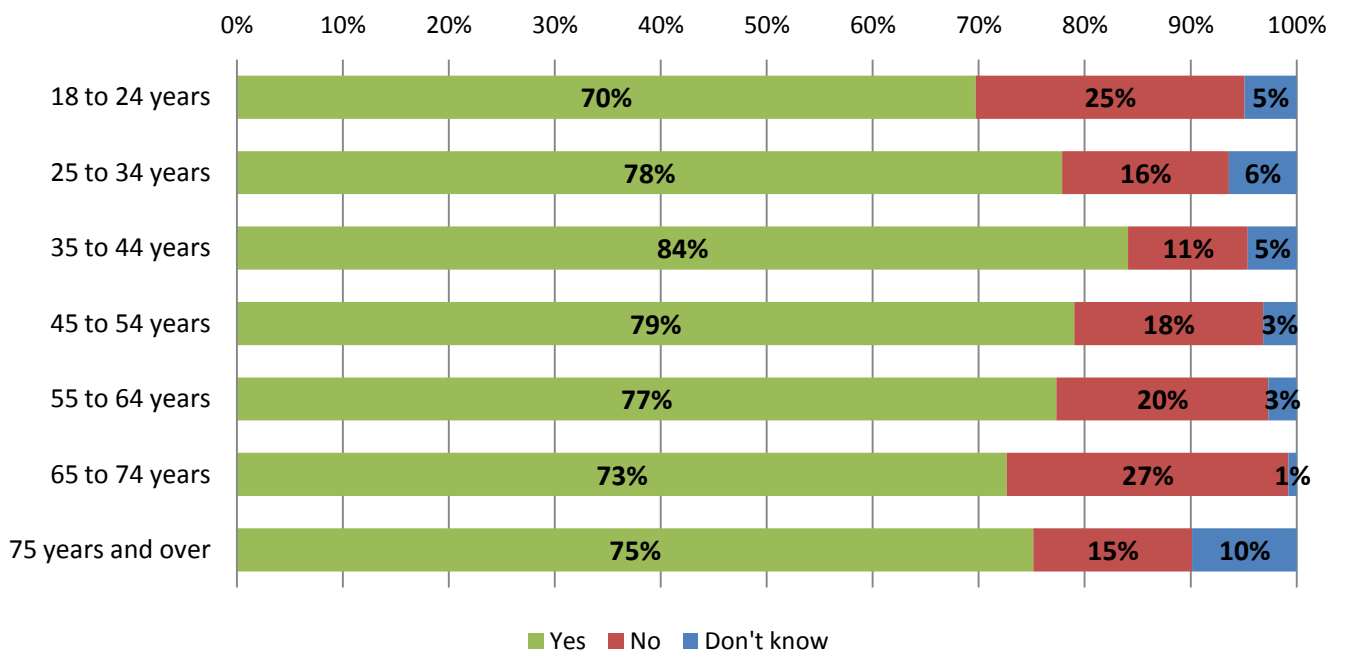
The lowest levels of agreement with this option came from respondents with a disability. It is possible that there is a concern from this group about accessing services. There was comment about people in ill health needing extra time to claim and one querying if handicapped people would be made aware of time scale. There were also several comments regarding vulnerable or people in financial stress who may need extra time to complete the application.

There were a lot of comments in favour of this option, with an emphasis on taking responsibility.

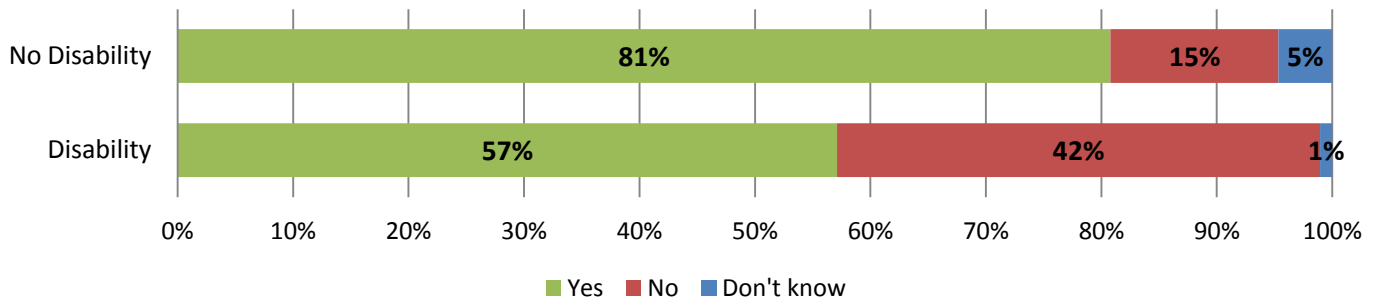
Gender



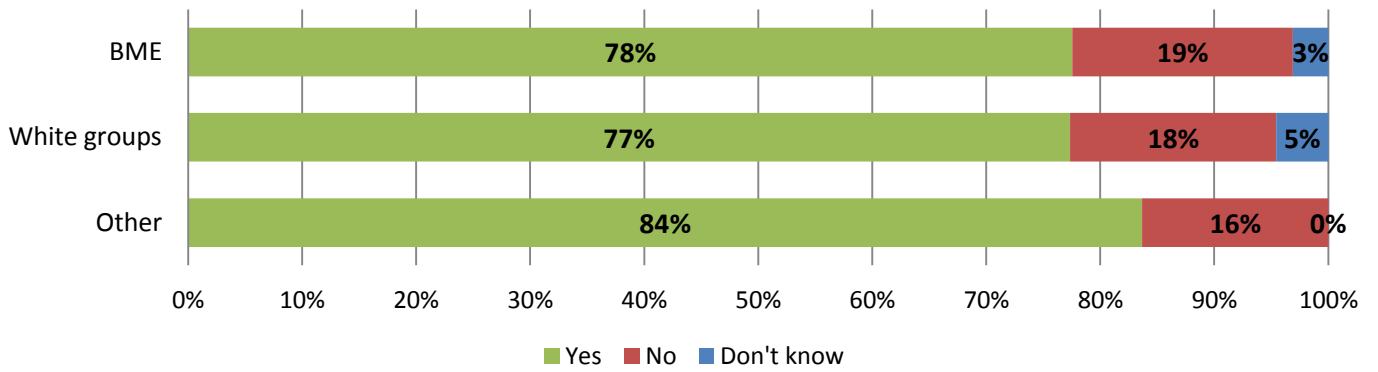
Age



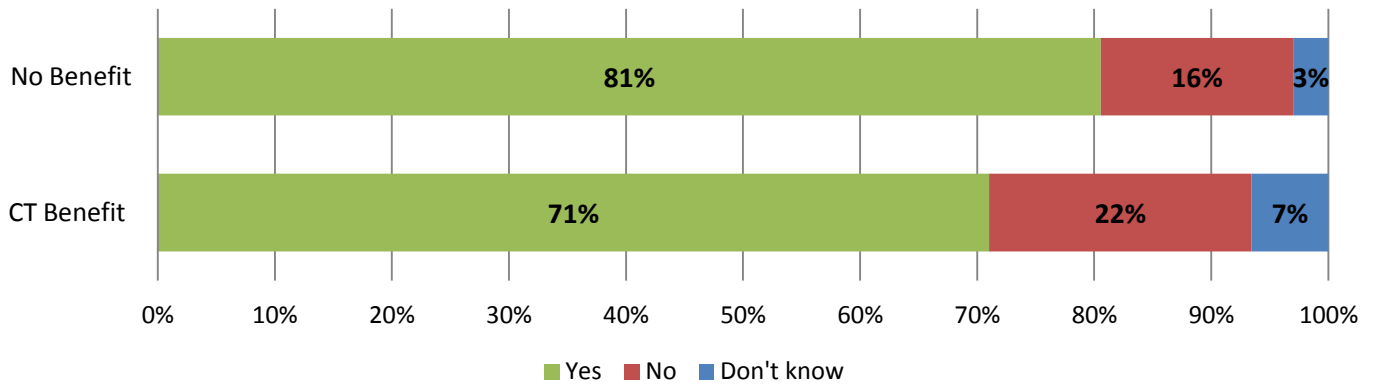
Disability or Health problem Expected to last , at least 12 months



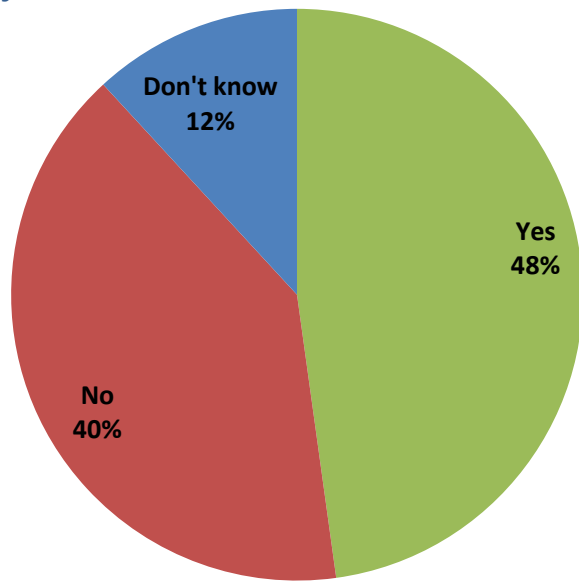
Ethnicity



Benefit Recipient



Option 4 Using a set income for self-employed earners after one year's self-employment

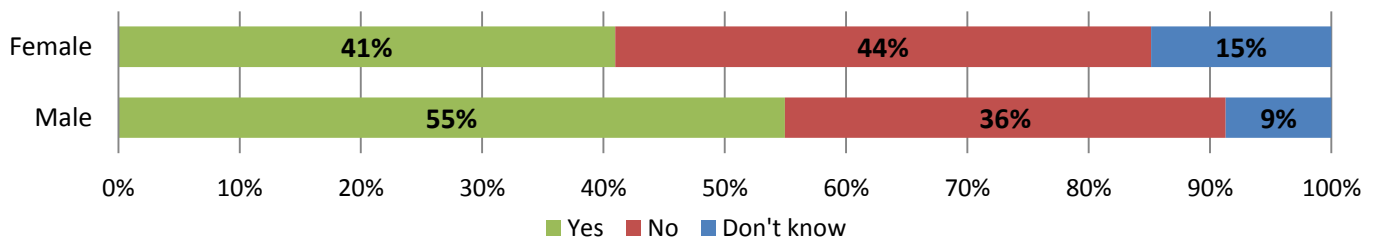


Overall, 48% of survey respondents were in favour of option 4 – using a set income for self-employed earners after one year of self-employment.

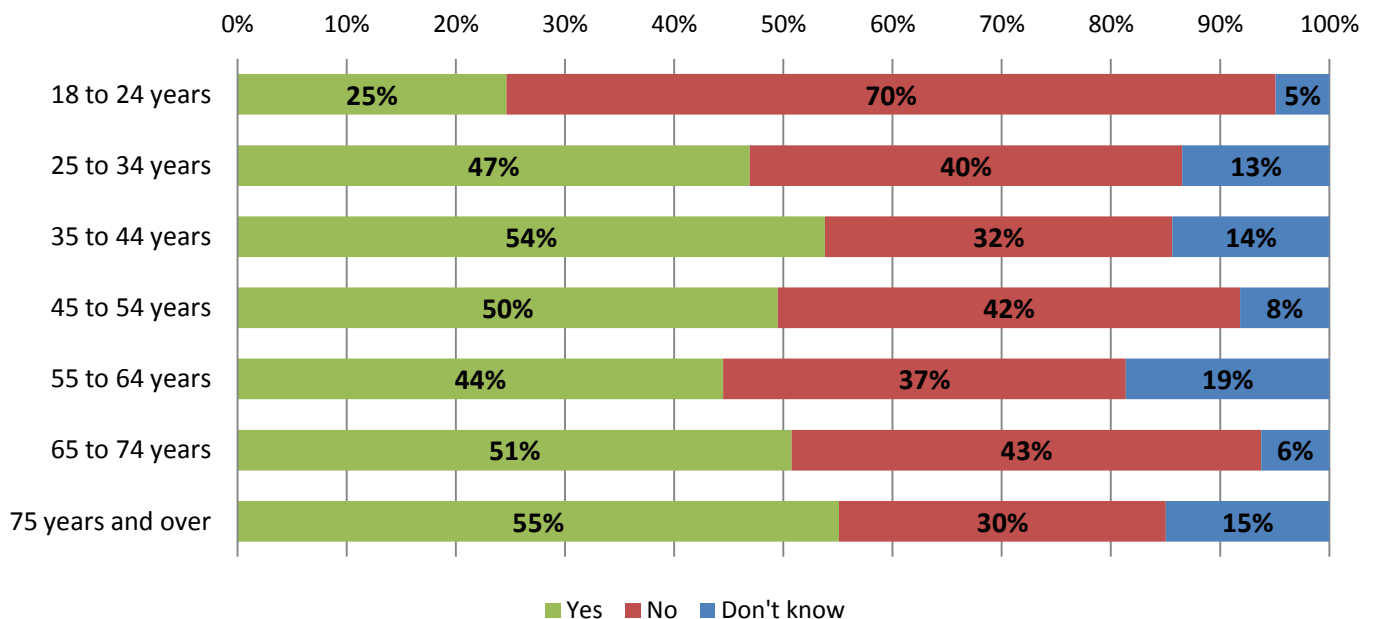
The majority of respondent aged 18 to 24 years, respondents with a disability or on Council Tax Benefit were less in favour of this option.

Some of the comments show concern for business start-ups and query if one year's income is fair (with a suggestion of three years).

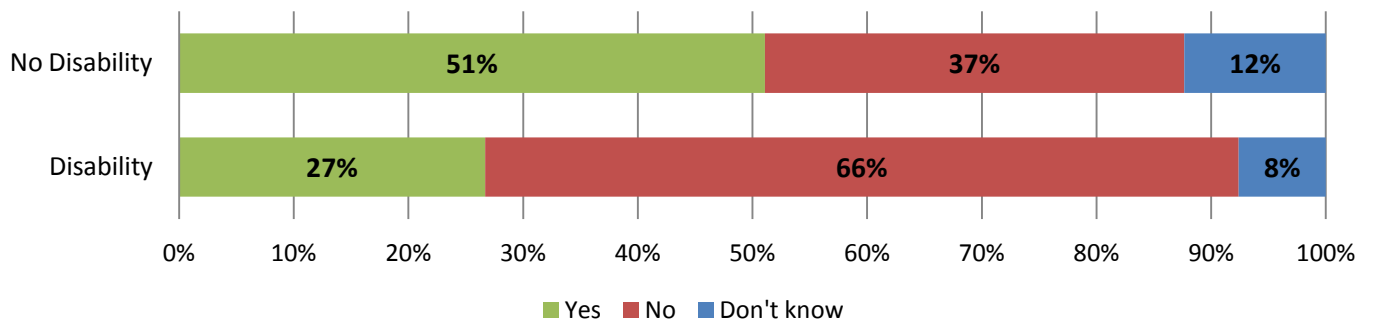
Gender



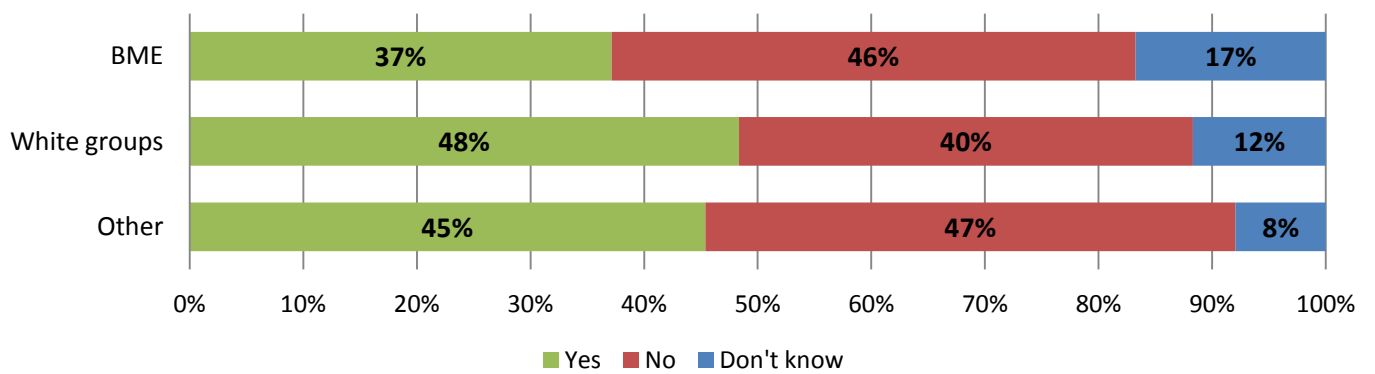
Age



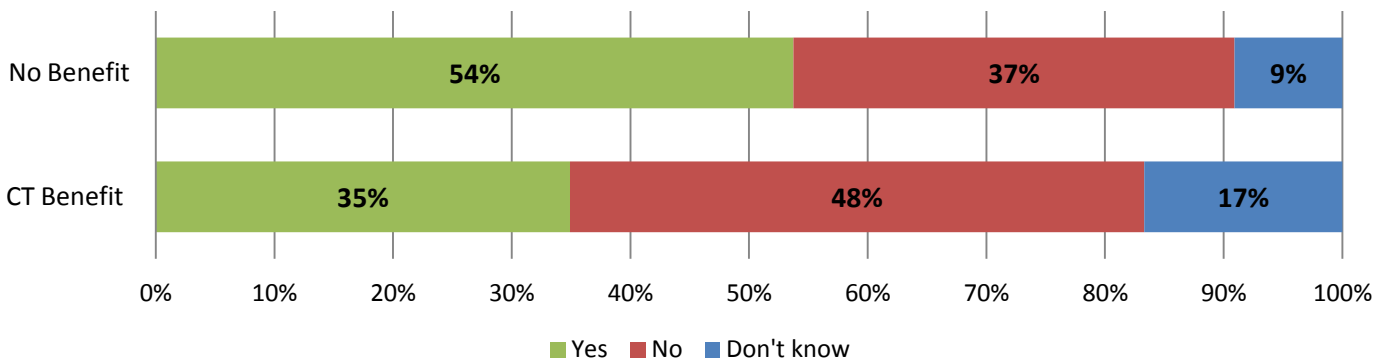
Disability or Health problem Expected to last , at least 12 months



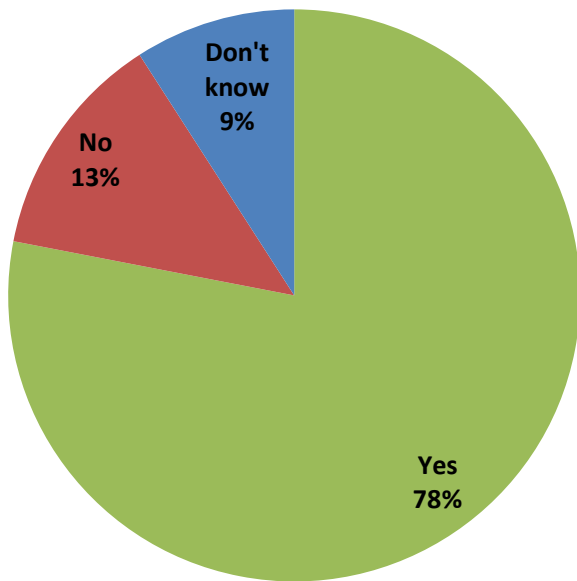
Ethnicity



Benefit Recipient



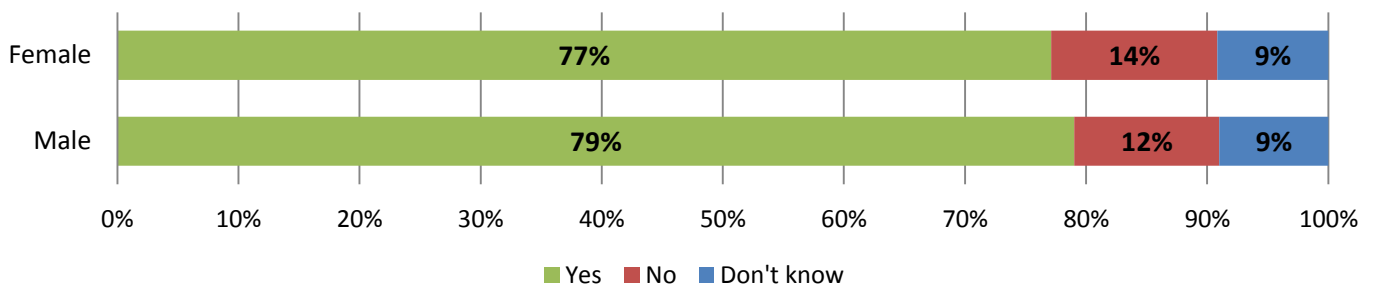
Option 5 Reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks



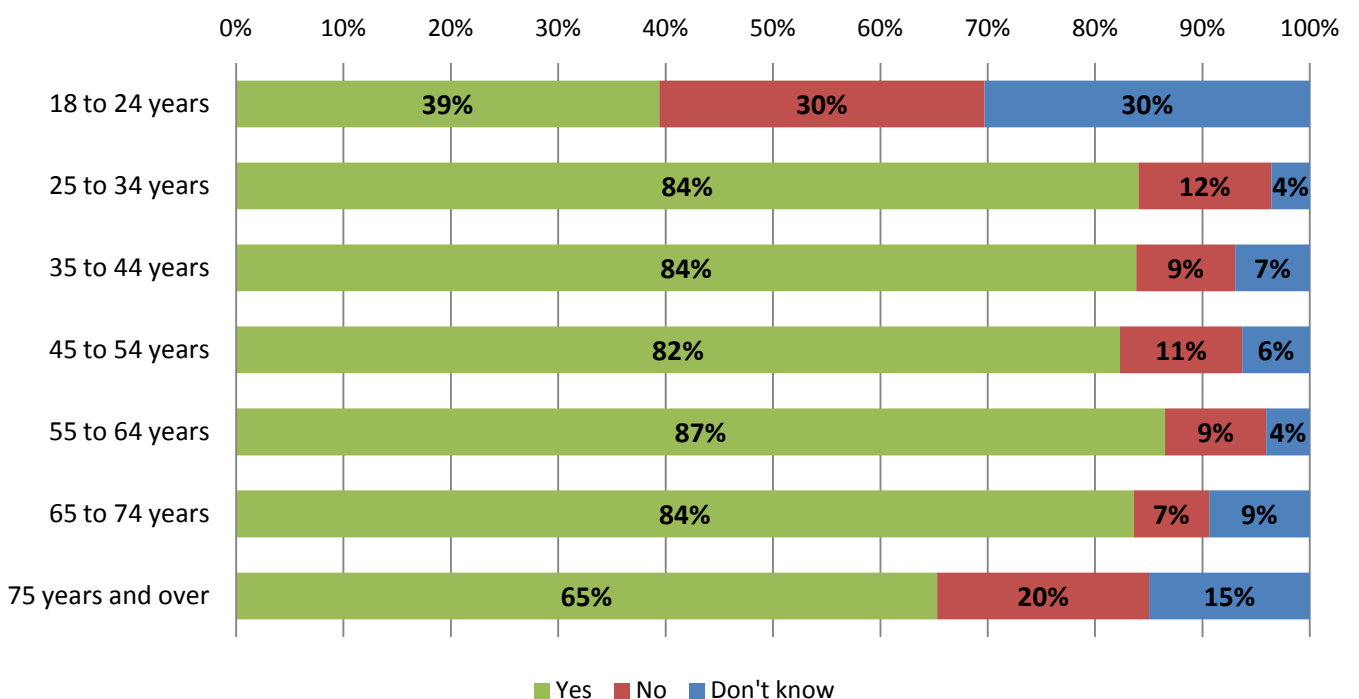
The majority of respondents were in favour of option 5 – reducing the period for which a person can be absent from Great Britain and still receive Council tax benefit for to four weeks.

High levels of agreement were found across all groupings with the exception of the 18 to 24 years old group, who were under represented in the survey responses.

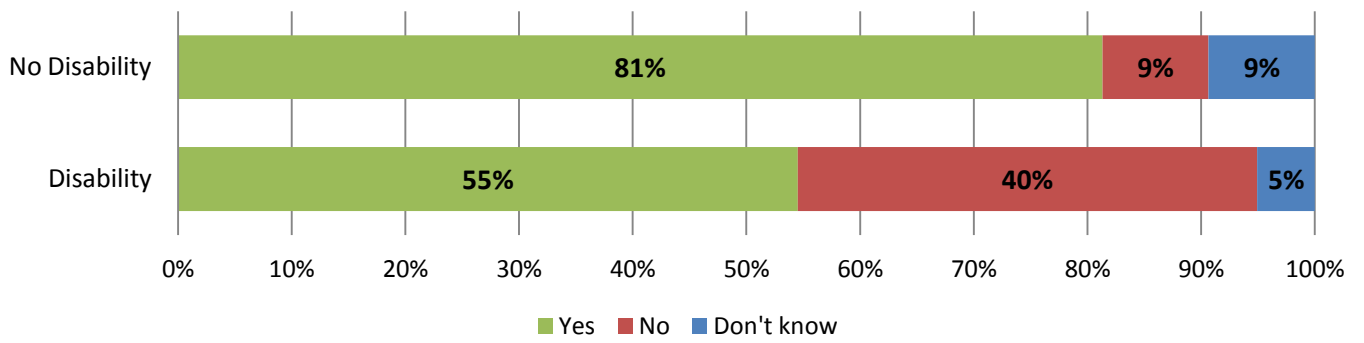
Gender



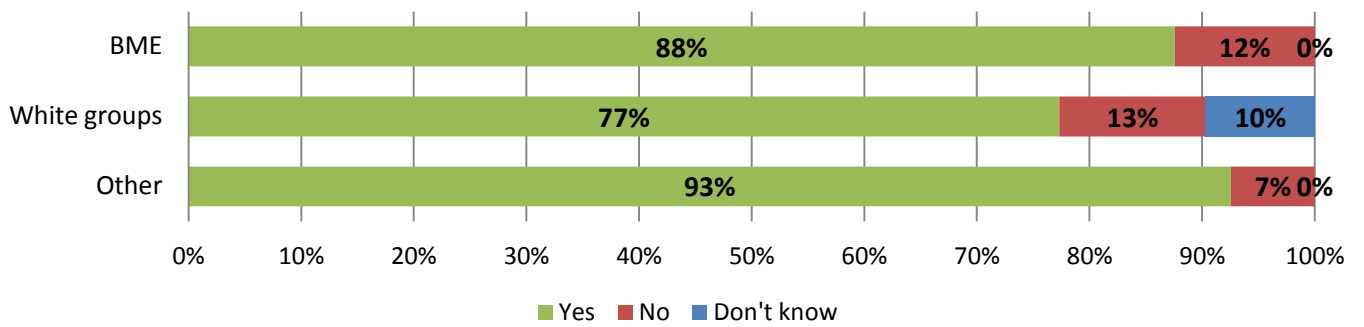
Age



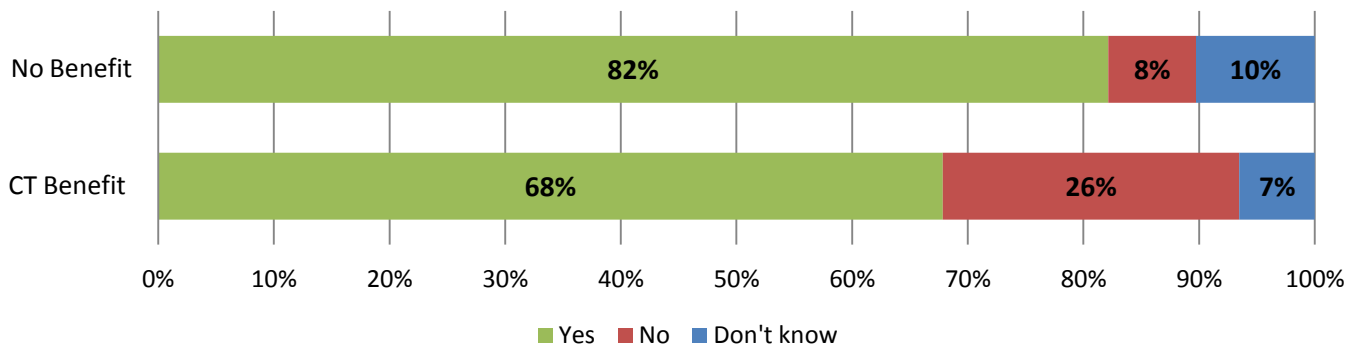
Disability or Health problem Expected to last , at least 12 months



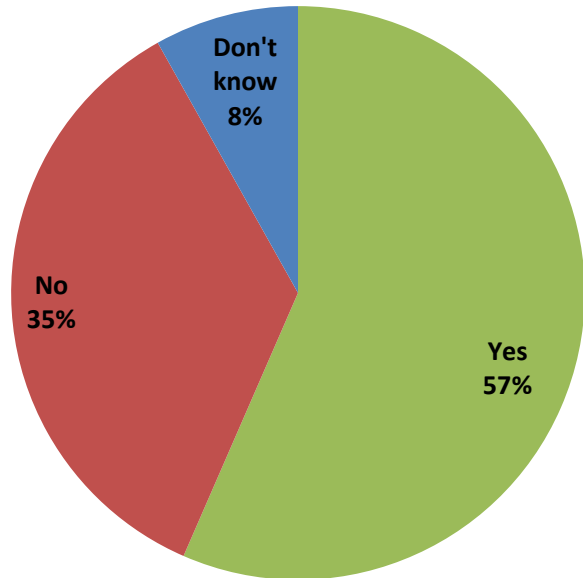
Ethnicity



Benefit Recipient



Option 6 Reduce the capital limit from the existing £16,000 to £6,000



57% of respondents were in favour of option 6.

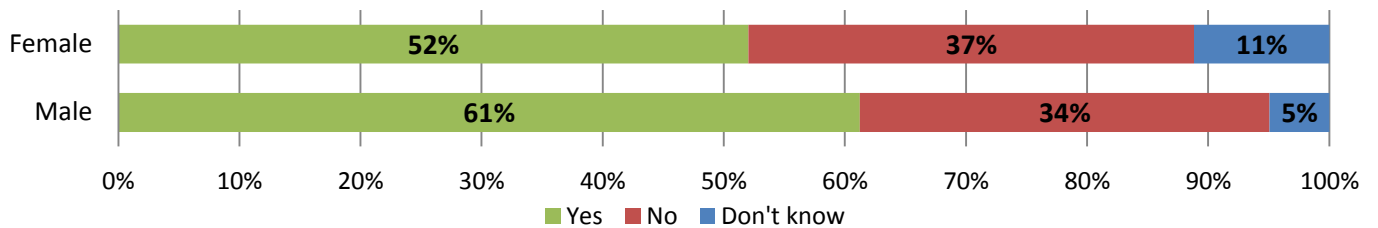
For this option there were significant variance in every grouping, with a 9% difference in agreement between men and women and an 11% difference in agreement between respondents from white backgrounds compared to respondents from BME backgrounds.

However, the greatest variance was within the age groupings with 25% of those aged 75 years and over agreeing with this option, less than half the level of agreement across all other age groups.

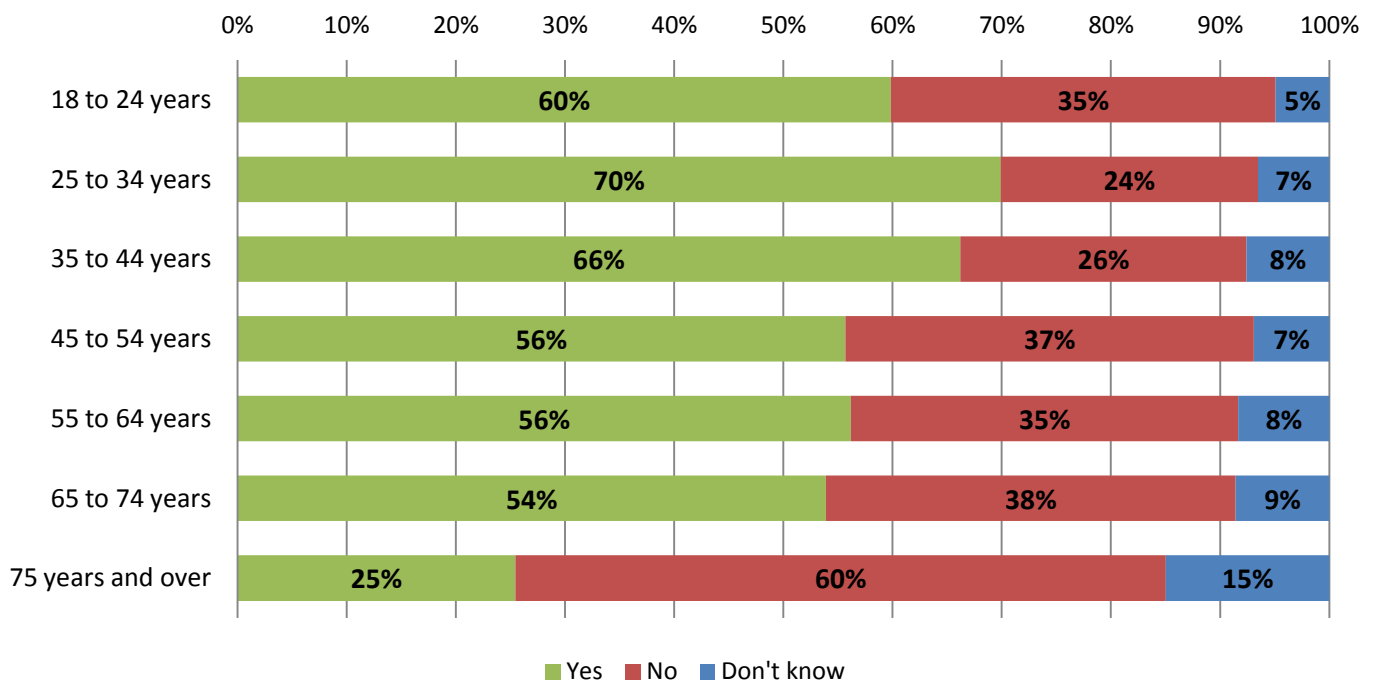
People without a disability were almost 50% more likely to be in favour of this option compared to those with a disability.

In addition Council Tax Benefit recipients were almost split on this option with 44% in favour and 43% against. Comments in relation to this option state that £6000 is not a lot of money, express concern in relation to inheritance and that this option does not encourage saving. Other comments state if they have the money they should not be claiming benefit.

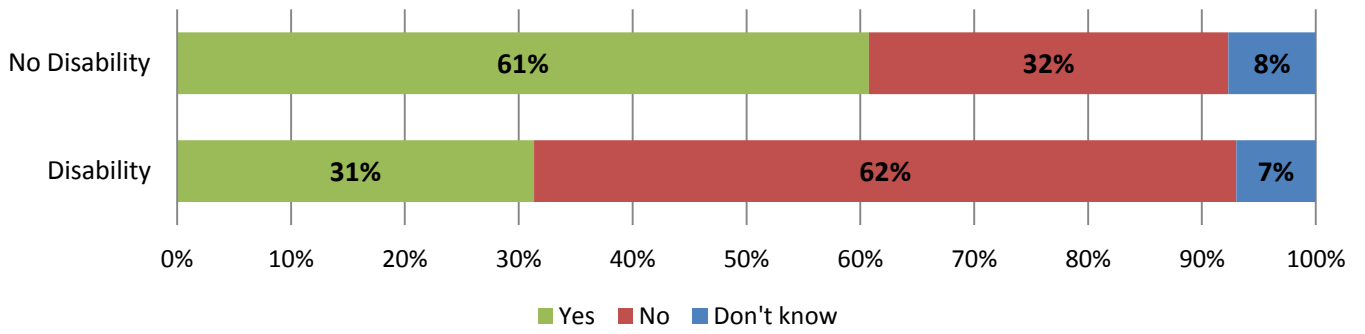
Gender



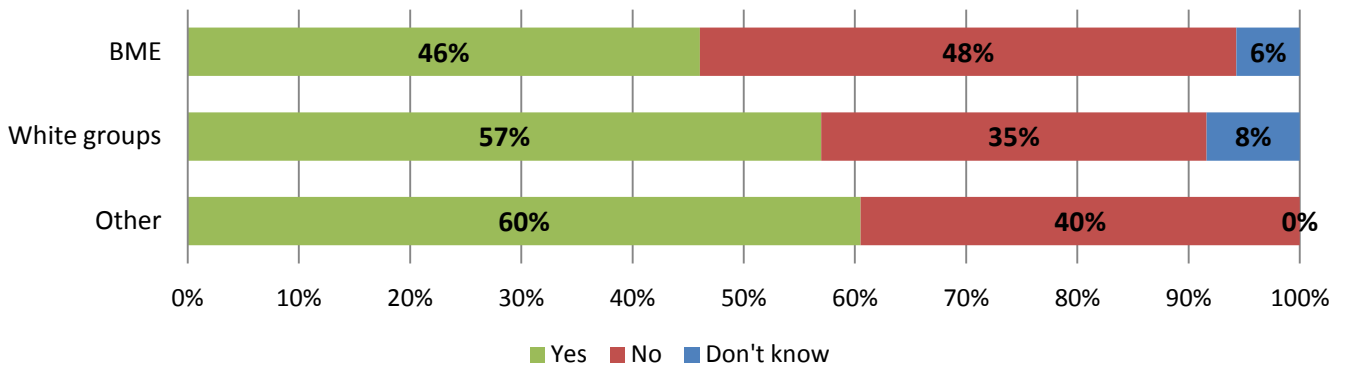
Age



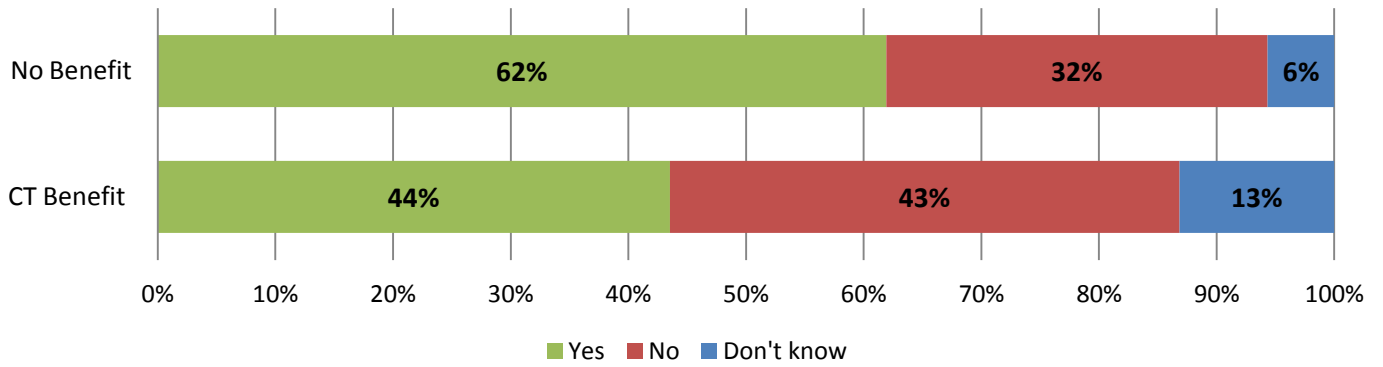
Disability or Health problem Expected to last , at least 12 months



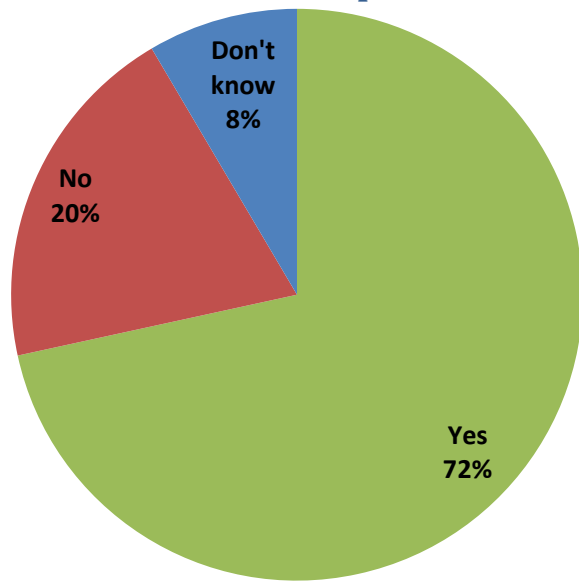
Ethnicity



Benefit Recipient



Option 7 To introduce a standard level of non dependant deduction of £10 for all claimants who have non dependants resident with them

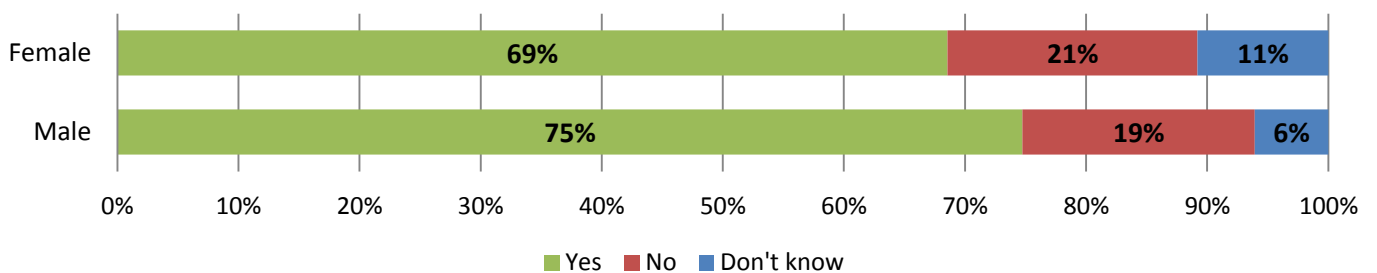


The majority of respondents were in favour of option 7 - to introduce a standard level of nondependent deduction of £10 for all claimants who have non dependant's resident with them. This trend is reflected across all groupings.

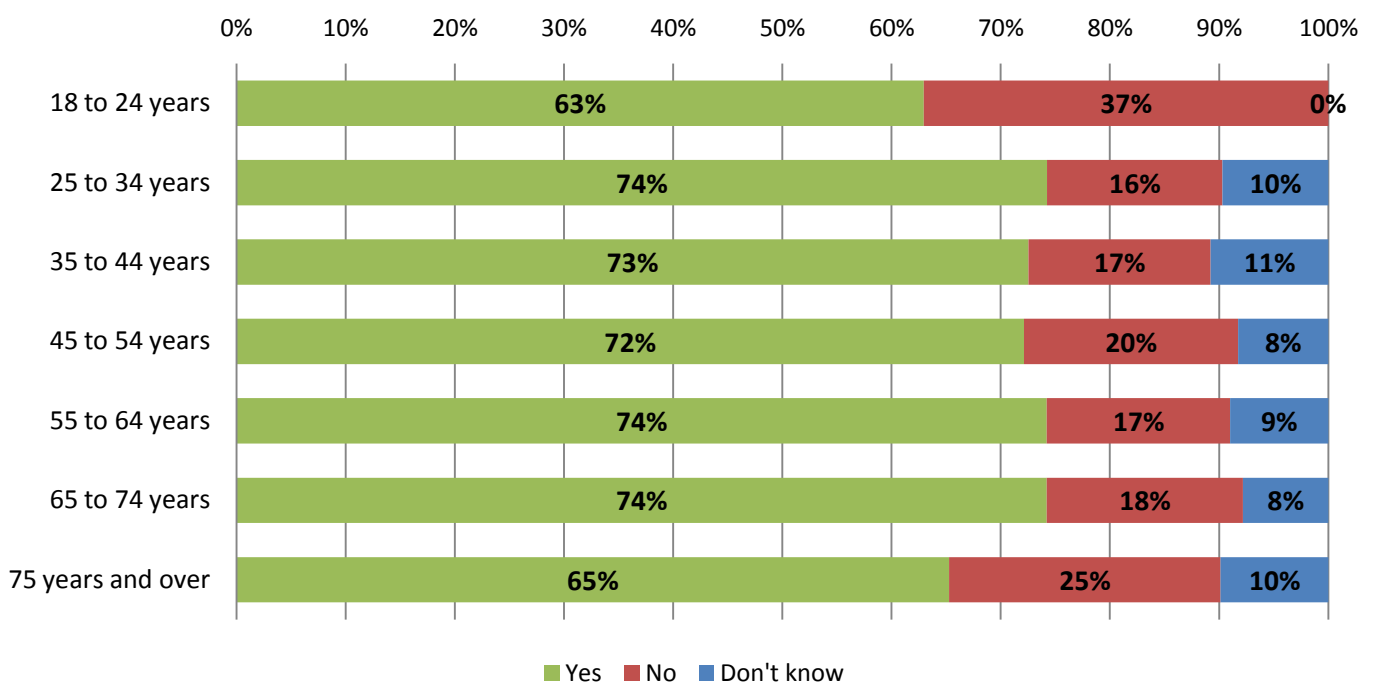
Those with a disability had the lowest levels of agreement with this option at 53%. There could be concern here around carers and what their status in the household is.

Comments suggest there is confusion about if this will apply to people in full-time education or on apprenticeships. Generally comments seem to suggest that this option is fair for working age dependants who are able to work.

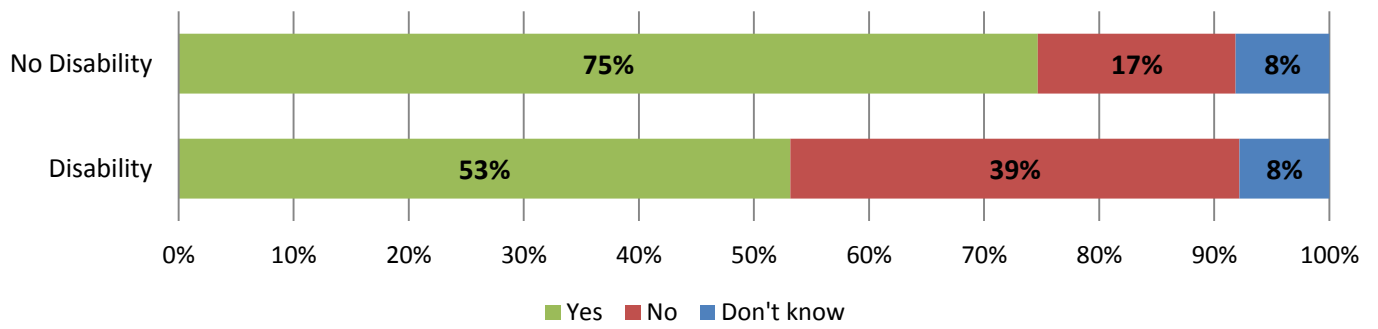
Gender



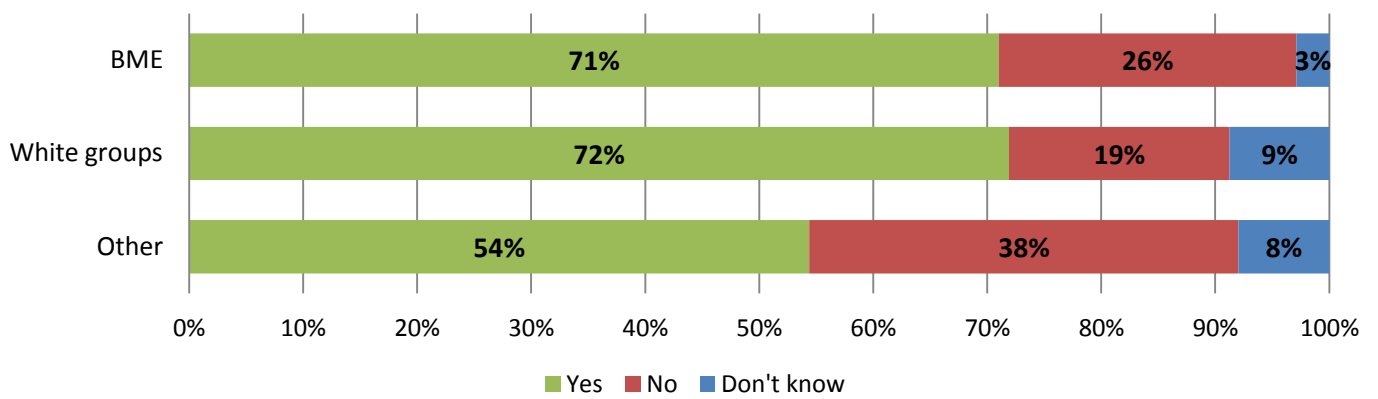
Age



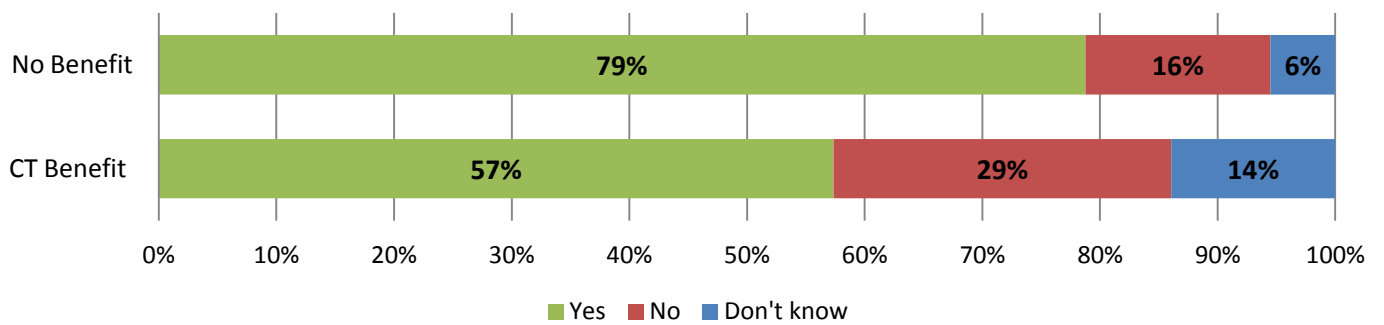
Disability or Health problem Expected to last, at least 12 months



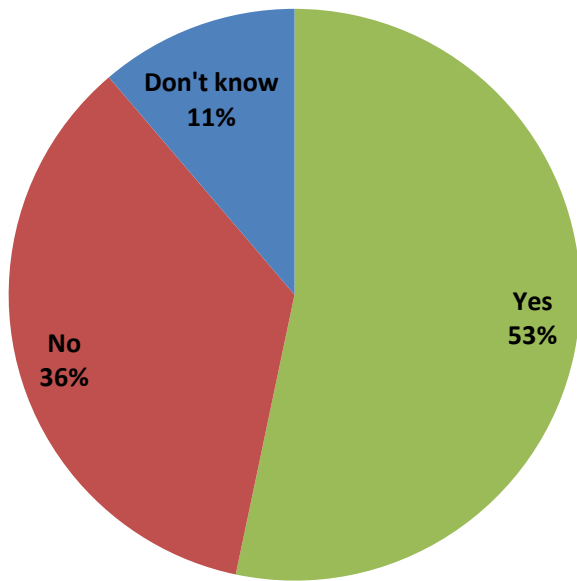
Ethnicity



Benefit Recipient



Option 8 To take any Child Maintenance paid to a claimant or partner into account in full in the calculation of Council Tax Reduction

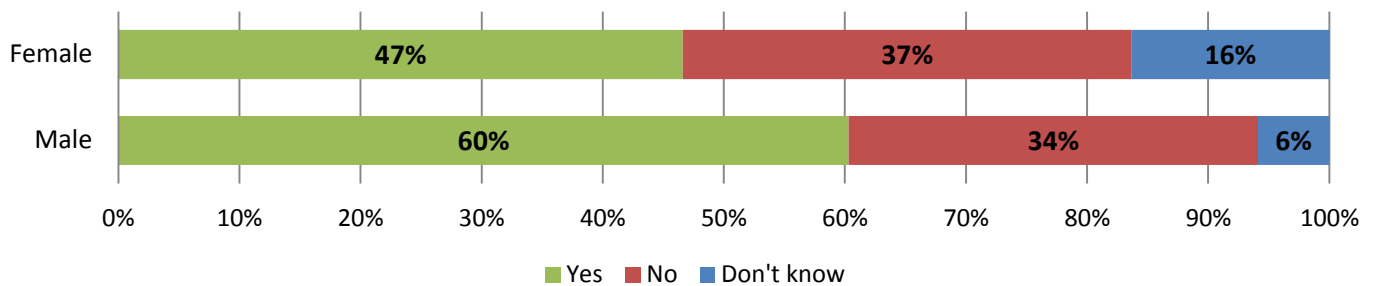


Just over half (53%) of respondents were in favour of option 8.

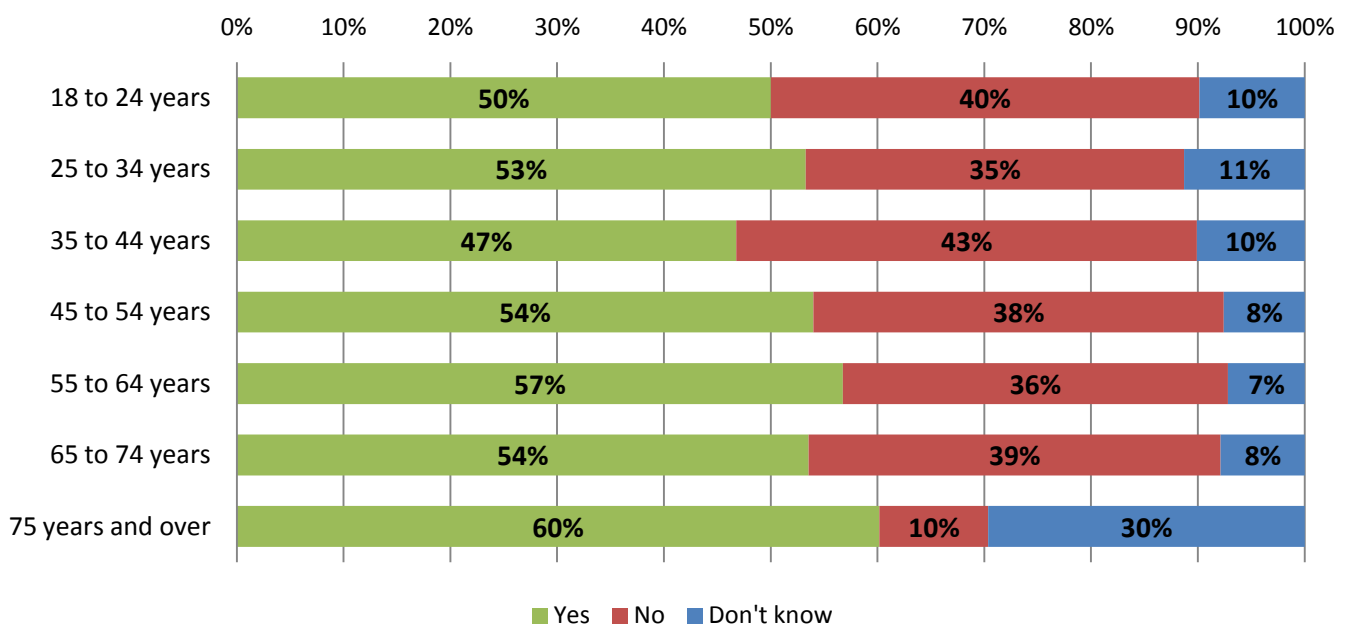
Respondents receiving Council Tax Benefit had the lowest level of agreement with this option at 37%. The comments suggest maintenance is an income and that all income should be considered when calculating benefits. While others suggest that child maintenance is for the child and not the adult and therefore should not be considered as part of the household income.

Women also had lower levels of agreement with this option compared to men. This is probably because women are more likely to be in receipt of child maintenance.

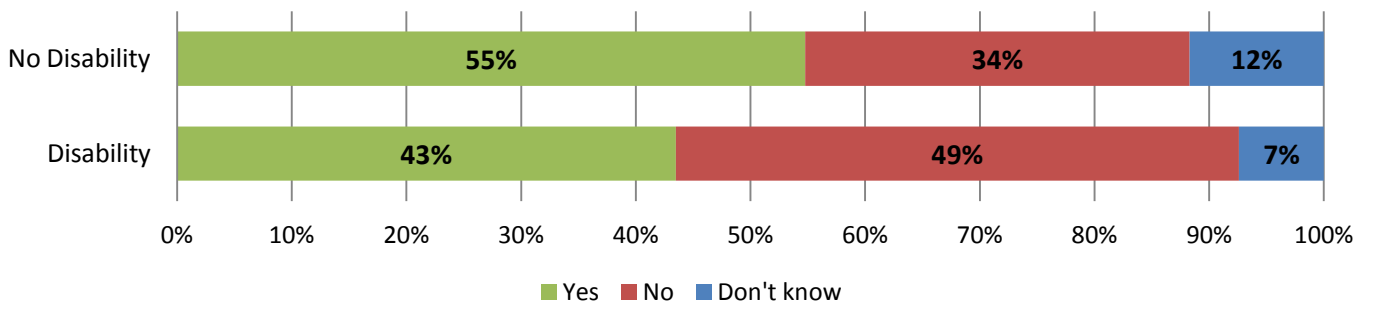
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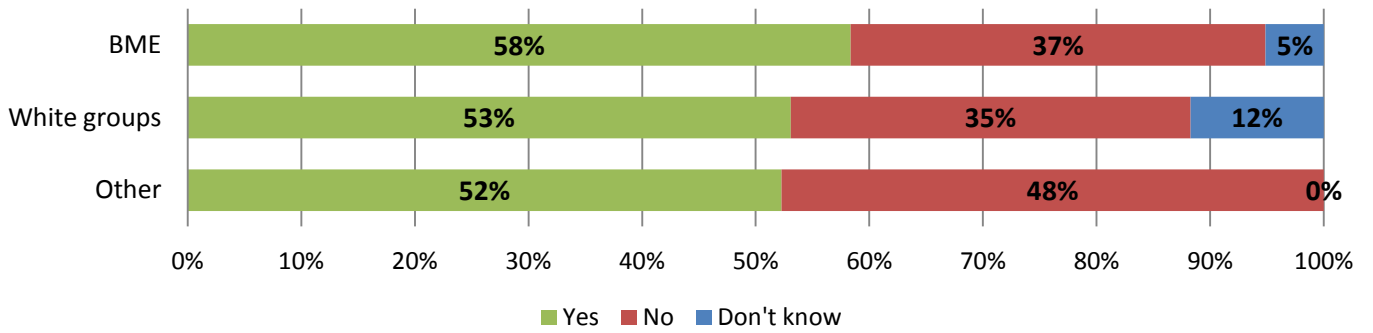
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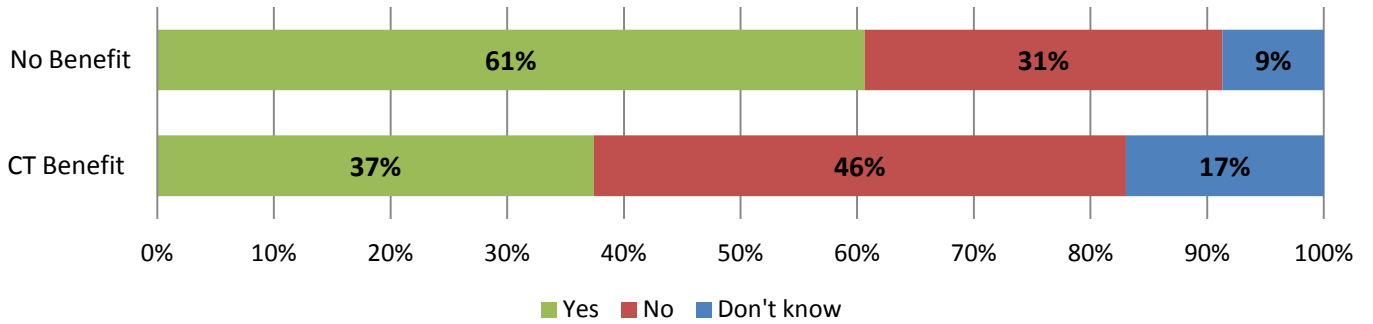
Disability or Health problem Expected to last , at least 12 months



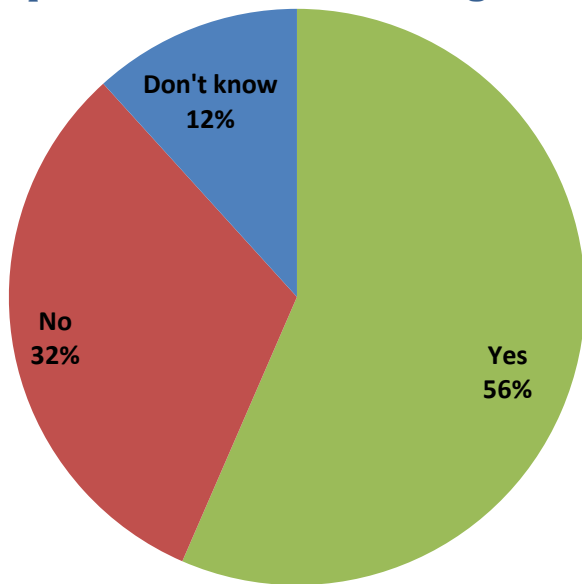
Ethnicity



Benefit Recipient



Option 9 To restrict the maximum level of Council Tax Reduction payable to the equivalent of a Band D charge



Overall, 56% of respondents were in favour of option 9

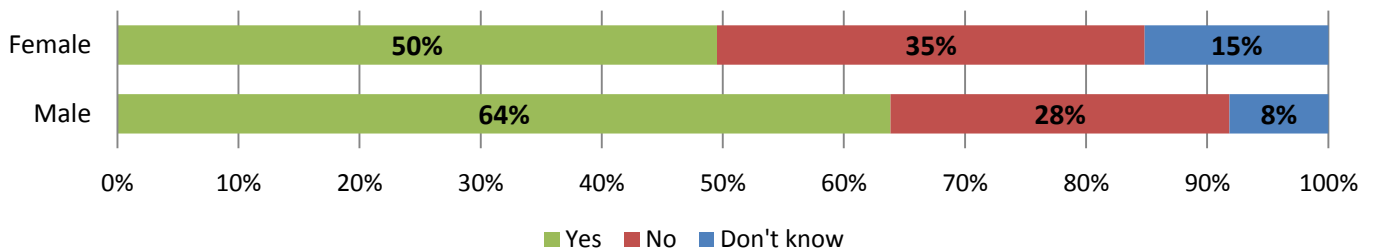
There is a 27% difference between the age group with the highest levels of agreement (65 to 74 years) and the lowest (75 years and over). We know that people aged 75 years and over were underrepresented in the survey; however it would be expected that the age grouping below this would have similar levels of agreement, and this is not the case.

There is a 29% difference in levels of agreement between respondents with a disability and those without. The comments suggest there could be a concern about having room for carers and or equipment, with these being reason for requiring a larger property.

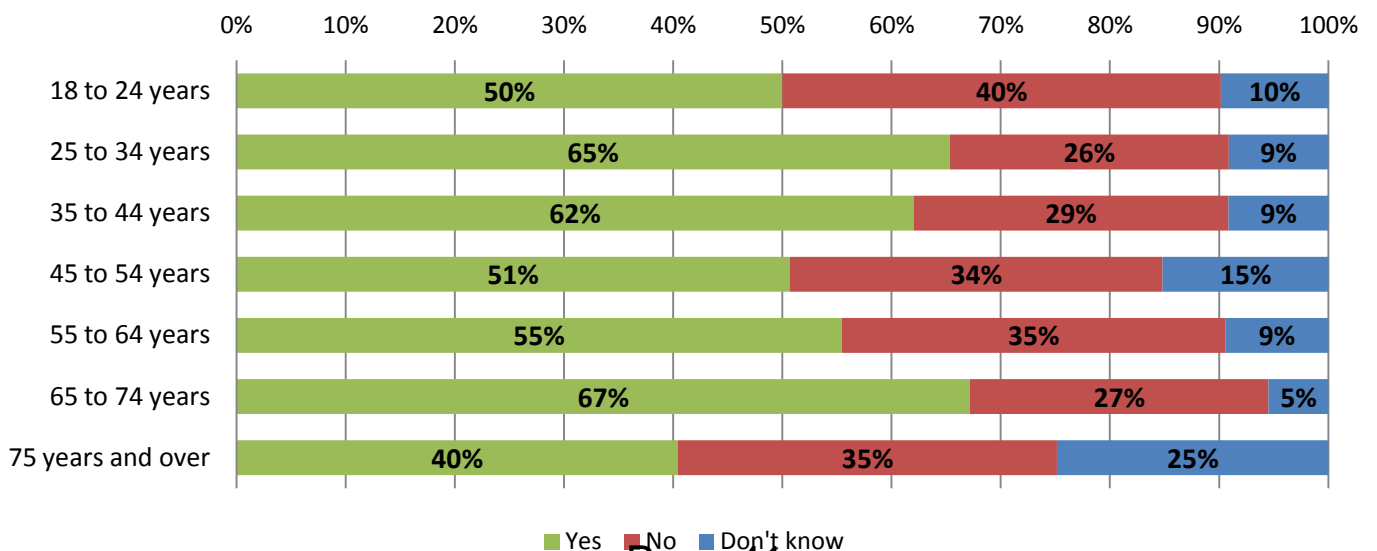
There is a 24% difference in level of agreement for this option between respondents that currently receive Council Tax benefit and those that do not. Currently 5% of council tax benefit recipients occupies properties band D or higher.

There is also 14% difference between men and women. Comments show concern for people who are asset rich but cash poor as well as consideration for people trying to downsize.

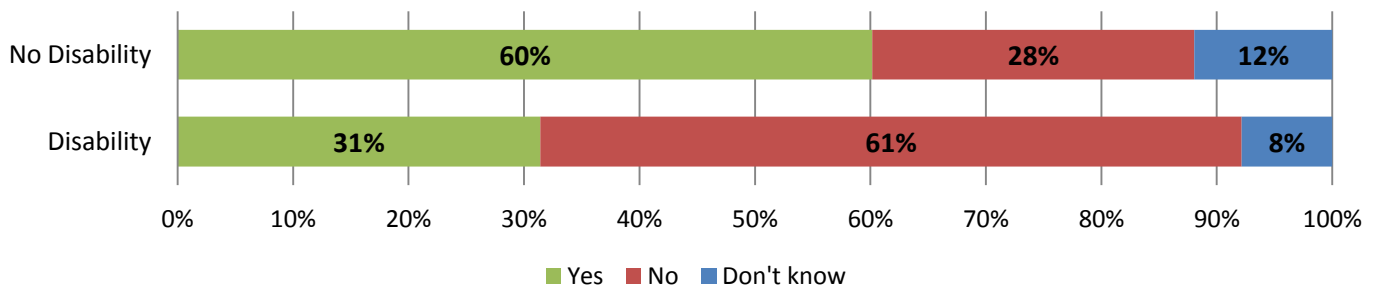
Gender



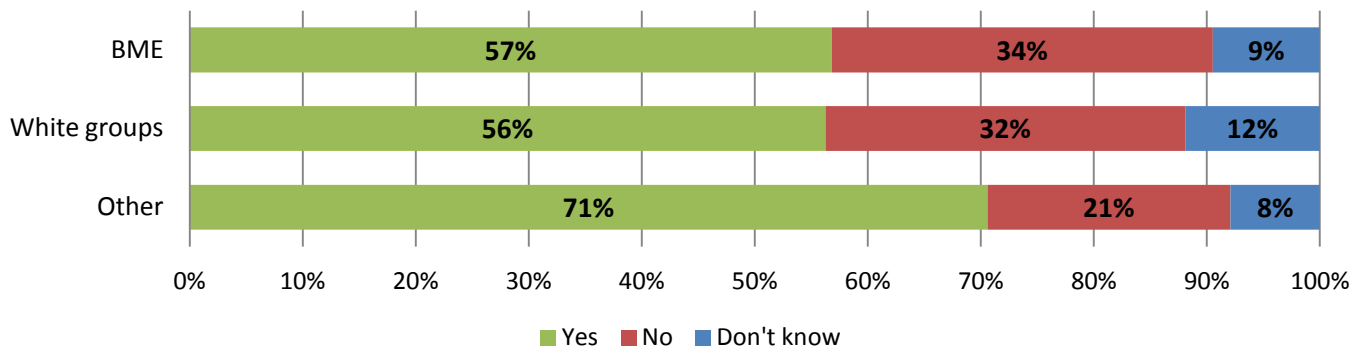
Age



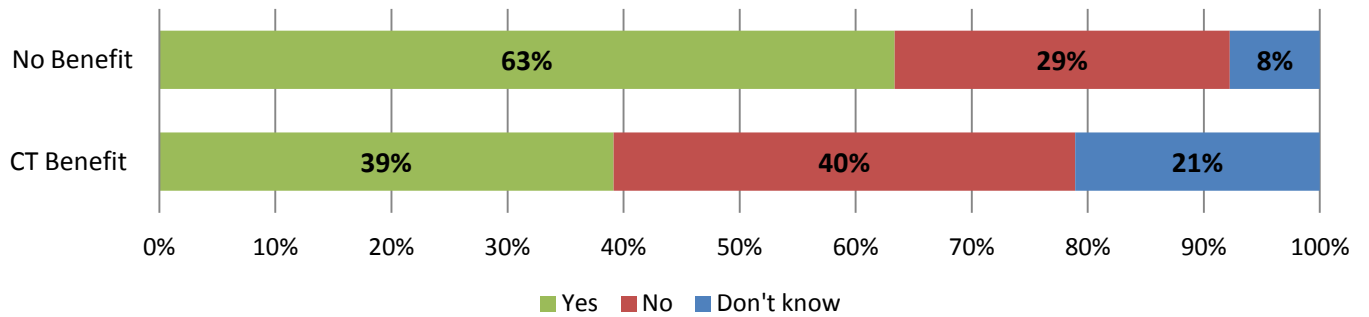
Disability or Health problem Expected to last , at least 12 months



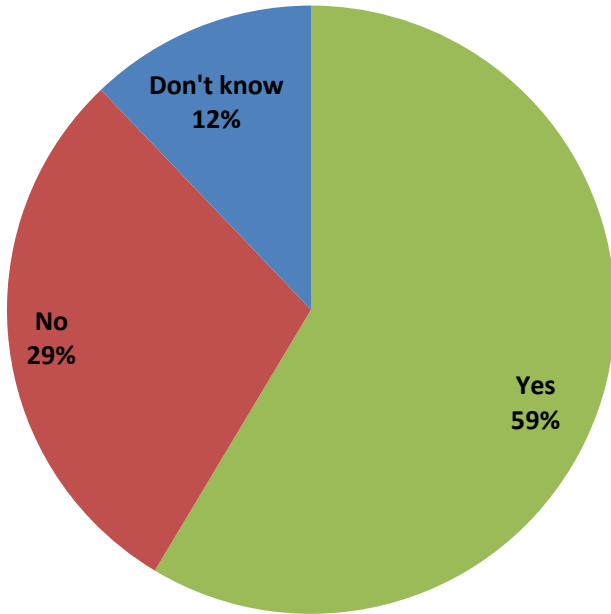
Ethnicity



Benefit Recipient



Option 10 To remove Second Adult Reduction from the scheme



Overall, 59% of respondents were in favour of option 10

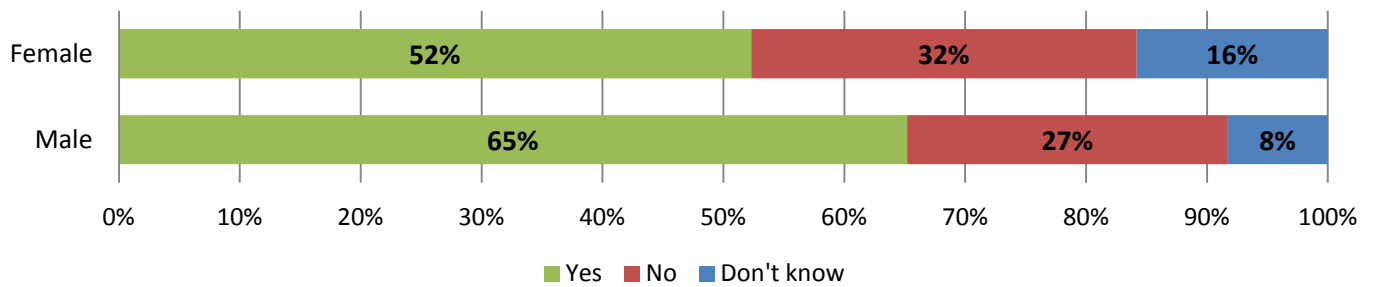
There are three groups where the levels of agreement are significantly lower than their counterparts. One of these is the over 75s which had an agreement level of 45%.

Just 26% of respondents with a disability agreed with this option, this could be due to the need to have a carer live in.

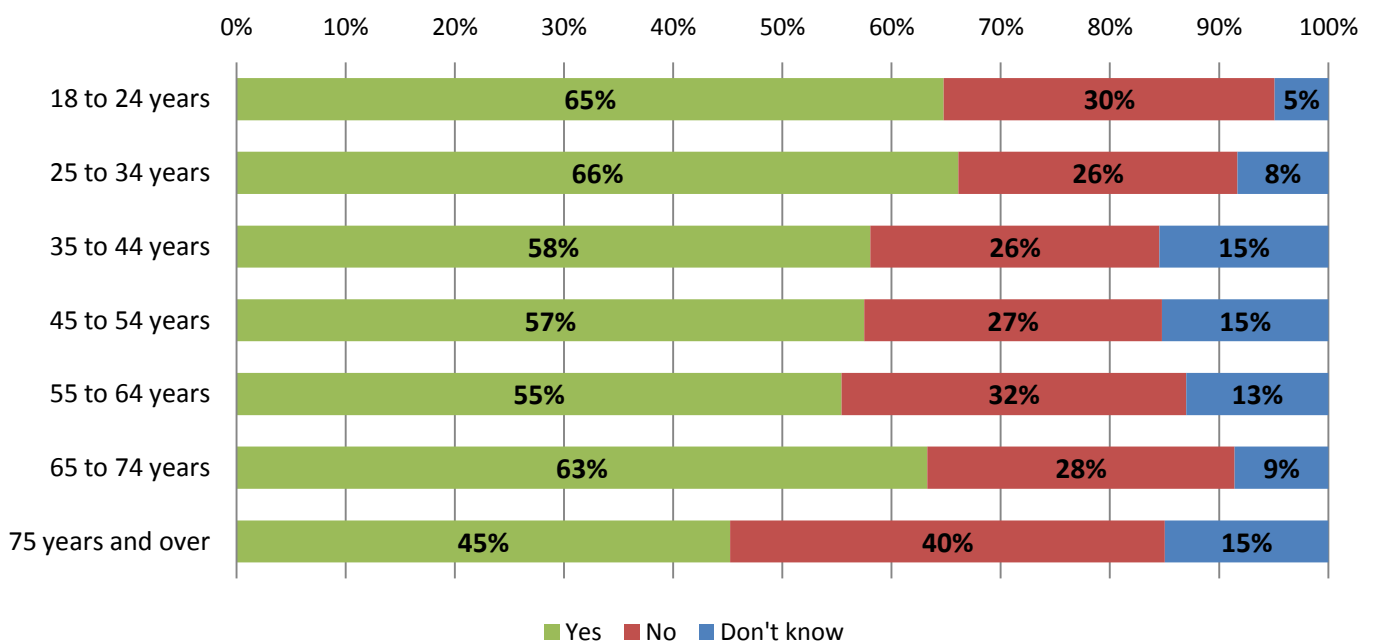
Council Tax benefit recipients also had lower levels of agreement at 40% compared to 67% for non-claimants.

The comments suggest there is concern for people who are out of work due to ill health or have adult children home. Other comments say this would provide an incentive to work.

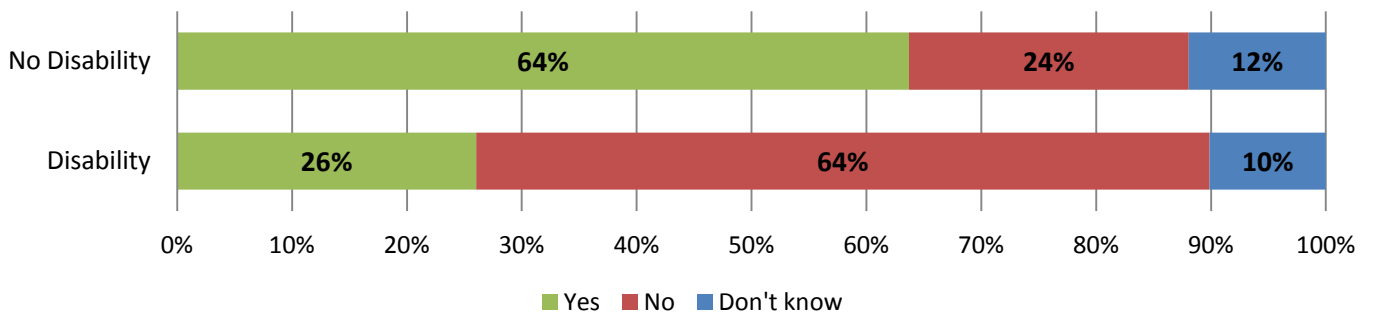
Gender



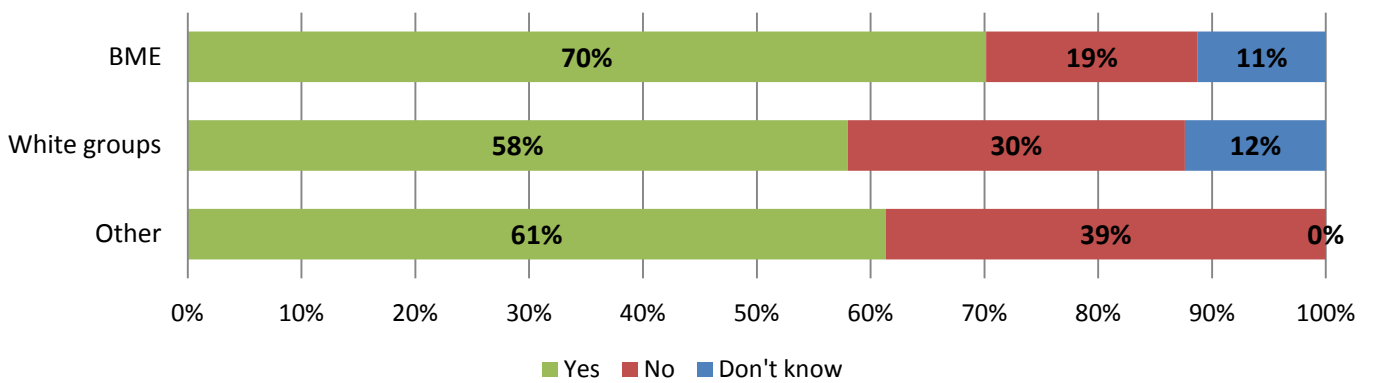
Age



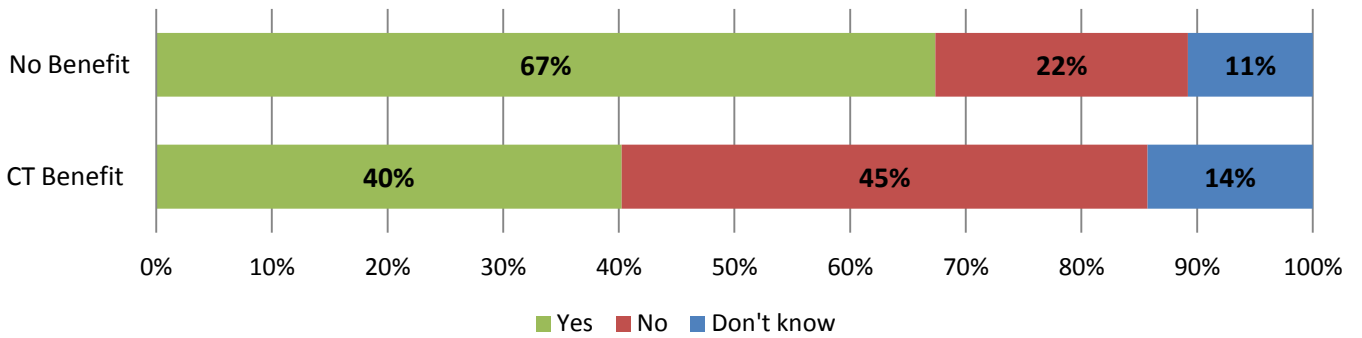
Disability or Health problem Expected to last , at least 12 months



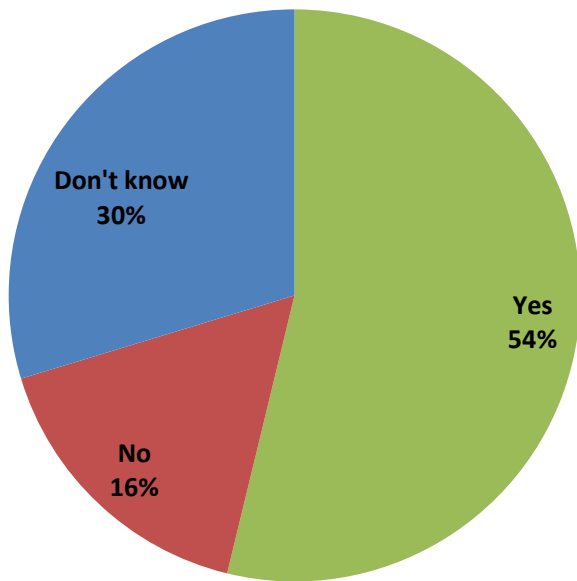
Ethnicity



Benefit Recipient



Option 11 To remove the Work Related Activity component in the calculation of Council Tax Reduction



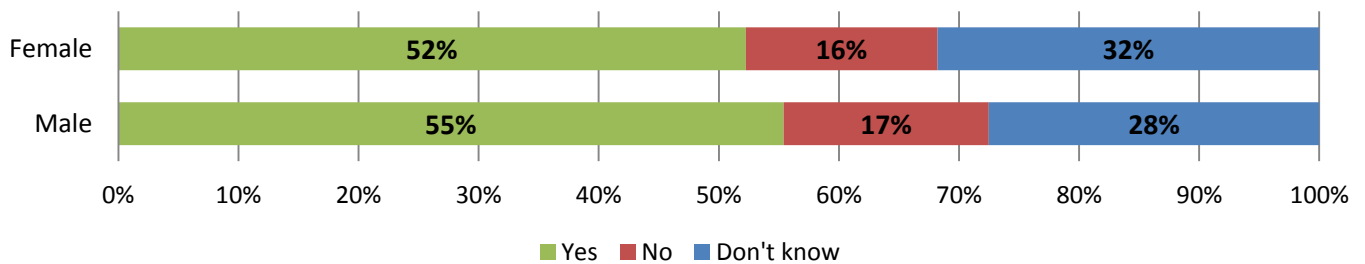
Overall, 54% of respondents are in favour of option11- remove the Work Related Activity component in the calculation of Council Tax Reduction.

The 18 to 24 years old group had the lowest level of agreement with this option at 31%, however these result need to be treated with caution as this group was under represented in the responses.

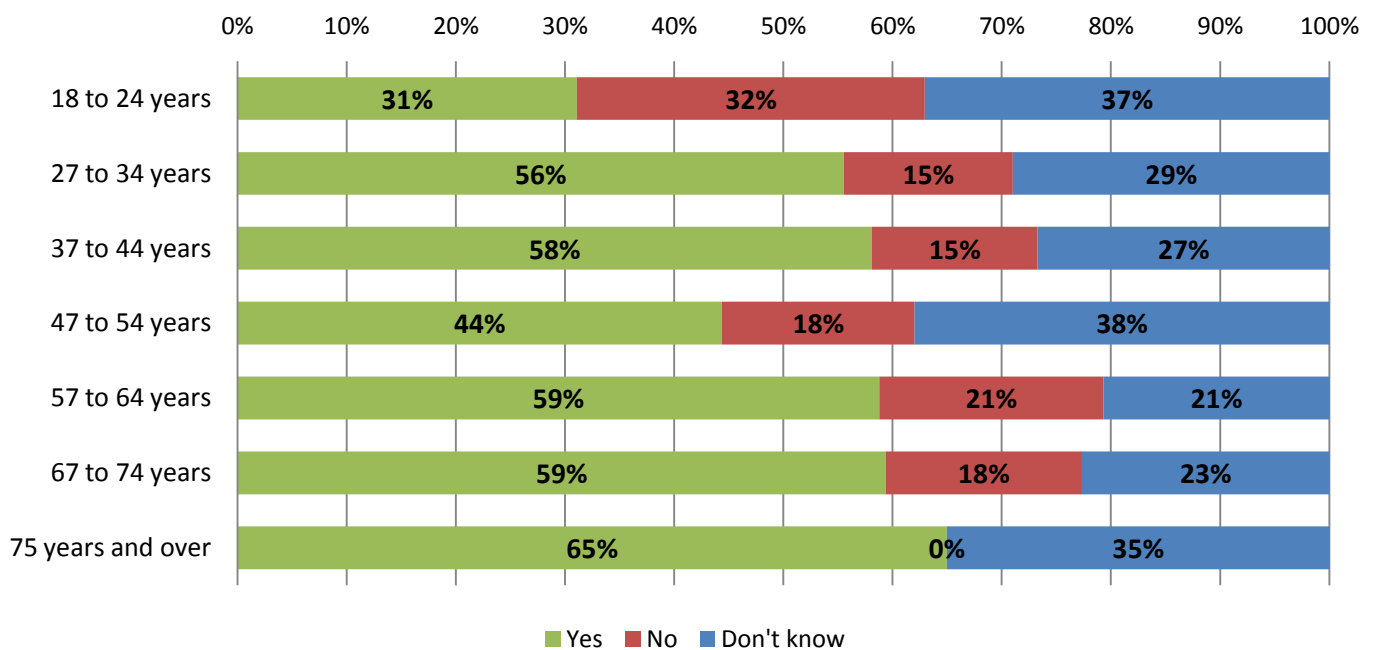
Respondents with a disability were not in favour of this option with 34% in favour of this change, probably as this directly relates to disability benefit.

The comments imply that this option and potential impacts are not well understood.

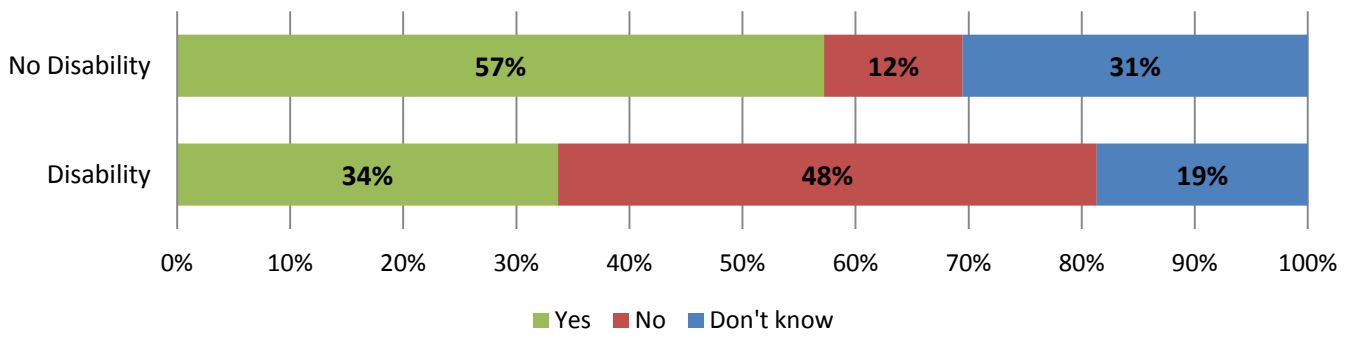
Gender



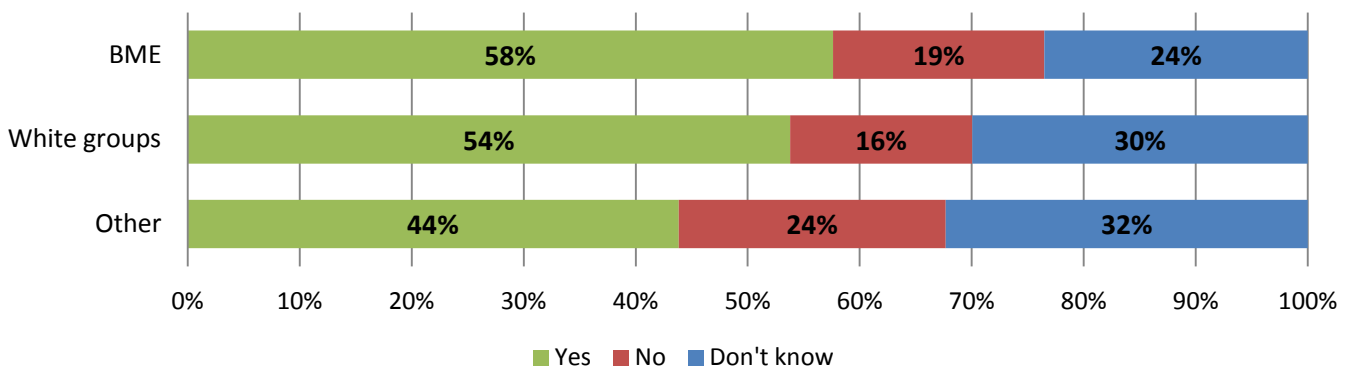
Age



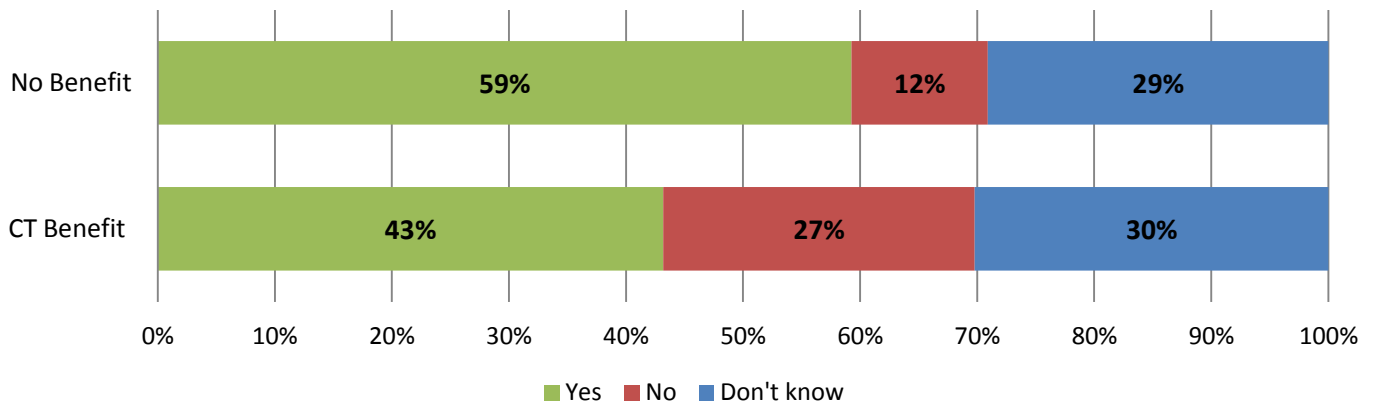
Disability or Health problem Expected to last , at least 12 months



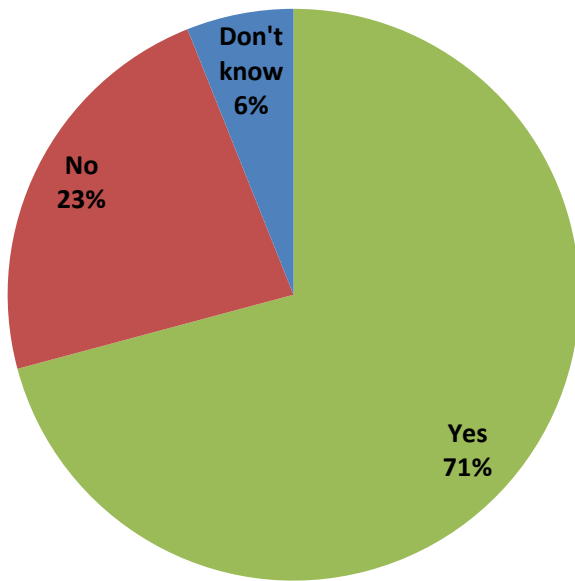
Ethnicity



Benefit Recipient



Option 12 To limit the number of dependant children within the calculation for Council Tax Reduction to a maximum of two

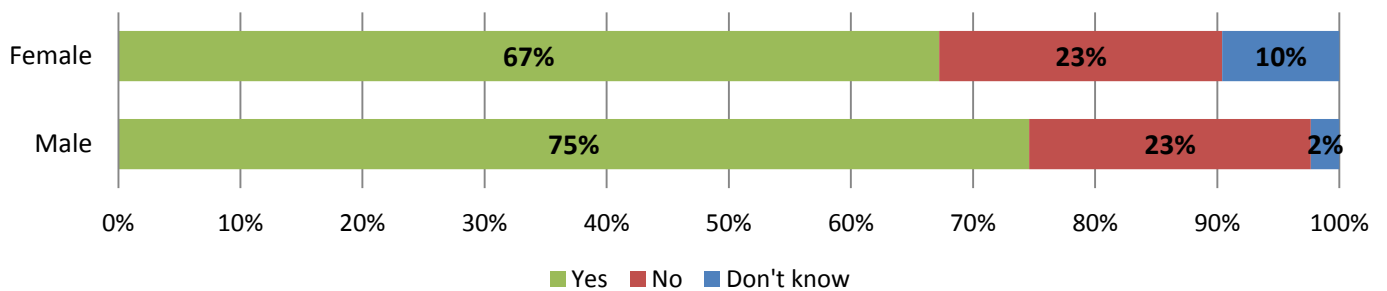


The majority of respondents are in favour of option 12 – to limit the number of dependant children within the Council Tax Reduction to a maximum of two.

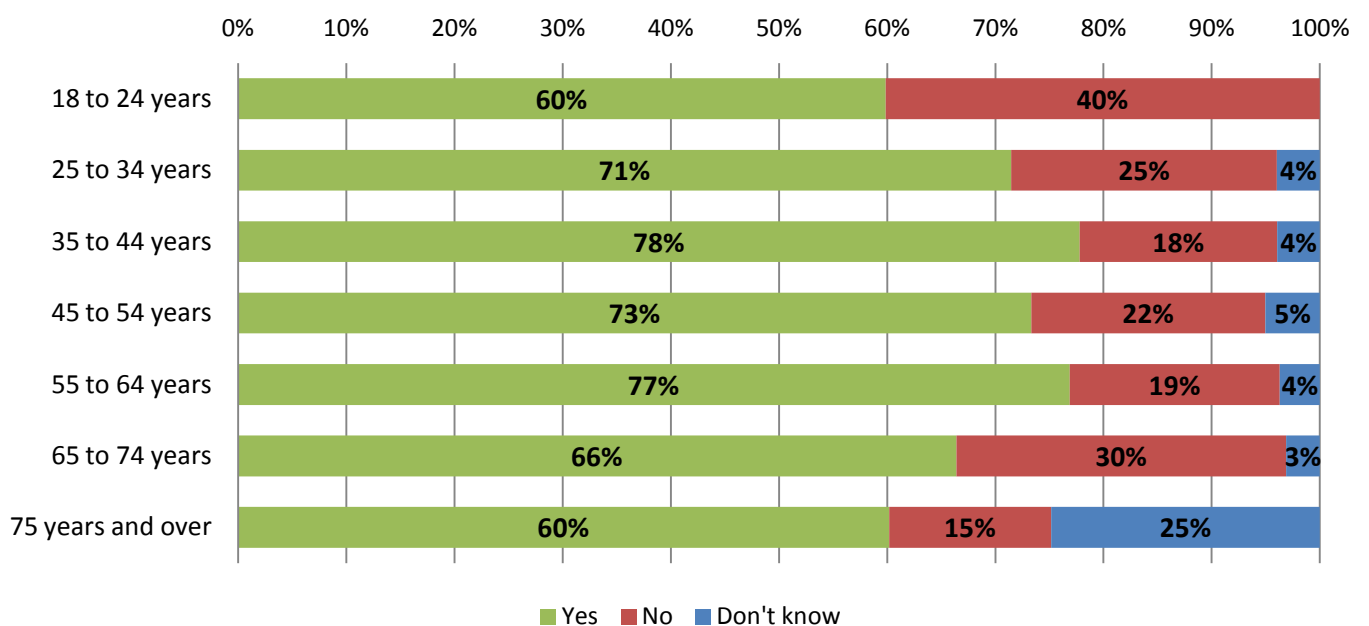
High levels of agreement were seen across all groups with disability having the lowest level of agreement at 55%.

The comments that relate to this option show concern for child poverty and that this proposal under values families, others demonstrate support for bringing this in line with other benefit calculations.

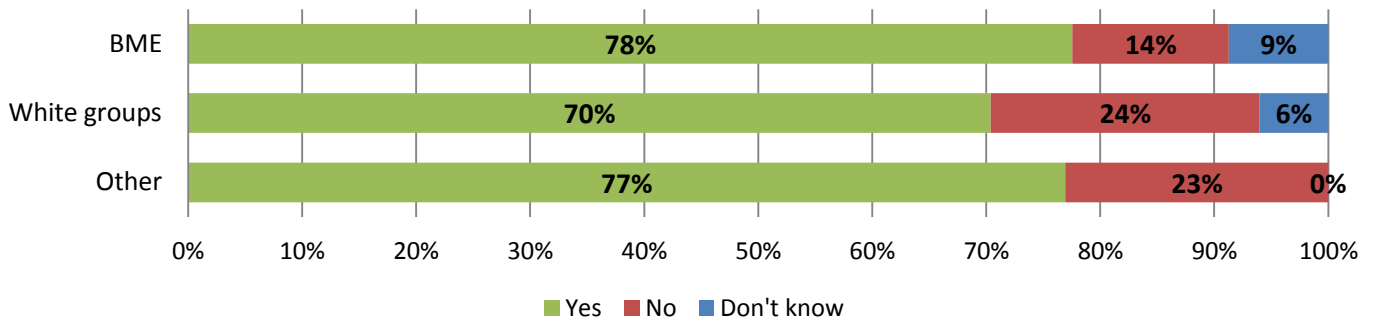
Gender



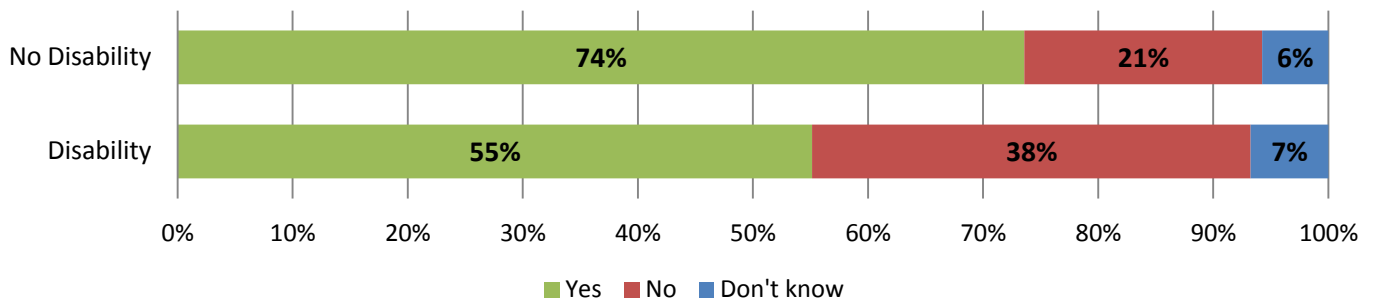
Age



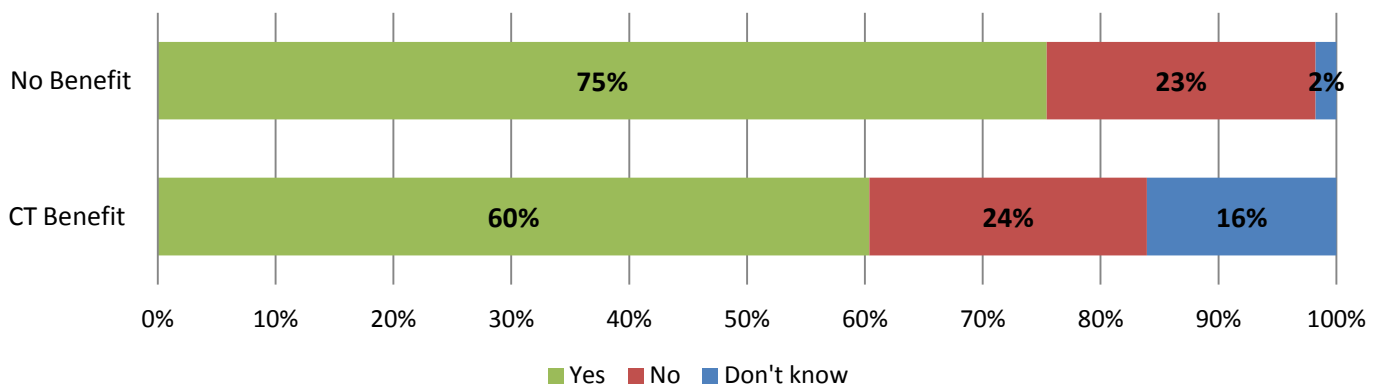
Ethnicity



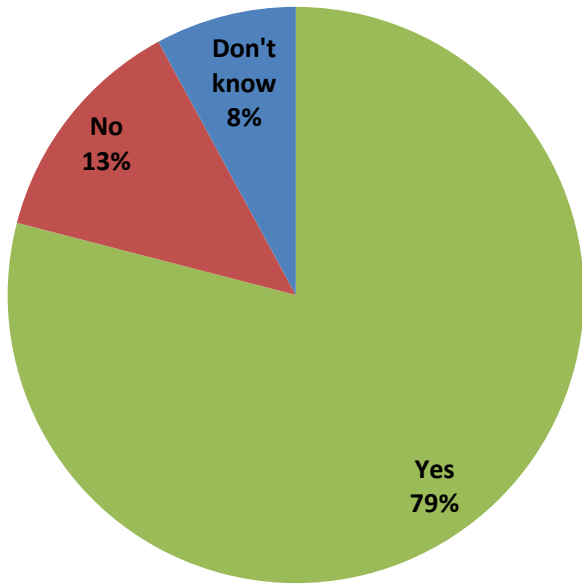
Disability or Health problem Expected to last , at least 12 months



Benefit Recipient



Option 13 To introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering exceptional hardship

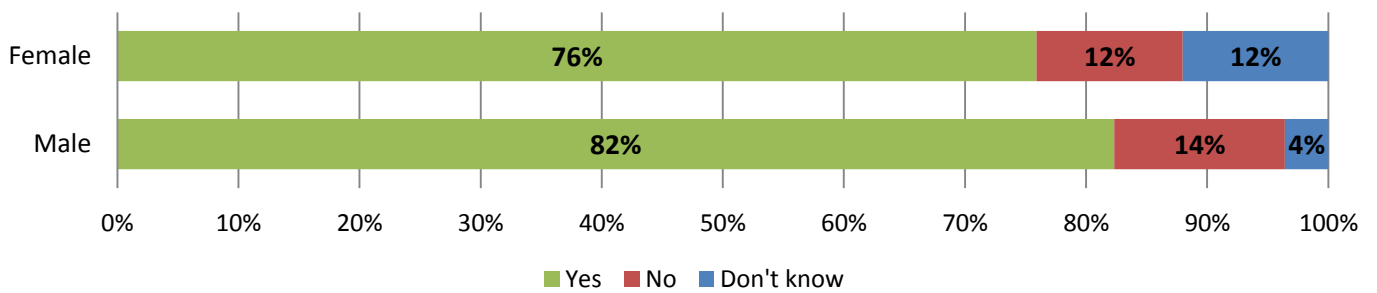


The majority of respondents are in favour of option 13 – to introduce a scheme, in addition to Council Tax Reduction, to help applicants suffering from exceptional hardship.

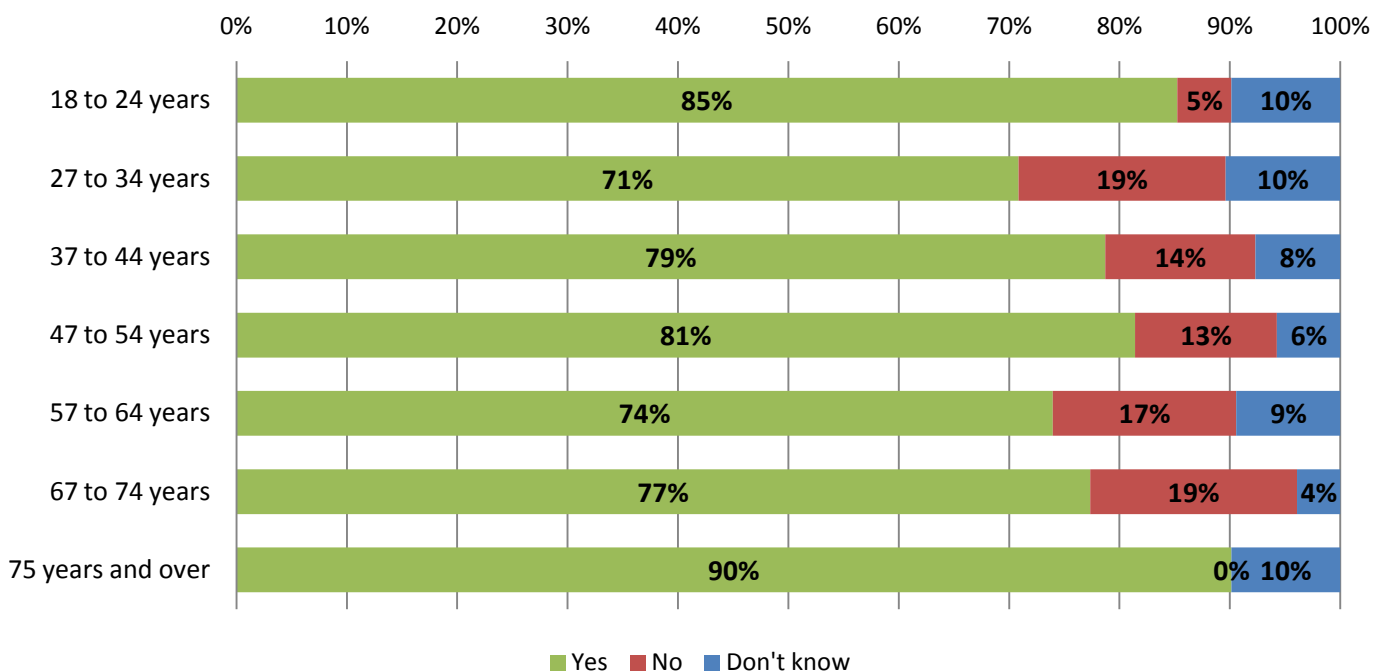
These high levels of agreement were seen across all groupings.

The comments generally show support for this option and demonstrate an understanding that this option provides flexibility for those in most need. There were also suggestions that this is self-funded, only accessible after a period of residency in the borough and that it would only be available for UK contributors.

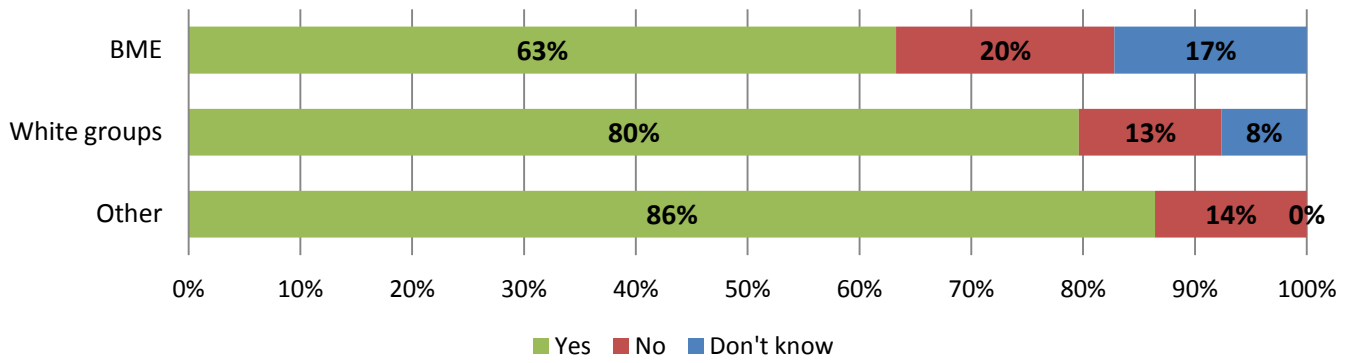
Gender



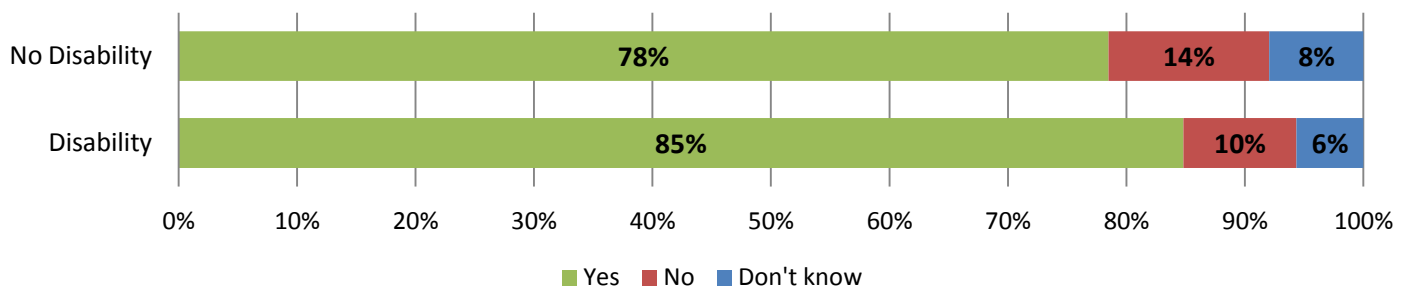
Age



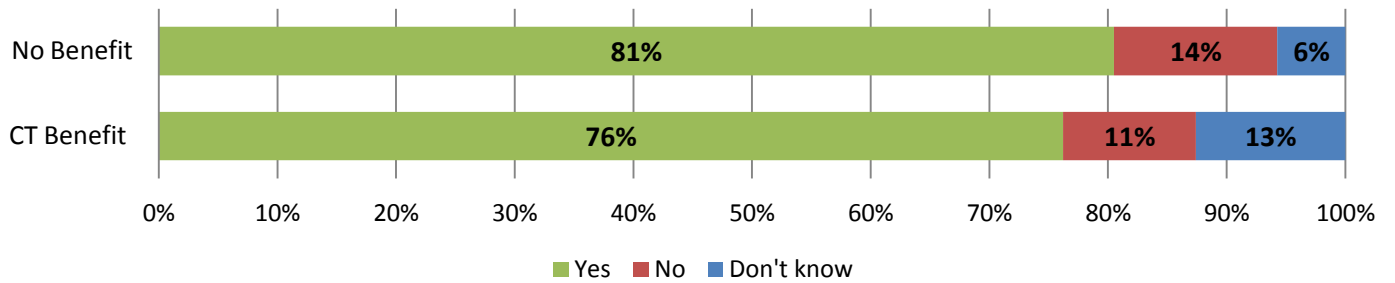
Ethnicity



Disability or Health problem Expected to last , at least 12 months



Benefit Recipient



Prioritisation of Options

In addition to asking respondents specifically about each option the questionnaire also asked respondents to rank the option in terms of preference where 1 was the most preferable option and 13 was the least preferred option. To assess which options were most preferable a weighted average calculation has been used. The table shows the results of this question compared against the levels of agreement with each option.

	Ranking Question		% Agreeing	
	Weighted Average	Rank	%	Rank
option 3	8.82	1	77%	3
option 5	8.74	2	78%	2
option 1	8.64	3	62%	6
option 13	7.97	4	79%	1
option 6	7.43	5	57%	8
option 12	7.33	6	71%	5
option 9	6.98	7	57%	9
option 7	6.83	8	72%	4
option 8	6.57	9	53%	11
option 2	6.56	10	47%	13
option 10	6.47	11	59%	7
option 4	5.53	12	48%	12
option 11	5.05	13	54%	10

Option 3 – Reducing back dating to 1 month has the highest ranked option and had the third greatest level of agreement.

Option 5 –reducing the period for which a person can be absent from Great Britain and still receive Council Tax Reduction to four weeks had the second greatest levels of agreement and was ranked second most preferable.

Option 13 – To introduce a scheme, in addition to Council tax Reduction, to help applicants suffering exceptional hardship had the

greatest proportion of respondents in favour of it. However, when ranked this came out fourth.

Option 1 – Reducing the maximum level of support for working age applicants from 87% to 80% was ranked third but was sixth in terms of agreement with the option.

Options four and eleven were not very popular being ranked 12th and 13th respectively. Option four – Using a set income for self-employed earners after one year's self-employment - also had the second lowest levels of agreement. Option eleven – to remove the work related activity component in the calculation of Council Tax Reduction was also not a very popular option possibly because it has the potential to impact on people with a disability.

Survey Demographics and Applied Weighting

	Unweighted		Population	
	Count	%	Count	%
Gender (Over 18s Mid-year Population Estimates)				
Men	360	55%	43,804	49%
Women	298	45%	45,681	51%
Age (Over 18s Mid-year Population Estimates)				
18 to 24 years	12	2%	7,592	8%
27 to 34 years	116	18%	13,621	15%
37 to 44 years	136	21%	15,969	18%
47 to 54 years	160	24%	17,853	20%
57 to 64 years	125	19%	13,071	15%
67 to 74 years	95	14%	11,363	13%
75 years and over	15	2%	10,016	11%
Ethnicity (2011 Census 16 years and over)				
White groups	626	96%	87,329	95%
BME	29	4%	4,156	5%
Disability (2011 Census all people)				
Disability	584	89%	98,678	86%
No Disability	71	11%	16,371	14%

The table to the left shows the profile of the survey respondents in relation to the population of Tunbridge Wells.

This table tells us that men are over represented and women are under represented by 6% each. It also shows that people aged 24 years and under and those aged 75 and over are unrepresented.

Those with a disability are marginally under represented by 3% - this is not considered significant.

The results in this report have been weighted by age and sex and therefore some of this variance have been accounted for.

Age Male	Population		Survey		Applied Weighting ¹
	Count	%	Count	%	
18 to 24 years	3852	4%	2	0%	13.93
25 to 34 years	6997	8%	65	10%	0.78
35 to 44 years	8075	9%	70	11%	0.83
45 to 64 years	8959	10%	78	12%	0.83
55 to 64 years	6343	7%	71	11%	0.65
65 to 74 years	5498	6%	62	10%	0.64
75 years and over	4080	5%	8	1%	3.69
Age Female					
18 to 24 years	3740	4%	10	2%	2.71
25 to 34 years	6624	7%	49	8%	0.98
35 to 44 years	7894	9%	64	10%	0.89
45 to 64 years	8894	10%	80	12%	0.80
55 to 64 years	6728	7%	52	8%	0.94
65 to 74 years	5865	7%	33	5%	1.29
75 years and over	5936	7%	6	1%	7.16

¹ Calculated using the ONS Mid-year population estimates

Appendix A

1. I have read the background information about the Council Tax Reduction Scheme (this question must be answered before continuing).

Answer Options	Response Percent	Response Count
Yes	98.2%	1097
No	1.8%	20
answered question		1117
skipped question		0

2. Should the Council continue to fund and operate the Council Tax Reduction Scheme as we do now?

Answer Options	Response Percent	Response Count
Yes	51.4%	490
No	35.1%	335
Don't know	13.5%	129
answered question		954
skipped question		163

Option 1

Answer Options	Response Percent	Response Count
Yes	62.9%	563
No	30.2%	270
Don't know	6.9%	62
answered question		895
skipped question		222

Option 2

Answer Options	Response Percent	Response Count
Yes	49.5%	422
No	37.8%	322
Don't know	12.7%	108
answered question		852
skipped question		265

Option 3

Answer Options	Response Percent	Response Count
Yes	77.2%	639
No	17.6%	146
Don't know	5.2%	43
answered question		828
skipped question		289

Option 4

Answer Options	Response Percent	Response Count
Yes	49.3%	400
No	37.6%	305
Don't know	13.2%	107
answered question		812
skipped question		305

Option 5

Answer Options	Response Percent	Response Count
Yes	83.3%	668
No	11.3%	91
Don't know	5.4%	43
answered question		802
skipped question		315

Option 6

Answer Options	Response Percent	Response Count
Yes	59.7%	478
No	32.6%	261
Don't know	7.7%	62
answered question		801
skipped question		316

Option 7

Answer Options	Response Percent	Response Count
Yes	73.7%	581
No	16.9%	133
Don't know	9.4%	74
answered question		788
skipped question		329

Option 8

Answer Options	Response Percent	Response Count
Yes	53.5%	416
No	36.8%	286
Don't know	9.7%	75
answered question		777
skipped question		340

Option 9		
Answer Options	Response Percent	Response Count
Yes	57.6%	449
No	31.5%	245
Don't know	10.9%	85
answered question		779
skipped question		338

Option 10		
Answer Options	Response Percent	Response Count
Yes	59.9%	463
No	27.0%	209
Don't know	13.1%	101
answered question		773
skipped question		344

Option 11		
Answer Options	Response Percent	Response Count
Yes	54.7%	415
No	17.8%	135
Don't know	27.5%	209
answered question		759
skipped question		358

Option 12		
Answer Options	Response Percent	Response Count
Yes	73.1%	552
No	22.4%	169
Don't know	4.5%	34
answered question		755
skipped question		362

Option 13		
Answer Options	Response Percent	Response Count
Yes	76.1%	574
No	16.4%	124
Don't know	7.4%	56
answered question		754
skipped question		363

30. Thinking about impact on claimants and the impact from the reduction in funding for the Council, say what you think would be most preferable by writing a number from 1 – 13 in the boxes below, where 1 is the option that is most preferable and 13 is the least.

Answer Options	1	2	3	4	5	6	7	8	9	10	11	12	13	Rating Average	Response Count
Option 1	130	47	40	23	40	21	23	25	14	29	16	29	42	5.45	479
Option 2	19	28	27	27	42	35	32	42	39	34	51	53	32	7.70	461
Option 3	59	86	66	52	38	29	32	14	19	24	18	19	15	5.03	471
Option 4	9	21	21	34	35	32	37	35	47	49	48	50	51	8.23	469
Option 5	80	71	74	67	44	27	19	20	20	26	17	14	10	4.73	489
Option 6	44	55	41	43	31	49	34	29	24	34	22	40	50	6.65	496
Option 7	6	12	37	48	43	43	68	59	55	36	31	29	16	7.26	483
Option 8	15	26	32	32	42	38	45	55	32	37	27	36	68	7.74	485
Option 9	28	36	38	41	49	36	36	33	55	32	52	26	28	6.98	490
Option 10	15	17	28	36	47	50	44	45	57	62	33	25	25	7.44	484
Option 11	2	10	10	15	25	49	43	53	46	63	90	49	44	8.92	499
Option 12	42	52	46	43	30	35	41	25	40	27	36	49	44	6.84	510
Option 13	131	46	39	30	32	44	28	32	16	16	19	40	85	6.15	558
answered question														606	
skipped question														511	

31. Do you think we should choose any of the following options rather than the proposed changes to the Council Tax Reduction Scheme? Please select one answer for each source of funding.

Answer Options	Yes	No	Don't know	Rating Average	Response Count
Increase the level of Council Tax	165	463	45	1.82	673
Find savings from cutting other Council services	254	330	73	1.72	657
Use Council's savings	258	316	86	1.74	660
answered question					686
skipped question					431

32. If the Council were to choose these other options to make savings, what would be your order of preference? Please rank in order of preference by writing a number from 1 – 3 in the boxes below, where 1 is the option that you would most prefer and 3 is the least.

Answer Options	1	2	3	Rating Average	Response Count
Increase the level of Council Tax	181	101	327	2.24	609
Reduce funding available for other Council services	177	251	182	2.01	610
Use the Council's savings	269	242	121	1.77	632
answered question					651
skipped question					466

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**Equality Impact Assessment
Council Tax Reduction Scheme**

Authority:	Tunbridge Wells Borough Council
Date EqIA commenced:	9 th May 2016
Date first stage EqIA finalised for pre-consultation decision:	24 th May 2016 (submitted to Management Board)
Date second stage EqIA finalised after consultation closed, prior to final decision being taken:	27 th October (Cabinet meeting)
Job titles of officers involved in completing the EqIA:	Head of Revenues & Benefits West Kent Equalities Officer

Contents	
Summary of decision to be made and scope of equality impact assessment	Page 1
Review of the current scheme	Page 2
Assessment of the proposed changes to the scheme from 2017, against the protected characteristics	Page 4
Conclusions	Page 10
Annex 1 – claimant data	Page 12

Equality Impact Assessment Council Tax Reduction Scheme

Summary of decision to be made

Since 1st April 2013, the Council has maintained a local Council Tax Reduction Scheme. The Council has the ability to determine the level of reduction given to working age applicants only. The scheme for pension age applicants is determined by Central Government.

We have decided to complete a full review of the scheme. The objectives of the review are to:

- Accurately target support to those working age claimants who most need it.
- Align the scheme with proposed changes to Housing Benefit and introduction of Universal Credit.
- Address potential shortfalls in funding due to the continued reduction in Central Government grants.
- Maintain a common approach to the design of local schemes across Kent.

Scope of this equality impact assessment

1. Review of the current scheme, introduced on 1st April 2013.
2. Proposed changes to the scheme from 1st April 2017.

How is the decision relevant to the three aims of the Public Sector Equality Duty?

The need to ensure that the scheme is not unlawfully discriminatory is relevant to the first aim of the duty to eliminate discrimination, harassment and victimisation

The need to consider how we can take steps to meet the needs of people with protected characteristics and whether people with disabilities may need to be treated more favourably, in how the scheme is designed, is relevant to the second aim of the duty to advance equality of opportunity.

The proposed service changes could also be relevant to fostering good relations with regard to maintaining the confidence and trust in the local authority by people with protected characteristics who may use our services.

Review of the current scheme, introduced on 1st April 2013

The current scheme requires all working age claimants to pay 18.5% of their council tax liability. Transitional funding meant claimants were only required to pay 8.5% in the first year of the scheme.

The current scheme was subject to a comprehensive equality impact assessment in 2012. That assessment identified that our Council Tax Reduction Scheme had the potential to have a negative impact on working age people with disabilities, carers and some working age groups. To mitigate these potential impacts it was agreed that we would continue to treat people with disabilities and carers more favourably by disregarding some income, giving them a higher council tax reduction. The impact on working age groups was as a result of the Government protecting pension age people from any changes. However, transitional funding was intended to reduce the extent of the impacts in the first year of the scheme.

The equality impact assessment was reviewed during the transitional year, by Full Council in December 2013, prior to introducing an 18.5% reduction. No changes to the impacts or mitigating actions were identified.

The equality impact assessment was reviewed again by Full Council in December 2015, prior to extending the scheme for a further year in 2016-17 and found that the impact of the 18.5% reduction had been mitigated to some extent by disregarding some income for people with disabilities and carers, resulting in a higher council tax reduction. This outcome was better than predicted by an earlier analysis. The assessment also found that the

Equality Impact Assessment Council Tax Reduction Scheme

difference between the average weekly amounts received by males and females had reduced. The difference in average weekly amounts received across age groups had also reduced. No further mitigating actions were identified.

Current claimant data, is provided in Annex 1. Findings from the data are summarised below.

Disability

Working age people with disabilities continue to make up a high proportion of the caseload at 21%. Working age people with disabilities continue to receive more per week, than working age people without disabilities, on average.

Carers

There is a lower proportion of claimants with a carer in the household, than the population overall. Working age claimants with a carer in the household continue to receive more per week, on average, than working age claimants without a carer in the household.

Age

Age groups broadly reflect the overall population. Those aged 45-54 currently receive the highest weekly amount, on average. Those aged 18-24 currently receive the lowest weekly amount, on average.

Sex

Females continue to make up a high proportion of the caseload at 65%. Although, there is a difference between the average amounts females and males receive per week, this is due to factors relating to circumstances which directly affect the calculation of council tax reduction, and is not linked to a claimant's sex.

Race

This information is not collected from claimants as it is not relevant to the calculation of council tax reduction. No new data is available, following the consultation in 2012.

Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion or belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Equality Impact Assessment
Council Tax Reduction Scheme

Conclusions - review of the current scheme (2016-17)

All working age claimants, including those with protected characteristics, have received a reduction in their benefit amount. Pension age claimants, who also have protected characteristics, have not received a reduction as they are protected from any changes by Central Government.

	Amount received before reduction	Amount received after 8.5% reduction	Current amount (including 18.5% reduction)
All claimants	£16.81	£15.59	14.82
Disability	£17.92	£17.54	15.95
No disability	£16.55	£15.13	14.57
Carer	£21.54	£19.89	18.11
Non-carer	£16.61	£15.34	14.59
Female	£17.97	£15.44	14.77
Male	£18.43	£15.84	14.91
18-24	£17.38	£14.16	13.62
25-34	£17.08	£15.00	14.33
35-44	£18.14	£15.71	14.91
45-54	£18.55	£16.06	15.29
55+	£19.04	£16.59	15.01
Above average for all claimants		Below average for all claimants	

The data shows that we have continued to provide higher reductions to working age people with disabilities and carers. There is no evidence to suggest that this is insufficient to mitigate the impacts of the scheme overall. The calculation of the reduction amount is not related to a claimant's sex or age (with the exception of those of pension age who are protected). Any differences between the average weekly amounts received by males, females and working age groups is likely to be as a result of other factors. The analysis has not taken account of any council tax increases year on year so it is not possible to make comparisons between amounts across years.

Proposed changes to the scheme from 1st April 2017

There are 13 potential options to adjust the scheme. Current claimant data, for each of the 13 options, where available, is provided in Annex 1. Where an option applies to new claimants, we have provided data for current claimants as an indication of the possible impacts as it is not possible to predict who may apply after 1st April 2017. Consultation findings from people with protected characteristics are provided in the consultation report. Findings from the data can be summarised as follows:

Disability

There is a potential adverse impact on people of working age with a disability of the following options:

- **Option 1:** reducing the maximum level of support to 80%.
 - Existing claimants with disabilities (754 people) would lose 24 pence per week, on average, compared to claimants without disabilities, who would lose an average of 22 pence per week. Claimants with disabilities would continue to receive £1.36 per week more than claimants without disabilities, on average.
 - Whilst people with disabilities, who responded to the consultation, were not in favour of this option, it was one of the most supported options by respondents with disabilities (of those affecting existing claimants) after those affecting new claimants.

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Mitigation: we would continue to treat people with disabilities more favourably by disregarding income received from certain disability benefits. However, as claimants with disabilities would still see a reduction in their benefit amount it would also be necessary to consider the criteria of the exceptional hardship scheme to ensure their needs continue to be met.

- **Option 4:** using a set income for self-employed earners after one year.
- Although only small number of claimants in this category have a disability (21 people) these claimants would lose more (£16.22 per week, on average) than claimants without a disability (£15.30 per week, on average).
- This option was amongst the least supported options with people with disabilities who responded to the consultation.

Mitigation: period extended to 18 months in response to consultation feedback.

- **Option 6:** reduce the capital limit to £6000.
- 39% of existing claimants (18 people) in this category have a disability. These claimants would stop receiving this reduction in full (£13.95 per week, on average).
- This option was supported by 31% of people with disabilities who responded to the consultation.

Mitigation: capital limit to be extended to £10,000 in response to consultation comments.

- **Option 7:** introduce a standard level of non-dependant deduction.
- Although only small number of claimants in this category have a disability (6 people), these claimants would lose more (£5.75 per week, on average) than claimants without a disability (£5.59 per week, on average).
- This option was supported by 53% of people with disabilities who responded to the consultation.

Mitigation: if this option was introduced it may be necessary to consider exemptions for non-dependants with disabilities.

- **Option 11:** removing the award of a Work Related Activity Component (new claims).
- 40% of existing claimants in this category have a disability. We cannot predict what proportion of people with disabilities may apply for Council Tax reduction in 2017.
- This option was supported by 34% of people with disabilities who responded to the consultation.

Mitigation: we will monitor the impact of this option on new claimants with disabilities and consider the criteria of the exceptional hardship scheme to ensure their needs continue to be met.

▪ **Impact of other options**

- The proportion of those that are likely to be affected by options 8, 9 and 10 is in line with, or less than, the proportion of people with disabilities in the caseload overall and the predicted reduction in benefit amount is less than or equal to that predicted for people without a disability. Specific comments in relation to these options are included in the report of the consultation findings.
- For options affecting new claimants (2, 3, 5 and 12), we cannot predict what proportion of people with disabilities may apply for Council Tax reduction in 2017. However, for those options where data is available, the proportion of current claimants within these categories is in line with, or less than, the proportion of people with disabilities in the caseload overall. Option 2 was amongst the least supported options with people with disabilities who responded to the consultation. Options, 3, 5 and 12 were amongst the most preferred options with people with disabilities who responded to the consultation.

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Specific comments in relation to these options are included in the report of the consultation findings.

Mitigation: an exemption for temporary absence (option 5) due to medical treatment would reduce any potential impact on claimants with a disability; a range of other council tax disregards are available for those absent from home to receive or provide care due to ill health.

Carers

There is a potential adverse impact on carers of the following options:

- **Option 1:** reducing the maximum level of support to 80%.
 - Carers (229 people) would lose 27 pence per week, on average, compared to claimants who are not carers, who would lose 22 pence per week, on average. Carers would continue to receive £3.47 per week more than claimants who are not carers, on average.
 - We did not collect details of carers from the consultation. Any comments relating to carers are included in the report of the consultation findings.

Mitigation: we would continue to treat carers more favourably by disregarding income received from certain carer benefits. However, as claimants who are carers would still see a reduction in their benefit amount it would also be necessary to consider the criteria of the exceptional hardship scheme to ensure their needs continue to be met.

- **Option 4:** using a set income for self-employed earners after one year.
 - Although only small number of claimants in this category are carers (10 people) these claimants would lose more (£19.02 per week, on average) than claimants who are not carers (£15.24 per week, on average).
 - We did not collect details of carers from the consultation. Any comments relating to carers are included in the report of the consultation findings.

Mitigation: period extended to 18 months in response to consultation feedback.

- **Option 7:** introduce a standard level of non-dependant deduction.
 - 12% of claimants in this category are carers (22 people) who would lose more (£7.45 per week, on average) than claimants who are not carers (£5.29 per week, on average).
 - We did not collect details of carers from the consultation. Any comments relating to carers are included in the report of the consultation findings.

Mitigation: if this option was introduced it may be necessary to consider exemptions for non-dependants who are carers.

- **Impact of other options**

- The proportion of those that are likely to be affected by options 2, 6, 8, 9, 10 and 11 is in line with, or less than, the proportion of carers in the caseload overall and the predicted reduction in benefit amount is less than or equal to that predicted for claimants who are not carers. Any observations in relation to these options are included in the report of the consultation findings.
- For options affecting new claimants (2, 3 and 5), we cannot predict what proportion of carers may apply for Council Tax reduction in 2017. However, for those options where data is available, the proportion of current claimants within these categories is in line with, or less than, the proportion carers in the caseload overall.
- There are a higher proportion of claimants who are carers (12%) with over 2 dependents (option 12). We cannot predict what proportion of carers may apply for Council Tax reduction in 2017.
- Any observations in relation to these options are included in the report of the consultation findings.

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Sex

There is a potential adverse impact on working age males and females of the following options:

- **Option 2:** remove family premium (new claims).

- There are a higher proportion of females (82%) who currently receive family premium than males. We cannot predict what proportion of females and males may apply for Council Tax Reduction in 2017 but all new claimants would receive an average of £3.49 less than current claimants.
- This option was the least preferred option with males and females who responded to the consultation.

Mitigation: we will monitor the impact of this option on new claimants and consider the criteria of the exceptional hardship scheme.

- **Option 6:** reduce the capital limit to £6000.

- Although a higher proportion of males (46%) would be affected than in the caseload overall, females would lose more (£13.67 per week, on average) compared to males (£12.86 per week, on average).
- 52% of females and 61% of males who responded to the consultation agreed with this option.

Mitigation: capital limit to be extended to £10,000 in response to consultation comments

- **Option 7:** introduce a standard level of non-dependant deduction.

- Female claimants (75%, 144 people, in this category) would lose more (£5.66 per week, on average) than males (£5.12 per week, on average).
- This option was amongst the most preferred options with males and females who responded to the consultation.

Mitigation: not required at this stage but we will monitor the impact of this option on claimants.

- **Option 8:** take child maintenance into account.

- Female claimants (94%, 135 people, in this category) would lose more (£6.54 per week, on average) than males (£3.08 per week, on average).
- This option was amongst the least preferred options with males and females who responded to the consultation.

Mitigation: it may be necessary to consider the criteria of the exceptional hardship scheme to take into account the needs of female claimants with children.

- **Option 10:** remove second adult reduction.

- Affects a higher proportion of female claimants (86%, 18 people) who would lose more (£4.22 per week, on average) than males (£2.83 per week, on average).
- 52% of females and 65% of males who responded to the consultation agreed with this option.

Mitigation: not required at this stage but we will monitor the impact of this option on claimants.

- **Option 11:** removing the award of a Work Related Activity Component (new claims).

- 52% of existing claimants in this category are male and 48% are female. We cannot predict what proportion of males and females may apply for Council Tax reduction in 2017.
- 52% of females and 55% of males who responded to the consultation agreed with this option.

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Mitigation: not required at this stage but we will monitor the impact of this option on new claimants.

- **Option 12:** limit the number of dependant children to two (new claims).
- 79% of existing claimants in this category are female and 21% are male. We cannot predict what proportion of males and females may apply for Council Tax reduction in 2017.
- 67% of females and 75% of males who responded to the consultation agreed with this option.

Mitigation: not required at this stage but we will monitor the impact of this option on new claimants.

- **Impact of other options**
- The proportion of males and females affected by option 1 is in line with the caseload overall. There is no difference in the amounts (22p) males and females would lose per week, on average, should the level of support be reduced to 80%. Males and females who responded to the consultation broadly supported this option.
- The proportion of males and females who may be affected by options 3, 4 and 9 is roughly equivalent to the proportion of males and females in the overall caseload. We do not have data to illustrate the impact of option 5.

Age

As claimants of pension age are protected, there is a potential adverse impact on other age groups, of the following options:

- **Option 2:** removing family premium (new claims).
- There are a higher proportion of current claimants aged 25-44 under this criteria.
- We cannot predict what proportion of age groups may apply for Council Tax Reduction in 2017 but all new claimants would receive an average of £3.49 less than current claimants.
- This option was amongst the least preferred options with all age groups who responded to the consultation, with the exception of those aged 55-64.
- **Option 4:** introduce minimum income floor for self-employed claimants.
- Affects a higher proportion of those aged 35-44, who would lose more (£17.00 per week, on average) than other age groups.
- This option was amongst the least preferred options with all age groups who responded to the consultation, with the exception of those aged 45-54.
- **Option 6:** reduce the capital limit to £6000.
- Affect a higher proportion of those aged 45-54 however, other age groups would lose more per week, on average.
- We have not identified any issues relating to working age groups from the consultation, in relation to this option.
- **Option 7:** introduce changes to non-dependant deductions.
- Affects a higher proportion of those aged 35-54 however, other age groups would lose more per week on average.
- We have not identified any issues relating to working age groups from the consultation, in relation to this option.
- **Option 8:** include child maintenance as income.
- Affects a higher proportion of those aged 35-44 who would lose more (£6.70 per week, on average) than some other age groups with the exception of those aged 55-64 (2 people) who would lose £9.91 per week, on average.

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- We have not identified any issues relating to working age groups from the consultation, in relation to this option.
- **Option 9:** restrict the maximum level to the equivalent of a Band D charge.
 - Affects a higher proportion of those aged 35-54. All age groups would lose an average of £8.12 per week, on average.
 - We have not identified any issues relating to working age groups from the consultation, in relation to this option.
- **Option 10:** remove second adult rebate.
 - Affects a higher proportion of those aged 45-64 however, other age groups would lose more per week on average.
 - We have not identified any issues relating to working age groups from the consultation, in relation to this option.
- **Option 11:** removing the award of a Work Related Activity Component (new claims).
 - Affects a higher proportion of those aged 45-54.
 - We cannot predict what proportion of age groups may apply for Council Tax Reduction in 2017 or what reduction they may receive.
 - This option was amongst the least preferred options with all age groups who responded to the consultation, with the exception of those aged 55-64.
- **Option 12:** limit the number of dependant children to two (new claims).
 - Affects a higher proportion of those aged 25-44.
 - We cannot predict what proportion of age groups may apply for Council Tax Reduction in 2017 or what reduction they may receive.
- This option was amongst the most preferred options with all age groups who responded to the consultation.
- **Impact of other options**
 - The proportion of age groups affected by option 1 is in line with the caseload overall. There is a difference of 2 pence in the amounts each age group would lose per week, on average. Whilst option 1 was less popular with those aged 18-24 who responded to the consultation, the consultation report advises that this result should be treated with caution due to the low response rate from this group.
 - The proportions of those affected by option 3 are roughly in line with the caseload overall. We do not have data to illustrate the impact of option 5. These options were amongst the most preferred options with all age groups who responded to the consultation.

Mitigation (all options affecting age groups).

As the government has protected pensioners, the impact will fall on working age groups. This impact is as a result of national legislation, and is not within our discretion to mitigate. Within working age groups, although the impact on individual age groups may differ for each option, calculation of council tax reduction is not related to a person's age so it is difficult to mitigate any potential adverse impacts on the basis of age alone. Any differences in entitlement are likely to be as a result of other factors e.g. whether the claimant has a disability, is a carer or has children in the household. Options for reducing the impacts based on these factors have been suggested. However, we can continue to monitor the impact of any changes on age groups to identify whether there are any particular needs relating to age groups that we may need to meet.

Race

This information is not collected from claimants as it is not relevant to the calculation of council tax reduction. The Census (2011) shows that people from Minority Ethnic

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backgrounds are more likely to be economically active and less likely to be self-employed, than people from a White background. We received a very small number of responses from people from a Minority Ethnic Background, to the consultation. We have no evidence to indicate that working age people with different ethnic backgrounds would be affected differently.

Armed Forces Community

This is considered in this equality impact assessment as part of the commitments within the Community Covenant. Armed forces personnel deployed on operations overseas, who normally pay council tax, benefit from a tax-free payment on the cost of council tax paid directly by the Ministry of Defence. Following the announcement by the Chancellor in his 2012 Budget statement, Council Tax Relief will be worth just under £600 (based upon 2012/13 council tax) for an average six-month deployment based on the average Council Tax per dwelling in England. This will continue to be paid at a flat rate to all eligible personnel. More information is available at www.mod.uk. We also disregard income from war disablement pensions, providing eligible claimants with a higher council tax reduction

Other protected characteristics

We do not collect information about the following characteristics from claimants as it is not relevant to the calculation of council tax reductions:

- Religion or belief
- Sexual orientation
- Gender reassignment
- Marital or civil partnership status
- Pregnancy or maternity

Option 12 to limit the number of dependants to two would affect any female claimants who are pregnant before 1st April 2017. Otherwise, there is no evidence to indicate that working age people with these protected characteristics would be affected differently to claimants overall.

Conclusions - proposed changes to the scheme from 1st April 2017

All options will result in working age claimants, including those with protected characteristics, paying more towards their Council Tax bill from 2017-18. Pension age claimants, who also have protected characteristics, will not be affected as they are protected from any changes by Central Government.

Some working age claimants will be affected by more than one of the options. It is not possible to model any cumulative impacts but the possibility that some claimants may be adversely affected by more than one option should be taken into account when deciding which options will be taken forward. Some options will affect existing claimants and some will affect new claimants from 2017.

When deciding which options to take forward, the potential severity of impacts on claimants with protected characteristics needs to be weighed up against any potential financial savings to the Council. Options resulting in higher savings to the Council are likely to impact on more claimants or result in some claimants paying higher amount towards their Council Tax bill.

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In complying with our obligations under the Public Sector Equality Duty, we must have 'due regard' to the following:

- Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
 - In deciding which options to take forward, we must ensure that the Council Tax Reduction Scheme does not unlawfully discriminate against any protected characteristics. This can be achieved by using the findings of this equality impact assessment to inform the decision about which options are taken forward.
- Advance equality of opportunity between people from different groups.
 - In deciding which options to take forward, we must consider how we can minimise disadvantage experienced by people with protected characteristics, take steps to meet the needs of people with protected characteristics and encourage people who share a relevant protected characteristic to participate in public life. The public sector equality duty does not prevent us from taking a decision about our Council Tax Reduction Scheme. Should we decide to take forward any options that may put people with protected characteristics at a disadvantage, we should consider taking action to mitigate those impacts. The Equality Act allows us to treat some people more favourably than others in meeting their needs. This would allow us to protect some income received by people with disabilities and carers, provide exemptions for some claimants with protected characteristics or take the needs of people with protected characteristics into account within an exceptional hardship scheme.
- Foster good relations between people from different groups.
 - In deciding which options to take forward, we may wish to consider whether our decision could impact on wider community relations between people with protected characteristics.

Finally, we will monitor the impact of the Council Tax Reduction Scheme on claimants with protected characteristics from 2017. We will provide reports to indicate whether the impacts are in line with our predictions or whether any further action may need to be taken to mitigate any impacts.

Annex 1 – Current claimant data

Options affecting existing claimants												
Current claimants (working age only)	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Number – all claimants	3508	754	2754	229	3279	2271	1237	216	806	927	958	601
Percentage	100%	21%	79%	7%	93%	65%	35%	6%	23%	26%	27%	17%
Average weekly CTAX reduction	£14.82	£15.95	£14.57	£18.11	£14.59	£14.77	£14.91	£13.62	£14.33	£14.91	£15.29	£15.01
Option 1 - reducing the maximum level of support to 80%												
Estimated average weekly loss	£0.22	£0.24	£0.22	£0.27	£0.22	£0.22	£0.22	£0.20	£0.21	£0.22	£0.23	£0.23
Option 4 - use of a minimum level of income for self-employed earners after 1 year												
Claimants under this criteria (No.)	325	21	304	10	315	195	130	7	85	96	90	47
Claimants under this criteria (%)	9%	6%	94%	3%	97%	60%	40%	2%	26%	30%	28%	14%
Average reduction under this criteria	£15.35	£16.22	£15.30	£19.02	£15.24	£15.65	£14.91	£15.37	£15.75	£17.00	£14.07	£13.74
Estimated average weekly loss	£15.35	£16.22	£15.30	£19.02	£15.24	£15.65	£14.91	£15.37	£15.75	£17.00	£14.07	£13.74
Option 6 - reducing the capital limit to £6,000												
Claimants under this criteria (No.)	46	18	28	1	45	25	21	0	3	8	25	10
Claimants under this criteria (%)	1%	39%	61%	2%	98%	54%	46%	0%	7%	17%	54%	22%
Average weekly CTAX reduction under this criteria (current)	£13.30	£13.95	£12.88	£18.53	£13.18	£13.67	£12.86	£0.00	£16.18	£14.27	£12.79	£12.93
Estimated average weekly loss	£13.30	£13.95	£12.88	£18.53	£13.18	£13.67	£12.86	£0.00	£16.18	£14.27	£12.79	£12.93
Option 7 - using a standard level of non-dependant deduction												
Claimants under this criteria (No.)	191	6	185	22	169	144	47	0	8	59	83	41
Claimants under this criteria (%)	5%	3%	97%	12%	88%	75%	25%	0%	4%	31%	43%	21%
Average weekly CTAX reduction under this criteria (current)	£14.08	£13.77	£14.09	£18.04	£13.57	£13.64	£15.44	£0.00	£17.67	£14.33	£12.88	£15.45
Estimated average weekly loss	£5.60	£5.75	£5.59	£7.45	£5.29	£5.66	£5.12	£0.00	£5.89	£5.83	£5.52	£5.23
Option 8 - including Child Maintenance as income												
Claimants under this criteria (No.)	144	6	138	5	139	135	9	2	31	67	42	2
Claimants under this criteria (%)	4%	4%	96%	3%	97%	94%	6%	1%	22%	47%	29%	1%
Average weekly CTAX reduction under this criteria (current)	£13.41	£17.48	£13.23	£16.96	£13.28	£13.61	£10.31	£11.78	£12.64	£13.77	£13.25	£18.14
Estimated average weekly loss	£6.33	£0.94	£6.56	£4.97	£6.37	£6.54	£3.08	£3.31	£5.07	£6.70	£6.54	£9.91

Annex 1 – Current claimant data

Options affecting existing claimants												
Current claimants (working age only)	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Option 9 - restricting the maximum level to the equivalent of a Band D charge												
Claimants under this criteria (No.)	173	22	151	13	160	119	54	2	24	59	63	25
Claimants under this criteria (%)	5%	13%	87%	8%	92%	69%	31%	1%	14%	34%	36%	14%
Average weekly CTAX reduction under this criteria (current)	£20.50	£24.89	£19.87	£25.99	£20.06	£19.74	£22.20	£15.41	£19.50	£21.79	£20.39	£19.10
Estimated average weekly loss	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12	£8.12
Option 10 - removing Second Adult Rebate												
Claimants under this criteria (No.)	21	0	21	0	21	18	3	0	0	4	10	7
Claimants under this criteria (%)	1%	0%	100%	0%	100%	86%	14%	0%	0%	19%	48%	33%
Average weekly CTAX reduction under this criteria (current)	£4.02	£0.00	£4.02	£0.00	£4.02	£4.22	£2.83	£0.00	£0.00	£4.40	£3.38	£4.71
Average weekly CTAX reduction under this criteria (current)	£4.02	£0.00	£4.02	£0.00	£4.02	£4.22	£2.83	£0.00	£0.00	£4.40	£3.38	£4.71

Annex 1 – Current claimant data

Options affecting new claimants from 2017 – data for existing claimants within these categories has been provided, where possible, to give an indication of possible impacts. We cannot estimate data for new claimants.												
	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Option 2 – removing the family premium												
New claimants in 2015 under this criteria (No.)	461	27	434	30	431	372	89	70	170	137	71	13
New claimants in 2015 under this criteria (%)	N/A	6%	94%	7%	93%	81%	19%	15%	37%	30%	15%	3%
Average weekly CTAX reduction under this criteria (current)	£9.84	£11.51	£9.74	£12.17	£9.68	£9.99	£9.25	£9.25	£9.73	£11.08	£8.65	£8.44
Estimated weekly loss (new claimants)	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49	£3.49
Option 3 – reducing backdating to one month												
Claimants under this criteria (No.)	51	11	40	2	49	32	19	7	10	15	14	5
Claimants under this criteria (%)	1%	22%	78%	4%	96%	63%	37%	14%	20%	29%	27%	10%
Average weekly CTAX reduction under this criteria (current)	£12.97	£12.81	£13.02	£16.25	£12.84	£12.84	£13.20	£11.24	£8.19	£15.19	£13.24	£15.44
Estimated weekly loss (new claimants)	£0.92	£0.55	£1.01	£2.62	£0.84	£0.68	£1.29	£0.86	£0.90	£0.51	£1.15	£1.70
Option 5 - reducing the period which a person can be absent from Great Britain												
No data available												
Option 11 - removing the Work Related Activity Component												
Claimants under this criteria (No.)	209	84	125	5	204	101	108	4	17	30	90	68
Claimants under this criteria (%)	6%	40%	60%	2%	98%	48%	52%	2%	8%	14%	43%	33%
Average weekly CTAX reduction under this criteria (current)	£16.43	£16.81	£16.17	£21.53	£16.30	£16.82	£16.06	£13.84	£16.83	£16.61	£16.52	£16.13
Estimated weekly loss (new claimants)	No data available											

Annex 1 – Current claimant data

Options affecting new claimants from 2017 – data for existing claimants within these categories has been provided, where possible, to give an indication of possible impacts. We cannot estimate data for new claimants.												
	All	Disability	No Disability	Carer	Non Carer	Female	Male	18-24	25-34	35-44	45-54	55-64
Option 12 - restricting the maximum number of dependent children to two												
New claimants in 2015 under this criteria (No.)	42	1	41	5	37	35	7	0	22	15	5	0
New claimants in 2015 under this criteria (%)	1%	2%	98%	12%	88%	83%	17%	0%	52%	36%	12%	0%
Average weekly CTAX reduction under this criteria (current)	£16.55	£21.96	£16.42	£13.40	£16.98	£16.18	£18.42	£0.00	£14.28	£18.87	£21.13	£0.00
Estimated weekly loss (new claimants)	£9.88	£21.96	£9.75	£5.66	£10.42	£9.70	£10.83	£0.00	£9.91	£9.87	£11.57	£0.00
Option 13 - introducing a scheme to help applicants suffering exceptional hardship												
No data available												

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Notes: Claimant data is based on the lead applicant so the actual impacts will also depend on household composition.
 Ethnicity, religion/belief, sexual orientation, pregnancy & maternity, marital and civil partnership and gender reassignment data is not collected from claimants as it is not relevant to the calculation of Council Tax Reduction.

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Council Tax Reduction Scheme

S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period 1st April 2017 until 31st March 2018.
- 1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2017 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

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

THE SCHEME FOR PENSION AGE APPLICANTS – CENTRAL GOVERNMENT’S SCHEME AS DEFINED BY THE COUNCIL TAX REDUCTION SCHEME (PRESCRIBED REQUIREMENTS) (ENGLAND) REGULATIONS 2012

- 1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain. The definition of a pension credit age person is a person who;
- (a) has attained the qualifying age for state pension credit; and
 - (b) is not, or, if he has a partner, his partner is not;
 - i. a person on income support, on an income-based jobseeker’s allowance or on an income-related employment and support allowance; or
 - ii. a person with an award of universal credit

The three prescribed classes are as follows;

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

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

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum Council Tax Reduction amount can be calculated;

- (d) who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- (e) whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- (f) not have capital savings above £16,000; and
- (g) who has made an application for a reduction under the authority's scheme.

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

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

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

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

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

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

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

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

- (a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- (b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- (c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or

- (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- (d) is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- (e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

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

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

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

- 1.6 The adopted scheme for working age applicants is a means test, which compares income against an assessment of *applicable amounts* (unless otherwise stated). Full details of the working age scheme of the authority are contained within this document from section 2 onwards. The authority is required to specify a scheme for working age and therefore this scheme only applies to a person who;
- (a) has not attained the qualifying age for state pension credit; or
 - (b) has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance, on an income-related employment and support allowance or on universal credit.
- 1.7 The Council has resolved that there will be **two** classes of persons who will receive a reduction in line with adopted scheme. There will be *two* main classes prescribed for, for each of which there will be a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction as specified within section 7 of this scheme.

Class D

To obtain reduction the individual (or partner) must:

- (a) have not attained the qualifying age for state pension credit¹; or
- (b) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- (c) be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- (d) is not deemed to be absent from the dwelling;
- (e) not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- (f) be somebody in respect of whom a maximum Council Tax Reduction² amount can be calculated;
- (g) not have capital savings above £6,000³;
- (h) be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*⁴ is **less** than their *applicable amount*⁵ or the applicant or partner is in receipt of income support, jobseekers allowance (income based) or employment and support allowance (income related); and
- (i) has made a valid application for reduction⁶.

Maximum Council Tax Reduction stated above is defined within section 57 of this scheme

Class E

To obtain reduction the individual (or partner) must:

- (a) have not attained the qualifying age for state pension credit⁷; or
- (b) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- (c) has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance or in receipt of an award Universal Credit;
- (d) be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- (e) is not deemed to be absent from the dwelling;
- (f) not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- (g) be somebody in respect of whom a maximum Council Tax Reduction⁸ amount can be calculated;
- (h) not have capital savings above £6,000⁹;
- (i) be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*¹⁰ is **more** than their *applicable amount*¹¹;

¹ Section 5 of this scheme

² Sections 57 to 63 of this scheme

³ Sections 33 to 42 and Schedule 5 of this scheme

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

⁵ Sections 12 to 14 and Schedule 1 of this scheme

⁶ Sections 68 to 74a of this scheme

⁷ Section 5 of this scheme

⁸ Sections 57 to 63 of this scheme

⁹ Sections 33 to 42 and Schedule 5 of this scheme

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

¹¹ Sections 12 to 14 and Schedule 1 of this scheme

- (j) have made a valid application for reduction¹²;
- (k) be a person in respect of whom amount A exceeds amount B where
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount.

Maximum Council Tax Reduction stated above is defined within section 57 of this scheme

¹² Sections 68 to 74a of this scheme

Council Tax Reduction Scheme

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

Sections 2- 8

Definitions and interpretation

2.0 Interpretation - an explanation of the terms used within this scheme

2.1 In this scheme-

'the Act' means the Social Security Contributions and Benefits Act 1992;

'the Administration Act' means the Social Security Administration Act 1992;

'the 1973 Act' means the Employment and Training Act 1973;

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

'the 2000 Act' means the Electronic Communications Act 2000;

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

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

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

'applicable amount' means the amount determined in accordance with schedule 1 of this scheme

'applicant' means a person who the authority designates as able to claim Council tax reduction - for the purposes of this scheme all references are in the masculine gender but apply equally to male and female;

'application' means an application for a reduction under this scheme:

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

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

'attendance allowance' means-

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

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

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

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

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

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

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

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

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

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

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

'care home' has the meaning given by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001 and in Northern Ireland means a nursing home within the meaning of Article 11 of the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

'the Caxton Foundation' means the charitable trust of that name established on 28th March 2011 out of

funds provided by the Secretary of State for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with its provisions;

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

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

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

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

'claim' means a claim for council tax reduction;

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

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

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

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

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

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

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

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

'couple' means;

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

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

'date of claim' means the date on which the application or claim is made, or treated as made, for the purposes of this scheme

'designated authority' means any of the following;

the local authority; or a person providing services to, or authorised to exercise any function of, any such authority;

'designated office' means the office designated by the authority for the receipt of claims for council tax reduction;

- (a) by notice upon or with a form approved by it for the purpose of claiming council tax reduction; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
- (c) by any combination of the provisions set out in sub-paragraphs (a) and (b) above;

'disability living allowance' means a disability living allowance under section 71 of the Act;

'dwelling' has the same meaning in section 3 or 72 of the 1992 Act;

'earnings' has the meaning prescribed in section 25 or, as the case may be, 27;

'the Eileen Trust' means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;

'electronic communication' has the same meaning as in section 15(1) of the Electronic Communications Act 2000;

'employed earner' is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;

'Employment and Support Allowance Regulations' means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;

'Employment and Support Allowance (Existing Awards) Regulations' means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;

'the Employment, Skills and Enterprise Scheme' means a scheme under section 17A (schemes for assisting persons to obtain employment; 'work for your benefit' schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **'Back to Work Schemes'**;

'employment zone' means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and 2014 and an **'employment zone programme'** means a programme established for such an area or areas designed to assist applicants for a jobseeker's allowance to obtain sustainable employment;

'employment zone contractor' means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;

'enactment' includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

'extended reduction' means a payment of council tax reduction payable pursuant to section 60;

'extended reduction period' means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;

'extended reduction (qualifying contributory benefits)' means a payment of council tax reduction payable pursuant to section 61;

'family' has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;

'the Fund' means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;

'a guaranteed income payment' means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;

'he, him, his' also refers to the feminine within this scheme

'housing benefit' means housing benefit under Part 7 of the Act; 'the Housing Benefit Regulations' means the Housing Benefit Regulations 2006;

'Immigration and Asylum Act' means the Immigration and Asylum Act 1999;

'an income-based jobseeker's allowance' and **'a joint-claim jobseeker's allowance'** have the meanings given by section 1(4) of the Jobseekers Act 1995;

'income-related employment and support allowance' means an income-related allowance under Part 1 of the Welfare Reform Act 2007;

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

'independent hospital'-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

'net earnings' means such earnings as are calculated in accordance with section 26;

- 'net profit'** means such profit as is calculated in accordance with section 28;
- 'the New Deal options'** means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- 'new dwelling'** means, for the purposes of the definition of 'second authority' and sections 60C, and 61C the dwelling to which a applicant has moved, or is about to move, in which the applicant is or will be resident;
- 'non-dependant'** has the meaning prescribed in section 3;
- 'non-dependant deduction'** means a deduction that is to be made under section 58;
- 'occasional assistance'** means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of:
- (a) meeting, or helping to meet an immediate short-term need;
 - (i) arising out of an exceptional event or exceptional circumstances, or
 - (ii) that needs to be met to avoid a risk to the well-being of an individual, and
 - (b) enabling qualifying individuals to establish or maintain a settled home, and–
 - (i) 'local authority' has the meaning given by section 270(1) of the Local Government Act 1972; and
 - (ii) 'qualifying individuals' means individuals who have been, or without the assistance might otherwise be:
 - (aa) in prison, hospital, an establishment providing residential care or other institution, or
 - (bb) homeless or otherwise living an unsettled way of life; and 'local authority' means a local authority in England within the meaning of the Local Government Act 1972;
- 'occupational pension'** means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;
- 'occupational pension scheme'** has the same meaning as in section 1 of the Pension Schemes Act 1993
- 'ordinary clothing or footwear'** means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;
- 'partner'** in relation to a person, means
- (a) where that person is a member of a couple, the other member of that couple;
 - (b) subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
 - (c) where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;
- 'paternity leave'** means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;
- 'payment'** includes part of a payment;
- 'pensionable age'** has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;
- 'pension fund holder'** means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;
- 'pensioner'** a person who has attained the age at which pension credit can be claimed;
- 'person affected'** shall be construed as a person to whom the authority decides is affected by any decision made by the council;
- 'person on income support'** means a person in receipt of income support;
- 'personal independence payment'** has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;
- 'person treated as not being in Great Britain'** has the meaning given by section 7;
- 'personal pension scheme'** means–
- (a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
 - (b) an annuity contractor trust scheme approved under section 620 or 621 of the Income and

Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004¹³;

- (c) a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;
- (d) a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- (e) Back to Work scheme;

'policy of life insurance' means any instrument by which the payment of money is assured on death (except death by accident only) or the happening of any contingency dependent on human life, or any instrument evidencing a contract which is subject to payment of premiums for a term dependent on human life;

'polygamous marriage' means a marriage to which section 133(1) of the Act refers namely;

(a) a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and

(b) either party to the marriage has for the time being any spouse additional to the other party.

'public authority' includes any person certain of whose functions are functions of a public nature;

'qualifying age for state pension credit' means (in accordance with section 1(2)(b) and (6) of the State Pension Credit Act 2002)-

(a) in the case of a woman, pensionable age; or

(b) in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

'qualifying contributory benefit' means;

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Job Seeker's Allowance Regulations 1996

'qualifying income-related benefit' means

(a) income support;

(b) income-based jobseeker's allowance;

(c) income-related employment and support allowance;

'qualifying person' means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;

'reduction week' means a period of seven consecutive days beginning with a Monday and ending with a Sunday;

'relative' means a close relative, grandparent, grandchild, uncle, aunt, nephew or niece;

'relevant authority' means an authority administering council tax reduction;

'relevant week' In relation to any particular day, means the week within which the day in question falls;

'remunerative work' has the meaning prescribed in section 6;

'rent' means 'eligible rent' to which regulation 12 of the Housing Benefit Regulations refers less any deductions in respect of non-dependants which fall to be made under regulation 74 (non-dependant deductions) of those Regulations;

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

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

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

¹³ As amended by the Finance Act 2014

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

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

'Service User' references in this scheme to an applicant participating as a service user are to

- (a) a person who is being consulted by or on behalf of-
 - (i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
 - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- (b) b. the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph

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

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

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

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

'the SSCBA' means the Social Security Contributions and Benefits Act 1992

'State Pension Credit Act' means the State Pension Credit Act 2002;

'student' has the meaning prescribed in section 43;

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

'support or reduction week' means a period of 7 consecutive days commencing upon a Monday and ending on a Sunday;

'the Tax Credits Act' means the Tax Credits Act 2002;

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

'training allowance' means an allowance (whether by way of periodical grants or otherwise) payable-

- (a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Young People's Learning Agency for England, the Chief Executive of Skills Funding or Welsh Ministers;
- (b) to a person for his maintenance or in respect of a member of his family; and
- (c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, the department or approved by the department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers.

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

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

'Universal Credit' means any payment of Universal Credit payable under the Welfare Reform Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and

Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

'Up-rating Act' means the Welfare Benefit Up-rating Act 2013, the Welfare Benefits Up-rating Order 2014 and the Welfare Benefits Up-rating Order 2015;

'voluntary organisation' means a body, other than a public or local authority, the activities of which are carried on otherwise than for profit;

'war disablement pension' means any retired pay or pension or allowance payable in respect of disablement under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003;

'war pension' means a war disablement pension, a war widow's pension or a war widower's pension;

'war widow's pension' means any pension or allowance payable to a woman as a widow under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

'war widower's pension' means any pension or allowance payable to a man as a widower or to a surviving civil partner under an instrument specified in section 639(2) of the Income Tax (Earnings and Pensions) Act 2003 in respect of the death or disablement of any person;

'water charges' means;

(a) as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

'week' means a period of seven days beginning with a Monday;

'Working Tax Credit Regulations' means the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 as amended¹⁴; and

'young person' has the meaning prescribed in section 9(1) and in section 142 of the SSCBA.

- 2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.
- 2.3 In this scheme, where an amount is to be rounded to the nearest penny, a fraction of a penny shall be disregarded if it is less than half a penny and shall otherwise be treated as a whole penny.
- 2.4 For the purpose of this scheme, a person is on an income-based jobseeker's allowance on any day in respect of which an income-based jobseeker's allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or
 - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
 - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
 - (d) in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security

¹⁴ The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2013; The Working Tax Credit (Entitlement and Maximum Rate) (Amendment) Regulations 2015

Fraud Act 2001 (loss of benefit provisions).

- 2.5 For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
 - (b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.6 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.7 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

3.0 Definition of non-dependant

- 3.1 In this policy, 'non-dependant' means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.
- 3.2 This paragraph applies to;
- (a) any member of the applicant's family;
 - (b) if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
 - (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
 - (d) subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
 - (e) subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
 - (f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- 3.3 Excepting persons to whom paragraph 3.2 (a) to (c) and (f) refer, a person to whom any of the following subparagraphs applies shall be a non-dependant-
- (a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - (i) that person is a close relative of his or her partner; or
 - (ii) the tenancy or other agreement between them is other than on a commercial basis;
 - (b) a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;

- (c) a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the reduction scheme.

4.0 Requirement to provide a National Insurance Number¹⁵

- 4.1 No person shall be entitled to reduction unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming reduction.
- 4.2 This subsection is satisfied in relation to a person if-
- (a) the claim for reduction is accompanied by;
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
 - (b) the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.
- 4.3 Paragraph 4.2 shall not apply-
- (a) in the case of a child or young person in respect of whom council tax reduction is claimed;
 - (b) to a person who;
 - (i) is a person in respect of whom a claim for council tax reduction is made;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act;
 - (iii) is a person from abroad for the purposes of this scheme; and
 - (iv) has not previously been allocated a national insurance number.

5.0 Persons who have attained the qualifying age for state pension credit

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

6.0 Remunerative work

- 6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.
- 6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where

¹⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

his hours of work fluctuate, regard shall be had to the average of hours worked over;

- (a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
 - (b) in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,
- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or by reason of a recognised customary or other holiday.
- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- (a) a sports award has been made, or is to be made, to him; and
 - (b) no other payment is made or is expected to be made to him.

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

Persons treated as not being in Great Britain

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with–
- (a) regulation 13 of the EEA Regulations or Article 6 of Council Directive 2004/38/EC;

- (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is–
 - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
- (ab) Article 45 of the Treaty on the functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
- (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).

7.5 A person falls within this paragraph if the person is–

- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
- (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971¹⁶ where that leave is–
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance;
- (ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4) or
- (i) a person who is treated as a worker for the purpose of the definition of “qualified person” in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013 (right of residence of a Croatian who is an “accession State national subject to worker authorisation”)

¹⁶ As amended by the Immigration Act 2014 and the Immigration Act 2014 (Commencement No. 2) Order 2014

- 7.6 A person falls within this paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.
- 7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.
- 7.8 In this regulation–
"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
"Crown servant" means a person holding an office or employment under the Crown;
"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006; and and the The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014; and
"Her Majesty's forces" has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

- 7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9
- 7.11 "Person subject to immigration control" has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

Transitional provision

- 7.12 The above does not apply to a person who, on 31st March 2015–
- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act; and
 - (b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph 7A.2 occurs.
- 7.13 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.
- 7.14 In this section "the Act" means the Local Government Finance Act 1992.

8.0	Temporary Absence (period of absence)
8.1	Where a person is absent from the dwelling throughout any day then no reduction shall be payable
8.2	A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.
8.3	<p>In paragraph 8.2, a 'period of temporary absence' means-</p> <p>(a) a period of absence within Great Britain 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;</p> <ul style="list-style-type: none"> (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, <p>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;</p> <p>(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;</p> <ul style="list-style-type: none"> 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 <p>(c) a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as</p> <ul style="list-style-type: none"> i. the person intends to return to the dwelling; ii. the part of the dwelling in which he usually resided is not let or sub-let; iii. the person is a person to whom paragraph 8.4 applies; and iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.
8.4	<p>A person who is temporarily absent from a dwelling he occupies as his home and is absent outside Great Britain shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain, provided that-</p> <ul style="list-style-type: none"> (a) the person intends to return to occupy the dwelling as his home; (b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and (c) the period of absence is unlikely to exceed 4 weeks.
8.5	<p>A person who is temporarily absent from a dwelling he occupies as his home and is absent outside of Great Britain as a member of the armed forces away on operations, a mariner or a continental shelf worker shall be treated as occupying that dwelling as his home whilst he is temporarily absent, for a period not exceeding 26 weeks beginning with the first day of that absence from Great Britain, provided that-</p> <ul style="list-style-type: none"> (a) the person intends to return to occupy the dwelling as his home; (b) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let; and (c) the period of absence is unlikely to exceed 26 weeks.
8.6	This paragraph applies where-

- (a) a person is temporarily absent from Great Britain;
 - (b) the temporary absence from Great Britain is in connection with the death of the–
 - (i) person's partner or a child or young person for whom he or his partner is responsible;
 - (ii) person's close relative;
 - (iii) close relative of the person's partner; or
 - (d) close relative of a child or young person for whom the person or their partner is responsible;
 - (i) the person intends to return to occupy the dwelling as his home; and
 - (ii) the part of the dwelling normally occupied by the person has not been let or, as the case may be, sub-let.
- 8.7 person to whom paragraph (8.6) applies shall be treated as occupying a dwelling he is absent from as his home whilst he is temporarily absent for a period not exceeding 4 weeks beginning with the first day of that absence from Great Britain.
- 8.8 The period of absence in paragraph (8.7) 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
- 8.9 This paragraph applies to a person who is;
- (a) detained in custody on remand pending trial or required, as a condition of bail, to reside;
 - (i) in a dwelling, other than the dwelling referred to in paragraph 8.1, or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007, or, detained in custody pending sentence upon conviction;
 - (b) resident in a hospital or similar institution as a patient;
 - (c) undergoing, or his partner or his dependent child is undergoing, in Great Britain or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
 - (d) following, in Great Britain or elsewhere, a training course;
 - (e) undertaking medically approved care of a person residing in Great Britain or elsewhere;
 - (f) undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care of medical treatment;
 - (g) in Great Britain, receiving medically approved care provided in accommodation other than residential accommodation;
 - (h) a student;
 - (i) receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
 - (j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.
- 8.5 This paragraph applies to a person who is:
- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or, 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
- 8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release–

- (a) if such temporary release was immediately preceded by a period of temporary absence under paragraph 8.3 b) or c), he shall be treated, for the purposes of paragraph 8.1, as if he continues to be absent from the dwelling, despite any return to the dwelling;
- (b) for the purposes of paragraph 8.4 a), he shall be treated as if he remains in detention;
- (c) If he does not fall within sub-paragraph a), he is not considered to be a person who is liable to pay Council Tax in respect of a dwelling of which he is resident

8.7 In this section;

- 'medically approved' means certified by a medical practitioner;
- '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 activity 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
- 'patient' means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution; 'residential accommodation' means accommodation which is provided;
 - (a) in a care home;
 - (b) in an independent hospital;
 - (c) in an Abbeyfield Home; or
 - (d) in an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;
- "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
- '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.

Sections 9 - 11

The family for Council Tax Reduction purposes

9.0 Membership of a family

- 9.1 Within the reduction scheme adopted by the Council 'family' means;
- (a) a married or unmarried couple;
 - (b) married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - (c) two people of the same sex who are civil partners of each other and are members of the same household (with or without children);
 - (d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners (with or without children),
 - (e) and for the purposes of sub-paragraph (d) two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex;
 - (f) except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

For the purposes of the scheme a child is further defined as a 'child or young person'

A 'child' means a person under the age of 16 and a 'Young Person' is someone aged 16 or over but under 20 and who satisfies other conditions. These conditions are:

- they are aged 16, have left 'relevant education' or training, and 31 August following the sixteenth birthday has not yet been passed;
- they are aged 16 or 17, have left education or training, are registered for work, education or training, are not in remunerative work and are still within their 'extension period';
- they are on a course of full-time non-advanced education, or are doing 'approved training', and they began that education or training before reaching the age of 19;
- they have finished a course of full-time non-advanced education, but are enrolled on another such course (other than one provided as a result of their employment);
- they have left 'relevant education' or 'approved training' but have not yet passed their 'terminal date'.

- 9.2 Paragraph 9.1 the definition of child or young person shall not apply to a person who is;
- (a) on income support;
 - (b) an income-based jobseeker's allowance or an income related employment and support allowance; or be entitled to an award of Universal Credit; or
 - (c) a person to whom section 6 of the Children (Leaving Care) Act 2000 applies.
- 9.3 The definition also includes a child or young person in respect of whom there is an entitlement to child benefit but only for the period that Child Benefit is payable

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

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- (a) the person who is receiving child benefit in respect of him; or

- (b) if there is no such person;
 - (i) where only one claim for child benefit has been made in respect of him, the person who made that claim; or
 - (ii) in any other case the person who has the primary responsibility for him.

10.3 For the purposes of this scheme a child or young person shall be the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

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

11.1 Subject to paragraphs 11.2 and 11.3, the applicant and any partner and, where the applicant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.

11.2 A child or young person shall not be treated as a member of the applicant's household where he is;

- (a) placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- (b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002¹⁷ or the Adoption Agencies (Scotland) Regulations 2009.

11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the applicant and he-

- (a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
- (b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or
- (c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).

11.4 The authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the applicant's household in any reduction week where;

- (a) that child or young person lives with the applicant for part or all of that reduction week; and
- (b) the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.

11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children

¹⁷ The Adoption and Children Act 2002 (Commencement No. 12) Order 2014

(Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 as amended.

Sections 12 - 14 & Schedule 1

Applicable Amounts for Council Tax Reduction purposes

12.0 Applicable amounts

- 12.1 Subject to sections 13 and 14, an applicant's weekly applicable amount shall be aggregate of such of the following amounts as may apply in his case:
- (a) an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 as the case may be, of Schedule 1 of this scheme;
 - (b) an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme in respect of any child or young person who is a member of his family;
 - (c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium). **No family premium will be awarded where an application for reduction is received on or after 1st April 2017 or where the applicant would have become entitled to the family premium on or after 1st April 2017**
 - i) Sub paragraph (c) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction 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.
 - (ii) (i) above does not apply if–
 - (a) sub-paragraph 12.1 c (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction.
 - (iii) For the purpose of this section "child", "polygamous marriage" and "young person" have the same meaning as in section 2 of this scheme;
 - (d) the amount of any premiums which may be applicable to him, determined in accordance with paragraphs 4 to 16 of Schedule 1 of this document (premiums).
 - (e) the amount of either the
 - i. work-related activity component; or
 - ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 of this document (the components)
 - (f) the amount of any transitional addition which may be applicable to him in accordance with paragraph 19 to 20 of Schedule 1 of this scheme (transitional addition).

13.0 Polygamous marriages

- 13.1 Subject to section 14, where an applicant is a member of a polygamous marriage, his weekly applicable amount shall be the aggregate of such of the following amounts as may apply in his case:
- (a) the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this scheme as if he and that partner were a couple;
 - (b) an amount equal to the amount within paragraph 1 (3) (c) of Schedule 1 of this scheme in respect of each of his other partners;
 - (c) an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme (applicable amounts) 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 is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium). **No family premium will be awarded where an application for reduction is received on or after 1st April 2017 or where the applicant would have become entitled to the family premium on or after 1st**

April 2017.

- i) Sub paragraph (d) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction 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.
 - (i) above does not apply if–
 - (a) sub-paragraph 13.1 d (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction.
 - (ii) For the purpose of this section “child”, “polygamous marriage” and “young person” have the same meaning as in section 2 of this scheme;
- (e) the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this scheme (premiums)
- (f) the amount of either the;
 - (i) work-related activity component; or
 - (ii) support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 (the components).
- (g) the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this scheme (transitional addition)

14.0 Applicable amount: persons who have an award of universal credit

- 14.1 In determining the applicable amount for a week 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 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 (2).
- 14.2 The adjustment referred to in sub-paragraph (1) is to multiply the maximum amount by 12 and divide the product by 52.
- 14.3 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

Sections 15 - 32 & Schedules 3 & 4

Definition and the treatment of income for Council Tax Reduction purposes

15.0 Calculation of income and capital of members of applicant's family and of a polygamous marriage

- 15.1 The income and capital of:
- (a) an applicant; and
 - (b) any partner of that applicant,

is to be calculated in accordance with the following provisions.

- 15.2 The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.
- 15.3 Where an applicant or the partner of an applicant is married polygamously to two or more members of his household:
- (a) the applicant must be treated as possessing capital and income belonging to each such member; and
 - (b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

15A.0 Calculation of income and capital: persons who are not pensioners who have an award of universal credit

- 15A.1 In determining the income of an applicant
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.
- 15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of
- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);
 - (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings: persons who are not pensioners);
 - (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
 - (d) section 33 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
 - (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).
- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.
- 15A.4 sections 33 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

- 15A.5 In determining the capital of an applicant;
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award

16.0 Circumstances in which capital and income of non-dependant is to be treated as applicant's

- 16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.
- 16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

17.0 Calculation of income on a weekly basis

- 17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;
- (a) by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
 - (b) by adding to that amount the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
 - (c) by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2 are met, from those earnings plus whichever credit specified in subparagraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.
- 17.2 The conditions of this paragraph are that;
- (a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
 - (b) that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.
- 17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;
- (a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
 - (b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.
- The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which an applicant is treated as possessing under section 32 (notional income).

18.0 Treatment of child care charges

- 18.1 This section applies where an applicant is incurring relevant child-care charges and;
- (a) is a lone parent and is engaged in remunerative work;
 - (b) is a member of a couple both of whom are engaged in remunerative work; or
 - (c) is a member of a couple where one member is engaged in remunerative work and the other;
 - (i) is incapacitated;
 - (ii) is an in-patient in hospital; or
 - (iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).
- 18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he-
- (a) is paid statutory sick pay;
 - (b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
 - (c) is paid an employment and support allowance;
 - (d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations 1987; or
 - (e) is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- 18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
- (a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - (b) the first day of the period in respect of which earnings are credited, as the case may be.
- 18.4 In a case to which paragraph 18.2 (d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply, and shall be calculated on a weekly basis in accordance with paragraph 18.10.
- 18.6 The charges are paid by the applicant for care, which is provided
- (a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
 - (b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid-
- (a) in respect of the child's compulsory education;
 - (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as

- responsible or not responsible for another); or
- (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.

18.8 The care to which paragraph 18.7 refers may be provided;

- (a) out of school hours, by a school on school premises or by a local authority;
 - (i) for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - (ii) for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
- (b) by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- (e) by;
 - (i) persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
 - (ii) local authorities registered under section 8(1) of that Act, where the care provided is child minding or day care within the meaning of that Act; or
- (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002 or
- (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- (k) by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
- (l) by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- (m) by a person who is not a relative of the child wholly or mainly in the child's home.

18.9 In paragraphs 18.6 and 18.8 (a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.

18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.

18.11 For the purposes of paragraph 18.1 (c) the other member of a couple is incapacitated where

- (a) the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work- related activity component on account of his having

limited capability for work

- (b) the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- (c) the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or 2013 as appropriate;
- (d) the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- (e) the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (f) there is payable in respect of him one or more of the following pensions or allowances-
 - (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
 - (ii) attendance allowance under section 64 of the Act;
 - (iii) severe disablement allowance under section 68 of the Act;
 - (iv) disability living allowance under section 71 of the Act;
 - (v) personal independence payment under the Welfare Reform Act 2012;
 - (vi) an AFIP;
 - (vii) increase of disablement pension under section 104 of the Act;
 - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (v) above;
 - (ix) main phase employment and support allowance;
- (g) a pension or allowance to which head (ii), (iv), (v) or (vi) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.
- (h) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- (i) paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (j) he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12 For the purposes of paragraph 18.11 once paragraph 18.11(d) applies to the applicant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his

again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

- 18.12A For the purposes of paragraph 18.11, once paragraph 18.11(e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.
- 18.13 For the purposes of paragraphs 18.6 and 18.8 (a), a person is disabled if he is a person-
- (a) in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
 - (b) who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
 - (c) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.
- 18.14 For the purposes of paragraph 18.1 a person on maternity leave, paternity leave or adoption leave shall be treated as if they are engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that-
- (a) in the week before the period of maternity leave, paternity leave, shared parental leave (effective from 5/4/2015) or adoption leave began, they were in remunerative work;
 - (b) the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
 - (c) the person is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act or statutory adoption pay by section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.
- 18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on-
- (a) the date that leave ends;
 - (b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
 - (c) if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.
- whichever shall occur first.
- 18.16 In paragraphs 18.14 and 18.15
- (a) **'qualifying support'** means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations 1987; and
 - (b) **'child care element'** of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.
- 18.17 In this section 'applicant' does not include an applicant;
- (a) who has, or
 - (b) who (jointly with his partner) has,
- an award of universal credit

19.0 Average weekly earnings of employed earners

- 19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment-
- (a) over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - (i) 5 weeks, if he is paid weekly; or
 - (ii) 2 months, if he is paid monthly; or
 - (b) whether or not sub-paragraph 19.1a (i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.
- 19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1(a)(i) or (ii)
- (a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
 - (b) in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.
- 19.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.
- 19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26

20.0 Average weekly earnings of self-employed earners

- 20.1 Where an applicant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.
- 20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme

21.0 Average weekly income other than earnings

- 21.1 An applicant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise the authority to disregard any such income other than that specified in Schedule 4 of this scheme
- 21.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that reduction is payable.

21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this scheme

22.0 Calculation of average weekly income from tax credits

22.1 This section applies where an applicant receives a tax credit.

22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3

22.3 Where the instalment in respect of which payment of a tax credit is made is;

- (a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
- (b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
- (c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;
- (d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

23.0 Calculation of weekly income

23.1 For the purposes of sections 19 (average weekly earnings of employed earners), 21 (average weekly income other than earnings) and 22 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made;

- (a) does not exceed a week, the weekly amount shall be the amount of that payment;
- (b) exceeds a week, the weekly amount shall be determined-
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the quotient by 7.

23.2 For the purpose of section 20 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant shall be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the quotient by 7.

24.0 Disregard of changes in tax, contributions etc.

24.1 In calculating the applicant's income the appropriate authority may disregard any legislative change

- (a) in the basic or other rates of income tax;
- (b) in the amount of any personal tax relief;
- (c) in the rates of national insurance contributions payable under the Act or in the lower earnings limit or upper earnings limit for Class 1 contributions under the Act, the lower or upper limits applicable to Class 4 contributions under the Act or the amount specified in section 11(4) of the Act (small profits threshold in relation to Class 2 contributions);
- (d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the Act;
- (e) in the maximum rate of child tax credit or working tax credit,

for a period not exceeding 30 reduction weeks beginning with the reduction week immediately following the date from which the change is effective

25.0 Earnings of employed earners

25.1 Subject to paragraph 25.2, 'earnings' means in the case of employment as an employed earner, any remuneration or profit derived from that employment and includes-

- (a) any bonus or commission;
- (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- (c) any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of-
 - (g) (i) travelling expenses incurred by the applicant between his home and his place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- (h) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
- (i) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
- (j) any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
- (k) any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
- (l) any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
- (m) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended¹⁸.

25.2 Earnings shall not include-

- (a) subject to paragraph 25.3, any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
- (c) any occupational pension
- (d) any payment in respect of expenses arising out of an applicant participating as a service user

25.3 Paragraph 25.2 (a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 (m)

¹⁸ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

26.0 Calculation of net earnings of employed earners

- 26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.
- 26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.
- 26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;
- (a) any amount deducted from those earnings by way of
 - (i) income tax;
 - (ii) primary Class 1 contributions under the Act;
 - (b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
 - (c) one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
 - (d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.
- 26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.
- 26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined-
- (a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - (b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- 26.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less-
- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an

occupational or personal pension scheme, if the earnings so estimated were actual earnings.

27.0 Earnings of self-employed earners

- 27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.
- 27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.
- 27.3 This paragraph applies to-
- (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - (b) any payment in respect of any-
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.
- 27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction shall be treated as a corresponding fraction of a week) by dividing the earnings by the amount of council tax reduction which would be payable had the payment not been made plus an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

28.0 Calculation of net profit of self-employed earners

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be
- (a) in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
 - (b) in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less-
 - (i) an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - (ii) one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.
- 28.3 For the purposes of paragraph 28.1 (a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less

- (a) subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - (b) an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - (c) one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 28.4 For the purposes of paragraph 28.1(b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 (a) or 28.4, in respect of-
- (a) any capital expenditure;
 - (b) the depreciation of any capital asset;
 - (c) any sum employed or intended to be employed in the setting up or expansion of the employment;
 - (d) any loss incurred before the beginning of the assessment period;
 - (e) the repayment of capital on any loan taken out for the purposes of the employment;
 - (f) any expenses incurred in providing business entertainment, and
 - (g) any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 (a) or 28.4 in respect of the repayment of capital on any loan used for-
- (a) the replacement in the course of business of equipment or machinery; and
 - (b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 (a) or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt-
- (a) deduction shall not be made under paragraph 28.3 (a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
 - (b) a deduction shall be made thereunder in respect of-
 - (i) the excess of any value added tax paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- (a) income tax; and
 - (b) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - (c) one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in

any one of his employments shall not be offset against his earnings in any other of his employments.

- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- (a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
 - (b) in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

28A.0 Earnings of self-employed earners: Minimum Income Floor

- 28A.1 Where no start up period (as defined within 28A.2) applies to the applicant and the income from self-employment of the applicant or partner as calculated by reference to parts 27 to 29 of this scheme is less than an amount to be determined as appropriate for the employment market that the claimant or partner is operating in, the income used by the Council in the calculation of their award will be substituted to that appropriate amount. This amount shall not be less than 35 x national minimum wage or national living wage (depending on the age of the claimant). From that the Council will deduct only an estimate for tax, national insurance and half a pension contribution (where a pension contribution is being made), as if estimating the income of an ordinarily employed worker.
- 28A.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the claimant or partner. This will normally be eighteen months from the date of claim, or eighteen months from the date of commencement of the employment activity, whichever is sooner. During this period no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.
- 28A.3 Where a claimant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the Minimum Income Floor where appropriate.
- 28A.6 For the purposes of determining whether a claimant is in gainful self-employment or meets the conditions for a start up-period, the Council will require the claimant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self-employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a start up period are met.
- 28A.7 Where the applicant is in receipt of a carer's premium, the Council shall have the discretion to vary the start up period.

29.0 Deduction of tax and contributions of self-employed earners

- 29.1 The amount to be deducted in respect of income tax under section 28.1(b) (i), 28.3 b) (i) or 28.9 a) (i) (calculation of net profit of self-employed earners) or 28A.0 (Minimum Income Floor) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 (b)(i); 28.3 (b) (ii) or 28.9 a shall be the total of-
- (a) the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
 - (b) the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.
- 29.3 In this section 'chargeable income' means-
- (a) except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph (28.3) (a) or, as the case may be, (28.4) of section 28;
 - (b) in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

- 30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.4, be his gross income and any capital treated as income under section 31 (capital treated as income).
- 30.2 There shall be disregarded from the calculation of an applicant's gross income under paragraph 30.2, any sum, where applicable, specified in Schedule 4.
- 30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.
- 30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008 or 2013 as appropriate, the amount of that benefit to be taken into account is the amount as if it had not been reduced.
- 30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year

the amount to be taken into account under paragraph 27.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

30.6 In paragraph 30.5 'tax year' means a period beginning with 6th April in one year and ending with 5th April in the next.

30.7 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula-

$$\frac{A - (B \times C)}{D}$$

D

Where

A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5

B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

D = the number of reduction weeks in the assessment period.

30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if-

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

30.10 In this section- 'academic year' and 'student loan' shall have the same meanings as for the purposes of sections 43 to 45, 'assessment period' means-

(a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

(b) in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes-

(i) the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or

(ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of those date is earlier

'quarter' in relation to an assessment period means a period in that year beginning on;

- (a) 1st January and ending on 31st March;
- (b) 1st April and ending on 30th June;
- (c) 1st July and ending on 31st August; or
- (d) 1st September and ending on 31st December;

'relevant payment' means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 46.7 or both.

- 30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1
- (a) any payment to which paragraph 25.2 (payments not earnings) applies; or
 - (b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act.

31.0 Capital treated as income

- 31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £6,000, (£16,000 in respect of any applicant in the defined vulnerable group as specified within paragraph 1.8 of this scheme) be treated as income.
- 31.2 Any payment received under an annuity shall be treated as income.
- 31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.
- 31.4 Any Career Development Loan paid pursuant to section 2 of the 1973 Act shall be treated as income
- 31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

32.0 Notional income

- 32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of reduction or increasing the amount of that reduction.
- 32.2 Except in the case of-
- (a) a discretionary trust;
 - (b) a trust derived from a payment made in consequence of a personal injury;
 - (c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
 - (d) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
 - (e) any sum to which paragraph 48(a) of Schedule 5 refers;
 - (f) rehabilitation allowance made under section 2 of the 1973 Act;
 - (g) child tax credit; or

- (h) working tax credit,
 - (i) any sum to which paragraph 32.13 applies;
- any income which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by the applicant but only from the date on which it could be expected to be acquired were an application made.

32.3 – 32.5 Not used

32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–

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

32.7 Paragraph 32.6 shall not apply in respect of a payment of income made–

- (a) under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
- (b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- (c) pursuant to section 2 of the 1973 Act in respect of a person's participation–
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (d) in respect of a previous participation in the Mandatory Work Activity Scheme;
- (e) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days

thereafter, the authority shall treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.

- 32.9 Subject to paragraph 32.10, where-
- (a) applicant performs a service for another person; and
 - (b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.
- 32.10 Paragraph 32.9 shall not apply-
- (a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
 - (b) in a case where the service is performed in connection with-
 - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or
 - (c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.
- 32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.
- 32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.
- 32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;
- (a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
 - (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - (c) one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation as a service user

Sections 33 - 42 & Schedule 5

Definition and the treatment of capital for Council Tax Reduction purposes

33.0 Capital limit

- 33.1 For the purposes of this scheme, the prescribed amount is £6,000 and no reduction shall be granted when the applicant has an amount greater than this level.

34.0 Calculation of capital

- 34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).
- 34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

35.0 Disregard of capital of child and young person

- 35.1 The capital of a child or young person who is a member of the applicant's family shall not be treated as capital of the applicant.

36.0 Income treated as capital

- 36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.
- 36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.
- 36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.
- 36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.
- 36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.
- 36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.
- 36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.
- 36.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.
- 36.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

37.0 Calculation of capital in the United Kingdom

- 37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less-
- a. where there would be expenses attributable to the sale, 10 per cent.; and
 - b. the amount of any encumbrance secured on it;

38.0 Calculation of capital outside the United Kingdom

- 38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated
- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
 - b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,
- less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

39.0 Notional capital

- 39.1 An applicant shall be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to council tax reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with section 40 (diminishing notional capital rule).

- 39.2 Except in the case of

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 5; or
- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a); or
- (f) any sum to which paragraph 48(a) of Schedule 5 refers; or
- (g) child tax credit; or
- (h) working tax credit,

any capital which would become available to the applicant upon application being made, but which has not been acquired by him, shall be treated as possessed by him but only from the date on which it could be expected to be acquired were an application made.

- 39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made
- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member

- is liable;
- (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made
- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
- (b) pursuant to section 2 of the 1973 Act in respect of a person's participation
- (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
- (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
- (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
- (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations;
- or
- (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- (bb) in respect of a person's participation in the Mandatory Work Activity Scheme; Enterprise Scheme;
- (bc) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
- (c) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where-
- (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
- (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
- (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.
- 39.5 Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case
- (a) the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- (b) he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.
- 39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.
- 39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

40.0 Diminishing notional capital rule

- 40.1 Where an applicant is treated as possessing capital under section 39.1 (notional capital), the amount, which

- he is treated as possessing;
- (a) in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
 - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
 - (b) in the case of a week in respect of which paragraph 40.1(a) does not apply but where
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.
- 40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that
- (a) he is in receipt of council tax reduction; and
 - (b) but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.
- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- (a) the additional amount to which sub-paragraph 40.2 (b) refers;
 - (b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations (notional capital);
 - (c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
 - (d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations (notional capital) and
 - (e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- (a) the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
 - (b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to-
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
 and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so

entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;

- (c) if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7
- (d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- (e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

40.5 The amount determined under paragraph 40.4 shall be re-determined under that paragraph if the applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case-

- (a) sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
- (b) subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.

40.6 The conditions are that

- (a) a further claim is made 26 or more weeks after
 - (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
 - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
- (b) the applicant would have been entitled to council tax reduction but for paragraph 39.1.

40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.

40.8 For the purposes of this section

- (a) 'part-week'
 - (i) in paragraph 40.4 (a) means a period of less than a week for which council tax reduction is allowed;
 - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;

- (iii) in paragraph 40.4 (c),(d)and(e)means-
- (aa). a period of less than a week which is the whole period for which income support , an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - (bb). any other period of less than a week for which it is payable;
 - (b). 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1
 - (i) was first taken into account for the purpose of determining his entitlement to council tax reduction; or
 - (ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction; and where more than one reduction week is identified by reference to heads (i) and (ii) of this subparagraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;
 - ©. 'relevant subsequent week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

41.0 Capital jointly held

- 41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Section shall apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess

42.0 Calculation of tariff income from capital

- 42.1 No tariff income will apply to this scheme.

Sections 43 - 56

Definition and the treatment of students for Council Tax Reduction purposes¹⁹

¹⁹ Amounts shown in sections 43 to 56 will be updated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this scheme the following definitions apply;

'academic year' means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course shall be considered to begin in the autumn rather than the summer;

'access funds' means;

- (a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- (b) grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- (c) grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- (d) discretionary payments, known as "learner support funds", which are made available to students in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding under sections 100 and 101 of the Apprenticeships, Skills, Children and Learning Act 2009; or
- (e) Financial Contingency Funds made available by the Welsh Ministers;

'college of further education' means a college of further education within the meaning of Part 1 of the Further and Higher Education (Scotland) Act 1992;

'contribution' means;

- (a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
- (b) any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;

'course of study' means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it;

'covenant income' means the gross income payable to a full-time student under a Deed of Covenant by his parent;

'education authority' means a government department, a local education authority as defined in section 12 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973 an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body of the Channel Island, Isle of Man or any other country outside Great Britain;

'full-time course of study' means a full time course of study which;

- (a) is not funded in whole or in part by the Secretary of State under section 14 of the

- (b) Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;
- (c) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out–
 - (i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or
 - (ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or
- (d) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves–
 - (i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or
 - (ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

'full-time student' means a person attending or undertaking a full-time course of study and includes a student on a sandwich course;

'grant' (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

'grant income' means

- (a) any income by way of a grant;
- (b) any contribution whether or not it is paid;

'higher education' means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992; 'last day of the course' means;

- (a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;
- (b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

'period of study' means–

- (a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- (b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, the year's start and ending with either–
 - (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year, or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) in any other case, the day before the start of the normal summer vacation appropriate to his course;
- (c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

'periods of experience' means periods of work experience which form part of a sandwich course;

'qualifying course' means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker's Allowance Regulations;

'modular course' means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

'sandwich course' has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland), Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

'standard maintenance grant' means-

- (a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 ('the 2003 Regulations') for such a student;
- (b) except where paragraph (c) applies, in the case of a student residing at his parent's home, the amount specified in paragraph 3 thereof;
- (c) in the case of a student receiving an allowance or bursary under the Education (Scotland) Act 1980, the amount of money specified as 'standard maintenance allowance' for the relevant year appropriate for the student set out in the Student Support in Scotland Guide issued by the student Awards Agency for Scotland, or its nearest equivalent in the case of a bursary provided by a college of further education or a local education authority;
- (d) in any other case, the amount specified in paragraph 2(2) of Schedule 2 to the 2003 Regulations other than in sub-paragraph (a) or (b) thereof;

'student' means a person, other than a person in receipt of a training allowance, who is attending or undertaking-

- (a) a course of study at an educational establishment; or
- (b) a qualifying course;

'student loan' means a loan towards a student's maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Student's Allowances (Scotland) Regulations 2007

43.2 For the purposes of the definition of 'full-time student', a person shall be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course

- (a) in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending;
 - (i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or
 - (ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;
- (b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

43.3 For the purposes of sub-paragraph (a) of paragraph 43.2, the period referred to in that sub-paragraph shall include;

- (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
- (b) any period of vacation within the period specified in that paragraph or immediately following that period

except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

44.1 The following sections relate to students who claim Council Tax Reduction

45.0 Students who are excluded from entitlement to council tax reduction

45.1 Students (except those specified in paragraph 45.3) are not able to claim Council Tax Reduction under Classes D and E of the Council's reduction scheme.

45.2 To be eligible for reduction, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a person from abroad within the meaning of section 7 of this scheme (persons from abroad).

45.3 Paragraph 45.2 shall not apply to a student

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

(b) who is a lone parent;

(c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;

(d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;

(e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.

(g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;

(h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;

(i) who is;

(i) aged under 21 and whose course of study is not a course of higher education, or

(ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);

(j) in respect of whom

(i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;

(ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;

(iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue

of regulations made under the Teaching and Higher Education Act 1998;
(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or
(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

- 45.4 For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19. For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.
- 45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.
- 45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.
- 45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;
- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
 - (i) engaged in caring for another person; or
 - (ii) ill;
 - (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
 - (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.
- 45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;
- (a) the day on which he resumes attending or undertaking the course; or
 - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
- which shall first occur.

46.0 Calculation of grant income

- 46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.
- 46.2 There shall be excluded from a student's grant income any payment;
- (a) intended to meet tuition fees or examination fees;

- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
- (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;
- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of his attendance on the course;
- (h) intended for the child care costs of a child dependant.
- (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.

46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.

46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;

- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.

47.0 Calculation of covenant income where a contribution is assessed

- 47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.
- 47.2 The weekly amount of the student's covenant shall be determined-
- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
 - (b) by disregarding from the resulting amount, £5.
- 47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

48.0 Covenant income where no grant income or no contribution is assessed

- 48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;
- (a) any sums intended for any expenditure specified in paragraph 46.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
 - (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
 - (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 46.2(f) and 46.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
 - (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.
- 48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;
- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
 - (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 46.3.

49.0 Student Covenant Income and Grant income - non disregard

- 49.1 No part of a student's covenant income or grant income shall be disregarded under paragraph 15 of Schedule 4 to this scheme

50.0 Other amounts to be disregarded

50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

51.0 Treatment of student loans

51.1 A student loan shall be treated as income.

51.2 In calculating the weekly amount of the loan to be taken into account as income

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,
- (b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year and ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the Secretary of State, the longest of any vacation is taken and for the purposes of this sub-paragraph, 'quarter' shall have the same meaning as for the purposes of the Education (Student Support) Regulations 2005;
- (c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where (ii) applies, the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year;
 - (ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincide with, or immediately follows, the earlier of 1st September or the first day of the autumn term, and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;
- (d) in any other case, the loan shall be apportioned equally between the weeks in the period beginning with the earlier of;
 - (i) the first day of the first reduction week in September; or
 - (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the course;

and, in all cases, from the weekly amount so apportioned there shall be disregarded £10.

51.3 A student shall be treated as possessing a student loan in respect of an academic year where;

- (a) a student loan has been made to him in respect of that year; or
- (b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5

- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
 - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
 - (ii) any contribution whether or not it has been paid to him;
- (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
 - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
 - (ii) no deduction in that loan was made by virtue of the application of a means test.

51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.

The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

51A.0 Treatment of fee loans

51A. 1A loan for fees, known as a fee loan or a fee contribution loan, made pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998, section 22 of the Teaching and Higher Education Act 1998 or section 73(f) of the Education (Scotland) Act 1980, shall be disregarded as income.

52.0 Treatment of payments from access funds

52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.

52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.

52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,

- (a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
- (b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.

52.4 Where a payment from access funds is made—

- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or

- (b) before the first day of the course to a person in anticipation of that person becoming a student,
- (c) that payment shall be disregarded as income.

53.0 Disregard of contribution

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

54.0 Further disregard of student's income

- 54.1 Where any part of a student's income has already been taken into account for the purpose of assessing his entitlement to a grant or student loan, the amount taken into account shall be disregarded in assessing that student's income.

55.0 Income treated as capital

- 55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.
- 55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.
- 55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

- 56.1 In calculating a student's income the authority shall disregard any change in the standard maintenance grant, occurring in the recognised summer vacation appropriate to the student's course, if that vacation does not form part of his period of study from the date on which the change occurred to the end of that vacation.

Sections 57 - 63

The calculation and amount of Council Tax Reduction

57.0 Maximum council tax reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax reduction in respect of a day for which he is liable to pay council tax, shall be 80 per cent, of the amount A divided by B where;

- (a) A is the **lower** of either;
 - (i) amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; or
 - (ii) the amount set by the appropriate authority as the council tax for the relevant financial year in respect of a dwelling within Band D subject to any discount which may be appropriate to the person's circumstances; and
- (b) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under section 58 (non-dependant deductions).

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

57.2 In calculating a person's maximum council tax reduction any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.

57.3 Subject to paragraph 57.4, where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the applicant who is a student to whom paragraph 45.2 (students who are excluded from entitlement to council tax reduction) applies, in determining the maximum council tax reduction in his case in accordance with paragraph 57.1, the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.

57.4 Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph 57.3 shall not apply in his case

58.0 Non-dependant deductions

58.1 Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in section 57 (maximum council tax reduction) shall be;

- (a) in respect of a non-dependant aged 18 or over in remunerative work, $£10.00 \times 1/7$;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, $£10.00 \times 1/7$.

58.2 Only one deduction shall be made under this section in respect of a couple or, as the case may be, members of a polygamous marriage and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount shall be deducted.

58.3 Where in respect of a day-

- (a) a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;

- (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
- (c) the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.

58.4 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is-

- (a) blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
- (b) receiving in respect of himself:
 - attendance allowance, or would be receiving that allowance but for:
 - (i) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - (ii) an abatement as a result of hospitalisation; or
 - the care component of the disability living allowance, or would be receiving that component but for:
 - (i) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - (ii) an abatement as a result of hospitalisation; or
- (c) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
- (d) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

58.5 No deduction shall be made in respect of a non-dependant if:

- (a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
- (b) he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) he is a full time student within the meaning of section 44.0 (Students); or
- (d) he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
 - 'patient' has the meaning given within this scheme, and
 - where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
- (e) he is not residing with the applicant because he is a member of the armed forces away on operations

58.6 No deduction shall 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 of the 1992 Act applies (persons disregarded for purposes of discount) but this sub-paragraph shall not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers;
 - (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.";
- For the purposes of sub-paragraph (c), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013

59.0 Council tax reduction taper (applies to persons defined within Class E)

59.1 The prescribed daily percentage for the purpose of calculating reduction as a percentage of excess of income over the applicable amount which is deducted from maximum council tax reduction, shall be 2 6/7 per cent. Where an applicant's income exceeds their applicable amount, their council tax reduction shall be calculated by deducting their excess income multiplied by the taper from their maximum council tax reduction as defined within section 57 of this scheme

60.0 Extended reductions

60.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction where;

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
- (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner-
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,
 and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more; and
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

60.2 For the purpose of paragraph 60.1(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

60.3 For the purpose of this section, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they shall be treated as being entitled to and in receipt of jobseeker's allowance.

60.4 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where-

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in paragraph 60.1(b).

60.5 This section shall not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support Regulations (remunerative work: housing costs) applied to that applicant.

60A.0 Duration of extended reduction period

- 60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.
- 60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.
- 60A.3 The extended reduction period ends;
- (a) at the end of a period of four weeks; or
 - (b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

60B.0 Amount of extended reduction

- 60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of-
- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
 - (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
 - (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.
- 60B.2 Paragraph 60B1 does not apply in the case of a mover.
- 60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

60C.0 Extended reductions - movers

- 60C.1 This section applies;
- (a) to a mover; and
 - (b) from the Monday following the day of the move.
- 60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit.
- 60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;
- (a) the second authority; or
 - (b) the mover directly.
- 60C.4 Where-

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying income-related benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the amount of the extended reduction until the end of the extended reduction period.

60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement

60D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 60.1(b), that award will not cease until the end of the extended reduction period.

60D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction payable in accordance with paragraph 60B.1(a) or 60C.2 (amount of extended reduction – movers).

61.0 Extended reductions (qualifying contributory benefits)

61.1 An applicant who is entitled to council tax reduction (by virtue of the general conditions of entitlement) shall be entitled to an extended reduction (qualifying contributory benefits) where;

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner;
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment, and that employment is or, as the case may be, increased earnings or increased number of hours are expected to last five weeks or more;
- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

61.2 An applicant must be treated as entitled to council tax reduction by virtue of the general conditions of entitlement where;

- (a) the applicant ceased to be entitled to council tax reduction because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in paragraph 61.1(b).

61A.0 Duration of extended reduction period (qualifying contributory benefits)

61A.1 Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contributory benefit.

61A.2 For the purpose of paragraph 61A.1, an applicant or an applicant's partner ceases to be entitled to a qualifying contributory benefit on the day immediately following the last day of entitlement to that benefit.

61A.3 The extended reduction period ends;

- (a) at the end of a period of four weeks; or
- (b) on the date on which the applicant to whom the extended reduction (qualifying contributory benefits) is payable has no liability for council tax, if that occurs first.

61B.0 Amount of extended reduction (qualifying contributory benefits)

61B.1 For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant shall be the higher of;

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 61 (extended reductions (qualifying contributory benefits)) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 61 did not apply to the applicant.

61B.2 Paragraph 61B.1 does not apply in the case of a mover.

61B.3 Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

61C.0 Extended reductions (qualifying contributory benefits) - movers

61C.1 This section applies;

- (a) to a mover; and
- (b) from the Monday following the day of the move.

61C.2 The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

61C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from the appropriate authority to-

- (a) the second authority; or
- (b) the mover directly.

61C.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit; and
- (b) the mover, or the mover's partner, is in receipt of an extended reduction (qualifying contributory benefits) from the appropriate authority, the second authority shall reduce the weekly amount of council tax reduction that the mover, or the mover's partner, is entitled to by a sum equal to the

amount of the extended reduction (qualifying contributory benefits) until the end of the extended reduction period.

61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement

61D.1 Where an applicant's council tax reduction award would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 61.1 (b), that award will not cease until the end of the extended reduction period.

61D.2 Changes of circumstances and increases for exceptional circumstances shall not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 61B.1(a) or 61C.2 (amount of extended reduction- movers).

61E.0 Extended reductions: movers into the authority's area²⁰

61E.1 Where;

- a. an application is made to the authority for a reduction under its scheme, and
- b. the applicant or the partner of the applicant, is in receipt of an extended reduction from;
 - (i) another billing authority in England; or
 - (ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under its Council Tax Reduction scheme by the amount of that extended reduction.

62.0 & 63.0 Not used

²⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Sections 64 - 67

Dates on which entitlement and changes of circumstances are to take effect

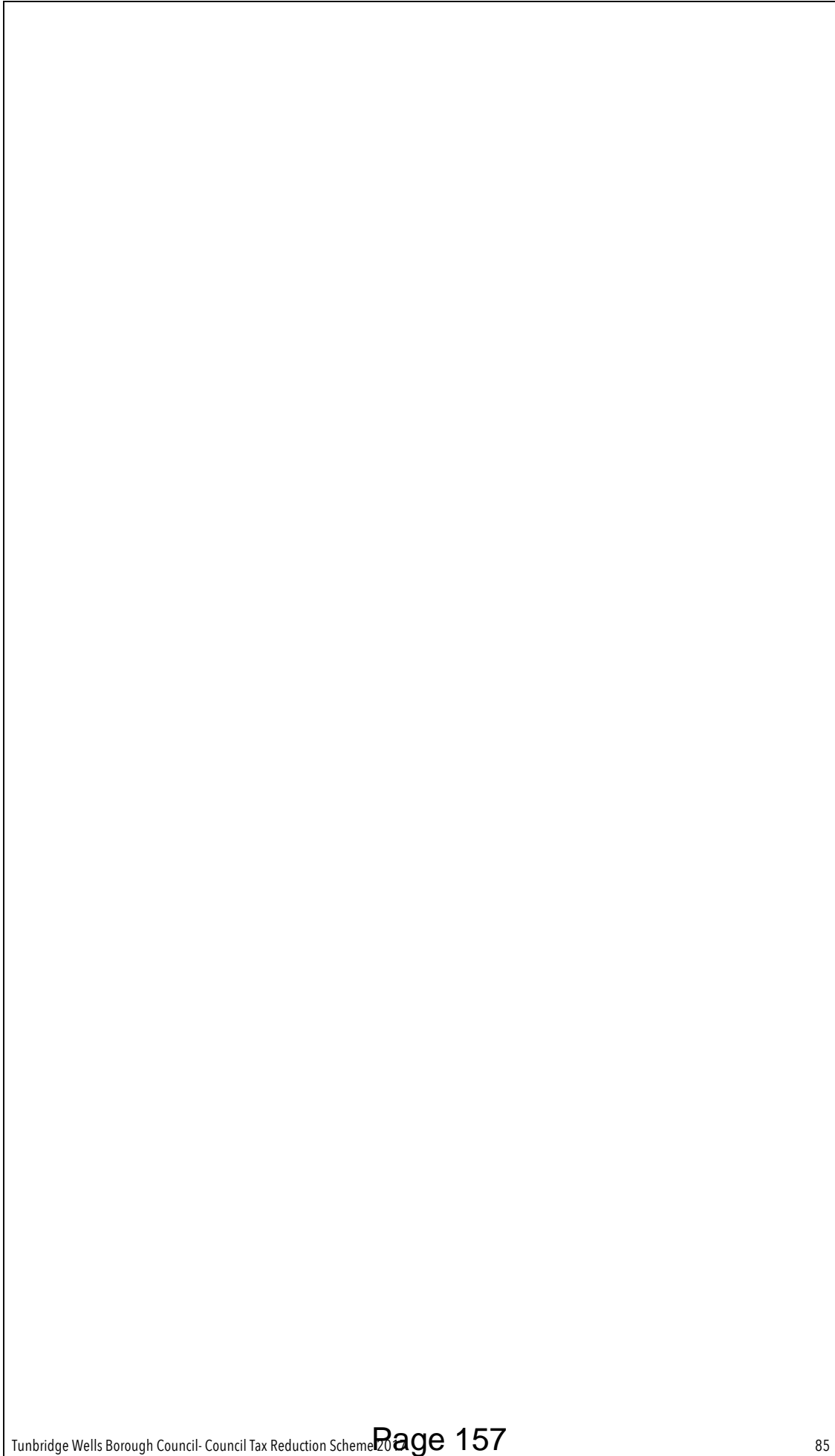
64.0 Date on which entitlement is to begin

- 64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that reduction shall be so entitled from the reduction week following the date on which that claim is made or is treated as made.
- 64.2 Where a person is otherwise entitled to council tax reduction and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his claim is made or is treated as made, he shall be so entitled from that reduction week.

65.0 - 66.0 Not Used

67.0 Date on which change of circumstances is to take effect

- 67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under the authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.
- 67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.
- 67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.
- 67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.
- 67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.
- 67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.
- 67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.
- 67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.



Sections 68- 74A

Claiming and the treatment of claims for Council Tax Reduction purposes

68.0 Making an application²¹

- 68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by one of them as the authority determines.
- 68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;
 - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 68.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a);
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty;
- and

²¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

69.0 Procedure by which a person may apply for a reduction under the authority's scheme²²

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

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with S101- 106A of this scheme, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

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

69.4 (1) Where an application made in writing is defective because–
 (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
 (b) it was made in writing but not on the form approved for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence, the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

(2) An application made on a form provided by the authority is properly completed if it is completed in accordance with the instructions on the form, including any instructions to provide information and evidence in connection with the application.

69.5. (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.

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

69.6. In a particular case the authority may determine that an application made by telephone is only valid if the person making the application approves a written statement of his circumstances provided by the authority.

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.

(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

69.8 Notwithstanding other paragraphs within this section, the authority will determine the method by which claims are to be made as well as where claims should be sent or delivered. For the purposes of this scheme a

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall be treated as a valid claim.

- 69.9 Where an applicant ('C')-
- (a) makes a claim which includes (or which C subsequently requests should include) a period before the claim is made; and
 - (b) from a day, in that period, up to the date when C made the claim (or subsequently requested that the claim should include a past period), C had continuous good cause for failing to make a claim (or request that the claim should include that period),
- the claim is to be treated as made on the date determined in accordance with paragraph 69.10

- 69.10 The date is the latest of-
- (a) the first day from which C had continuous good cause;
 - (b) the day 1 month before the date the claim was made;
 - (c) the day 1 month before the date when C requested that the claim should include a past period.

69A.0 Date on which an application is made

- 69A.1 Subject to sub-paragraph (7), the date on which an application is made is;
- (a) in a case where;
 - (i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
 - (ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,
 the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;
 - (b) in a case where;
 - (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
 - (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
 - (iii) the application is received at the designated office within one month of the date of the change, the date on which the change takes place;
 - (c) in a case where;
 - (i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
 - (ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation, the date of the death or separation;
 - (d) except where paragraph c) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;
 - (e) in any other case, the date on which an application is received at the designated office.
- 69A.2 For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;

- (a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
- (b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days), have been entitled to that allowance.

- 69A.3 Where there is a defect in an application by telephone;
- (a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
 - (b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.
- 69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- 69A.5 The conditions are that–
- (a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or
 - (b) where an application is not on approved form or further information requested by authority applies;
 - (i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;
 - (ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,
 in either case, within such longer period as the authority may consider reasonable; or
 - (c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.
- 69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.
- 69A.7 In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions or an office which is normally open to the public for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

70.0 Submission of evidence electronically

- 70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim

71.0 Use of telephone provided evidence

- 71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim

72.0 Information and evidence²³

- 72.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.
- 72.2 This sub-paragraph is satisfied in relation to a person if–
- (a) the application is accompanied by;
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
 - (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.
- 72.3 Sub-paragraph (2) does not apply;
- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
 - (b) to a person who;
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.
- 72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
- 72.5 Where the authority makes a request under sub-paragraph (4), it must;
- (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
 - (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.
- 72.6 This sub-paragraph applies to any of the following payments;
- (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 58.9.
- 72.7 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any

²³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;

- (a) the name and address of the pension fund holder;
- (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of application²⁴

- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.
- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

74.0 Duty to notify changes of circumstances²⁵

- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
 - (a) between the making of an application and a decision being made on it, or
 - (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.
- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
 - (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
 - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
 - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

²⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying
- (a) changes in the amount of council tax payable to the authority;
 - (b) changes in the age of the applicant or that of any member of his family;
 - (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 Not used.
- 74.7 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances

Sections 75- 90

Decisions, decision notices and awards of Council Tax Reduction

75.0 Decisions by the authority²⁶

75.1 The authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and section 69 being satisfied, or as soon as reasonably practicable thereafter.

76.0 Notification of decision²⁷

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme;
 (a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
 (b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement;
 (a) informing the person affected of the duty imposed by paragraph 74.1 of this scheme;
 (b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
 (c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to–
 (a) the applicant;
 (b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;
 (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or
 (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
 (c) a person appointed by the authority to act for a person unable to act.

²⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

77.0 Time and manner of granting council tax reduction²⁸

- 77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement;
- (a) by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
 - (b) where;
 - (i) such a reduction is not possible; or
 - (ii) such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - (iii) the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.
- 77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).
- 77.3 In a case to which paragraph (1)(b) refers;
- (a) if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - (i) must be paid to that person if he so requires; or
 - (ii) in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
 - (b) if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter
 - (c) in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.
- 77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom reduction is to be paid²⁹

- 78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount of a reduction must be made to that person.
- 78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

²⁸ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

79.0 Shortfall in reduction³⁰

- 79.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;
- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
 - (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonable practicable, as soon as possible afterwards.

80.0 Payment on the death of the person entitled³¹

- 80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

81.0 Offsetting

- 81.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

82.0 Payment where there is joint and several liability³²

- 82.1 Where;
- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
 - (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
 - (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate,
- it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.
- 82.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.
- 82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment under paragraph 4(3) or is treated as having been so appointed by virtue of paragraph 4(4), the amount of the reduction may be paid to that person.

83.0 - 90.0 Not used

³⁰ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³¹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³² Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012

Sections 91 - 94

Collection, holding and forwarding of information for Council Tax Reduction purposes

91.0 Use of information from and to the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC)

- 91.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013
- 91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements³³.

92.0 Collection of information

- 92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from-
- (a) persons making claims for council tax reduction;
 - (b) other persons in connection with such claims;
 - (c) other local authorities; or
 - (d) central government departments including the DWP and HMRC
- 92.2 The authority may verify relevant information supplied to, or obtained.

93.0 Recording and holding information

- 93.1 The authority may
- (a) may make a record of such information; and
 - (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

94.0 Forwarding of information

- 94.1 The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being
- (i) a local authority;
 - (ii) a person providing services to a local authority; or
 - (iii) a person authorised to exercise any function of a local authority relating to council tax reduction.

³³ Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

Sections 95 - 98

Revisions, Written Statements, Termination of Council Tax Reduction

95.0 Persons affected by Decisions

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority where that person is;
- (a) an applicant;
 - (b) in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or reduction appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - (c) a person appointed by the authority under this scheme;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council Tax Reduction. The request must be received within one month of the date of the notification being issued by the authority.

98.0 Terminations

- 98.1 The authority may terminate reduction in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;
- (a) the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
 - (b) a decision as to an award of such a reduction should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;
- (a) the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
 - (b) a decision as to an award of such a reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 99

Appeals against the authority's decisions

99.0 Procedure by which a person may make an appeal against certain decisions of the authority³⁴

- 99.1 A person who is aggrieved by a decision of the authority, which affects;
- (a) the person's entitlement to a reduction under its scheme, or
 - (b) the amount of any reduction to which that person is entitled,
- may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must
- (a) consider the matter to which the notice relates;
 - (b) notify the aggrieved person in writing;
 - (i) that the ground is not well founded, giving reasons for that belief; or
 - (ii) that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act³⁵.

³⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

³⁵ As amended by the Tribunal Procedure (Amendment No 3) Rules 2014

Section 100

Procedure for applying for a discretionary reduction

100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act³⁶

- 100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;
- (a) in writing,
 - (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or
 - (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.
- 100.2 Where;
- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

³⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 101 - 106A³⁷

Electronic Communication

³⁷ Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012

101.0 Interpretation

- 101.1 In this Part;
“information” includes an application, a certificate, notice or other evidence; and
“official computer system” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

102.0 Conditions for the use of electronic communication

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.
- 102.2 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.
- 102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.
- 102.4 The second condition is that the person uses an approved method of;
- (a) authenticating the identity of the sender of the communication;
 - (b) electronic communication;
 - (c) authenticating any application or notice delivered by means of an electronic communication; and
 - (d) subject to sub-paragraph (7), submitting to the authority any information.
- 102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.
- 102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.
- 102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.
- 102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

103.0 Use of intermediaries

- 103.1 The authority may use intermediaries in connection with;
- (a) the delivery of any information by means of an electronic communication; and
 - (b) the authentication or security of anything transmitted by such means,
- and may require other persons to use intermediaries in connection with those matters.

104.0 Effect of delivering information by means of electronic communication

- 104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority's scheme on the day the conditions imposed;
- (a) by this section; and
 - (b) by or under an enactment,

are satisfied.

104.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

105.0 Proof of identity of sender or recipient of information

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

106.0 Proof of delivery of information

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;
(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

106A.0 Proof of content of information

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.

Section 107
Counter Fraud and Compliance

107.0 Counter Fraud and compliance

- 107.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;
- a. Prevent and detect fraudulent claims and actions in respect of Council Tax Reduction;
 - b. Carry out investigations fairly, professionally and in accordance with the law; and
 - c. Ensure that sanctions are applied in appropriate cases
- 107.2 The authority believes that it is important to minimise the opportunity for fraud and;
- a. will implement rigorous procedures for the verification of claims for council tax reduction;
 - b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
 - c. will actively tackle fraud where it occurs in accordance with this scheme;
 - d. will co-operate with the Department for Work and Pensions (DWP), Her Majesty's Revenues and Customs and take part in joint working including prosecutions; and
 - e. will in all cases seek to recover all outstanding council tax.
- 107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully

Schedule 1
Applicable Amounts ³⁸

³⁸ ³⁸ The amounts shown within this schedule shall be uprated in line with the Housing Benefit Regulations 2006 as amended

Personal Allowance	
1	The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes the main scheme;
Column 1 Person or Couple	Column 2
1. A Single applicant who;	£73.10
a) is entitled to main phase employment and support allowance	
b) is aged not less than 25	£73.10
c) is aged not less than 18 but less than 25	£57.90
2. Lone Parent	£73.10
3. Couple;	£114.85
a) Where the applicant is entitled to the main phase of employment and support allowance	
b) Where one member is aged not less that 18	£114.85
c) Polygamous Addition	£41.75
<p>For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if;</p> <ul style="list-style-type: none"> a. Paragraph 17 or 18 is satisfied in relation to the applicant; or b. The applicant is entitled to a converted employment and support allowance 	
2	(1) The amount specified in column (2) below in respect of each person specified in column (1) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of the main scheme
Column 1 Child or Young Person	Column 2
Person in respect of the period-	£66.90
(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.	£66.90
(c) third or subsequent dependent child or young person whose date of birth falls on or after 1 st April 2017. This shall not apply where the third or subsequent child is:	NIL
i. children born in a multiple birth if there were previously fewer than two children or qualifying young people in the household at 31 st March 2017;	
ii. where a child is born on or after 1 st April 2017 living with friends or family because they are unable to live with their parents, (the friend or family carer will need to provide evidence from a social worker which supports this);	
iii. Child within the household becomes the parent of a child; and	

<p>Evidence from a professional third party, that the circumstances are consistent with those of a person who has had intercourse without consenting to it (at a time when the conception of her third or subsequent child might have resulted). It will be a requirement for eligibility for the exception that the claimant confirms that she is not living with the alleged perpetrator.</p>	
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(2) In column (1) of the table in paragraph (1), “the first Monday in September” means the Monday which first occurs in the month of September in any year.

Family Premiums

- 3.** (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- (a) where the applicant is a lone parent to whom sub-paragraph (3) of Schedule 3 of the Housing Benefit Regulations 2006 applies, £22.20;
 - (b) in any other case, £17.45;
 - (c) **No family premium will be awarded where an application for reduction is received on or after 1st April 2017 or where the applicant would have become entitled to the family premium on or after 1st April 2017.**
 - i) Sub paragraph (c) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction 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.
 - (c) (i) above does not apply if–
 - (a) sub-paragraph 3 c (i) (a) or (b) of that paragraph ceases to apply; or
 - (b) the person makes a new claim for Council Tax Reduction;

Premiums

- 4.** Except as provided in paragraph 5, the premiums specified this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
- 5.** Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
- 6** (1) The following premiums, namely–
- a. severe disability premium to which paragraph 10 applies;
 - b. an enhanced disability premium to which paragraph 11 applies;
 - c. a disabled child premium to which paragraph 12 applies; and a
 - d. carer premium to which paragraph 13 applies,
- may be applicable in addition to any other premium which may apply under this Schedule
- 7.** (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
- a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and

- b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns(Scotland) Act 1990 for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

Disability Premium

8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

Additional Condition for the Disability Premiums

9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

Severe Disability Premiums

10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

Enhanced Disability Premium

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

Disabled Child Premium

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

Carer Premium

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

Persons in receipt of concessionary payments

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

15. For the purposes of this Schedule, a person shall be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and shall be so regarded only for any period in respect of which that benefit is paid.

Amounts of Premium

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
Disability Premium	£32.25
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£45.95
Severe Disability Premium	£61.85
a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006	

<p>b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006</p> <p style="padding-left: 20px;">i. in a case where there is someone in receipt of carer's allowance or Universal Credit (Carer's Element) if he or any partner satisfies that condition only by virtue of paragraph 14(5);</p>	£61.85
<p style="padding-left: 20px;">ii. in a case where there is no one in receipt of such an allowance</p>	£123.70
Disabled Child Premium	£60.06 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Carer Premium	£34.60 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Enhanced Disability Premium	<p>(a) £24.43 in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied;</p> <p>(b) £15.75 in respect of each person who is neither-</p> <p style="padding-left: 20px;">(i) a child or young person; nor</p> <p style="padding-left: 20px;">(ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied;</p> <p>(c) £22.60 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.</p>

The components

- 17.** The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
- 18.** The amount of the work-related activity component is £29.05. The amount of the support component is £36.20. The component **will not** apply where the applicant has been awarded Employment and Support Allowance on or after 1st April 2017 **and** been placed in the Work Related Activity Group

Transitional Addition

- 19.** The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of the Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 - 29 of Schedule 3 of the Housing Benefit Regulations 2006

Amount of transitional addition

- 20.** The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of the Housing Benefit Regulations 2006

Schedule 2

Not Used

Schedule 3

Sums to be disregarded in the calculation of earnings³⁹

³⁹ All amounts within this schedule will be amended in line with the Housing Benefit Regulations 2006 (as amended) or as agreed

- 1.** In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged-
- (a) where-
 - (i) the employment has been terminated because of retirement; and
 - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions, any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
 - (b) where before the first day of entitlement to council tax support the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except-
 - (i) any payment of the nature described in
 - (aa) paragraph 25.1(e), or
 - (bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
 - (ii) any award, sum or payment of the nature described in
 - (aa) paragraph 25.1(g) or (h), or
 - (bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals), including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
 - (c) where before the first day of entitlement to council tax support-
 - (i) the employment has not been terminated, but
 - (ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii) (bb) or paragraph 25.1(i), or (j).
- 2.** In the case of an applicant who, before first day of entitlement to council tax support;
- (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
 - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated, any earnings paid or due to be paid in respect of that employment except;
 - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
 - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (i) or (j).
- 2A.** In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-

employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment any earnings derived from that employment except earnings to which paragraph 27.3 and paragraph 27.4 (earnings of self-employed earners) apply.

- 3.** (1) In a case to which this paragraph applies and paragraph 4 does not apply, £25; but notwithstanding section 15 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £25.
- (2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component.
- (3) This paragraph applies where
- (a) the is a member of a couple and his applicable amount includes an amount by way of the disability premium; and
 - (b) the or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
- (4)-(5) Not used
- 4.** In a case where the applicant is a lone parent, £25.
- 5.** (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium, £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with this scheme as being in receipt of carer's allowance.
- (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £25 of the aggregated amount.
- 6.** Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £25, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment;
- (a) specified in paragraph 8(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 5 exceed £25;
 - (b) other than one specified in paragraph 8(1), so much of the other member's earnings from such other employment up to £25 as would not when aggregated with the amount disregarded under paragraph 5 exceed £25.
- 7.** In a case where paragraphs 3, 5, 6 and 8 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £25; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £25.

- 8.** (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the applicant, £20 of earnings derived from one or more employments as–
- (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
 - (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;
 - (c) an auxiliary coastguard in respect of coast rescue activities;
 - (d) a person engaged part-time in the manning or launching of a life boat;
 - (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;
- but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the applicant's partner is engaged in employment;
- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
 - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £20 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.
- 9.** Where the applicant is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £25 in any week and he is also engaged in any other employment so much of his earnings from that other employment, up to £25 if he is a single applicant, or up to £25 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 8 exceed £25.
- 10.** In a case to which none of the paragraphs 3 to 9 applies, £25.
- 10A.** (1) Where;
- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
 - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
 - (c) paragraph 12 does not apply,
- the amount specified in sub-paragraph (7) ('the specified amount').
- (2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph.
- (3) Notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4).
- (4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.
- (5) This sub-paragraph applies to a person who is;

- (a) in receipt of a contributory employment and support allowance;
 - (b) in receipt of incapacity benefit;
 - (c) in receipt of severe disablement allowance; or
 - (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975
- (6) 'Exempt work' means work of the kind described in;
- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations; or (as the case may be)
 - (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995, and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.
- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).
- 11.** Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.
- 12.** Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.
- 13.** Any earnings derived from employment, which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.
- 14.** Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.
- 15.** Any earnings of a child or young person.
- 16.** (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.
- (2) The conditions of this sub-paragraph are that-
- (a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or
 - (b) the applicant-
 - (i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
 - (ii) is a member of a couple and
 - (aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and
 - (bb) his 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, the work-related activity component or the support component ;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in sub-head (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or

(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 Regulations (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 3 to 10A of this Schedule;

(b) the amount of child care charges calculated as deductible under paragraph 17(1)(c); and

(c) £17.10

(4) The provisions of section 6 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that section were a reference to 30 hours.

17. In this Schedule 'part-time employment' means employment in which the person is engaged on average for less than 16 hours a week.

Schedule 4⁴⁰

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

⁴⁰ All amounts within this schedule will be amended in line with the Housing Benefit Regulations 2006 (as amended) or as agreed

- 1.** Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2.** Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3.** Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
- 2.** Any payment in respect of any expenses incurred or to be incurred by an applicant who is-
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A.** Any payment in respect of expenses arising out of the applicant's participation as a service user
- 3.** In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
- 4.** Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
- 5.** Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
- 6.** Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
- 7.** Any disability living allowance or personal independence payment or AFIP
- 8.** Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker's allowance.
 - (d) an income-related employment and support allowance.
- 9.** Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
- 10.** Any attendance allowance.
- 11.** Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

- 12.** (1) Any payment-
- (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or
 - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
- in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14** (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15** (1) Subject to sub-paragraph (2), any of the following payments;
- (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the applicant; or

- (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d)) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by-
 - (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
 - (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria;
 - (h) an Armed Forces Compensation Scheme payment.
- 17.** Subject to paragraph 35, £15 of any;
 - (a) widowed mother's allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
 (2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of-
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
 (3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating-
 - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998(c), that student's award;

(b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or

(c) the student's student loan,
an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to-
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non- dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family-
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
 - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to-
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party

made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.

- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
- 26.** (1) Any payment made to the applicant in respect of a person who is a member of his family-
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978**(b)** (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989**(c)** (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 27.** Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under-
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
- 28.** Any payment made to the applicant or his partner for a person ('the person concerned'), who is not normally a member of the applicant's household but is temporarily in his care, by-
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
- 29.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the

Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995(local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.
- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the applicant.
- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to-
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on-
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013
- 33.** Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 34.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 35.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of-
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been

dissolved or, where that person has died, had not been dissolved at the time of that person's death;

- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who

has not completed his full-time education and has no parent or step-parent, to his guardian, but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian, but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

37. Any housing benefit or council tax benefit.

- 38.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 39. - 40.** Not used
- 41.** Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
- 42.** Not used
- 43.** Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
- 44.** Not used
- 45.** (1) Any payment or repayment made-
- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
- (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
- 46.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
- 47.** Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
- 48.** (1) Where an applicant's family includes a dependant child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.
- (2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.
- (3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1)).
- 48 & 49.** Not used
- 50.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

- 51.** Any guardian's allowance.
- 52.** (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- 53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55** (1) Any payment which is
- (a) made under any of the Dispensing Instruments to a widow, widower or
 - (b) surviving civil partner of a person;
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.
- (2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10
- 56A.-56B.** Not used
- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person-
- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
 - (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,
- in respect of which such assistance is or was received.

(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account

- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
- 61.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
- 62.** Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
- 63.** (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
- 64.** Not used
- 65.** Any payments to an applicant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
- 66.** Any payment of child benefit.

Schedule 5
Capital to be disregarded⁴¹

⁴¹ Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended

- 1.** The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2.** Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3.** Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
- 2.** Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
- 3.** Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
- 4.** Any premises occupied in whole or in part-
 - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
 - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
- 5.** Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
- 6.** Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
- 7.** Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
- 8.** (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
(2) The assets of any business owned in whole or in part by the applicant where-
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is

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

- (3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.
 - (4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.
- 9.** (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit
 - (f) an income-related employment and support allowance
 - (g) Universal Credit

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

- (2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is
- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
 - (b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

- (3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means-
- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
 - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

- 10.** Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
 - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended

purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

- 11.** Any sum—
 - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited and which is to be used for the purchase of another home,for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that reduction.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)
 - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
 - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
 - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
 - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act

1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

19A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

20. Any social fund payment made pursuant to Part 8 of the Act.

21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

22. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.

23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of-

- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of-

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where-

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian, but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian, but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

26. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

27. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

- 28.** Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.
- 29.** Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
- 30.** Not used
- 31.** The value of the right to receive an occupational or personal pension.
- 32.** The value of any funds held under a personal pension scheme
- 33.** The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
- 34.** Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- 35.** Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
- 36.** Not used.
- 37.** Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
- 38.** Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used-
- (a) to purchase premises intended for occupation as his home; or
 - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,
- for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
- 39.** Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
- 40.** (1) Any payment or repayment made-
- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),

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

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.

- 41.** Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 41A.** Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
- 42.** Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
- 43.** Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
- 44.** Not used
- 45.** Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
- 46.** Not used
- 47.** (1) Any sum of capital to which sub-paragraph (2) applies and
 (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) or by the Court of Protection;
 (b) which can only be disposed of by order or direction of any such court; or
 (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
 (2) This sub-paragraph applies to a sum of capital which is derived from;
 (a) an award of damages for a personal injury to that person; or
 (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 48.** Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
 (a) award of damages for a personal injury to that person; or
 (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
- 49.** Any payment to the applicant as holder of the Victoria Cross or George Cross.

- 50.** Not used
- 51.** In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.
- 52.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 53.** (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to-
- (i) regulations made under section 518 of the Education Act 1996;
- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;
- (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to;
- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
- (ii) regulations made under section 181 of that Act ;
- or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
- (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
- (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
- in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 53A.-53B.** Not used
- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of-

- (a) the applicant;
- (b) the applicant's partner;
- (c) the applicant's deceased spouse or deceased civil partner; or
- (d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

- 57.** (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
 - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
 - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending-
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person-
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,
 whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is-
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death,
- but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to-
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
 - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the

period beginning on the date on which that payment is made and ending-

- (i) two years after that date; or
- (ii) on the day before the day on which that person
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,

whichever is the latest.

- (5) In this paragraph, a reference to a person-
 - (a) being the diagnosed person's partner;
 - (b) being a member of a diagnosed person's family;
 - (c) acting in place of the diagnosed person's parents,
 at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
- (6) In this paragraph- 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease; 'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions; 'trust payment' means a payment under a relevant trust.

- 58.** The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner
 - (a) was a slave labourer or a forced labourer;
 - (b) had suffered property loss or had suffered personal injury; or
 - (c) was a parent of a child who had died,
 during the Second World War.

58 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.

- 60.** Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
- 61.** Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 62.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 63.** Any payments to an applicant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

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Full Council	7 December 2016
Is the final decision on the recommendations in this report to be made at this meeting?	Yes

Members' Allowances 2017/18

Final Decision-Maker	Full Council
Portfolio Holder(s)	Councillor Paul Barrington-King, Portfolio Holder for Finance and Governance
Lead Director	Lee Colyer, Director of Finance and Corporate Services
Head of Service	Jane Clarke, Head of Policy and Governance
Lead Officer/Report Author	Lee Colyer, Director of Finance and Corporate Services
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:
 Full Council will need to decide which option to implement:
 Option A - The proposals of the Joint Independent Remuneration Panel (JIRP) or;
 Option B - The current scheme or;
 Option C - A protected scheme based on the JIRP proposals.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Confident Borough

Timetable	
<i>Meeting</i>	<i>Date</i>
Management Board	14 September 2016
Discussion with Portfolio Holder	12 September 2016
Finance & Governance Cabinet Advisory Board	4 October 2016
Cabinet	27 October 2016
Member Briefing	7 December 2016
Full Council	7 December 2016

Members' Allowances 2017/18

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 On 24 February 2016, Full Council agreed to the engagement of the Joint Independent Remuneration Panel (JIRP) to undertake a review of members' allowances to develop a new scheme for 2017/18.
- 1.2 This report contains the four-yearly review of members' allowances undertaken by the Independent Panel as required by legislation. The review takes into account members' workload, responsibilities and the required time commitment and then arrives at a fair level of recompense for those commitments. The Panel is mindful of the need to broaden the diversity of councillor representation by minimising financial barriers to participation in local government.
- 1.3 Implementation of the appended report would reduce the cost of members' allowances by £20,000 from the current annual budget of £360,000. However, the Council is not obliged to follow the Panel's recommendation but to have regard to them.

2. INTRODUCTION AND BACKGROUND

- 2.1 The Council is required to undertake a full review its members' allowances scheme every four years. The last full review was considered by Council in late 2012.
- 2.2 When reviewing a scheme the Council must have regard to the recommendations of its Independent Remuneration Panel. However, it is the responsibility of the Council to determine the scheme having regard to all appropriate matters and the Council is not bound by the recommendations of the Panel.
- 2.3 The Joint Independent Remuneration Panel (JIRP) was established to review and make recommendations on members' allowances for Sevenoaks, Tonbridge & Malling and Tunbridge Wells Borough Councils in November 2001.
- 2.4 In undertaking a comprehensive review of members' allowances the JIRP will ascertain the volume of work required for members of this Council and the governance structure which determines the level of additional work and special responsibilities. The JIRP also takes into account the level of local pay for residents and then deducts 40 per cent to represent the public spirit element to arrive at a schedule of allowances.

Schedule of annual allowances recommended by the JIRP (Full details in the appended report)

- Basic Allowance of £5,000 for each member (currently £5,500)
- Leader of the Council - £20,000 (currently £19,250)

- Deputy Leader of the Council - £15,000 (new allowance replacing the current Cabinet rate of £11,000)
- Cabinet Member - £10,000 (currently £11,000)
- Committee Chairs:
 - Overview & Scrutiny - £3,000 (currently £1,375)
 - Licensing - £2,000 (currently £1,375)
 - General Purposes - £2,000 (currently £1,375)
 - Joint Transportation Board - £2,000 (currently £1,375)
 - Planning - £5,000 (currently £5,500)
 - Audit and Governance - £2,000 (currently £1,375)
- Planning Committee Vice Chair - £1,000 (currently £1,320)
- Opposition Group Leader - £250 per group member (currently £275 per group member)
- Audit & Governance Co-optees - £800 (currently £800)

- 2.5 These allowances are recommended to increase annually in line with officer salaries, which historically have increased by 1.5 per cent.
- 2.6 The Child Care Allowance is recommended to be set at the forthcoming National Living Wage and the Dependent Carer's Allowance should be at the rate payable subject to a maximum of £16 per hour, as at present.
- 2.7 Travel expenses will remain at the cost of standard class public transport and the mileage rate at the HMRC published rate.
- 2.8 Meal allowances and subsistence allowances where necessary will be at the same rate as for council officers using the South East Employers' published rates.
- 2.9 The Independent Panel also suggested that the Council consider reducing the number of councillors as a means of reducing the total cost of members' allowances.

3. AVAILABLE OPTIONS

- 3.1 There are three options available to the Council;

Option A: Accept the recommendations of the Independent Panel;

Option B: Have regard to the recommendations of the Independent Panel but continue with the current level of allowances; or

Option C: Have regard to the recommendations of the Independent Panel but devise a different rate and structure of allowances. An alternative scheme has been costed in Appendix C which implements the proposals of the JIRP but applies a protection to the allowances currently received by members whilst they continue in their elected term of office and continue to occupy the same special responsibility.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 No clear recommendation has been supported by the Finance and Governance Cabinet Advisory Board or Cabinet. A financial summary of the costs associated with each option is shown below:

	OPTION A	OPTION B	OPTION C
	JIRP Proposals	Current Scheme	Protected Scheme using JIRP Proposals
Estimated Cost	£	£	£
Year 1 2017/18	338,850	358,920	365,795
Year 2 2018/19	343,933	364,304	361,769
Year 3 2019/20	349,092	369,768	358,921
Year 4 2020/21	354,328	375,315	361,461
Total Cost	1,386,203	1,468,307	1,447,946

- 4.2 Full Council will need to make a decision as to which option to implement.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The JIRP held discussions with the Leader of the Council, the leaders of other political parties and other members and senior officers. Details of the members' allowances scheme and the payments made are published annually in a local newspaper and on the Council's website.

RECOMMENDATION FROM CABINET ADVISORY BOARD

- 5.2 The Finance and Governance Cabinet Advisory Board was consulted on this decision at its meeting on 4 October 2016 and agreed the following recommendation:

That the recommendation set out in the report be not supported, on the basis of option 3.2, namely 'inadequate evidence on which to base the decision'.

DECISION OF CABINET

- 5.3 That the recommendations of the Joint Independent Remuneration Panel, as set out at Appendix A to the report, be submitted for consideration by Full Council.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Final approval will be made by Full Council and the scheme of members' allowances will come into effect on 1 April 2017.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Legal including Human Rights Act	The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to consider and publish a scheme of remuneration for members before the start of each financial year and, in addition, to review the scheme fully every four years.	Interim Head of Legal Partnership, 25 November 2016
Finance and other resources	The Members' Allowances budget for 2016/17 is £360,000. If the recommendations of the Panel are fully implemented then this would reduce the budget for 2017/18 by £20,000. The cost of subsequent years will increase in line with officers' pay which is likely to be around 1.5 per cent. Any member can elect to forgo all or part of their allowance entitlement by writing to the Director of Finance and Corporate Services on an annual basis.	Director of Finance and Corporate Services, 21 November 2016
Staffing establishment	There are no staffing implications.	Director of Finance and Corporate Services, 21 November 2016
Risk management	There are no new risk management issues.	Director of Finance and Corporate Services, 21 November 2016
Environment and sustainability	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016
Community safety	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016
Health and Safety	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016
Health and wellbeing	There are no new issues.	Director of Finance and Corporate Services,

		21 November 2016
Equalities	There are no new issues.	Director of Finance and Corporate Services, 21 November 2016

8. REPORT APPENDICES

The following documents are to be published with and form part of the report:

- Appendix A: A review of Members' Allowances by the Joint Independent Remuneration Panel, August 2016
 - Appendix B: Financial breakdown of the JIRP Proposals (Option A) and the Current Scheme (Option B)
 - Appendix C: Financial breakdown of a Protected Scheme (Option C) using the JIRP Proposals.
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9. BACKGROUND PAPERS

None

**A REVIEW OF
COUNCIL MEMBERS' ALLOWANCES
FOR
TUNBRIDGE WELLS BOROUGH COUNCIL
September 2016**

**Joint Independent Remuneration Panel
for
Sevenoaks District Council
Tonbridge & Malling Borough Council
Tunbridge Wells Borough Council**

Contents

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- 10. Number of Councillors**
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Appendices

- 1. Regulations and Guidance for Independent Remuneration Panels**
- 2. Terms of Reference & Panel Members**
- 3. Comparative data from Kent & Sussex Borough/District council allowances**
- 4. Revised Schedule of Recommended Members' Allowances**

1 Introduction

1.1 The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 and subsequent amendments to establish and maintain an Independent Remuneration Panel to review and make recommendations to the Council on the range and levels of remuneration for elected Members (see Terms of Reference Appendix 2).

1.2 Under the Regulations the Council is required to undertake a full review every four years. The last full review was reported to and considered by Council in late 2012. This report is the result of the latest review conducted in Summer/Autumn 2016.

1.3 The purpose of this review is to carry out the quadrennial update of local councillors' allowances required by legislation, taking into account Members' workload, responsibilities and required time commitment and then to recommend a fair level of recompense for those commitments. We are mindful always of our remit to assist in broadening the diversity of councillor representation by minimising financial barriers to participation in local government.

1.4 While affordability of the Panel's recommendations is ultimately an issue for the Council to decide, the Panel fully appreciate the sensitivity of making any increase in allowances in the current financial climate and have tried to propose a scheme which is fair, simple to administer and properly reflects the significant time commitments given by individuals in this important tier of government.

2 Summary of Recommendations

1. Time commitment

We recommend that the Council consider allocating resources to assist councillors in setting up community meetings in those wards where there are no town or parish councils.

2. Basic Allowance

A Basic Allowance for elected Members of £5000 p.a. based on a formula which accounts for the required time commitment, a representative rate of hourly earnings of residents in the area but reduced by a discount factor to reflect the ethos of public service inherent in the elected representative's role. The gross value of the allowance is £8334 p.a., reduced by £3334 p.a. for this voluntary element.

3. Special Responsibility Allowances

In this review we have considerably simplified the structure of SRAs by using an approach which sets the level of each SRA as a percentage of the Leader's allowance of the basic allowance. We have also re-considered the allowances for Vice-Chairs. We continue to support the 2007 guidance on Members Remuneration from the Councillors Commission which recommends that members should not receive more than one SRA.

Our recommendations for Special Responsibility Allowances for each role are (after reduction for the voluntary/public service element):-

- Council Leader - £20,000 p.a.
- Deputy Leader - £15,000 p.a.
- Opposition Group Leader - £250 p.a. per group member
- Cabinet Members - £10,000 p.a.
- Committee Chairs:
 - Overview & Scrutiny £3000 p.a.
 - Licensing £2000 p.a.
 - General Purposes £2000 p.a.
 - Joint Transportation Board £2000 p.a.
 - Planning £5000 p.a.
 - Audit & Governance £2000 p.a.
- Planning Committee Vice Chair - £1000 p.a.
- Audit & Governance Co-optees - £800 p.a.

4. Carer Allowances

Our recommendations are that the Child Care Allowance should be equivalent to the forthcoming National Living Wage payable at the actual amount charged, subject to a maximum rate of **£7.20** per hour per child or and that the Dependant Carer's Allowance should be payable at the actual amount charged subject to maximum of **£16** per hour, as at present.

5. Travel Expenses

Mileage expenses for Members were reduced in April 2012 from the NJC rates to the HMRC maximum tax-free allowance. No change is proposed to this adjustment.

6. Number of Councillors

Given that two-thirds of total expenditure on Members' Allowances is on the Basic Allowance, we recommend that the Council give serious consideration to reducing the number of councillors in the Borough as a longer-term strategic option to reduce the cost of representation. We understand that a number of councils have already done this eg Canterbury City Council (from 50 to 38) and Shepway District Council (from 46 to 30).

7. Updating

In future all allowances should be updated in line with any annual increases in pay awards to Council staff.

8. Meal Allowances

We recommend that meal and subsistence allowances should be paid to councillors at the rates agreed by the South East Employers' for council staff, but excluding tea allowances.

3 Background

3.1 The basis of the current level of members' allowances for Tunbridge Wells Borough Council was established by the Panel in December 2001 following guidelines issued by central government [see Appendix 1]. These allowances replaced the previous system of attendance-based payments and have been revised in subsequent years to reflect cost of living increases and changes in council structure and responsibilities.

3.2 The process is that the Panel recommends a structure of allowances, after consultation with members and officers but that the final decision is the responsibility of the Council. The Panel has followed broadly the same methodology since 2008.

3.3 The 2007 Councillors Commission paper on Members Remuneration suggested a set of basic principles to govern allowance schemes:

- The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors
- Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage
- Councillors should be compensated for their work and the compensation should have regard to the full range of commitment and complexity of their roles
- The system should be transparent, simple to operate and understand
- The system should not encourage the proliferation of meetings or provoke councillors into spending more time on council business than is necessary
- The level of remuneration should relate to a commonly accepted benchmark, such as the median male non-manual salary.

These principles underpin the recommendations made in this report and are reflected in our Terms of Reference [Appendix 2]

4 Approach and Methodology

4.1 In line with our previous reviews, and reflecting the approach taken by many other Independent Review Panels elsewhere in the country, we established a set of core principles to guide this review as follows:-

- To remove, where possible, the immediate financial barriers to becoming a councillor to assist in the diversity of the cohort of councillors, regardless of political background
- To reflect the current time commitment required to perform the role of ward councillor and the potential loss of earnings opportunities for councillors in doing so
- To recognise the increasing levels of responsibility and accountability being devolved from central government to local government and its impact on the nature of leadership and scrutiny roles within the council
- To retain a significant element of public service, *pro bono* contribution from elected councillors
- To benchmark the comparative position of our council members with those in similar roles in Kent and other South East councils
- To recommend allowances based on objective data with a simple and logical structure that can easily be updated in future

In conducting the review at the Council, we held meetings with senior officers and all party leaders, and offered the opportunity to all elected members to meet individually with the Panel, a number of whom took up this offer.

5. Allowance Calculations

5.1 There are some important principles and constraints on the calculation of allowances which are detailed in our Terms of Reference [Appendix 2].

Determining the Basic Allowance

5.2 The statutory guidance for Local Authority Allowances says that the *“basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meeting with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.”* [ODPM 2003. Para 10]

5.3 There are three core elements which determine the Basic Allowance: time spent on councillor duties, a standard financial hourly rate and the public service discount element.

Time Commitment

5.4 *“Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the number of hours for which, councillors ought to be remunerated”* [ODPM 2003. Para 67].

5.5 The number of hours committed by individual councillors to their elected and representative duties varies widely between individuals and over time. It is recognised that, for many councillors, the role is far more than just attendance at council meetings and will include, for example, constituency duties, committee meetings, meetings with officers and training courses.

5.6 The Panel determined in 2008 that the average time taken to satisfactorily perform a ward councillor role was an average of 15 hour per week, following a survey of members and soundings at all levels of the council. Since that time the number of meetings has decreased from 129 to 94, a reduction of around 17%. This of course does not mean that the overall workload of members has also declined, just that less time is spent in formal meetings. During our discussions with members their estimates of the time spent on Council business was usually in the range of 10 -15 hours and given the reduction in meetings generally we consider that it would now be reasonable to base the time commitment on 12.5 hours per week rather than 15.

5.7 It also emerged during our meetings with councillors that those in wards not covered by a parish or town council encountered more work when setting up “community meetings” than colleagues who were able to use the existing parish or town council structures. Having reviewed this aspect we do not feel that it should have any impact on the Basic Allowance but consider that the council should take into account how resources should be allocated to assist those councillors.

RECOMMENDATION: that the Council consider allocating resources to assist councillors in setting up community meetings in those wards where there are no town or parish councils.

Hourly rate

5.8 Previously, including for the last review in 2012, the Panel have used the median hourly pay for all employees who live within the Tunbridge Wells local authority area as published by the Office of National Statistics in their Annual Survey of Hours & Earnings (ASHE). In 2012 this was £14.61 per hour [*Source: ASHE 2012. ONS*] and this was the base hourly-rate for the Panel's recommended allowances.

5.9 The Panel consider that this rate bears little relation to the actual rates paid in Tunbridge Wells and that it is distorted by the fact that many residents actually work in London. The result of using this figure as the multiplier is that the Basic Allowance for Tunbridge Wells is higher than for comparable local authorities in Kent. See Table 1 below.

**Table 1 - KENT BASIC ALLOWANCE COST COMPARISON
- 2016**

Authority	Basic	No of Cllrs	Total
Sevenoaks	£5,253	54	£283,662
Tonbridge & Malling	£5,283	54	£285,282
Tunbridge Wells	£5,500	48	£264,000
Average			
Ashford	£4,466	43	£192,038
Canterbury	£5,303	30	£159,075
Dartford	£5,000	44	£220,000
Dover	£3,980	45	£179,100
Gravesham	£3,447	44	£151,668
Maidstone	£4,666	55	£256,630
Shepway	£3,867	30	£116,010
Swale	£4,880	47	£229,360
Thanet	£4,570	56	£255,920

5.10 The Panel also felt that the three councils within our purview are so similar that we should really be recommending one rate for all three. One way of doing this would be to calculate an average figure based on the latest hourly ASHE rates for all three councils. The results for the latest available ASHE survey (2015), Table 8.6(a) give the following hourly rates for the three councils:

- Sevenoaks - £14.49
- Tonbridge and Malling - £14.08
- Tunbridge Wells - £13.10

These figures give an arithmetic mean of £13.89 per hour. We have used this figure for the basis of our calculation.

The Public Service/Voluntary Principle

5.11 Central government guidance to Independent Remuneration Panels for setting the basic allowance states that *“it is important that some element of the work of members continues to be voluntary – that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained”* [ODPM 2003. Para 68]

5.12 This idea that some work of members should remain voluntary is called the ‘public service principle’ and this is incorporated into the financial calculations as a percentage discount factor, agreed locally. The Councillors Commission report indicated that considerable variations of between 20-50% apply. Our meetings with members and Council leaders confirmed that this principle is understood and supported by elected councillors.

5.13 In our 2008 review the Panel recommended a public service discount factor of 40% based on benchmarking with allowance schemes elsewhere and consistent with the recommendations of our predecessors on this Panel since its inception in 2001. We recommend that this level of discount be retained.

Calculating the Basic Allowance – the formula

5.14 To bring together the separate elements of this time-based model the following formula is commonly used by other Independent Remuneration Panels:

- 1) Expected hours input x hourly rate x 48 weeks = Gross Basic Allowance p.a.
- 2) **minus** discount for voluntary public service = recommended Basic Allowance p.a.

Basic Allowance – recommendation

Using the above data and formula we propose an annual Basic Allowance derived as follows:-

- 1) 12.5 hours per week x £13.89 per hour x 48 weeks = £8334.00 p.a.
- 2) **minus** 40% public service discount = £5000 p.a. (rounded)

RECOMMENDATION: that the Basic Allowance should be £5000 p.a.

5.15 To keep the updating process as straightforward as possible we also recommend that in future all allowances are updated in line with any increases in the remuneration of Council staff.

6. Special Responsibility Allowances (SRAs)

6.1 In reviewing the current system of SRAs, we took into account the evolution of the governance structures within the Council and the frequency of committee meetings. We

are of the view that allowances should be kept as simple as possible and favour an approach adopted by many councils which relates allowances to that paid to the Council Leader. This approach which calculates the top figure and then bases others on percentages of that figure is in common use in the public sector for determining senior level salaries, so the principle is well-established.

Council Leader

6.2 The previous approach was to recommend that the Leader's allowance should be three times the Basic Allowance. However, our perception is that this role is so critical to the successful running of the Council that a multiplier of four is more appropriate. We therefore recommend that the Leader's SRA should be a multiple of four times the Basic Allowance. This equates to a gross allowance of £33336 p.a., but after the voluntary discount is a net £20000 p.a. (rounded).

RECOMMENDATION: that the Special Responsibility Allowance for Council Leader should be £20000 p.a.

Deputy Leader

6.3 We are also aware that the Deputy Leader often has to stand in for the Leader so needs to have read all relevant papers and be prepared to represent him at those meetings. For this reason we believe this role merits a Special Responsibility Allowance and consider that this should be set at 75% of the Leader's Allowance ie £15,000.

RECOMMENDATION: that the Special Responsibility Allowance for Deputy Council Leader should be £15,000 p.a.

Opposition Group Leaders

6.4 We established the principle in our previous reviews that Council Leader's Allowance reflects the full role, including those duties associated with political leadership of the majority party. However, there is an additional time commitment required of leadership of opposition groups which is not reflected in the Basic Allowance.

6.5 In line with our approach to simplify the structure of allowances we recommend that the Opposition Group Leaders' allowances should be on a variable sliding scale determined by the number of elected councillors in each opposition party, at a rate of 5% of the Basic Allowance per member.

RECOMMENDATION: that the Special Responsibility Allowance for Opposition Group Leaders should be £250 per member in the group.

Cabinet Members

6.6 In recognising the broad portfolio responsibilities and time commitments of Cabinet Members we recommend an SRA of 50% of the Council Leader's allowance. This equates to a gross allowance after discount for the public service element of £10,000 p.a.

RECOMMENDATION: that the Special Responsibility Allowance for Cabinet Members should be 50% x the Council Leader's Allowance = £10,000 p.a. (rounded)

Chairs of Committees

6.7 We have reviewed the Committee allowances using a simplified factor model which aligns Committees into groups of similar dimensions which broadly reflect the frequency of meetings and their position in the governance process.

6.8 The Panel makes the following recommendations for Committee Chair allowances:-

Committee	% of Leader's Allowance	Recommended Allowance
Planning	25%	£5000
Overview & Scrutiny	15%	£3000
Licensing	10%	£2000
General Purposes	10%	£2000
Joint Transportation Board	10%	£2000
Audit & Governance	10%	£2000

Vice Chairs

6.9 There has been much discussion about the role of Vice-chairs and there seems little doubt that these vary considerably often depending on the personality of the Chair. Our general view, however, is that it is only for the Planning Committee that this role should be recognised. We take the view that this should be reflected in an appropriate SRA and would consider that this should be at a rate equivalent to 5% of the Council Leader's Allowance.

RECOMMENDATION: that the Special Responsibility Allowance for the Planning Committee Vice-Chair should be at the rate of £1000 p.a.

Co-opted Members

6.10 We are aware that it is best practice to have independent co-opted members on the Audit & Governance Committee and see no reason to change the current rate of £800 p.a.

RECOMMENDATION: that the Special Responsibility Allowance for co-opted members of the Audit & Governance Committee continue at the rate the of £800 p.a.

7 Carers' Allowances

7.1 In earlier reviews two separate allowances were established to distinguish between the costs of standard childcare and that of professional care for dependants with special requirements. These allowances are as follows:-

Childcare Allowance: for child-minding of the Member's dependent children. Payable at the actual amount charged, subject to a maximum rate of **£7.20** per hour per child.

Dependant Carer's Allowance: for professional care for elderly or disabled dependants, or other dependants with special requirements. Payable at the actual amount charged, subject to a maximum rate of **£16.00** per hour. We also recommend that booking fees from professional agencies should be claimable.

7.2 In practice, these allowances have rarely been claimed by Tunbridge Wells councillors but we continue to support the need for them.

8 Travel expenses

8.1 In our 2008 report the Panel recommended that members should be reimbursed for travel at the same mileage rates as Council staff. At that time, these were the rates set by the National Joint Council for Local Government Services. In April 2012, the Council took a decision to move staff to the HM Revenue & Customs business mileage rates and the panel was consulted about a proposal to realign members' rates with those of the Council staff. This was consistent with our previous recommendation and the full Council voted in favour of this change at their meeting on 25th April 2012. We continue to support this approach.

9 Meal Allowances

9.1 As part of this review we were asked to look at and make recommendations in relation to meal allowances. We feel that the simplest and fairest approach would be to apply the subsistence allowances agreed by South East Employers' for council staff. However we also feel that, given the nature and timings of the work of councillors, tea allowances should be excluded.

RECOMMENDATION: that meal and subsistence allowances should be paid to councillors at the rates agreed by the South East Employers' for council staff, but excluding tea allowances.

10 Number of Councillors

10.1 Financial and political constraints inevitably lead councils to under-implement the recommendations of Independent Remuneration Panels on grounds of cost. The only avenues open to achieve savings are to restrict the level of payment or to reduce the 'multiplier' of the number of Members eligible for it (currently 48). Given our responsibility to try to set allowances at a viable level to enable a wider candidacy, we would be opposed to reducing the level per person, but we suggest that it is open to the Council to consider reducing the number of councillors eligible to receive allowances.

10.2 We are aware that a number of councils around the country are actively pursuing this option. It is not a quick solution given the processes adopted by the Boundary Commission but this long lead time supports the view that the Council should give this serious consideration as soon as possible.

11 Conclusions

11.1 We have attempted in this review to propose levels of allowances which would remove financial barriers that deter potential candidates from standing for election and to properly recognise the time commitments that individual members offer in support of their local community.

11.2 We have also sought to propose a system that is easy to understand and update and which may be perceived as fair by all. We have also tried to re-balance the allowances to reflect the fact that the degree of commitment involved for those with additional responsibilities is proportionately greater than may have been the case in the past.

12 Acknowledgements

12.1 Our thanks go to the officers and members who gave us their time and opinions which have helped to shape our thinking.

Regulations and Guidance for Independent Remuneration Panels

- *The Local Authorities (Members' Allowances) (England) Regulations 2003*. Statutory Instrument 2003 No. 1021.
- *The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003*. Statutory Instrument 2003 No. 1692
- *The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004*. Statutory Instrument 2004 No. 2596
- *New Council Constitutions: Consolidated Guidance on Regulation for Local Authority Allowances - 2003*
- *The Local Government Pension Scheme and Discretionary Compensation (Local Authority Members in England) Regulations 2003*. Statutory Instrument 2003 No. 1022
- *New Council Constitutions. Guidance on Consolidated Regulations for Local Authority Allowances*. Office of the Deputy Prime Minister and Inland Revenue. July 2003.
- *Members Remuneration – models, issues, incentives and barriers*. - Councillors Commission. Dept. of Communities and Local Government. December 2007
- *Representing the Future – Report of the Councillors Commission*. December 2007
- *Members' Allowances Survey 2008*. Report by the Local Government Association Research Department

Joint Independent Review Panel
for
Sevenoaks District Council
Tonbridge & Malling Borough Council
Tunbridge Wells Borough Council

Terms of Reference

Introduction

The Joint Independent Remuneration Panel (JIRP) for Tonbridge and Malling Borough Council, Tunbridge Wells Borough Council and Sevenoaks District Council was originally established in 2001 and now operates under the Local Authorities (Members' Allowances) (England) Regulations 2003. The function of the panel is to make recommendations to Council in accordance with Statutory Instruments (primarily 2003 No.1021 and No.1692).

The JIRP was established jointly by the three Councils but it considers each Council individually and makes separate recommendations for each according to the particular structures and requirements of the organisation.

Members of the Panel are appointed by the Councils but are independent members of the community with relevant professional backgrounds in remuneration and benefits.

Membership – Joint Independent Remuneration Panel

The members of the panel are:

- Gary Allen, a resident of Lamberhurst
- Barry Cushway, a resident of Sevenoaks.
- Max Lewis, a resident of Tunbridge Wells
- Chris Oliver, a resident of Chatham

JIRP meetings will normally involve all four Panel members. A quorum will be three members. One of the members will act as Chair of the Panel by agreement between the Panel members.

The Local Authorities (Members' Allowances) (England) Regulations 2003 determine that none of the Panel members may be a member of the local authority in question, or of its committees, or an employee of the council, but that this does not preclude participation by parish councillors.

Panel Recommendations

The 2003 Regulations require that councils must have regard to their Independent Remuneration Panel's recommendations, which must be publicised on the authority's website and in the authority's newspaper, if it has one. The Panel must be required to make recommendations whenever the council decides to revoke or amend its members' allowances scheme. However, Panel recommendations are not binding on authorities. After considering its panel's recommendations, a council can decide for up to four years on automatic indexation of members' allowances without the need for a review by the Panel.

Principles for Allowances Schemes

There is currently little central prescription of members' allowance. However, there are some important constraints:-

- Attendance allowances are prohibited
- The basic allowance must be paid equally to all members
- Where one or more groups on a council form an administration, a special responsibility allowance must be paid to a member of the opposition. This is usually paid either to the leader of the opposition, if this post exists, or to a chair of a scrutiny committee

The report of the Councillors' Commission in December 2007 highlighted a 'universal principle' that members should not suffer financial loss as a direct result of their council activities and service. They went on to suggest a more detailed set of principles to govern allowance schemes:-

- The basic allowance should encourage people from a wide range of backgrounds and with a wide range of skills to serve as local councillors
- Those who participate in and contribute to the democratic process should not suffer unreasonable financial disadvantage
- Councillors should be compensated for their work and the compensation should have regard to the full range of commitment and complexity of their roles
- The system should be transparent, simple to operate and understand
- The system should not encourage the proliferation of meetings or provoke councillors into spending more time on council business than is necessary
- The level of remuneration should relate to commonly accepted benchmark, (for example, the median male non-manual salary)

The Panel will operate within the scope of these principles. Should any departure from these be considered necessary, the reasons for the variation will be made clear in the relevant report.

The core objective of the Panel is to present informed comprehensive recommendations that are fair and equitable.

Comparative data from Kent & Sussex Borough/District councils

Authority	Basic	Leader	Cabinet Member	Chair Planning Cttee	Chair Overview/ Scrutiny	Chair Licensing	Last Review Date
Ashford	£4,378	£18,000	£7,200	£6,000	£5,400	1440	01.04.2014
Dartford	£5,000	£31,339	£8,357	£5,014	£2,090	2090	01.04.2016
Gravesham	£3,447	£20,260	£3,447	£3,447	£3,447	£3,447	Summer 2015
Maidstone	£4,666	£18,661	£7,464	£7,464		£3,732	2016
Sevenoaks	£5,253	£15,761	£6,567	£3,153	£525	£2,102	2014
Tonbridge & Malling	£5,283	£18,384	£8,400	£5,283	£5,283	£2,643	01.04.16
Tunbridge Wells	£5,500	£19,250	£11,000	£5,500	£1,375	£1,375	25.02.2015
Medway	£8,836	£20,391	£11,123	£7,415	£9,269		01.04.2016
Bexley	£9,418	£26,391	£13,197	£8,802	£4,260	£8,802	21.05.2015
Bromley	£10,870	£30,600	£20,400	£8,670		£8,670	01.04.2016
Tandridge	£4,068	£2,885		£2,885	£2,885		01.04.2016
Mid Sussex	£4,501	£20,596	£8,238	£4,620	£3,862	£475	01.04.2013
Rother	£4,280	£12,500	£2,719	£2,719	£2,719	£1,989	01.04.2016
Wealden	£4,300	£4,460	£5,200	£3,925	£3,515	£1,275	01.04.2014

[Source: Council websites July 2016; South East Employers Survey 2016]

N.B. The Joint Independent Review Panel works on behalf of Sevenoaks District Council, Tonbridge & Malling Borough Council and Tunbridge Wells Borough Council but considers each Council individually and makes separate recommendations for each according to the particular structures and requirements of the organisation. It should be noted that members' allowances are currently under review at all three councils but the figures quoted above are those in force at time of writing this report and do not reflect any changes to be proposed by the JIRP as part of this review process.

Appendix 4

Revised Schedule of Recommended Members' Allowances**Tunbridge Wells Borough Council**

	<u>2013 JIRP Recommendation</u>	<u>Current</u>	<u>2016 JIRP Recommendation</u>
<u>Basic Allowance</u>	£6312	£5500	£5000
<u>Special Responsibility Allowances:-</u>			
<u>Opposition Group Leaders:</u>			
	£316 per member	£275 per member	£250 per member
<u>Cabinet</u>			
Leader	£18935	£19250	£20000
Deputy Leader	n/a	n/a	£15000
Cabinet Member	£9467	£11000	£10000
<u>Committee Chairs</u>			
Overview & Scrutiny	£3156	£1375	£3000
Licensing	£1578	£1375	£2000
General Purposes	£1578	£1375	£2000
Joint Transportation Board	£1578	£1375	£2000
Planning	£6312	£5500	£5000
Audit & Governance	£1578	1375	£2000
<u>Committee Vice Chair</u>			
Planning	£1320	£1320	£1000
<u>Carers' Allowances</u>			
Childcare Allowance	£6.19 per hour	£6.19 per hour	£7.20 per hour (max)
Dependant Carer's Allow.	£16.00 per hour	£16.00 per hour	£16.00 per hour (max)
<u>Co-Opted Allowances</u>			
Audit & Governance Cttee	£800	£800	£800

N.B. All figures are per annum except where stated & are rounded to the nearest £1

MEMBERS' ALLOWANCES OPTIONS A and B FROM 2017/18

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Type of Allowance	OPTION B (current scheme)				Receipts	OPTION A (JIRP proposals)			
	2016/17 Council Decision 24/2/2016 £	Est. No.		Multiple of Basic Allowance		Est. No.	2017/18 Council Decision 22/2/17 £		Multiple of Leader's Allowance
Basic Allowance (15 hrs x £14.61 ph x 48 weeks) less 40%	5,500	48	264,000		All Councilors	48	5,000 (12.5hrs x £13.89 ph x 48 weeks) less 40%	240,000	
Minority Group Leaders (Note 4) Leader Allowance plus Per member (incl. leader)	0 275	5	1,375	0.05	3 2	750 500	250	1,250	0.05
Special Responsibility Allowances									
Leader	19,250	1	19,250	3.50	Jukes	1	20,000	20,000	4.00 x basic
Deputy Leader						1	15,000	15,000	0.75
Cabinet Member	11,000	5	55,000	2.00	(Jukes), McDermott, Barrington-King, March, Basu, Weatherly	4	10,000	40,000	0.50
Chair of:									
Planning Committee	5,500	1	5,500	1.00	Soyke	1	5,000	5,000	0.25
Overview and Scrutiny Committee	1,375	1	1,375	0.25	Rankin	1	3,000	3,000	0.15
Licensing	1,375	1	1,375	0.25	Backhouse	1	2,000	2,000	0.10
General Purposes	1,375	1	1,375	0.25	Hills	1	2,000	2,000	0.10
Joint Transportation Board (when TWBC)	1,375	1	1,375	0.25	TWBC for 16/17	1	2,000	2,000	0.10
Audit & Governance Committee	1,375	1	1,375	0.25	Horwood	1	2,000	2,000	0.10
Vice Chair of:									
Planning Committee	1,320	1	1,320	n/a	Noakes	1	1,000	1,000	0.05
Other Allowances:-									
Non Borough Council Members of Standards/Audit Committees Audit & Governance Committee (Note 5)	n/a 800	7	5,600	n/a	Mr. Henshaw Mr. Coleman Mr Shiels Mr Hedges Mr O'Higgins Mrs Hough Mr Quigley	7	800	5,600	n/a
2017/18 Estimate cost of allowances excluding travel and subsistence			358,920					338,850	(20,070)
Estimated Cost assuming uplift of 1.5 per cent a year.		1.015							
Year 2			364,304					343,933	
Year 3			369,768					349,092	
Year 4			375,315					354,328	

**Budget Impact
Cost/ (Saving)
£**

Appendix B

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MEMBERS' ALLOWANCES OPTION C (JIRP with Protection) FROM 2017/18

OPTION C (Use JIRP proposals apply fixed protection for current members against reductions (Highlighted), new roles will increase by staff apy estimated at 1.5% p.a.)

1.5%

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Type of Allowance	Receipts	Est. No.	OPTION A ALLOWANCES FOR NEW MEMBERS AND ANY CHANGES FOR CABINET AND CHAIRS		Year One 2017/18		Year Two 2018/19		Year Three 2019/20		Year Four 2019/20		Multiple of Leader's Allowance		
			£	Total	No.	£	Total	No.	£	Total	No.	£		Total	
Basic Allowance															
(15 hrs x £14.61 ph x 48 weeks) less 40%	All Councillors	48		264,000	32	5,500	176,000	24	5,500	132,000	16	5,500	88,000		
(12.5 hrs x £13.89 ph x 48 weeks) less 40%			5,000		16	5,075	81,200	24	5,151	123,627	32	5,228	167,309		
Minority Group Leaders (Note 4)															
Leader Allowance plus	3	825													
Per member (incl. leader)	2	550	5	250	5	275	1,375	5	275	1,375	5	275	1,375	0.05	
Special Responsibility Allowances															
Leader	Jukes	1	20,000	20,000	20,000	1	20,300	20,300	1	20,605	20,605	1	20,914	20,914	4.00
Deputy Leader		1	15,000	15,000	15,000	1	15,225	15,225	1	15,453	15,453	1	15,685	15,685	0.75
Cabinet Member	(Jukes), (McDermott), Barrington-King, March, Basu,	4	10,000	11,000	44,000	4	11,000	44,000	4	11,000	44,000	4	11,000	44,000	0.50
Chair of:															
Planning Committee	Soyke	1	5,000	5,500	5,500	1	5,500	5,500	1	5,500	5,500	1	5,500	5,500	0.25
Overview and Scrutiny Committee	Rankin	1	3,000	3,000	3,000	1	3,045	3,045	1	3,091	3,091	1	3,137	3,137	0.15
Licensing	Backhouse	1	2,000	2,000	2,000	1	2,030	2,030	1	2,060	2,060	1	2,091	2,091	0.10
General Purposes	Hills	1	2,000	2,000	2,000	1	2,030	2,030	1	2,060	2,060	1	2,091	2,091	0.10
Joint Transportation Board (when TWBC)	TWBC for 16/17	0	2,000	2,000	-	1	2,030	2,030	1	2,060	-	1	2,091	2,091	0.10
Audit & Governance Committee	Horwood	1	2,000	2,000	2,000	1	2,030	2,030	1	2,060	2,060	1	2,091	2,091	0.10
Vice Chair of:															
Planning Committee	Noakes	1	1,000	1,320	1,320	1	1,320	1,320	1	1,320	1,320	1	1,320	1,320	0.05
Other Allowances:-															
Non Borough Council Members of Standards/Audit Committees															
Audit & Governance Committee (Note 5)	Mr. Henshaw Mr. Coleman Mr Shiels Mr Hedges Mr O'Higgins Mrs Hough Mr Quigley	7	800	800	5,600	7	812	5,684	7	824	5,769	7	837	5,856	n/a
2017/18 Estimated cost of allowances with protection and 1.5% increase pa excluding travel and subsistence				365,795			361,769			358,921			361,461		

Highlighted posts will be protected at the current rate whilst that member remains in that position. No uplift will be applied.

New members and changes to Special Responsibility Allowance posts will be paid at the New JIRP Rate and uplifted annually.

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Full Council	7 December 2016
Is the final decision on the recommendations in this report to be made at this meeting?	Yes

External Auditor Appointment

Final Decision-Maker	Full Council
Portfolio Holder(s)	Cllr. Paul Barrington-King, Finance and Governance
Lead Director	Lee Colyer, Director of Finance and Corporate Services
Head of Service	Jane Fineman, Head of Finance and Procurement
Lead Officer/Report Author	Rich Clarke, Head of Audit Partnership
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That Full Council accepts the Public Sector Audit Appointments' (PSAA) invitation to opt in to the sector led option for appointment of external auditors for five financial years starting 1 April 2018; and
2. That Full Council authorises the Director of Finance and Corporate Services to liaise with PSAA and respond to its consultations on specific proposals as they come forward.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

Timetable for the Budget Projection and Strategy Report	
<i>Meeting</i>	<i>Date</i>
Discussion with Portfolio Holder	26 September 2016
Audit & Governance Committee	26 July 2016 and 20 September 2016
Full Council	7 December 2016

External Auditor Appointment

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out proposals for appointing the Council's external auditor for the 2018/19 accounts and beyond. The current arrangements, which expire following audit of the 2017/18 accounts, are that Grant Thornton are the Council's external auditors working to a contract originally let by the Audit Commission in 2013. Following the Audit Commission's closure in 2015, that contract novated to PSAA, a subsidiary of the Local Government Association (LGA).
 - 1.2 The Council's Audit & Governance Committee considered the various alternatives for appointing an external auditor at its meetings across the year and have recommended to the Council that it appoints auditors through PSAA.
 - 1.3 Under the Local Audit and Accountability Act 2014, the Council as a whole must decide whether to accept an invitation to opt-in to a sector led approach. The Council received that invitation on 27 October 2016. To take advantage of PSAA's proposed national scheme for appointing auditors the Council must take the decision at this meeting. The Council must then communicate the decision by early March 2017 in line with PSAA's request.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The Local Audit and Accountability Act 2014 (the Act) brought a close to the Audit Commission. The Act also created transitional arrangements for appointing external auditors and setting audit fees in local government. On 5 October 2015 the Secretary of State for Communities and Local Government (CLG) decided to extend these transitional arrangements for one year. The arrangements will now end following the audit of accounts for 2017/18.
- 2.2 The Act also set out arrangements for appointing auditors after the transitional arrangements end. This includes the opportunity for authorities to make their own decisions on auditor appointments. Regulations made under the Act also allow authorities to opt in to have their auditor appointed for them by an appointing person.
- 2.3 In July 2016 PSAA the Secretary of State named PSAA as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. PSAA as an appointing person (also known as the sector led body) has wide support across local government. The LGA originally set up PSAA to oversee the transitional arrangements following the closure of the Audit Commission under powers delegated by the Secretary of State. PSAA is an independent, not for profit company set up by the LGA.

- 2.4 PSAA has invited the Council, and all other authorities, to opt in to its national scheme. PSAA would then enter contracts with properly qualified audit firms and appoint a suitable firm to be the Council's auditor.
 - 2.5 The Council's current auditor is Grant Thornton, under a contract let by the Audit Commission in 2013. Following closure of the Audit Commission in 2015 the contract was novated to PSAA. Since then PSAA have shown capacity and capability to manage audit quality and contracts.
 - 2.6 In recent years, the Council has seen a steep decline in its audit fee from £139,000 in 2009/10 to £51,000 in 2015/16. This has been the result of a combination of causes including new contracts negotiated nationally with the audit firms, changes to the scope of auditors' work and savings from closure of the Audit Commission.
 - 2.7 We cannot know proposed fees for future years until the procurement is completed. The costs will depend on proposals from the audit firms.
 - 2.8 However the Council appoints its auditor, the scope of the audit will be set nationally. The National Audit Office (NAO) is responsible for writing the Code of Audit Practice which all firms appointed must follow. Not all audit firms will be eligible to compete for work, as they will need to prove they have the necessary skills and experience. They must also be registered with a Registered Supervisory Body approved by the Financial Reporting Council.
 - 2.9 Currently there are nine providers eligible to audit local authorities, all of these being firms with a national presence and including the Council's current auditors, Grant Thornton. This means that any local procurement exercise would be seeking tenders from these same firms, subject to the need to manage local independence issues. Small local firms could not be invited to bid.
-

3. AVAILABLE OPTIONS

- 3.1 Following the recommendation of the Audit & Governance Committee the preferred option is to accept PSAA's invitation and opt in to the national arrangements.
- 3.2 If the Council did not opt in it would need to set up an independent auditor panel. The panel must have a majority of independent members. The Act defines independent members as independent appointees, excluding current and former elected members (or officers) and their close families and friends. This means that elected members will not have a majority on the panel assessing bids and choosing which audit firm to recommend to the Council for appointment as the Council's external auditor.
- 3.3 Alternatively, the Act allows the Council to join with other authorities to set up a joint auditor panel. Again this would need a majority of independent appointees (members). This option also depends on there being other councils to join with. Research undertaken by the Head of Audit Partnership failed to identify any

other authorities considering this method of appointment to whom this Council could look to partner.

- 3.4 Neither of these alternatives is recommended. Both would be more time- and money-intensive to do and without the bulk buying power of sector led procurement could result in a more costly service. There is also risk associated with management of audit quality and independence through local appointment.
- 3.5 The Act demands that councils appoint an external auditor through one of the defined routes by the end of December 2017. If the Council chooses not to act at all, then the Secretary of State holds reserve power to intervene. The Secretary of State could then appoint an auditor to the Council directly and decide the fee the Council must pay.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Council's Audit & Governance Committee considered the various alternatives for appointing an external auditor at its meeting on 20 September 2016. That Committee concluded:

The Committee recommends to the Full Council that, based upon the evidence to date, the sector-led body appears to be the most cost-effective route and should therefore be followed by this authority.

- 4.2 Among the reasons given in discussion for the recommendation were:
 - Without the national appointment, the Council would need to set up a separate independent auditor panel, which could be difficult, costly and time-consuming.
 - The audit costs may well be lower than if the Council sought to appoint locally, as national large-scale contracts may drive keener prices from the audit firms and spread costs incurred in bidding.
 - PSAA can ensure the appointed auditor meets and keeps to quality standards and can manage any conflicts of interest.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Members have previously been consulted on this matter through the Audit and Governance Committee whose conclusions are summarised in this report. The Audit and Governance Committee had not yet received the formal invitation to opt in to PSAA's arrangements. However, Committee members had seen and commented on PSAA's prospectus (Appendix B) and Frequently Asked Questions (Appendix C).

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 PSAA has now formally invited the Council to opt in. Details about PSAA's invitation are in appendices to this report.
- 6.2 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 demands that a decision to opt in must be one of a meeting of the Council as a whole. The Council then needs to formally respond to PSAA's invitation in the form named by PSAA by 17 March 2017.
- 6.3 PSAA will begin the formal procurement after this date. It expects to award contracts in summer 2017 and consult with authorities to make the appointment by the statutory deadline of December 2017.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
<p>Legal including Human Rights Act</p>	<p>Section 7 of the Local Audit and Accountability Act 2014 demands a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.</p> <p>Section 8 governs the procedure for appointment including that the Council must consult and take account of the advice of its auditor panel on selecting and appointing a local auditor. Schedule 3 provides that where a relevant authority is a local authority operating a Leader and Cabinet model, full Council, rather than Cabinet, must appoint a local auditor to audit its accounts.</p> <p>Section 12 provides for the failure to appoint a local auditor. The authority must immediately tell the Secretary of State, who may direct the authority to appoint the auditor named in the direction or appoint a local auditor for the authority.</p> <p>Section 17 gives the Secretary of State the power to regulate for an 'appointing person'. The Secretary of State exercised this power in the Local Audit (Appointing Person) Regulations 2015 (SI 192). These give the Secretary of State the ability to enable a Sector Led Body to become the appointing</p>	<p>Interim Head of Legal Partnership, 25 November 2016</p>

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	<p>person. In July 2016 the Secretary of State named PSAA as the appointing person.</p>	
<p>Finance and other resources</p>	<p>The Council must appoint an external auditor. Opting in to the national arrangement will allow PSAA to undertake a national procurement exercise that may result in lower fees through increased buying power than the Council could gain by local procurement.</p> <p>Opting in also avoids incurring the costs of creating and preserving a local auditor panel.</p>	<p>Director of Finance and Corporate Services, 15 November 2016</p>
<p>Staffing establishment</p>	<p>External auditors cannot be employees of the authority they audit. So there are no staffing establishment issues for authority staff in this decision.</p> <p>When the Council's audit supplier moved from the Audit Commission to Grant Thornton in 2013, the rules of TUPE (Transfer Under Protected Employment) applied and so the existing audit team largely transferred to Grant Thornton. TUPE will not apply if Grant Thornton do not succeed in bidding to PSAA.</p>	<p>Director of Finance and Corporate Services, 15 November 2016</p>
<p>Risk management</p>	<p>The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Policy. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.</p>	<p>Director of Finance and Corporate Services, 15 November 2016</p>
<p>Environment and sustainability</p>	<p>No significant implications.</p>	<p>Director of Finance and Corporate Services, 15 November 2016</p>
<p>Community safety</p>	<p>No significant implications.</p>	<p>Director of Finance and Corporate Services, 15 November 2016</p>
<p>Health and wellbeing</p>	<p>No significant implications.</p>	<p>Director of Finance and Corporate Services, 15 November 2016</p>

Health and Safety	No significant implications.	Director of Finance and Corporate Services, 15 November 2016
Equalities	No significant implications.	Director of Finance and Corporate Services, 15 November 2016

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: PSAA Formal Opt-In Invitation
- Appendix B: PSAA Prospectus (July 2016)
- Appendix C: PSAA Frequently Asked Questions (November 2016)

9. BACKGROUND PAPERS

[Local Audit and Accountability Act 2014](#)

[Local Audit \(Auditor Panel\) Regulations 2014](#)

[Local Audit \(Appointing Persons\) Regulations 2015](#)

Further details on *Auditor Panels* are included in CIPFA's comprehensive guide produced with CLG and available for free download [here](#).

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27 October 2016

Email: appointingperson@psaa.co.uk

William Benson
Tunbridge Wells Borough Council
Town Hall
Tunbridge Wells Kent TN1 1RS

Copied to: Lee Colyer CPFA, Head Of Finance And Governance, Tunbridge Wells
Borough Council
John Scarborough, Mid-Kent Legal Services, Tunbridge Wells Borough
Council

Dear Mr Benson

Invitation to opt into the national scheme for auditor appointments

As you know the external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. That may seem a long way away, but as there is now a choice about how to make that appointment, a decision on your authority's approach will be needed soon.

We are pleased that the Secretary of State has expressed his confidence in us by giving us the role of appointing local auditors under a national scheme. This is one choice open to your authority. We issued a prospectus about the scheme in July 2016, available to download on the [appointing person](#) page of our website, with other information you may find helpful.

The timetable we have outlined for appointing auditors under the scheme means we now need to issue a formal invitation to opt into these arrangements. The covering email provides the formal invitation, along with a form of acceptance of our invitation for you to use if your authority decides to join the national scheme. We believe the case for doing so is compelling. To help with your decision we have prepared the additional information attached to this letter.

I need to highlight two things:

- we need to receive your formal acceptance of this invitation by 9 March 2017; and
- the relevant regulations require that, except for a body that is a corporation sole (a police and crime commissioner), the decision to accept the invitation and to opt in needs to be made by the members of the authority meeting as a whole. We appreciate this will need to be built into your decision making timetable.

If you have any other questions not covered by our information, do not hesitate to contact us by email at appointingperson@psaa.co.uk.

Yours sincerely



Jon Hayes, Chief Officer

Appointing an external auditor

Information on the national scheme

Public Sector Audit Appointments Limited (PSAA)

We are a not-for-profit company established by the Local Government Association (LGA). We administer the current audit contracts, let by the Audit Commission before it closed.

We have the support of the LGA, which has worked to secure the option for principal local government and police bodies to appoint auditors through a dedicated sector-led national procurement body. We have established an advisory panel, drawn from representative groups of local government and police bodies, to give access to your views on the design and operation of the scheme.

The national scheme for appointing local auditors

We have been specified by the Secretary of State for Communities and Local Government as the appointing person for principal local government bodies. This means that we will make auditor appointments to principal local government bodies that choose to opt into the national appointment arrangements we will operate for audits of the accounts from 2018/19. These arrangements are sometimes described as the 'sector-led body' option, and our thinking for this scheme was set out in a prospectus circulated to you in July. The prospectus is available on the [appointing person](#) page of our website.

We will appoint an auditor for all opted-in authorities for each of the five financial years beginning from 1 April 2018, unless the Secretary of State chooses to terminate our role as the appointing person beforehand. He or she may only do so after first consulting opted-in authorities and the LGA.

What the appointing person scheme will offer

We are committed to making sure the national scheme will be an excellent option for auditor appointments for you.

We intend to run the scheme in a way that will save time and resources for local government bodies. We think that a collective procurement, which we will carry out on behalf of all opted-in authorities, will enable us to secure the best prices, keeping the cost of audit as low as possible for the bodies who choose to opt in, without compromising on audit quality.

Our current role means we have a unique experience and understanding of auditor procurement and the local public audit market.

Using the scheme will avoid the need for you to:

- establish an audit panel with independent members;
- manage your own auditor procurement and cover its costs;
- monitor the independence of your appointed auditor for the duration of the appointment;
- deal with the replacement of any auditor if required; and
- manage the contract with your auditor.

Our scheme will endeavour to appoint the same auditors to other opted-in bodies that are involved in formal collaboration or joint working initiatives, if you consider that a common auditor will enhance efficiency and value for money.

We will also try to be flexible about changing your auditor during the five-year appointing period if there is good reason, for example where new joint working arrangements are put in place.

Securing a high level of acceptances to the opt-in invitation will provide the best opportunity for us to achieve the most competitive prices from audit firms. The LGA has previously sought expressions of interest in the appointing person arrangements, and received positive responses from over 270 relevant authorities. We ultimately hope to achieve participation from the vast majority of eligible authorities.

High quality audits

The Local Audit and Accountability Act 2014 provides that firms must be registered as local public auditors with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of registered firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC), under arrangements set out in the Act.

We will:

- only contract with audit firms that have a proven track record in undertaking public audit work;
- include obligations in relation to maintaining and continuously improving quality in our contract terms and in the quality criteria in our tender evaluation;
- ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any quality concerns are detected at an early stage; and
- take a close interest in your feedback and in the rigour and effectiveness of firms' own quality assurance arrangements.

We will also liaise with the National Audit Office to help ensure that guidance to auditors is updated as necessary.

Procurement strategy

In developing our procurement strategy for the contracts with audit firms, we will have input from the advisory panel we have established. The panel will assist PSAA in developing arrangements for the national scheme, provide feedback to us on proposals as they develop, and helping us maintain effective channels of communication. We think it is particularly important to understand your preferences and priorities, to ensure we develop a strategy that reflects your needs within the constraints set out in legislation and in professional requirements.

In order to secure the best prices we are minded to let audit contracts:

- for 5 years;
- in 2 large contract areas nationally, with 3 or 4 contract lots per area, depending on the number of bodies that opt in; and
- to a number of firms in each contract area to help us manage independence issues.

The value of each contract will depend on the prices bid, with the firms offering the best value being awarded larger amounts of work. By having contracts with a number of firms, we will be able to manage issues of independence and avoid dominance of the market by one or two firms. Limiting the national volume of work available to any one firm will encourage competition and ensure the plurality of provision.

Auditor appointments and independence

Auditors must be independent of the bodies they audit, to enable them to carry out their work with objectivity and credibility, and in a way that commands public confidence.

We plan to take great care to ensure that every auditor appointment passes this test. We will also monitor significant proposals for auditors to carry out consultancy or other non-audit work, to protect the independence of auditor appointments.

We will consult you on the appointment of your auditor, most likely from September 2017. To make the most effective allocation of appointments, it will help us to know about:

- any potential constraints on the appointment of your auditor because of a lack of independence, for example as a result of consultancy work awarded to a particular firm;
- any joint working or collaboration arrangements that you think should influence the appointment; and
- other local factors you think are relevant to making the appointment.

We will ask you for this information after you have opted in.

Auditor appointments for the audit of the accounts of the 2018/19 financial year must be made by 31 December 2017.

Fee scales

We will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising our own costs. Any surplus funds will be returned to scheme members under our articles of association and our memorandum of understanding with the Department for Communities and Local Government and the LGA.

Our costs for setting up and managing the scheme will need to be covered by audit fees. We expect our annual operating costs will be lower than our current costs because we expect to employ a smaller team to manage the scheme. We are intending to fund an element of the costs of establishing the scheme, including the costs of procuring audit contracts, from local government's share of our current deferred income. We think this is appropriate because the new scheme will be available to all relevant principal local government bodies.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.

Scale fees will be determined by the prices achieved in the auditor procurement that PSAA will need to undertake during the early part of 2017. Contracts are likely to be awarded at the end of June 2017, and at this point the overall cost and therefore the level of fees required will be clear. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable for 2018/19 in March 2018.

Opting in

The closing date for opting in is 9 March 2017. We have allowed more than the minimum eight week notice period required, because the formal approval process for most eligible bodies, except police and crime commissioners, is a decision made by the members of an authority meeting as a whole.

We will confirm receipt of all opt-in notices. A full list of authorities who opt in will be published on our website. Once we have received an opt-in notice, we will write to you to request information on any joint working arrangements relevant to your auditor appointment, and any potential independence matters that would prevent us appointing a particular firm.

If you decide not to accept the invitation to opt in by the closing date, you may subsequently make a request to opt in, but only after 1 April 2018. The earliest an auditor appointment can be made for authorities that opt in after the closing date is therefore for the audit of the accounts for 2019/20. We are required to consider such requests, and agree to them unless there are reasonable grounds for their refusal.

Timetable

In summary, we expect the timetable for the new arrangements to be:

- Invitation to opt in issued 27 October 2016
- Closing date for receipt of notices to opt in 9 March 2017
- Contract notice published 20 February 2017
- Award audit contracts By end of June 2017
- Consult on and make auditor appointments By end of December 2017
- Consult on and publish scale fees By end of March 2018

Enquiries

We publish frequently asked questions on our [website](#). We are keen to receive feedback from local bodies on our plans. Please email your feedback or questions to: appointingperson@psaa.co.uk.

If you would like to discuss a particular issue with us, please send an email to the above address, and we will make arrangements either to telephone or meet you.

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Developing the option
of a national scheme for
local auditor appointments

www.psa.co.uk

“The LGA has worked hard to secure the option for local government to appoint auditors through a dedicated sector-led national procurement body. I am sure that this will deliver significant financial benefits to those who opt in.”

– Lord Porter CBE, Chairman,
Local Government Association

Over the next few months all principal authorities will need to decide how their auditors will be appointed in the future. They may make the appointment themselves, or in conjunction with other bodies. Or they can take advantage of a national collective scheme which is designed to offer them a further choice. Choosing the national scheme should pay dividends in quality, in cost, in responsiveness and in convenience.

Public Sector Audit Appointments Ltd (PSAA) is leading the development of this national option. PSAA is a not-for-profit company which already administers the current audit contracts. It aims to be designated by the Department for Communities & Local Government (DCLG) to operate a collective scheme for auditor appointments for principal authorities (other than NHS bodies) in England. It is currently designing the scheme to reflect the sector's needs and views.

The Local Government Association (LGA) is strongly supportive of this ambition, and 200+ authorities have already signalled their positive interest. This is an opportunity for local government, fire, police and other bodies to act in their own and their communities' best interests.

We hope you will be interested in the national scheme and its development. We would be happy to engage with you to hear your views – please contact us at generalenquiries@psaa.co.uk

You will also find some questions at the end of this booklet which cover areas in which we would particularly welcome your feedback.

Audit does matter

High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money has been well managed and properly expended. It helps to inspire trust and confidence in the organisations and people responsible for managing public money.

Imminent changes to the arrangements for appointing the auditors of local public bodies are therefore very important. Following the abolition of the Audit Commission, local bodies will soon begin to make their own decisions about how and by whom their auditors are appointed. A list of the local government bodies affected can be found at the end of this booklet.

The Local Government Association (LGA) has played a leadership role in anticipating these changes and influencing the range of options available to local bodies. In particular, it has lobbied to ensure that, irrespective of size, scale, responsibilities or location, principal local government bodies can, if they wish, subscribe to a specially authorised national scheme which will take full responsibility for local auditor appointments which offer a high quality professional service and value for money.

The LGA is supporting PSAA in its application to the Department for Communities & Local Government (DCLG) to be appointed to deliver and manage this scheme.

PSAA is well placed to award and manage audit contracts, and appoint local auditors under a national scheme

PSAA is an independent, not-for-profit company limited by guarantee and established by the LGA. It already carries out a number of functions in relation to auditor appointments under powers delegated by the Secretary of State for Communities & Local Government. However, those powers are time-limited and will cease when current contracts with audit firms expire with the completion of the 2017/18 audits for local government bodies, and the completion of the 2016/17 audits for NHS bodies and smaller bodies.

The expiry of contracts will also mark the end of the current mandatory regime for auditor appointments. Thereafter, local bodies will exercise choice about whether they opt in to the authorised national scheme, or whether they make other arrangements to appoint their own auditors.

PSAA wishes to be selected to be the trusted operator of the national scheme, formally specified to undertake this important role by the Secretary of State. The company is staffed by a team with significant experience in appointing auditors, managing contracts with audit firms and setting and determining audit fees. We intend to put in place an advisory group, drawn from the sector, to give us ready access to your views on the design and operation of the scheme. We are confident that we can create a scheme which delivers quality-assured audit services to every participating local body at a price which represents outstanding value for money.

“Many district councils will be very aware of the resource implications of making their own appointment. Joining a well-designed national scheme has significant attractions.”

– Norma Atlay, President,
Society of District Council Treasurers

“Police bodies have expressed very strong interest in a national scheme led by PSAA. Appointing the same auditor to both the PCC and the Chief Constable in any area must be the best way to maximise efficiency.”

– Sean Nolan, President,
Police and Crime Commissioners
Treasurers’ Society (PACCTS)

The national scheme can work for you

We believe that the national scheme can be an excellent option for all local bodies. Early indications are that many bodies agree - in a recent LGA survey more than 200 have expressed an interest in joining the scheme.

We plan to run the scheme in a way that will save time and resources for local bodies - time and resources which can be deployed to address other pressing priorities. Bodies can avoid the necessity to establish an auditor panel (required by the Local Audit & Accountability Act, 2014) and the need to manage their own auditor procurement. The scheme will take away those headaches and, assuming a high level of participation, be able to attract the best audit suppliers and command highly competitive prices.

The scope of public audit is wider than for private sector organisations. For example, it involves forming a conclusion on the body’s arrangements for securing value for money, dealing with electors’ enquiries and objections, and in some circumstances issuing public interest reports. PSAA will ensure that the auditors which it appoints are the most competent to carry out these functions.

Auditors must be independent of the bodies they audit, to enable them to them to carry out their work with objectivity and credibility, and in a way that commands public confidence. PSAA plans to take great care to ensure that every auditor appointment passes this test. It will also monitor any significant proposals, above an agreed threshold, for auditors to carry out consultancy or other non-audit work to ensure that these do not undermine independence and public confidence.

The scheme will also endeavour to appoint the same auditors to bodies which are involved in formal collaboration/joint working initiatives or within combined authority areas, if the parties consider that a common auditor will enhance efficiency and value for money.

PSAA will ensure high quality audits

We will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the 2014 Act, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of their work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register meaning that small local firms will not be eligible to be appointed to local public audit roles.

PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. The company will take a close interest in feedback from audited bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems arising. We will liaise with the National Audit Office (NAO) to help ensure that guidance to auditors is updated when necessary.

We will include obligations in relation to maintaining and continuously improving quality in our contract terms and quality criteria in our tender evaluation method.

PSAA will secure highly competitive prices

A top priority must be to seek to obtain the best possible prices for local audit services. PSAA's objective will be to make independent auditor appointments at the most competitive aggregate rate achievable.

Our current thinking is that the best prices will be obtained by letting three year contracts, with an option to extend to five years, to a relatively small number of appropriately registered firms in two or three large contract areas nationally. The value of each contract will depend on the prices bid, with the firms offering the best prices being awarded larger amounts of work. By having contracts with a number of firms we will be able to ensure independence and avoid dominance of the market by one or two firms.

Correspondingly, at this stage our thinking is to invite bodies to opt into the scheme for an initial term of three to five years, subject, of course, to the terms of specification by DCLG.

The procurement strategy will need to prioritise the importance of demonstrably independent appointments, in terms of both the audit firm appointed to each audited body and the procurement and appointment processes used. This will require specific safeguards in the design of the procurement and appointment arrangements.

“Early audit planning is a vital element of a timely audit. We need the auditors to be available and ready to go right away at the critical points in the final accounts process.”

– Steven Mair, City Treasurer,
Westminster City Council

“In forming a view on VFM arrangements it is essential that auditors have an awareness of the significant challenges and changes which the service is grappling with.”

– Charles Kerr, Chair,
Fire Finance Network

PSAA will establish a fair scale of fees

Audit fees must ultimately be met by individual audited bodies. PSAA will ensure that fee levels are carefully managed by securing competitive prices from firms and by minimising PSAA's own costs. The changes to our role and functions will enable us to run the new scheme with a smaller team of staff. PSAA is a not-for-profit company and any surplus funds will be returned to scheme members.

PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk. Pooling means that everyone within the scheme will benefit from the most competitive prices. Current scale fees are set on this basis. Responses from audited bodies to recent fee consultations have been positive.

PSAA will continue to consult bodies in connection with any proposals to establish or vary the scale of fees. However, we will not be able to consult on our proposed scale of fees until the initial major procurement has been completed and contracts with audit firms have been let. Fees will also reflect the number of scheme participants - the greater the level of participation, the better the value represented by our scale of fees. We will be looking for principal bodies to give firm commitments to join the scheme during Autumn 2016.

The scheme offers multiple benefits for participating bodies

We believe that PSAA can deliver a national scheme which offers multiple benefits to the bodies which take up the opportunity to collaborate across the sector by opting into scheme membership.

Benefits include:

- assured appointment of a qualified, registered, independent auditor
- appointment, if possible, of the same auditors to bodies involved in significant collaboration/joint working initiatives or combined authorities, if the parties believe that it will enhance efficiency and value for money
- on-going management of independence issues
- securing highly competitive prices from audit firms
- minimising scheme overhead costs
- savings from one major procurement as opposed to a multiplicity of small procurements
- distribution of surpluses to participating bodies
- a scale of fees which reflects size, complexity and audit risk
- a strong focus on audit quality to help develop and maintain the market for the sector
- avoiding the necessity for individual bodies to establish an auditor panel and to undertake an auditor procurement
- enabling time and resources to be deployed on other pressing priorities
- setting the benchmark standard for audit arrangements for the whole of the sector

We understand the balance required between ensuring independence and being responsive, and will continually engage with stakeholders to ensure we achieve it.

How can you help?

We are keen to receive feedback from local bodies concerning our plans for the future. Please let us have your views and let us know if a national scheme operated by PSAA would be right for your organisation.

In particular we would welcome your views on the following questions:

1. Is PSAA right to place emphasis on both quality and price as the essential pre-requisites for successful auditor appointments?
2. Is three to five years an appropriate term for initial contracts and for bodies to sign up to scheme membership?
3. Are PSAA's plans for a scale of fees which pools scheme costs and reflects size, complexity and audit risk appropriate? Are there any alternative approaches which would be likely to command the support of the sector?
4. Are the benefits of joining the national scheme, as outlined here, sufficiently attractive? Which specific benefits are most valuable to local bodies? Are there others you would like included?
5. What are the key issues which will influence your decisions about scheme membership?
6. What is the best way of us continuing our engagement with you on these issues?

Please reply to: generalenquiries@psaa.co.uk

The following bodies will be eligible to join the proposed national scheme for appointment of auditors to local bodies:

- county councils in England
- district councils
- London borough councils
- combined authorities
- passenger transport executives
- police and crime commissioners for a police area in England
- chief constables for an area in England
- national park authorities for a national park in England
- conservation boards
- fire and rescue authorities in England
- waste authorities
- the Greater London Authority and its functional bodies.

BOARD MEMBERS

Steve Freer (Chairman), former Chief Executive CIPFA

Caroline Gardner, Auditor General Scotland

Clive Grace, former Deputy Auditor General Wales

Stephen Sellers, Solicitor, Gowling WLG (UK) LLP

CHIEF OFFICER

Jon Hayes, former Audit Commission Associate Controller

“Maintaining audit quality is critically important. We need experienced audit teams who really understand our issues.”

– Andrew Burns, Director of Finance and Resources,
Staffordshire County Council

Appendix B

PSAA Ltd
3rd Floor, Local Government House
Smith Square
London SW1P 3HZ

www.psaa.co.uk



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Appointing person: Frequently asked questions (updated 8 November 2016)

Question	Response
<p>1. What is an appointing person and what bodies are eligible to opt in?</p>	<p>Public Sector Audit Appointments Limited (PSAA) has been specified as an appointing person under the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015, and has the power to make auditor appointments for audits of the accounts from 2018/19 on behalf of principal local government bodies that opt in, in accordance with the Regulations. PSAA is a not-for-profit company owned by the LGA’s Improvement and Development Agency (IDeA) and was established to operate the transitional arrangements following closure of the Audit Commission. The ‘appointing person’ is sometimes referred to as the sector-led body.</p> <p>Eligible bodies are only those principal local government bodies listed in schedule 2 of the Local Audit and Accountability Act 2014. This includes county councils, district councils, London Borough councils, unitary authorities, metropolitan councils, police bodies, fire and rescue authorities, joint authorities, combined authorities (covering elected regional mayors), national park authorities, conservation boards, PTEs, waste authorities, and the GLA and its functional bodies. Smaller authorities (such as parish councils) and NHS bodies, including accountable care organisations, are not eligible to opt in.</p> <p>A list of 493 local government bodies currently eligible for the appointing person scheme is available on the appointing person page of our website (http://www.psa.co.uk/supporting-the-transition/appointing-person/).</p>

Question	Response
2. When will invitations to opt in be issued?	<p>The invitation to opt in was issued on 27 October 2016 with a closing date for acceptance of 9 March 2017. This allows considerably longer than the statutory minimum period of eight weeks, for the requirement under the regulations that authorities must make the decision to opt in at a full council meeting. As corporations sole, the full council requirement does not apply to police and crime commissioners.</p> <p>The aim is to award contracts to audit firms by June 2017, giving six months to consult with authorities and confirm appointments before the 31 December 2017 deadline to appoint auditors for the following financial year.</p> <p>In order to maximise the potential economies of scale from agreeing large contracts with firms, and to manage any auditor independence issues, PSAA needs as much certainty as possible about the volume and location of work it is able to offer to firms. Our timetable means that we will need to start preparing tender documentation early in 2017, so we will need to know which authorities have opted in.</p>
3. How do we have to make the decision to accept the invitation to opt in?	<p>In accordance with Regulation 19 of the Local Audit (Appointing Person) Regulations 2015, a principal authority will need to make the decision to opt in at full council (authority meeting as a whole), except where the authority is a corporation sole (such as a police and crime commissioner), in which case the function must be exercised by the holder of the office.</p>
4. Can we join after it has been set up or do we have to join at the beginning?	<p>One of the main benefits of an appointing person approach is the ability to achieve economies of scale as a result of being able to offer larger volumes of work. The greater the number of participants we have signed up at the outset, the better the</p>

Question	Response
	<p>economies of scale we are likely to achieve. This will not prevent authorities from applying to join the appointing person scheme in later years (and PSAA must agree to the request unless there are reasonable grounds to refuse), but they will need to make their own arrangements to appoint an auditor in the interim, which will include establishing an auditor panel. In order to be in the best position we would encourage as many authorities as possible to commit by accepting the invitation within the specified timeframe, that is by 9 March 2017.</p>
<p>5. Will membership be free for existing members of the LGA?</p>	<p>The option to join the appointing person scheme will be open to all principal local government authorities listed under Schedule 2 of the Local Audit and Accountability Act 2014. There will not be a fee to join the sector-led arrangements. The audit fees that opted-in bodies will be charged will cover the costs to PSAA of appointing auditors and managing the arrangements. We believe that audit fees achieved through large contracts will be lower than the costs that individual authorities will be able to negotiate. In addition, by opting into the PSAA offer, authorities will avoid the costs of their own procurement and management of contracts and also the requirement to set up an auditor panel with independent members.</p>
<p>6. How will we be able to influence the development of the appointing person scheme and associated contracts with audit firms?</p>	<p>We have established a stakeholder advisory panel which will comment on our proposals. Members of the panel are drawn from representative organisations for councils, police and fire bodies. The first meeting of the group was held on 30 September 2016. Further meetings are scheduled for 23 November 2016, 26 January 2017 and 25 May 2017.</p> <p>PSAA continues to work in partnership with the LGA in setting up the appointing person scheme and you can feed in</p>

Question	Response
	<p>comments and observations to PSAA by emailing appointingperson@psaa.co.uk and via the LGA and their principal advisors.</p>
<p>7. Will there be standard contract terms and conditions?</p>	<p>The audit contracts between PSAA and the audit firms will require firms to deliver audits compliant with the National Audit Office (NAO) Code of Audit Practice. We are aware that authorities would like to understand how performance and delivery will be monitored and managed. This is one of the issues that could be discussed with the stakeholder advisory panel (see Q6).</p>
<p>8. What will be the length of the contracts?</p>	<p>The length of contract between PSAA and firms will be five years.</p>
<p>9. In addition to the Code of Audit Practice requirements set out by the NAO, will the contract be flexible to enable authorities to include the audit of wholly owned companies and group accounts?</p>	<p>Local authority group accounts are part of the accounts produced under the CIPFA SORP and are subject to audit in line with the NAO Code of Audit Practice. They will continue to be part of the statutory audit.</p> <p>Company audits are subject to the provisions of the Companies Act 2006 and are not covered by the Local Audit (Appointing Person) Regulations 2015. Local authority companies will be able to appoint the same audit firm as PSAA appoints to undertake the principal body audit, should they so wish.</p>
<p>10. Will bodies that opt in be able to seek information from potential suppliers and undertake some form of evaluation to choose a supplier?</p>	<p>PSAA will run the tendering exercise, and will evaluate bids and award contracts. PSAA will consult authorities on individual auditor appointments. The appointment of an auditor independently of the body to be audited is an important feature of the appointing person arrangements and will continue to underpin strong corporate governance in the public sector.</p>

Question	Response
<p>11. Will the price be fixed or will there be a range of prices?</p>	<p>The fee for the audit of a body that opts in will reflect the size, audit risk and complexity of the work required. PSAA will establish a system for setting the fee which is fair to all opted-in authorities. As a not-for-profit organisation, PSAA will be able to return any surpluses to opted-in authorities after all costs have been met.</p>
<p>12. We have shared service arrangements with our neighbouring bodies and we are looking to ensure that we share the same auditor. Will the appointing person scheme allow for this?</p>	<p>PSAA will be able to make appointments to all principal local government bodies listed in Schedule 2 of the Local Audit and Accountability Act 2014 that are 'relevant authorities' and not excluded as a result of being smaller authorities, for example parish councils.</p> <p>In setting up the new arrangements, one of our aims is to make auditor appointments that take account of joint working and shared service arrangements. Requests for the same auditor as other authorities will need to be balanced with auditor independence considerations. As we have set out in our prospectus, auditors must be independent of the bodies they audit. PSAA will have an obligation under the provisions of the Local Audit and Accountability Act 2014 to ensure that every auditor appointment it makes passes this test and auditors must comply with the requirements of the Ethical Standards issued by the Financial Reporting Council. We will need information from opted-in authorities on potential independence considerations and joint working arrangements, and will also need information on independence issues from the audit firms. Risks to auditor independence include, for example, an audit firm having previously been engaged to advise on a major procurement which could, of course, later be subject to audit.</p>

Question	Response
<p>13. We have a joint committee which no longer has a statutory requirement to have an external auditor but has agreed in the interests of all parties to continue to engage one. Is it possible to use this process as an option to procure the external auditor for the joint committee?</p>	<p>The requirement for joint committees to produce statutory accounts ceased after production of the 2014/15 accounts and they are therefore not listed in Schedule 2. Joint committees that have opted to produce accounts voluntarily and obtain non-statutory assurance on them will need to make their own local arrangements.</p>
<p>14. How will the appointing person scheme ensure audit firms are not over-stretched and that the competition in the market place is increased?</p>	<p>The number of firms eligible to undertake local public audit is regulated through the Financial Reporting Council and the recognised Supervisory Bodies (RSBs). Only appropriately accredited firms will be able to bid for appointments whether that is through PSAA or an auditor panel.</p> <p>PSAA is developing a procurement strategy which may include a limit on the total business available to any one firm.</p> <p>One of the advantages of the appointing person option is to make appointments that help to ensure that each successful firm has a sufficient quantum of work to make it possible for them to invest in public sector specific training, maintain a centre of excellence or hub that will mean:</p> <ul style="list-style-type: none"> • firms have a regional presence; • greater continuity of staff input; and • a better understanding the local political, economic and social environment.
<p>15. Will the appointing person scheme contract with a number of different audit firms and how will they be allocated to authorities?</p>	<p>PSAA will organise the contracts to maximise the number of firms appointed nationally. The minimum number of audit firms is probably four or five (depending on the number of bodies that opt in). This is required, not just to ensure competition and capacity, but because each firm is required to comply with the</p>

Question	Response
	FRC's ethical standards. This means that an individual firm may not be appointable for 'independence' reasons, for example, because they have undertaken consultancy work at an audited body. PSAA will consult on appointments that allow each firm a balanced portfolio of work subject to independence considerations.
16. What will be the process to feed in opinions from customers of current auditors if there are issues?	PSAA will seek feedback on its auditors as part of its engagement with the sector. PSAA will continue to have a clear complaints process and will also undertake contract monitoring of the firms it appoints.
17. What is the timetable for set up and key decisions?	<p>We expect the key points in the timetable to be broadly:</p> <ul style="list-style-type: none"> • establish an overall strategy for procurement - by November 2016; • achieve 'sign-up' of opted-in authorities - by 9 March 2017; • invite tenders from audit firms - by April 2017; • award contracts - by 30 June 2017; • consult on and make final auditor appointments - by 31 December 2017; and • consult on, propose audit fees and publish fees - by 31 March 2018.
18. What are the terms of reference of the appointing person?	PSAA is a not-for-profit company wholly owned by the IDeA (the IDeA is wholly owned by the LGA). PSAA will continue to operate as an independent company, although there will be changes to its governance arrangements and its founding documents to reflect the fact that it will be an appointing person going forward rather than a transitional body which has overseen the transition from the Audit Commission to the new appointing person arrangements.

Question	Response
<p>19. Will the appointing person take on all audit panel roles and therefore mitigate the need for there to be one in each individual authority?</p>	<p>Opting into the appointing person scheme will remove the need to set up an auditor panel. This is set out in the Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015.</p>
<p>20. What will be the arrangements for overseeing the quality of audit work undertaken by the audit firms appointed by the appointing person?</p>	<p>PSAA will only contract with firms which have a proven track record in undertaking public audit work. In accordance with the Local Audit and Accountability Act 2014, firms must be registered with one of the chartered accountancy institutes acting in the capacity of a Recognised Supervisory Body (RSB). The quality of the firms' work will be subject to scrutiny by both the RSB and the Financial Reporting Council (FRC). Current indications are that fewer than ten large firms will register, meaning that small local firms will not be eligible to be appointed to local public audit roles.</p> <p>PSAA will ensure that firms maintain the appropriate registration and will liaise closely with RSBs and the FRC to ensure that any concerns are detected at an early stage and addressed effectively in the new regime. PSAA will take a close interest in feedback from opted-in bodies and in the rigour and effectiveness of firms' own quality assurance arrangements, recognising that these represent some of the earliest and most important safety nets for identifying and remedying any problems. We will liaise with the NAO to help ensure that guidance to auditors is updated when necessary.</p>

Question	Response
<p>21. In what circumstances can an auditor be changed during the five year opt-in period, and how does this differ from locally procured arrangements?</p>	<p>The main circumstances in which PSAA will consider changing an auditor appointment during the five year compulsory appointing period are either for independence reasons, for example the identification of a conflict of interest involving the existing audit firm, or because of the emergence of new joint working arrangements.</p> <p>An authority appointing its own auditor will find it more difficult to change their auditor appointment during the contracted period, as this would require the authority to conduct a new selection and procurement exercise. The appointing person scheme will therefore provide more flexibility for opted-in bodies.</p>
<p>22. How will audit fee levels be set for each individual body with the objective of recovering PSAA costs at the aggregate level?</p>	<p>PSAA will pool scheme costs and charge fees to audited bodies in accordance with a fair scale of fees which has regard to size, complexity and audit risk, most likely as currently evidenced by audit fees for 2016/17. Pooling means that everyone in the scheme will benefit from the most competitive prices. Fees will reflect the number of scheme participants – the greater the level of participation, the better the value represented by our scale fees.</p> <p>2018/19 scale fees will be determined by the prices achieved in the auditor procurement that PSAA will undertake during the early part of 2017. We expect to consult on the proposed scale of fees in autumn 2017 and to publish the fees applicable in March 2018. Where more or less work is required than is envisaged in the scale fee, a fee variation process will apply. The variations process will ensure that fees for additional work</p>

Question	Response
	cannot be invoiced until agreed with the audited body and approved by PSAA.
23. What will be the future arrangements under the appointing person scheme for certifying grant claims?	<p>PSAA's audit contracts from 2018/19 will not cover certification work. PSAA has no power under the Local Audit and Accountability Act 2014 to make certification arrangements, and its arrangements will apply only to opted-in bodies. Any certification work required by grant paying government departments will need to be undertaken using a tripartite agreement between an audited body, an audit firm and the grant paying body, under instructions prepared by the grant paying body.</p> <p>The Department for Work and Pensions is developing its arrangements for housing benefit subsidy claim certification from 2018/19 on this basis. Where applicable, local authorities will appoint an auditor for this certification work (for which an auditor panel is not required) and may if they wish choose to use the same auditor appointed by PSAA for the audit of the accounts, if they are opted-in bodies.</p>
24. How will the appointing person scheme deal with an authority that is dissatisfied with its auditor and wants a change (e.g. because of quality, relationships, or a conflict of interest)?	<p>As with the current arrangements, where an authority is dissatisfied with its auditor, concerns should be raised in the first instance with the firm's Engagement Lead and subsequently with the firm's PSAA Contact Partner (as indicated on communications between the firm and the authority).</p> <p>If the authority is not satisfied with the response of the firm, then the matter should be raised with PSAA.</p>

Question	Response
	<p>As appointing person, PSAA appoints a firm as auditor to an authority. The firm is responsible for nominating an individual to act as the Engagement Leader on the audit of an authority.</p> <p>PSAA will consider changing an auditor appointment in extremis if an authority is dissatisfied, but would expect the authority and the firm to have exhausted all avenues for resolution before doing so. Maintaining the independence of the auditor is an important part of this consideration.</p> <p>PSAA will consider changing an auditor appointment during the five year compulsory appointing periods, if a conflict of interest involving the existing audit firm is identified, or because of the emergence of new joint working arrangements.</p> <p>The appointing person scheme will have the flexibility to provide an audit alternative if required in these cases.</p> <p>PSAA will be monitoring the quality of audit services provided as part of the contractual terms of appointment to be agreed with firms.</p>
<p>25. Will an auditor be able to provide my authority with non-audit consultancy services?</p>	<p>The independence requirements for all auditors within the local public audit regime are the same whether locally appointed, or part of the appointing person regime. These requirements are specified by the Financial Reporting Council in the Ethical Standard and applied to local public audit as determined by the NAO.</p> <p>The services that an auditor can provide are the same, whatever the appointment method.</p>

Question	Response
	<p>As the Appointing Person, PSAA will perform the role otherwise required of an auditor panel to advise the authority on the maintenance of the independence of the auditor [Local Audit and Accountability Act 2014 section 10(1)].</p> <p>PSAA will consider changing an auditor appointment during the five-year compulsory appointing period for independence reasons, if for example the identification of a conflict of interest involving the existing audit firm, or because of the emergence of new joint working arrangements.</p>
<p>26. Will the appointing person arrangements cover the audit of an authority's pension fund where it is the administrative body responsible for preparing the pension fund accounts?</p>	<p>Yes. Pension funds are not separate legal entities from their administering local authority, and are therefore not listed as relevant authorities in schedule 2 of the Local Audit and Accountability Act 2014. The auditor appointment to an opted-in local authority will include the audit of the pension fund where the authority is the administering body. As is currently the case, the pension fund audit will be subject to a separate engagement and scale audit fee, but the auditor appointment will cover both the local authority and the pension fund.</p>

27. How does the opt-in process work for police and crime commissioners and chief constables given that chief constables must not appoint their own auditor?

PSAA has issued the opt-in invitation to chief constables as well as police and crime commissioners because the Local Audit (Appointing Person) Regulations 2015, issued under the provisions of the Local Audit and Accountability Act 2014, require the appointing person to issue an invitation to “all principal authorities which fall within the class of authorities in relation to which the person has been specified” (Regulation 8). PSAA’s specification as an appointing person covers all relevant local government authorities that are principal bodies, as listed in Schedule 2 of the 2014 Act. Chief constables and police and crime commissioners are listed separately as relevant authorities.

While the responsibility for the decision about appointing an auditor for the chief constable is reserved to the police and crime commissioner for a police area (under schedule 3 of the Local Audit and Accountability Act 2014), the police and crime commissioner will need to consider this decision with the chief constable. The opt-in invitation information sent by PSAA provides chief constables with essential information about the appointing person arrangements, including the timetable for the opt-in process. This should enable chief constables to engage with police and crime commissioners on this decision.

Where a police and crime commissioner makes a decision to opt into PSAA’s national auditor appointment arrangements and submits a notice of acceptance of the invitation, PSAA will need to confirm that the notice covers the chief constable if this is not explicitly stated. As separate legal entities, PSAA will subsequently need to make separate auditor appointments,

Question	Response
	albeit of the same audit firm, to the opted-in police and crime commissioner and chief constable for a police area.