Council

Wednesday, 24 January 2018
2.00 p.m.
Council Chamber, Town Hall,
Moorgate Street, Rotherham. S60 2TH

Rotherham
Metropolitan
Borough Council

WELCOME TO TODAY'S MEETING

GUIDANCE FOR THE PUBLIC

The Council is composed of 63 Councillors, who are democratically accountable to the residents of their ward.

The Council Meeting is chaired by the Mayor, who will ensure that its business can be carried out efficiently and with regard to respecting the rights and responsibilities of Councillors and the interests of the community.The Mayor is the Borough's first citizen and is treated with respect by the whole Council, as should visitors and member of the public.

All Councillors meet together as the Council. Here Councillors decide the Council's overall policies and set the budget each year. The Council appoints its Leader, Mayor and Deputy Mayor and at its Annual Meeting will appoint Councillors to serve on its committees.

Copies of the agenda and reports are available on the Council's website at www.rotherham.gov.uk. The public can also have access to the reports to be discussed at the meeting by visiting the Reception at the Town Hall. The Reception is open from 8.00 a.m. to 5.30 p.m. each day. You may not be allowed to see some reports because they contain private information and these will be marked accordingly on the agenda.

Members of the public have the right to ask questions or submit petitions to Council meetings. A member of the public may ask one general question in person which must be received in writing to the Chief Executive by 10.00 a.m. on the Friday preceding a Council meeting on the following Wednesday and must not exceed fifty words in length. Questions can be emailed to councilquestions@rotherham.gov.uk

Council meetings are webcast and streamed live or subsequent broadcast via the Council's website. At the start of the meeting the Mayor will confirm if the meeting is being filmed. You would need to confirm your wish not to be filmed to Democratic Services. Recording of the meeting by members of the public is also allowed.

Council meetings are open to the public, but occasionally the Council may have to discuss an item in private. If this occurs you will be asked to leave. If you would like to attend a meeting please report to the Reception at the Town Hall and you will be directed to the relevant meeting room.

FACILITIES

There are public toilets, one of which is designated disabled with full wheelchair access, with full lift access to all floors. Inducton loop facilities are also available in the Council Chamber, John Smith Room and Committee Rooms 1 and 2.

Access for people with mobility difficulties can be obtained via the ramp at the main entrance to the Town Hall.

If you have any queries on this agenda, please contact:-

Contact:- James McLaughlin, Democratic Services Manager
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Date of Publication:- 16 January 2018

COUNCIL

Wednesday, 24 January 2018 at 2.00 p.m.
Council Chamber, Town Hall, Moorgate Street, Rotherham. S60 2TH

THE MAYOR (Councillor Eve Rose Keenan)
DEPUTY MAYOR (Councillor Alan Buckley)

CHIEF EXECUTIVE (Sharon Kemp)

MEMBERS OF THE COUNCIL

ANSTON AND WOODSETTS

IRELAND, Jonathan C.
JEPSON, Clive R.
WILSON, Katherine M.

BOSTON CASTLE

ALAM, Saghir
MCNEELY, Rose M.
YASSEEN, Taiba K.

BRINSWORTH AND CATCLIFFE

BUCKLEY, Alan
CARTER, Adam
SIMPSON, Nigel G.

DINNINGTON

MALLINDER, Jeanette M.
TWEED, Simon A.
VJESTICA, John

HELLABY

ANDREWS, Jennifer A.
CUTTS, Brian
TURNER, R. A. John

HOLDERNESS

ELLIOTT, Michael S.
PITCHLEY, Lyndsay
TAYLOR, Robert P.

HOOBER

LELLIOTT, Denise
ROCHE, David J.
STEELE, Brian

KEPPEL

CLARK, Maggi
CUTTS, Dave
HAGUE, Paul

MALTBY

BEAUMONT, Christine
PRICE, Richard
RUSHFORTH, Amy L.

RAWMARSH

BIRD, Robert
MARRIOTT Sandra
SHEPPARD, David R.

ROTHER VALE

ALLCOCK, Leon
BROOKES, Amy C.
WALSH, Robert J.

ROTHERHAM EAST

COOKSEY, Wendy
FENWICK-GREEN Deborah
KHAN, Tajamal

ROTHERHAM WEST

JARVIS, Patricia A.
JONES, Ian P.
KEENAN, Eve.

SILVERWOOD

MARLES, Steven
NAPPER, Alan D.
RUSSELL, Gwendoline A.

SITWELL

COWLES, Allen
SHORT Peter, G. J.
TURNER, Julie

SWINTON

CUSWORTH, Victoria
SANSOME, Stuart
WYATT, Kenneth J.

VALLEY

ALBISTON, Kerry
REEDER, Kathleen
SENIOR, Jayne E.

WALES

BECK, Dominic
WATSON, Gordon
WHYSALL, Jennifer

WATH

ATKIN, Alan
ELLIOT, Jayne C.
EVANS, Simon

WICKERSLEY

ELLIS, Susan
HODDINOTT, Emma
READ, Chris

WINGFIELD

ALLEN, Sarah A.
ELLIOTT, Robert W.
WILLIAMS, John

Council Meeting
Agenda

Time and Date:-
Wednesday, 24 January 2018 at 2.00 p.m.

Venue:-
Council Chamber - Town Hall, Moorgate Street, Rotherham. S60 2TH

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1. ANNOUNCEMENTS

To consider any announcements by the Mayor in accordance with Council Procedure Rule 3(2)(ii).

2. APOLOGIES FOR ABSENCE

To receive the apologies of any Member who is unable to attend the meeting.

3. COMMUNICATIONS

Any communication received by the Mayor or Chief Executive which relates to a recommendation of the Cabinet or a committee which was received after the relevant meeting.

4. MINUTES OF THE PREVIOUS COUNCIL MEETING (Pages 1 - 29)

To receive the record of proceedings of the ordinary meeting of the Council held on 13 December 2017 and to approve the accuracy thereof.

5. PETITIONS

To report on any petitions received by the Council received by the Council and receive statements in support of petitions in accordance with Petitions Scheme and Council Procedure Rule 13.

6. DECLARATIONS OF INTEREST

To invite Councillors to declare any disclosable pecuniary interests or personal interests they may have in any matter which is to be considered at this meeting, to confirm the nature of those interests and whether they intend to leave the meeting for the consideration of the item.

7. PUBLIC QUESTIONS

To receive questions from members of the public who may wish to ask a general question of the Mayor, Cabinet Member or the Chairman of a Committee in accordance with Council Procedure Rule 12.

The deadline for the receipt of questions for this meeting is 10.00 a.m. on Friday 19 January 2018.

8. EXCLUSION OF THE PRESS AND PUBLIC

Should it be necessary, in the opinion of the Mayor, to consider excluding the press and public from the meeting in relation to any items of urgent business on the grounds that private information is likely to be divulged.

There are no such items at the time of preparing this agenda.

9. LEADER OF THE COUNCIL'S STATEMENT

To receive a statement from the Leader of the Council in accordance with Council Procedure Rule 9.

10. MINUTES OF THE CABINET AND COMMISSIONERS' DECISION MAKING MEETING (Pages 30 - 45)

To note the minutes of the Cabinet and Commissioners' Decision Making Meeting held on 11 December 2017.

11. RECOMMENDATION FROM CABINET - OCTOBER FINANCIAL MONITORING REPORT 2017/18 AND UPDATE OF THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY TO 2019/20 (Pages 46 - 68)

To consider a recommendation from Cabinet to add the Superfast Broadband project for South Yorkshire to the Capital Programme.

12. RECOMMENDATION FROM CABINET - REVIEW OF THE COUNCIL TAX SUPPORT SCHEME (Pages 69 - 244)

To consider recommendations from Cabinet in respect of the Council Tax Support Scheme for 2018/19.

13. RECOMMENDATION FROM CABINET - CALCULATION OF THE COUNCIL TAX BASE FOR 2018/19 (Pages 245 - 253)

To consider a recommendation from Cabinet in respect of the calculation of the Council Tax Base for 2018/19.

14. RECOMMENDATION FROM CABINET - INCREASE IN COUNCIL TAX EMPTY PROPERTY PREMIUM (Pages 254 - 260)

To consider a recommendation from Cabinet in respect of increasing the Council Tax Empty Property Premium.

15. RECOMMENDATION FROM CABINET - HOUSING REVENUE ACCOUNT RENTS & SERVICE CHARGES 2018/19 (Pages 261 - 271)

To consider a recommendation from Cabinet in respect of the rents and service charges in respect of the Housing Revenue Account for the 2018/19 financial year.

16. RECOMMENDATION FROM CABINET - HOUSING REVENUE ACCOUNT BUSINESS PLAN 2018/19 (Pages 272 - 343)

To consider a recommendation from Cabinet in respect of approving the Housing Revenue Account Business Plan for 2018/19.

17. OVERVIEW AND SCRUTINY UPDATE (Pages 344 - 352)

To receive an update on the activities of the Council's Overview and Scrutiny bodies in accordance with Council Procedure Rule 14.

18. NOTICE OF MOTION - REINSTATEMENT OF THE SECOND PUMP AT ROTHERHAM FIRE STATION

In order to provide the residents of Rotherham with a safe level of fire cover, fire fighters and equipment, overnight and, reduce the level of risk to fire fighters attending a fire related incident, this Council supports the need to re-instate the second pump together with the required number of fire fighters on the night shift at the fire station in Eastwood.

Proposer:- Councillor R. Elliott Seconder:- Councillor Short

19. AUDIT COMMITTEE (Pages 353 - 361)

To receive and consider reports, minutes and recommendations of the Audit Committee.

To confirm the minutes as a true record.

20. HEALTH AND WELLBEING BOARD

To receive and consider reports, minutes and recommendations of the Health and Wellbeing Board.

To confirm the minutes as a true record.

21. PLANNING BOARD (Pages 362 - 367)

To receive and consider reports, minutes and recommendations of the Planning Board.

To confirm the minutes as a true record.

22. STAFFING COMMITTEE (Page 368)

To receive and consider reports, minutes and recommendations of the Staffing Committee.

To confirm the minutes as a true record.

23. RECOMMENDATION FROM STAFFING COMMITTEE - PAY POLICY STATEMENT 2018 (Pages 369 - 379)

To consider a recommendation from Staffing Committee in respect of the Pay Policy Statement 2018.

24. LICENSING (Pages 380 - 387)

To receive and consider reports, minutes and recommendations of the Licensing Board Sub-Committee and Licensing Sub-Committee.

To confirm the minutes as a true record.

25. MEMBERS' QUESTIONS TO DESIGNATED SPOKESPERSONS

To put questions, if any, to the designated Members on the discharge of functions of the South Yorkshire Police and Crime Panel, South Yorkshire Fire and Rescue Authority, Barnsley, Doncaster, Rotherham and Sheffield Combined Authority and South Yorkshire Pensions Authority, in accordance with Council Procedure Rule 11(5).

The deadline for receipt of questions for this meeting is 10.00 a.m. on Friday 19 January 2018.

26. MEMBERS' QUESTIONS TO CABINET MEMBERS AND COMMITTEE CHAIRS

To put questions, if any, to Cabinet Members and Committee Chairs (or their representatives) under Council Procedure Rules 11(1) and 11(3).

The deadline for receipt of questions for this meeting is 10.00 a.m. on Friday 19 January 2018.

27. URGENT ITEMS

Any other public items which the Mayor determines are urgent.

SHARON KEMP,
Chief Executive.

The next meeting of the Council will be on
Wednesday 28 February 2018 at 2.00 p.m. at the Town Hall.

COUNCIL MEETING
13th December, 2017

Present:- The Mayor of Rotherham (Councillor Eve Rose Keenan) (in the Chair); Councillors Alam, Albiston, Allen, Andrews, Atkin, Beaumont, Beck, Brookes, Buckley, Carter, Cooksey, Cowles, Cusworth, B. Cutts, D. Cutts, Elliot, M. Elliott, R. Elliott, Ellis, Fenwick-Green, Hague, Hoddinott, Ireland, Jarvis, Jepson, Jones, Khan, Lelliott, McNeely, Mallinder, Marles, Marriott, Napper, Pitchley, Price, Read, Roche, Rushforth, Sansome, Senior, Sheppard, Short, Simpson, Steele, Taylor, John Turner, Julie Turner, Vjestica, Walsh, Watson, Williams, Wilson and Wyatt.

The webcast of the Council Meeting can be viewed at:-
https://rotherham.public-i.tv/core/portal/home

96. ANNOUNCEMENTS

The Mayor was pleased to report on the last few months' activity which had seen her attend 126 engagements since the last meeting.

The Mayor proposed that she produce a written report on her activity for sharing at future Council meetings in addition to her verbal report.

The Mayor confirmed she was also in receipt of a decorated African Mace, usually given to the Leader of the Tribe, which was presented at the African History Event. This would serve as amazing reminder of a great cultural event and the amazing privilege and responsibility serving the people of Rotherham.

Rotherham's switching on of the Christmas illuminations was again a great success, children filled and the decorations in Rotherham second to none.

The Mayor also opened an event with Grimm and Co. She was pleased to report she had won in the raffle an umbrella that doubled up as a hex protector.

The Mayor was also pleased to report the opening of 2 art galleries in Rotherham, one above Riley's Snooker Hall, and the other at Masbrough showing a hundred portraits of Rotherham people.

On Monday, 18th December, 2017 the Mayor was also hosting an event with the Daniel Barnett Foundation inviting children from Bluebell Wood and the disabled carers' forum children to an art therapy party for the children to make and take home art keepsakes and, of course, meet Father Christmas.

97. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Allcock, Bird, Clark, Evans, Reeder, Russell, Whysall and Yasseen.

98. COMMUNICATIONS

There were no communications received.

99. MINUTES OF THE PREVIOUS COUNCIL MEETING

Resolved:- That the minutes of the meeting of Council held on 18th October, 2017, be approved for signature by the Mayor.

Mover:- Councillor Read Seconder:- Councillor Watson

100. PETITIONS

The Mayor reported that no petitions had been received.

101. DECLARATIONS OF INTEREST

Councillor Cusworth declared a personal interest in Minute No. 108 (Review of District Heating Charges) on the grounds that her brother was a resident on the Swinton Fitzwilliam Estate and whilst would speak on the matter would not participate in the vote.

102. PUBLIC QUESTIONS

(1) Mr. L. Harron asked did the Leader of the Council agree that online communications with members of the public about what resources have been specifically allocated to help victims and survivors of Child Sexual Exploitation (CSE) have been dire and would he ensure that all relevant information was published online, say within two weeks?

The Leader confirmed he was aware of Mr. Harron's ongoing concerns and his championing of this cause and was not sure he agreed that the information on the website was dire. There was a page on the Council's website which detailed the resources available including post abuse support and how to report concerns about any child at risk of CSE with contact details for the Multi-Agency Safeguarding Hub, Rotherham Abuse Counselling Service, the Sexual Assault Referral Centre and Barnado's. The web pages did identify useful information for people seeking support and activity in the Borough. This did not include financial resources allocated by the Council if specific details should be added the Leader was happy to take a representation on this. He had also asked the Communications Team to ensure this page was easily accessible from the Council's home page on the website.

In his supplementary question Mr. Harron referred to the statement made by the Leader in public a few weeks ago about the failure of the bid. For people like Mr. Harron actively campaigning information was required to see what help could be given to assist with getting more resources.

He described how three years on the 16th December he had met with Paul Lakin, former Leader, and had offered then to give two days of his own voluntary activity for three months to improve the Council's communications. Ian Thomas was in the meeting at the time and indicated there were thousands who wanted to help. He asked if Ian Thomas could write a report showing how he had utilised people and the time offered to him in his first few weeks in Rotherham.

The Leader was happy to speak to Mr. Thomas about what information could be made available on the Council's website about what the Council had done in relation to child sexual exploitation as Rotherham clearly had a strong story to tell. Whether this should involve information about the use of volunteers it was difficult to decide, but the Leader would reflect on this in the weeks to come.

(2) From Mr. P. Thirlwall asked when was Appendix 8, Schedule 1, of the Council's Constitution amended to include the Leader of the Opposition and could he have a copy of the correspondence from UKIP stating that Councillor Cowles was their present Leader?

The Leader enlightened Members on the previous question about the payment of a Special Responsibility Allowance to Councillor Cowles, Leader of the Opposition, and where that had been detailed. A response was provided in writing detailing how at the Annual Council Meeting in May, 2017 a report was tabled identifying Councillor Cowles as the Leader of the Opposition, thus providing a record. In further investigation, however, it became apparent that an error in the part of the Constitution listing office holders and the amount of Special Responsibility Allowance they were entitled to had been made and the detail on the Leader of the Opposition was not included. On the advice on the Monitoring Officer the Statement was updated on Friday, 20th October, 2017.

In a supplementary question Mr. Thirlwall apologised to the Council if he had given the impression he was gullible in the response given. The report referred to made no reference to the payment of expenses to Councillor Cowles, but was about the distribution of political balance and seats on committees etc. and which also indicated there were no financial or procurement implications of the decision. The report also referred to the background papers as the Council's Constitution which was why Mr. Thirlwall had looked and found Councillor Cowles not listed. He expressed his concern about the revision of the Constitution in October, however, this could not be changed without coming back to full Council. He was sure this had not been done and asked that monies already paid to Councillor Cowles be recovered until such time as changes to the Constitution had been agreed properly.

The Leader explained he had acted on the advice of the Monitoring Officer which allowed for these kind of minor corrections to be agreed between Council Meetings. Should Mr. Thirlwall have any further concerns over this matter he was asked to pick these up with the Monitoring Officer as everything had been undertaken legally.

(3) Mr. D. Smith asked could he be told why it should take a year for a simple complaint against a Parish or Town Councillor to be dealt with by the Standards and Ethics Committee.

Councillor McNeely confirmed the length of time taken to bring a complaint about the conduct of a town or parish councillor to a conclusion would depend upon the circumstances which could include:-

- The complexity of the complaint and whether it links to other complaints or counter-allegations.
- The time it takes to obtain the views of the councillor being complained about and the complainant's response to those views.
- The time it takes to explore the options for an informal resolution of the complaint.
- If the complaint could not be resolved informally, the time it takes to arrange a hearing convenient to all the parties and to the panel which would hear the complaint and make a final decision

However, a complaint should not take a year to conclude unless there were exceptional circumstances and at its last meeting Council approved a new procedure for handling complaints about councillors with timescales and a presumption that a matter would progress to the next stage of the process if a party had not provided a timely response or would not engage with the process.

In a supplementary question Mr. Smith provided two scenarios where he had tried to contact officers regarding a particular issue and due to the lack of consideration to emails this was eventually resolved after thirteen months. Another complaint took twelve months for a recommendation that the person the subject of the complaint should apologise for his conduct.

The Mayor advised that should Mr. Smith have any concerns over operational matters then he should refer these to the Chief Executive for investigation.

Councillor McNeely confirmed complaints were to be dealt with more effectively, but suggested that should one of the scenarios referred to above be in relation to a racist term used by a Dinnington Town Councillor the process included arranging a meeting with the councillor to see if the matter could be resolved informally, in line with the views of the Independent Person. There were some difficulties in arranging that meeting and when it did take place it was not possible to resolve the matter informally and it had to proceed to a formal hearing.

If there were any other details required then Councillor McNeely was happy to respond in writing.

Mr. Smith wished to place on record that he had not referred to specific details in relation to his questions.

(4) Mr. R. Beecher reported that last year both representatives attended a FBU branch meeting at his invite, where both representatives held 'No More Fire Cuts' posters alongside firefighters. So, why four months later did they not rescind the Fire Authority decision to proceed with the removal of the second fire appliance at night time from Rotherham Fire Station?

Councillor Atkin confirmed both he and Councillor Buckley had attended a FBU branch meeting and offered support against the Fire Service cuts. However, since 2010, South Yorkshire Fire and Rescue Service had suffered significant cuts to its Government funding, which have reduced its operating budget by around 25%. Throughout this period, the Fire Authority and service managers have repeatedly stated their commitment to provide the best possible service to the people of South Yorkshire within the resources available to it. Whilst a slightly more optimistic medium term financial position meant the Service believed it no longer has to implement some planned changes to its frontline services (at least for the duration of the current Integrated Risk Management Plan), there was no opportunity to reverse changes which have already been made as a result of previously published plans. There also remained considerable uncertainty about the Service's funding position beyond April, 2020.

In a supplementary question Mr. Beecher referred to the Fire Authority having a projected underspend of £1.3 million for this financial year which when banked would give the Chief Fire Officer £24.3 million in his pot. The removal of the second appliance saved approximately £200,000 per year. The public of Rotherham had an increase in Council Tax of just short of 2% and this had given an additional £410,000 for the Fire Authority yet still had a 50% reduction in fire cover at night. Fire Authority Members had successfully lobbied in Doncaster and Sheffield and had managed to reverse the effect of similar cuts. Why had Rotherham's taxpayers been disproportionately affected and not given the same fire cover.

Mr. Beecher, therefore, asked all Members of the Council to engage with their Fire Authority Members here and the other 10 Members throughout South Yorkshire to lobby with the Chief Fire Officer and other FBU Officials in order to release the funds necessary to reinstate Rotherham's second fire appliance at night and give constituents the fire cover they deserved and ultimately paying for.

Councillor Atkin responded by outlining how the current IRMP was a living document and on realising the Fire Authority had got a bit more money than it thought reversed the proposed cuts at Doncaster and Sheffield, but there was not enough to go back to a second appliance in Rotherham.

It was true the Fire Authority did have live reserves, but there were plans for the future with a new fire station in Barnsley and new fire appliances. At the moment the FBU were seeking a judicial review over the management of crews at some fire stations, but should this review be successful this would cost the Fire Authority £1.6 million which could result in cuts elsewhere.

103. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That under section 100(A) of the Local Government Act 1972, the public be excluded from the meeting should the appendices be discussed for Minute Nos. 107 and 108 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to information) (Variation) Order 2006.

104. LEADER OF THE COUNCIL'S STATEMENT

The Leader welcomed the opportunity to address the Council and was pleased to report on four items.

The first was on the development of budget proposals for the coming financial year which would be going to the Overview and Scrutiny Management Board for consideration over the next few weeks. The Government had also indicated the Local Government Settlement would be delayed until 19th December, 2017 which provided no opportunity to respond to any sudden changes. However, work would continue within the provisions and an update provided in due course. This had been the toughest year yet for budget management going forward.

The second related to efforts with the Home Office and other Government Departments seeking funding for support with child sexual exploitation victims and survivors through criminal trials as part of Operation Stovewood. Progress was slow, but a meeting had been arranged with the Home Office Minister, Victoria Aitkin, next month. The Leader would provide an update on the outcome of this meeting.

Thirdly, Members would be aware that Ofsted had been inspecting Children's Services over the course of the last month. The outcome was not yet known, but the Leader wished to place on record his thanks and gratitude to the entire team within Children's Services for their enormous commitment and fortitude in taking the Council this far in their improvement journey. Staff needed to be advised that all Elected Members fully supported the work being undertaken. The full Ofsted report would be published on the 29th January, 2018 and the Deputy

Leader had already arranged for an all Member Seminar for that morning so Members could be fully briefed on the detail as soon as this was available and in the public domain.

Fourthly, the Leader had also been appointed Chair of the Sheffield City Region Combined Authority and would hold that position through until May, 2018 when the Mayoral election was scheduled to take place.

The Leader also took the opportunity to wish everyone a Merry Christmas.

105. MINUTES OF THE CABINET AND COMMISSIONERS' DECISION MAKING MEETING

Resolved:- That the reports, recommendations and minutes of the meetings of the Cabinet/Commissioners' Decision Making Meeting held on 16th October and 13th November, 2017, be received.

Mover:- Councillor Read Seconder:- Councillor Watson

106. RECOMMENDATION FROM CABINET - INTERIM REVIEW OF POLLING PLACES 2017

Further to Minute No. 67 of the meeting of the Cabinet and Commissioners held on 13th November, 2017 consideration was given to the report which detailed the revised proposals for polling places.

This was a relatively straight forward procedure which now avoided the use and subsequent closure of schools unnecessarily.

Rotherham would undergo another full compulsory review in 2018/19, in time for the May 2020 Local Government and Police and Crime Commissioner elections taking into account the new electoral boundaries.

Resolved:- (1) That Council be recommended to approve the proposals for polling places as outlined in Appendix 2, in particular that:-

a. The polling place for AD polling district be changed from Anston Hillcrest Primary School to the Methodist Community Hall, Sheffield Road.

b. The polling place for CG and KG polling districts be changed from the AMRC Design Prototyping & Testing Centre, Wallis Way to the AMP Technology Centre, Brunel Way.

c. The polling place for ID polling district be changed from the Maltby Service Centre, Braithwell Road to the Wesley Centre, Blyth Road.

(2) The polling place for KB polling district be changed from the mobile library to Aston Fence Junior & Infant School.

Mover:- Councillor Alam Seconder:- Councillor Watson

107. RECOMMENDATION FROM CABINET - PROPOSED ROTHER VALLEY COUNTRY PARK CARAVAN SITE

Further to Minute No. 68 of the meeting of the Cabinet and Commissioners held on 13th November, 2017 consideration was given to the report which detailed outline proposals for a new caravan site at Rother Valley Country Park following assessment of its business potential and an opportunity to generate revenue and which would further enhance Rotherham's reputation as a welcoming and enjoyable visitor destination.

Ward Members were in full support of the proposals for development as this would not only bring visitors into Rotherham, but create and support business enrichment in the local economy.

Resolved:- That the Rother Valley Country Park Caravan Site project be included within the approved Capital Programme as an invest-to-save initiative.

Mover:- Councillor Read Seconder:- Councillor Lelliott

108. RECOMMENDATION FROM CABINET - REVIEW OF DISTRICT HEATING CHARGES

Further to Minute No. 76 of the meeting of the Cabinet and Commissioners held on 13th November, 2017 consideration was given to the report which recommended the reduction of the kwh charge to 6.28p per kwh with no standing charge for 2017-18 which would be applied retrospectively from 1st April, 2017. These cost reductions would mean that charges for district heating in Rotherham for 2017-18 were comparable to both Sheffield and Doncaster.

Members welcomed the cost reduction for tenants on district heating and this would ensure the adoption of a charging structure that was fair to all tenants on district heating throughout the Borough.

Resolved:- (1) That the revised district heating cost model be approved.

(2) That the unit Kwh charge across all district heating schemes be reduced to 6.28p per kwh (incl. VAT) and apply retrospectively from 1 April 2017.

(3) That the weekly pre-payment charges on all pooled schemes be reduced as detailed in Option 3 of the report.

Mover:- Councillor Beck Seconder:- Councillor Read

109. LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND (LGBCE) - NOTIFICATION OF FINAL RECOMMENDATIONS

Consideration was given to the report which detailed how the Council had now received the Local Government Boundary Commission for England's (LGBCE) final recommendations for the future Warding of Rotherham from 2020.

The Commission's proposals were published on 31st October, 2017 and confirmed that there should be 59 Councillors in the Borough elected from 25 wards, which was 4 Wards more, but 4 Councillors fewer than there were at present. The Commission also proposed changes to all of the current Ward boundaries in the Borough.

This report, therefore, highlighted the final recommendations from the Local Government Boundary Commission for England.

Whilst there were a few Members who objected to the proposals where their Wards were affected, the majority accepted the proposals and were in support of the changes to the ward boundaries.

Resolved:- (1) That the final recommendations of the Local Government Boundary Commission for England in respect of the future Council size and
Warding arrangements in the borough of Rotherham be noted.

(2) That the future Council size of 59 Members and the operation of 25 electoral Wards from May 2020 be noted.

Mover:- Councillor Read Seconder:- Councillor Watson

110. COMMUNITY GOVERNANCE REVIEW - ORGREAVE PARISH COUNCIL

Further to Minute No. 17 of the meeting of Council held on 3rd June, 2015 consideration was given to the report which detailed the outcome of the request for a Community Governance Review to alter the boundary of the Parish Council to cover only the settlement of Orgreave and the creation of a new Parish Council to cover the remainder of the current area of Orgreave Parish Council, which would include the southern part of the Waverley settlement. On agreeing the Community Governance Review and approval of the Terms of Reference a further report was to be submitted with the results of the consultation exercise.

A consultation exercise did take place, but no further report was submitted to Council. This report sought to rectify that omission. There had been significant development on the Waverley site since 2015 and this report outlined the various proposals which have emerged from recent discussions with Orgreave Parish Council, Catcliffe Parish Council, the Waverley Residents Association and Ward Members and made

recommendations for the further progress of the Community Governance Review.

Members welcomed the opportunity for further consultation to address some of the concerns that have been raised from recent discussions.

Resolved:- (1) That the modified terms of reference set out at Appendix 4 of this report be agreed.

(2) That further consultation take place as set out at Section 4 of this report.

(3) That a further report on the outcome of the further consultation be submitted to the Council in due course.

Mover:- Councillor Alam Seconder:- Councillor Read

111. NOTICES OF MOTION

No motions have been received by the Proper Officer for this Council Meeting.

112. AUDIT COMMITTEE

Resolved:- That the reports, recommendation and minutes of the meetings of the Audit Committee be adopted.

Mover:- Councillor Wyatt Seconder:- Councillor Walsh

113. HEALTH AND WELLBEING BOARD

Resolved:- That the reports, recommendation and minutes of the meetings of the Health and Wellbeing Board be adopted.

Mover:- Councillor Roche Seconder:- Councillor Mallinder

114. PLANNING BOARD

Resolved:- That the reports, recommendation and minutes of the meetings of the Planning Board be adopted.

Mover:- Councillor Atkin Seconder:- Councillor Walsh

115. STAFFING COMMITTEE

Resolved:- That the reports, recommendation and minutes of the meetings of the Staffing Committee be adopted.

Mover:- Councillor Alam Seconder:- Councillor Watson

116. LICENSING

Resolved:- That the reports, recommendations and minutes of the meetings of the Licensing Board Sub-Committee, Licensing Board and Licensing Committee be adopted.

Mover:- Councillor Ellis Seconder:- Councillor Beaumont

117. MEMBERS' QUESTIONS TO DESIGNATED SPOKESPERSONS

Councillor Cowles referred to Prime Minister's questions on the 15th November, 2017 when Jeremy Corbyn raged against the Tories for cuts to the Fire Service, this view was supported by UKIP and local MP's and, other Local Authorities were opposing this policy. Why was our local policy, in Rotherham, supported by Councillor Atkin continuing to support the cuts.

Councillor Atkin, Designated Spokesperson for South Yorkshire Fire Authority, explained South Yorkshire Fire Authority and service managers have repeatedly stated their commitment to provide the best possible service to the people of South Yorkshire within the resources available to it, despite Government imposed funding cuts which have reduced its annual budget by around 25%. As a member of the Association of Metropolitan Fire and Rescue Authorities, South Yorkshire's Fire Authority had consistently lobbied for a fairer local funding settlement and would continue to do so.

In a supplementary question Councillor Cowles made reference to the I.R.M.P. which was currently out of date and pointed out plans were not set in stone. Plans were set and resources identified covering a particular period of time, but plans should be reviewed and amended accordingly. First priority should be to residents and fire fighters as fire fighters were entering buildings against national policy in order to save lives before a second pump was available from out of area to arrive approximately ten minutes later.

The problems were at night and Mr. Corbyn went on to report that fire related incidents had increased by 25% since 2010. Other figures were also heading north and the Fire Authority had financial reserves of £27.3 m. There would be an opportunity to do something about the precept in 2020. The Fire Authority appeared to be cash rich so if it only cost £200,000 to run a pump you could do so for a number of years. The Labour Party had been setting unsound budgets for years and using reserves. More houses were being built thus increasing the risk.

Councillor Cowles asked why were the cuts being supported when surely looking at things now there were 2 options and only one outcome – do you agree?

Councillor Atkin responded and confirmed nobody wanted to support the cuts, but it was the duty to balance a budget. Quoting from Jeremy Corbyn he had indicated that no Labour Councillor should set an illegal budget and Councillor Atkin was not willing to go against this.

118. MEMBERS' QUESTIONS TO CABINET MEMBERS AND CHAIRMEN

(1) Councillor Wyatt wished to thank Councillor Beck for the time and attention he and officers have given seeking a fair pricing structure for customers on district heating, the opportunities to make representations to him and the diligence applied to these issues. Councillor Beck had referred in Agenda Item 13 to the reduction of costs and the ongoing work that would continue on thermal comforts and improvements and asked would he please investigate residents' concerns regarding positioning of internal thermostats, in particular those on the inside of external walls to a small number of properties, but this had possibly contributed to increased costs.

Councillor Beck confirmed the Council would investigate this further as this related to some properties on the Swinton Fitzwilliam Estate where the thermostat was erected on external walls and could result in a bigger draw on the heating.

In a supplementary question Councillor Wyatt referred to information he had since received regarding thermal imaging surveys that would take place between Christmas and New Year on the Swinton Fitzwilliam Estate. He asked that proper advice also be given to tenants about further refunds expected.

Councillor Beck pointed out that a number of engagement sessions have taken place across all district heating schemes over the past few months, and involved talking to residents, raising awareness and sharing information about how to improve the thermal comfort and efficiency of older properties. The Council would do as much as it could to make residents aware how they could help themselves and where the Council needed to help.

(2) **Councillor Carter** referred to health promotion being the backbone of preventing disease in our communities and asked what plans did the Council have to increase the uptake of exercise and sporting activities among younger children in the Borough?

Councillor Roche pointed out the Council along with the CCG and the Hospital Trust used early intervention and prevention alongside health promotion and as part of this the Council was providing an extensive range of opportunities to promote healthier lifestyle. Examples included:-

- Holiday activity called Mega Active during Summer, Spring Bank and Easter, October and February – Total of 5,393 attendances during 2016/17 programme.

- Active Rotherham delivered a disability sport programme targeting people aged 14 years + - Total of 5,083 attendances during 2016/17.

- The Council have an agreement with Places for People Leisure to deliver a range of sport and physical activity opportunities for young people - Number of physical visits to Leisure Facilities during 2016/17 was 1,241,225. This was the total visits which included young people.

- The Council facilitated 2 action groups for sport to work with schools and partners with the aim of developing, mapping and co-ordinating sports provision for young people.

- The Council worked with numerous voluntary sports clubs on issues such as funding bids, facility development, training and development to increase opportunities for young people to have better quality sport and physical activity experiences and better quality facilities.

- The Council was currently working with Yorkshire Sport Foundation to refresh its Activity Partnership which would have a strategic overview of the Borough's sport and physical activity offer

Furthermore, the Council was also now working with Housing and Green Spaces to see if in housing developments there were opportunities to increase sporting activities as part of a new big development.

In a supplementary question Councillor Carter asked about those people from less fortunate homes and greater inequality in health how they could access these opportunities in sporting activities and principally what support was available for these people to participate.

Councillor Roche explained the Council was continuing to try to increase those activities, but was concerned about funding cutbacks by the Government which did limit what could be done. The Council was committed to funding facilities for all young people as there were long term savings for early intervention and prevention related to health.

(3) Councillor Simpson asked could the Council support and promote in schools the NSPCC campaign packs that were available to help children, teachers and parents.

They taught children important messages, about safety online and that their body belongs to them.

Available from
https://www.nspcc.org.uk/preventing-abuse/keeping-children-safe/underwear-rule/

Councillor Watson thanked Councillor Simpson for his question and advised that all schools have established safeguarding policies and procedures which included sections around the training of staff and education of pupils in relation to their safety and online security. The policies also included contact details and website addresses for statutory and voluntary organisations, including the NSPCC and resources available. The Council was, however, happy to remind schools of the excellent resource support packs available from the NSPCC and this would also be highlighted as an available resource through the regular Education Safeguarding Fora.

In a supplementary comment Councillor Simpson pointed out he was supporting 2 petitions which related to stopping child rapists getting early release and giving new immigrants rules on expected behaviour in our country especially towards children. These were presently being discussed by the Government.

(4) Councillor Carter asked what plans, if any, did the administration have to devolve more powers and responsibility to the Ward assembly structures that have been introduced this year and have shown to be more effective than the previous regime?

Councillor Read confirmed there were no formal plans in place to devolve further responsibilities, but this would be subject to review. This was the first year of the new arrangements and the Cabinet Member would urge Councillor Carter to attend the workshop on the 20th December, 2017 where Members could feed back their views and discuss any further proposals that would be taken into consideration.

In a supplementary question Councillor Carter asked would the administration consider devolving powers to area assemblies for areas such as planning in the future.

Councillor Read pointed out the whole regime was to be kept under review and consideration would be given as to how to build on the success and mitigate the things that had not worked quite so well this year. Planning was a difficult issue to deal with on a locality basis, but would urge Councillor Carter to take his ideas forward and raise them in the session on the 20th December.

(5) Councillor M. Elliott referred to Aughton Early Years' Centre being Ofsted rated as "Outstanding" in 2010 and 2013. The recent Ofsted inspection report dated 16th November, 2017 now rated it as "Requires Improvement" and he asked what had caused this deterioration?

Councillor Watson explained the outcome of the recent inspection was disappointing, but possibly not a surprise, given the tragic turn of events in the last twelve months. This coincided with the awful news of the death of the previous Centre Head Teacher last Christmas. Unfortunately, many only read the headlines of a report without reading the detail. Since then,

as Ofsted noted in their published report; “The Acting Head teacher has steadied the ship during an unsettled time and enabled staff to continue to put children first and Governors are committed and supportive.”

The Local Authority had offered support throughout this difficult time and Officers would continue to do so, working with the current staff and Governors, with the aim of improving the rating. It was perhaps worth acknowledging that Ofsted also noted that; “Staff are kind, dedicated and nurturing. They care well for children, so children feel safe and happy in the Centre. Consequently, the Centre was calm and secure.”

Moving forward and with support from the Local Authority it was hoped that this unfortunate blip could be overcome and allow all children to be educated in a good or outstanding setting.

(6) Councillor Carter asked what actions were the administration undertaking to support and cultivate the digital economy in Rotherham?

Councillor Lelliott confirmed the Council delivered a programme of workshops to new start and growing businesses around issues such as websites, social media and digital marketing and also provided start up and growth advice to businesses including leading on the delivery of Accelerator Programmes through Y–accelerator for the Sheffield City Region. The latest programme was due to start in the New Year and had received 30 applicants (which were currently being worked through) a number of which were in the digital economy

The businesses centres were also digitally connected and provided excellent facilities for small businesses in the digital economy.

The Council would work with the Sheffield City Region on developing and implementing the “Sheffield City Region Digital Action Plan” currently being drafted.

The Council was working with SuperFast South Yorkshire (a group of four South Yorkshire Councils) to deliver superfast broadband across the Borough. This project would have delivered Superfast broadband to 94.2% premises across South Yorkshire – both homes and businesses by the end of 2017.

The Council was currently planning to rollout free WiFi to the public in the centre of Rotherham. This was agreed as part of the Council Digital Strategy. The solution would be delivered at no cost to the Authority and be able to be used by residents and visitors to the town centre. The plans were for this to be delivered during the second half of 2018.

(7) Councillor B. Cutts asked could the Cabinet Member please provide a list of services either closed or outsourced to the private sector, since 2010, for example Meals on Wheels, Laundry Services etc. clearly showing which were no longer available and which have been outsourced?

Councillor Roche explained the decision to decommission the Meals on Wheels service took place in 2008 following extensive consultation. Adults requiring support with taking on nutrition were supported to do so as part of their care package should this be required. The preparation of meals was undertaken by a provider as a commercial enterprise with the service user choosing that provider and the price they wish to pay.

The Laundry Service was decommissioned in 2009. It ran on fixed days and was not personalised. The service was not financially viable with high replacement and maintenance costs associated with the building which housed the laundry and the machinery/boilers. The service users utilising the laundry service as a result of continence issues were supported by the NHS Community Nursing Service to be prescribed as appropriate.

The Warden Service was reviewed and changed to merge into the in-house Enabling Service back in 2010. The Warden Service staff were merged into the new Enabling offer and the Neighbourhood Centres attached to the former sheltered housing sites were handed over to Housing.

Three services were also decommissioned as part of the modernisation of Adult Care during 2016/17:-

- Netherfield Court intermediate care unit – this service was relocated to Lord Hardy Court and Davies Court creating additional capacity in 2016.

- Copeland Lodge day centre for older people – This older people's day care offer was reviewed and customers were assessed and alternative options were explored and offered. The customers from Copeland did choose to access alternative provision for example: Day Support Service, Direct Payments for personal assistance or support at home in 2016.

- Charnwood House day centre for older people and people with a learning disability - customers were reviewed and alternative options were explored and offered. Customers did choose alternative provision in the same way as Copeland Lodge. The outcomes for both customer groups were positive.

All these proposals were brought forward to full Council for a decision.

Since 2010, 6 services that have been commissioned and contracted with the independent sector and voluntary and community sector have not replaced any 'in-house' service. The list of services which have been decommissioned were:-

- Floating Support (HIV/AIDS).
- Rotherham Advocacy Services.
- Royal National Institute for Blind - Advocacy Service and Eye Clinic Liaison Officer
- Age UK Advocacy Service.
- Action on Hearing Loss - British Sign Language service.

No Adult Services have been moved from the public to the private sector. As you may aware many tenders have to be judged blind in a sense and until a successful tender was selected it was not possible to determine if this was a private or a public organisation, but would be judged on which best met the needs of the public.

In a supplementary question Councillor B. Cutts asked if the details of the question could be provided in a simple list of services.

Councillor Roche confirmed details of the above answer would be provided in full alongside a list of services.

(8) Councillor Carter referred to the waste collection changes not going far enough in addressing the concerns of local residents and asked why was it that this Council could not introduce plastic recycling?

Councillor Hoddinott explained the Council did recycle plastic as this could be taken to waste collection and recycling centres and was extracted from the black bins at Manvers. However, this was not collected at the kerbside. The proposals did not propose to do so in the future as it would cost about £700,000 to implement, therefore, turning a saving into a cost.

In a supplementary question Councillor Carter asked if people were able to take plastic bottles to the waste collection or recycling centres how did this affect the least well off in our society who may not have the means of transport to do this?

Councillor Hoddinott explained it was always better to take to waste recycling centres, but plastic could still be put into the black bin as this was extracted at Manvers and was actually putting less than 5% into landfill.

(9) Councillor Carter referred to the waste consultation letter stating that the changes would "bring the council in line with what other councils are doing already" and asked which of the six neighbouring councils were not already recycling plastic bottles at the kerbside?

Councillor Hoddinott confirmed neighbouring authorities did recycle plastic at the kerbside and across the country this varied enormously. The changes to the waste collection would bring Rotherham into line with other Councils facing massive cuts and it was appropriate that a review took place of the efficiency of the waste service. Some Councils did charge for their green waste so this brought Rotherham into line with bin swaps and smaller bins. Some Councils had also looked at 3 weekly collections, but this was not something Rotherham wanted to consider at this time.

In a supplementary question Councillor Carter asked with the budget cuts why was a Liberal Democrat run Council like Watford recycling plastic bottles and able to keep weekly collections and Rotherham were not able to do the same.

Councillor Hoddinott pointed out it would cost the Council to recycle plastic bottles and introducing this cost was not something that could be done at this time as two-thirds of the Council's budget was used for the protection of children and adults. Rotherham was not the same as Watford.

(10) Councillor Cowles explained he had been approached by both residents and a couple of funeral directors who would like to know just how long the scaffolding at the crematorium, which has been there months, would remain in place and, why could weekend working not be introduced to speed up the refurbishment?

Councillor Hoddinott confirmed the scaffolding would be removed by the end of the year. The work had been carried out only at the weekends and the services were taking place during the week.

In a supplementary question Councillor Cowles had been informed that because of the situation people were requesting cremations be carried out at Doncaster, which was much nicer and £200 cheaper. Doncaster made £1.7 million and Rotherham £500,000 so he was pleased to hear that the Council was liaising with Dignity to get the work completed as soon as possible.

Councillor Hoddinott confirmed every effort was being made to get the best service out of Dignity and she herself had written numerous times about the service. The Cabinet Member was pleased to report that scrutiny was going to be looking at the Dignity contract and to see what could be done to improve the service for residents.

(11) Councillor Carter referred to Eastwood and how it had been a major flytipping area and asked, given the administration's failures here, how could a smaller general waste bin not exacerbate this problem?

Councillor Hoddinott confirmed there had been 500 flytipping incident reports made for 2016/17, with 265 flytips reported during the current year up until the end of October. This was a reduction in flytipping through co-ordinating action. There was no excuse for flytipping and one of things implemented in Eastwood as part of the deal was to introduce bulky waste for landlords. Flytipping was an issue not just in Eastwood and there had been some focus on some of the problems in the north and south of the Borough with flytipping in woods and country lanes which other Councillors had reported.

There was no evidence to suggest a smaller bin was going to exacerbate the problem of flytipping. Smaller bins implemented in another authority had resulted in their recycling rates going up by 20% and evidential how people dealt with their waste and recycling.

In a supplementary question Councillor Carter referred to how many residents were struggling to fit all plastic bottles and other waste in their current bins, particularly houses of multiple occupation and large families and suggested this could lead to more litter around the Borough.

Councillor Hoddinott explained that this was not an easy issue. Consideration needed to be given as to why people were producing so much waste and the reasons for this. There were some circumstances where extra capacity was provided for, but this was for specific reasons. The Cabinet Member offered to visit those families with a Recycling Officer to gain some understanding as to the amount of waste they were producing and to see how they could do more recycling.

(12) Councillor Napper referred recently to Facebook where it showed eleven police cars and 4 riot vans all with red and blue lights flashing. He had asked the Police at a SIMS meeting what was going on and they replied "nothing". He asked did the Council know what was going on in Eastwood?

Councillor Hoddinott confirmed the Council did know what was going on in Eastwood as did local Ward Councillors for that area. Through regular liaison and two way dialogue with the Police there was a working closer together in Eastwood.

In a supplementary question Councillor Napper pointed out that in his own Ward there had been a robbery and the Police had not attended nor any vehicles.

Councillor Hoddinott confirmed she did have the reasons why so many vehicles had been present at one time in Eastwood and this was due to child protection and domestic issues. She was happy to provide the details as to why there was such a presence in the area.

(13) Councillor Cowles asked, in order to be fully clear and transparent with the public on the proposal to revise waste collecting and introduce Labour's new 'bin tax' for collection of green waste, what would be the total cost of introducing the charge e.g. new bins, extended coverage?

Councillor Hoddinott explained there was no such thing as a "bin tax" and there have been some misunderstanding around the service. Inclusion was optional and people did not have to pay for green waste collection if they did not want to. Bins would be purchased from Capital and the cost recovered over a few years. The cost could only be estimated. The Council would only purchase the number of bins required, on the basis of the number of subscribers to the scheme.

In a supplementary question Councillor Cowles asked again for the total cost of introducing the changes to waste collection and, as the Council took consultancy advice on, what was the cost of the consultancy charge.

Councillor Hoddinott confirmed she would provide the figures in writing to Councillor Cowles, but would double check the cost of support received in putting together the proposals. External advice was received as massive changes were proposed which would affect every household in the Borough. Benchmarking and modelling advice was required to get the process right, to be compliant and to ensure the proposals were doable for the area and something that could be put in place. If this kind of expertise was not available within the Council then this should be sought externally.

(14) Councillor Carter asked how could a retiree from Brinsworth who relied purely on public transport, make use of Rother Valley Country Park?

Councillor Watson was surprised with this question as he had got this worry that a retiree in Brinsworth was waiting 6 weeks for an answer. Councillor Carter could have done the same as the Deputy Leader and either walked into the Interchange for advice, gone online or made a telephone call to find out that you could catch a No. 73 bus from Brinsworth to Rotherham, then catch No. 29 from Rotherham to Ormond Tree Road and then walk about 0.8 miles through the Park. Alternatively, a person could catch Nos. 72, 74 or 74A from Brinsworth to Oakley Road and then take the X5 to Ormond Tree Road. This would take in the order of 66 to 70 minutes depending on the time of day and a total of 7 possible journeys an hour for anyone wanting to travel by public transport.

In a supplementary question Councillor Carter referred to the last Council Meeting when discussion took place on the parks and country park strategy available for the public. He found it a little peculiar that in order for parks and green spaces to be open and used by all cross sections of the community, a 66 minute 2 bus and a walk journey appeared a little bizarre. Perhaps the Council needed to invest in its community car parks so it was not just the few that accessed the parks, but many.

Councillor Watson wanted the parks to be accessed by the many, but Councillor Carter had deliberately chosen his own Ward and a park on the far south of the Borough. Councillor Watson accepted that even from where he himself lived it would take him a while to travel on public transport as it was to a country park.

(15) Councillor Napper asked how many retrospective planning consents have RMBC given since 2000?

Councillor Lelliott explained the Planning Service did not hold this information. The Local Planning Authority did not log whether an application was retrospective or not, as this was not material planning consideration, and was therefore, not recorded.

In a supplementary question Councillor Napper asked by giving retrospective planning permission revenue was not collected from Building Control so the Council was losing income as it was not known how that building had been erected.

Councillor Lelliott took on board Councillor Napper's concerns.

(16) Councillor Cowles asked, in order to be clear and transparent with the public would it be necessary in future years to review the charge and increase the 'bin tax', would this be made clear during the consultation and, had the Service decided upon the frequency of such increases.

Councillor Hoddinott explained this was a proposal and was still out for consultation with the public. If it was to be approved then it would become a normal fee charge of the Council and these were reviewed annually as part of the budget.

In a supplementary question Councillor Cowles made reference to this being a tax as it was part of Council Tax. The costs of this Service would have to be reviewed as the Service may increase, but the revenue may not.

Whilst this Service was optional as people got older their reliance on this Service would increase as they would be unable to transport waste around the Borough.

Councillor Cowles, therefore, asked what assumptions had been made to how long it would take to recover the costs and how much profit might be available to support other services.

Councillor Hoddinott reiterated this was not a tax. The link to the Council Tax was misleading for the public. This was an optional fee and an opt-in service. In terms of the proposals the modelling figures were over 10 years and the capital costs covered that amount of time. Take up had been considered in other areas which were around 15-30% and the Service could be scaled up or down so that the charge covered the cost of the Service. The comment about elderly people was interesting as discussions had taken place with the Rotherham Pensioners' Action Group and the need to talk about initiatives like composting which was easier and more environmentally friendly.

(17) Councillor Napper referred to the 4th November when a lot of kids were running riot in Woodlaithes Village. They were smashing car wing mirrors and wrecking garden fences etc. but the Police would not respond to calls from the public. He asked what could RMBC do to stop this kind of behaviour before someone got hurt?

Councillor Hoddinott explained about the need to work better together in terms of neighbourhood working to help to resolve and prevent these issues locally. A seminar would take place in the New Year with the Police to look at this issue. The Cabinet Member had raised these issues with the Police and the concerns and she had got a full response which she was happy to share. The Police had received details of the crimes, but these were reported the next day and, as there was no CCTV or lines of enquiry, visits were not made to the people involved. To be fair to the Police they had to prioritise their workloads and due to the absence of lines of enquiry no visits were made.

In a supplementary question Councillor Napper pointed out some of the residents did have some CCTV footage, but the Police would only take information from the properties that were damaged.

Councillor Hoddinott pointed out this was casework and should be picked up outside the full Council meeting as there were some discrepancies and the Cabinet Member was happy to pick this up after the meeting.

(18) Councillor Carter asked as a Labour Council, if you were able, would you wish to build more social housing as an authority in Rotherham?

Councillor Beck confirmed yes he would

In a supplementary question Councillor Carter asked how would the Cabinet Member propose doing this and was he lobbying the Government to enable the Local Authority to do so.

Councillor Beck confirmed that over the last 4 months the Cabinet had approved several reports which had paved the way for 160 new Council houses in Rotherham over the next few years. This week he was in Maltby with Ward Representatives undertaking the sod cutting on the Braithwell Road site which was going to deliver 217 new homes – half for open market sale and 98 new Council properties for people that needed them. There were over 6,000 people on the housing waiting list who were desperate for appropriate housing.

This Council was looking to do as much as it could using its own funds to build as many Council houses as it could replacing those lost through the Right to Buy Scheme. More help was needed from the Government on this, but the Council had been successful recently with the Homes and Communities Agency in drawing down assistance to deliver new homes for people.

(19) Councillor Carter asked had Councillor Read maintained any lines of communication with the Elected Members and senior officers at Barnsley Council since the collapsed Sheffield City Region Deal earlier this year?

The Leader confirmed lines of communication were kept open with all organisations and South Yorkshire Leaders continued to meet regularly and with the Combined Authority and these lines of communication would remain open.

In a supplementary question Councillor Carter asked if consensus had been regained in the four South Yorkshire Authorities on the devolution deal moving forward?

The Leader confirmed consensus had not been regained. Doncaster and Barnsley were out to vote with the public about a preferred devolution deal and he himself had taken part in a media debate which would be broadcast later this week. Many would prefer a one Yorkshire settlement, but a mayoral election would take place next year and the City Region would make the most of this and benefit from additional powers and funding to deliver jobs irrespective of the preference in the future. The Leader hoped to receive consensus on this in the coming months.

(20) Councillor Napper referred again to people asking what action was RMBC going to take in relation to illegal parking in the areas of Wellgate, Westgate, Fitzwilliam Road and Wharncliffe Street of Rotherham?

Councillor Lelliott confirmed the Council's Parking Services patrolled each of these locations several times daily as they all formed part of a regular 'beat'.

Wellgate in particular had been the subject of intensive patrols over the past 2 years as a result of numerous complaints and reports of parking activities that contravened the restrictions.

Several joint operations have been undertaken with South Yorkshire Police and the Council's Licensing Team (who focused on infringements by taxis and licensed hire vehicles) in an effort to reinforce the message to drivers that such parking activities were not acceptable.

Further joint patrols are planned for early 2018 and daily patrols would continue up to and beyond those patrols.

Councillor Lelliott was in receipt of a list which she was happy to email out to Councillor Napper of all the Fixed Penalty Notices issued over the last few months.

In a supplementary question Councillor Napper referred to a recent meeting where the Strategic Director indicated one person had had 25 tickets for illegal parking and he asked could the Enforcement Officer enlist the assistance of a Traffic Officer to see if this was an illegal driver and to see if his vehicle could be lifted.

Councillor Lelliott confirmed in relation to this one particular individual his vehicle had already been removed. There had been a number of joint operations with the Police on this kind of activity. Unfortunately, many who received a Fixed Penalty Notice had not registered the vehicle so there was no listed legal owner so it was difficult to identify the location of the vehicle to clamp. On one such occasion a vehicle that was in the process of being lifted onto a tow truck had been driven away. Now on each occasion, whilst the arrival of a tow truck was awaited, all vehicles were clamped. Whilst the whereabouts of these individuals were known due process had to be followed.

(21) Councillor John Turner asked how long did it take a new immigrant to receive British and indeed Rotherham Citizenship after they arrived in Rotherham?

Councillor Alam confirmed Citizenship was granted from the Home Office. The Register Office and the Council have no control over the timescale of new arrivals receiving their British Citizenship once they have applied. It took around 6 months or more for Citizenship to be granted and a number of conditions have to be met before this could be issued.

In a supplementary question Councillor John Turner asked what proportion of these new immigrants receiving new Citizenship at the next election would vote Labour.

Councillor Alam was unable to comment.

(22) Councillor Carter asked had Councillor Read maintained any lines of communication with the elected members and senior officers at Doncaster Council since the collapse Sheffield City Region Deal earlier this year?

The Leader confirmed he had.

In a supplementary question Councillor Carter asked as a result of the discussion with the Sheffield City Council Leader and the Doncaster Chief Executive, which side did the Leader sit on.

The Leader pointed out the disagreements between the position of Doncaster and Sheffield were not helpful nor were if for the frustrations to spill over in public. He had outlined what was best for the Sheffield City Region devolution deal and what was needed was to get a deal that worked for the people of South Yorkshire.

(23) Councillor Carter asked since September what contact had Councillor Read had with the Department for Communities and Local Government in relation to the Sheffield City Region Deal?

The Leader confirmed he had not had any formal contact with the Department for Communities and Local Government personally, but contact between the Local Authority and Combined Authority did occasionally occur to discuss any matters as and when they arose.

In a supplementary question Councillor Carter referred to a rough proposal recently to have a different solution to the devolution deal with would involve 4 regional Mayors covering the whole of Yorkshire some kind of Cabinet model to lobby on a Yorkshire wide basis for their specific areas and asked the Leader was this something he could support.

The Leader explained this was a suggestion as a way of breaking the deadlock on a regional basis. His own position was for the need for the Sheffield City Region deal to go ahead and to be delivered for the public of South Yorkshire. If other areas wished to have Mayors on a sub-regional basis this would be a matter for them and if those Mayors then wished to come together in some form of Cabinet arrangement to make decisions based on their legal powers that would be their decision if colleagues were minded to move in that direction. For now the Leader was keen not to move beyond the plans already in place for the City Region.

(24) Councillor Napper referred to the most congested road in Rotherham which was Rawmarsh Road and in particular, the stretch between Parkgate Retail World to the roundabout at Parkgate and he asked when was the Council going to address this big problem?

Councillor Lelliott explained the Council recognised that this was a congested section of highway. As a result, recent changes have been made to the traffic signals to help control the flow of traffic and improve capacity at the junctions. A number of traffic management interventions have been introduced on this route including restrictions on loading/waiting and to the signalised junction at Broad Street and

Greasbrough Road to further improve the flow of traffic and reduce delays.

The physical restrictions along the route meant that any road widening solution between Taylor's Lane and Rawmarsh Hill would be unaffordable. The most suitable large scale intervention to reduce congestion in the area was to provide a new road through Parkgate Retail World to Aldwarke Lane. Funding for this scheme had not been secured although efforts are being undertaken to identify available opportunities.

In a supplementary question Councillor Napper wondered why a slip road could not be inserted near to the Station Public House just to ease some of the congestion. This was not a big task into the top end of retail world.

Councillor Lelliott believed there would be some reasoning behind this, but would consult further with officers and get back to Councillor Napper.

(25) Councillor Carter referred to residents in Brinsworth being affected by air pollution from Aggregate Industries Asphalt and asked what would the Council be doing to address this?

Councillor Hoddinott confirmed, having checked with officers, she was not aware that Aggregate Industries were causing air pollution.

In a supplementary question Councillor Carter referred to a number of residents who had reported a deterioration in their respiratory conditions such as asthma and that having consulted with Environment Health Officers had indicated at various points to residents the pollution was coming from this company and he asked what action been taken by officers here.

Councillor Hoddinott confirmed air pollution was a serious issue and hoped Councillor Carter could have raised the concerns sooner. If there were those concerns the Cabinet Member urged residents to take these up with the Service who would investigate, but having checked with the Department no reports had been received.

(26) Councillor John Turner asked did the Labour Government blame the Tory Government for the current financial cuts and strictures or did it blame the previous Labour Government for the £1.3 Trillian debt that could not be got rid of.

The Leader explained the responsibility for the current financial cuts and strictures were as a result of this Tory Government. People only had to look at the impact on public services and Local Government in Rotherham against other parts of the country.

(27) Councillor Napper asked what was RMBC doing when in a Council house in Rotherham there was mould causing ill health with the mould on carpets and furniture and the floor and which was not caused by condensation.

Councillor Beck confirmed mould growth did cause ill health in properties and there were lots of reasons why it appeared. However, he asked Councillor Napper that if he had any particular concerns that it would be helpful for the 2 Councillors to talk after this meeting and any particular problems would be investigated further

In a supplementary question, Councillor Napper, having raised the same issue with Housing, asked why for over 12 months had an outside contractor been saying to a pensioner that she needed to move a large wardrobe and pull carpets back for the floor to be sprayed and then to claim on her house insurance.

Councillor Beck agreed this was unacceptable and would see Councillor Napper after this meeting.

119. URGENT ITEMS

There were none.

WRITTEN ANSWER FOR COUNCIL

13TH DECEMBER, 2017

Questions to Cabinet Members

(13) **Councillor Cowles to the Cabinet Member for Waste, Roads and Community Safety**

Supplementary Question - What was the total cost of introducing the changes to waste collection and, as the Council took consultancy advice on, what was the cost of the consultancy charge.

Answer - The anticipated costs, capital and revenue, of the proposals are approximately £3.3m. These costs, including the annual borrowing costs for the new bins, are included within the modelling assumptions for the savings proposal.

This is on the basis of an "invest to save" principle, whereby the Council will need to make an initial capital investment in order to achieve longer term savings from the proposals.

The estimated total value of the annual revenue saving arising from these proposals is £1.383m, which it is anticipated will be achieved in 2019/20. The total net savings over the ten-year period will be £1.523m.

This investment will be used to fund the activities identified below:-

Service Change – Revenue Costs £270,000

- Operational implementation, re-routing, education
- Service Change communication, leaflets and bin stickers
- Garden waste service communications and publicity which would be recovered via subscription

Bin Provision – Capital Costs £3,059,000

- Bin provision new 180 litre residual bins
- Provision for bin renewals e.g. damaged bins or those that need replacing due to wear and tear
- New bin provision for the chargeable garden waste service, the cost of which would be recovered via the subscription charge

A 10 year life has been assumed for these new bins, therefore, the borrowing costs associated with their purchase have been modelled over this period. The bins specifically would be an annual revenue cost of £315k, excluding the cost of the green bins, which will be recovered via the subscription charge.

As you are we are still carrying out a public consultation now, and the final decision about what our future bin service looks like has still to be made, but these figures are the information we have been able to model at this stage.

In addition to this, consultants were commissioned by officers and details of that work are outlined below:-

The terms of reference were to undertake a comprehensive appraisal of the Council's waste and recycling options. The objectives were as follows:

- Review the current waste collection arrangements and identification of opportunities to improve the efficiency of current working arrangements;
- Review current legislation and policy and emerging issues;
- Carry out options appraisal of alternative waste collection options identifying costs, benefits, performance impacts and any implications for PFI funding or PFI funded facilities;
- Review of service delivery and commissioning options, identifying costs, benefits and limitations;
- Assessment of opportunities to maximise income streams from waste collection services provided by the Council;
- Advise on community / stakeholder consultation, industry / market testing and the impact of the outcomes of this project on interdependent activities e.g. the development of a BDRS waste strategy and collaborative working and PFI funding facilities.

The cost of the consultant's main report relating to the proposed changes to the waste collection service was £19,993 (rounded to £20k as previously notified to you). However, we also commissioned some additional supplementary modelling work in relation to the main report which cost £6,050 (two invoices of £4,050 and £2,000).

CABINET/COMMISSIONERS'
DECISION MAKING MEETING
11th December, 2017

Present:- Councillor Read (in the Chair); Commissioner Kenny, Councillors Alam, Beck, Hoddinott, Lelliott, Roche, Watson and Yasseen.

Apologies for absence were received from Commissioner Bradwell and Commissioner Ney.

Also in attendance was Councillor Steele, Chair of the Overview and Scrutiny Management Board and Councillor Cowles.

The webcast of Cabinet and Commissioners' Decision Making Meetings can be viewed at:-
https://rotherham.public-i.tv/core/portal/webcasts/enctag/Executive%252BArea

79. DECLARATIONS OF INTEREST

There were no declarations of interest reported.

80. QUESTIONS FROM MEMBERS OF THE PUBLIC

(1) A member of the public again referred to the review of Standing Orders and his question to the Leader back in 2016 when a Steering Group was allegedly being set up to review the Constitution and Standing Orders. In March this year the Leader was again asked when the review into the 50 word limit for questions from members of the public would be complete. He was advised this was the next area for review and would add to the work programme. The position remained the same when in October this year the Leader was again asked why he had not delivered on what he had promised in March, 2017.

The Leader confirmed a review had been completed and as no Member raised any issue with the 50 word question limit for members of the public the position remained the same. The Constitution Working Group still had some work to complete and whilst the Leader would keep the position under review, was unable to make a wider offer to change at this point.

In a supplementary question the member of the public responded to the comments about adding the 50 word limit for questions to the work programme for review and asked why the Leader had reneged on his promise. He asked that an early review be instigated on Standing Orders and the Constitution in order to fulfil what had been promised.

The Leader was happy to reflect on the question word limit element as part of the ongoing review with other Members as to the appropriateness of revisiting this area. He apologised if he had misled the member of the public, but was unable to give any commitment to change the word limit today.

(2) A member of the public had previously asked the Commissioners to ask the Civil Servants why other areas like Newcastle, Bradford and Rochdale had not had called for independent enquiries like Rotherham into child sexual exploitation when these areas had prosecuted umpteen offenders for their crimes. He had received a response, but this had not addressed the question and referred to inspections being undertaken, but not of the magnitude of Jay and Casey. He asked again why had these areas not called for an independent review.

The Leader was unable to comment on the question, but the rhetorical points were noted.

(3) The member of the public further asked when would the Commissioners' stop robbing the Rotherham taxpayers and leave.

The Leader confirmed the Council remained under formal review and was unable to add anything further.

81. MINUTES OF THE PREVIOUS MEETING HELD ON 13 NOVEMBER 2017

Resolved:- That the minutes of the Cabinet and Commissioners' Decision Making Meetings held on 13th November, 2017, be agreed as a true and correct record of the proceedings and would include adding Councillor Steele to the in attendance list.

82. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the agenda item 15 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

83. MEMBERS' ALLOWANCES - RESTORATION OF ENTITLEMENT TO FULL PAYMENT OF SPECIAL RESPONSIBILITY ALLOWANCES

Consideration was given to the report which confirmed following the further restoration of decision making powers to the Council in September, 2017, all executive functions have been returned to the Cabinet with the exception of Children's Social Care, which was subject to a separate intervention regime.

This report, therefore, proposed that the Lead Commissioner agree that the full payment of special responsibility allowances to Cabinet Members be restored with effect from the date that powers were returned to the Council on 12th September, 2017.

Commissioner Kenny agreed:- That Council be recommended to consider approval of the restoration of entitlement to 100% of the special responsibility allowance for the Leader of the Council, Deputy Leader of the Council and Cabinet Members, in accordance with the Member Allowances Scheme, with effect from 12th September, 2017.

84. OCTOBER FINANCIAL MONITORING REPORT 2017-18 AND UPDATE OF THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY 2019-20

Consideration was given to the report which set out the financial position for the Revenue and Capital Budgets at the end of October 2017 and was based on actual costs and income for the 7 months ending 31st October, 2017 and forecasted for the remainder of the financial year. This was the fourth of a series of monitoring reports for the 2017/18 financial year which would continue to be brought forward to Cabinet and Commissioners on a regular basis.

Delivery of the Council's Revenue and Capital Budget and Medium Term Financial Strategy within the parameters agreed at the start of the current financial year was essential if the Council's objectives were to be achieved. Financial performance was a key element within the assessment of the Council's overall performance framework.

As at October, 2017 the Council had a forecasted overspend on the General Fund of £4.594m, an increase of £0.6m over the £4.0m forecast overspend as at September. The main reason for this increase was a continuing rise in the projected overspend by the Children and Young People's Directorate of a further £0.434m, chiefly attributable to continued increases in the number of children in care.

This increase in the number of Looked After Children had also placed significant and unavoidable pressure on Legal Services, which currently had a forecast Budget overspend of £1.1m resulting in a net projected overspend for the Finance and Customer Services Budget of £0.6m. In addition, the Adult Care and Housing forecast overspend had increased by £0.2m from £5.1m to £5.3m.

Offsetting these pressures, the Assistant Chief Executive's Budget projected underspend had increased by £34k to £244k, chiefly as a result of staffing savings mitigating other cost pressures. It was still anticipated that the review of Business Rates and Treasury Management would deliver £5m of savings against the Central Services budget this year.

The Regeneration and Environment Services projected budget outturn remained a break even position achieved through ongoing tight day to day budgetary control.

Management actions to address areas of overspend were also ongoing and the overall budget position would continue to be monitored closely. The current round of budget monitoring showed, however, that the Council's Revenue Budget position had deteriorated by £0.6m since the previous monitoring report showing the position as at September.

The majority of the £24m budget savings approved within the 2017/18 budget were on target to be achieved. Within this target there were £11.9m of Directorate budget savings, which combined with a further £5.4m of 2017/18 Directorate budget savings agreed in previous budgets, gave a total Directorate savings target for 2017/18 of £17.3m. The current monitoring indicated that of this total, £6.8m of savings proposals were at risk of non-delivery in the manner approved by Council when the 2017/18 Budget was set (an improvement of £0.4m compared to September). These at risk proposals and the impact of mitigating actions were reflected in the current overspend projection. Cabinet approval would be sought for any budget savings which ultimately were proposed to be delivered differently on a permanent basis.

In order to balance the Revenue Budget for 2017/18 if expenditure could not be contained within budgets by management actions or by identifying additional savings, the Council would need to call on its reserves. The use of £10.5m from the Council's reserves was approved as part of the 2017/18 Revenue Budget, in recognition of the timescales associated with developing future plans to achieve the significant additional budget savings required to stabilise the Council's Budget position for the financial years 2018/19 and 2019/20. This approach permitted the Council to use its current balance of reserves to mitigate the overall budget risk in the short term and to support a sustainable financial plan in the medium term before these reserves were reinstated in future years. The current financial climate, the risks associated with continuing reductions in Government funding and the resulting significant savings required by the Council meant that there was a need to maintain prudent levels of reserves and to avoid calling on them except in exceptional circumstances. Given this, it was essential that all services continued to develop mitigating actions and identify alternative savings to compensate for financial pressures and delays in delivering the full amount of savings proposed in the Revenue Budget.

The current forecast outturn position reflected the financial effects of the mitigating actions that have been identified and implemented to date and the progress made in re-establishing a balanced budget position would be reported regularly through these Financial Monitoring reports.

As indicated in the Budget and Council Tax report 2017/18, the summary Medium Term Financial Strategy had been reviewed, informed by the financial outturn for 2016/17 and taking into account current economic factors and latest financial planning estimates of the Council Tax base, Council Tax collection rates, business rates income and business rates appeals.

This review results in estimates of the MTFS Budget Gaps for the following 2 financial years of £15.1m in 2018/19 and £15.8m in 2019/20, a total of £30.9m over the two years.

There continued to be significant in-year pressure on the Dedicated Schools Grant (DSG) High Needs Block – the projected overspend had increased by £140k in the past month to the current projection of £7.360m. Whilst at present this pressure did not directly affect the Council's financial position, it was imperative that the recovery strategy was implemented setting out clearly how this position would be resolved and avoiding any risk to the Council in the future. This included the planned transfer of £3m DSG in 2017/18 to reduce the forecast High Needs Block deficit.

A recovery plan intending to mitigate as far as possible the in-year pressure and achieve the previously reported position of an overall cumulative deficit of £1.796m by April 2019 has been devised by the service. As reported previously, the key areas of focus which would deliver the targeted deficit reduction by April 2019 included:-

- A revised Special School funding model (November 2017);
- A review of high cost out of authority education provision to reduce cost and move children back into Rotherham educational provision (November 2019); and
- A review of inclusion services provided by the Council (December 2017).

The Public Health Budget was forecast to spend at budget whilst spending in the Housing Revenue Account (HRA) was forecast to be £0.583m below budget, reducing the planned use of HRA reserves from £1.16m to £0.6m.

An in-year variance of £15.396m reduced spend on the 2017/18 Capital Programme was forecast, the majority of which related to schemes which were re-profiled into 2018/19. The most significant variance was in respect of the Adult Care and Housing Capital Programme – where it was estimated that £10.821m of spending would be re-profiled into 2018/19 and later years of the Capital Programme, mostly to reflect delays on several major projects providing new housing. This revised and re-profiled Capital Programme position would continue to be closely monitored and any further revisions and adjustments required to the Programme would be reported within the next financial monitoring report to Cabinet.

Cabinet Members in noting the position and challenge welcomed the news that the budgeted funding gap had reduced slightly and this would be reported in February, 2018.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-Scrutiny process who were in support of the recommendations.

Resolved:- (1) That the current General Fund Revenue Budget forecast overspend for 2017/18 of £4.594m be noted.

(2) That management actions continue to be developed to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2017/18.

(3) That the review of the Medium Term Financial Strategy and the updated estimates of the Budget Gaps for 2018/19 and 2019/20 be noted.

(4) That the current forecast outturn position on the approved Capital Programme for 2017/18 be noted.

(5) That the proposal to further extend Superfast Broadband across South Yorkshire be supported on a basis of being cost neutral to the Council and that Council be recommended to add the Authority's share of the capital investment to the Capital Programme.

85. REVIEW OF THE COUNCIL TAX SUPPORT SCHEME

Consideration was given to the report that detailed until 2013/14 Council Tax Benefit was a national scheme administered by Councils but fully funded by the Government. In 2013 the Government abolished the national scheme and asked Local Authorities to create their own local Council Tax Support (CTS) Schemes with reduced funding. Local CTS Schemes have to be reviewed annually and this report set out recommendations following this year's review which was carried out within the context of the substantial financial challenges facing the Council.

Since 2010 Central Government grant to local authorities had been severely cut each and every year and the Council's latest financial planning assumptions have identified that the Council needed to reduce its net spending by a further £31m over the 2 years 2018/19 and 2019/20. The Council must address this funding gap whilst demand for services, particularly social care for vulnerable children and adults, was continuing to rise.

As part of the review of the CTS Scheme, the level of potential savings that could be gained by changing the scheme was considered alongside the impact of a variety of options.

Rotherham's scheme had remained unchanged since it was implemented, whereas many other Councils have already reviewed their schemes and provided support which was significantly less than was currently provided by Rotherham.

The proposals related only to support for working age claimants (the support provided to pensioner claimants remain unchanged at nationally determined levels).

The options which were selected included retaining the current scheme and a further 7 change options which could be implemented individually or in combination. Any proposal to change the Council Tax Support Scheme requires the Council to consult major preceptors (Fire and Rescue Authority and Police and Crime Commissioner) and also to undertake a public consultation exercise. Consultation had been held with the major preceptors and a public consultation was undertaken over the period 9th October, 2017 to 20th November, 2017.

Detailed analysis of these options for change and the consultation results had been undertaken to determine the recommendations for amendments to the CTS scheme. A total of 401 responses were received and detailed analysis of the consultation, including its scope and the analysis of the responses received, was included as part of Appendix A.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations, subject to 2 further recommendations about greater clarity being provided about how the consultation responses were used to inform proposals and where the proposals differed a clear rationale was provided and a further report being submitted on the take up of the scheme and the impact of Universal Credit roll-out across the borough.

Cabinet Members welcomed the changes to the Council Tax Support Scheme where this now incorporated support for care leavers, changes to non-dependent deductions, increasing the taper rate at which Council Tax was withdrawn and administrative changes for those on Universal Credit.

Resolved:- (1) That Cabinet recommend to Council the following amendments to the current Council Tax Support Scheme to take effect from 1st April, 2018, with the revised scheme to be included in the report to Council:-

- 100% support for qualifying care leavers.
- A standard £10.00 deduction for non-dependants in employment and a standard £5.00 deduction for non-dependants not in employment.
- The introduction of a taper rate of 30%.
- Discretion is introduced into the Council Tax Support Scheme to limit the number of assessments for claimants in receipt of Universal

Credit where there are only small changes to Universal Credit entitlement.

(2) That greater clarity be provided about how consultation responses were used to inform proposals; and where the proposals differ from a majority consultation response, that a clear rationale is provided about how the proposals have been arrived at in the future.

(3) That a further report be provided in October 2018 on the take up of the Council Tax Support Scheme and the impact of the roll-out of Universal Credit across the borough.

86. NEW APPLICATIONS FOR BUSINESS RATES DISCRETIONARY RATE RELIEF

Consideration was given to a report which detailed an application for the award of a discretionary business rate relief for Thornberry Animal Sanctuary Ltd for two properties. This was in accordance with the Council's Discretionary Business Rates Relief Policy (approved 12th December, 2016).

Resolved:- That 20% discretionary top up rate relief for the period 1st April, 2017 to 31st March, 2018 be awarded to Thornberry Animal Sanctuary for The Stables, Todwick Road, Dinnington and Silverthorpe Farm, Braithwell Road, Ravenfield.

87. COUNCIL PLAN 2017/18 QUARTERLY PERFORMANCE REPORT

Consideration was given to the report which details how the Council Plan for the period 2017-2020 was approved by Elected Members at the Council meeting on 12th July, 2017. The plan represented the core document that underpinned the Council's overall vision, setting out headline priorities, indicators and measures that would demonstrate its delivery. Alongside it sits the Council's Performance Management Framework which explained to all Council staff how robust performance monitoring and management arrangements are required to ensure effective implementation.

To ensure that the delivery of actions and their impact was assessed, formal quarterly performance reports were required to the public Cabinet and Commissioners' Decision-Making meeting, with an opportunity for pre-Scrutiny consideration in line with new governance arrangements. This report was the second report in the 2017/18 reporting cycle covering Quarter 2 1st July, to 30th September, 2017.

The Performance Report and Performance Dashboard/Scorecard (Appendices A and B) provided an analysis of the Council's current performance against 14 key delivery outcomes and 72 measures. This report was based on the current position of available data, along with an

overview of progress on key projects and activities which also contributed towards the delivery of the Council Plan.

At the end of this second quarter (July to September, 2017) 17 measures had either met or had exceeded the target set in the Council Plan. This represented 33.3% of the total number of indicators where data was available or where targets have been set. The direction of travel was positive for 33 (55.9%) of the indicators measured in this quarter. The Priority area with the highest proportion of targets met was Priority 5 (A modern, efficient Council).

Cabinet Members provided an update in accordance with current performance for service areas:-

Councillor Beck, Cabinet Member for Housing, reported on the number of new homes being delivered during the year (4.B1) which was off target and out of the Council's control. However, this would be closely monitored and efforts made to bring this target in to line.

In terms of the percentage of privately rented properties complaint with Selective Licensing conditions (4.B3), this target was improving each quarter and by the end of March it was expected that the target of 95% would be reached.

Councillor Roche, Cabinet Member for Adult Social Care and Health, reported on the successful completion of the drug treatment for opiates and non-opiate users target (2.A1(b)) which had declined. The Substance Misuse Services had been recommissioned and preparations for a new provider were in hand for the new services to start in April.

In terms of Adult Social Care this was positive overall with 4 measures on target, one progressing well and another off target (2.B3). Action was being taken to bring this target back into line through community asset awareness sessions, use of "Age Well", promotional activities and use of another twelve staff from other organisations.

The target for all age numbers of new permanent admissions to residential/nursing care for adults (2.B8) was progress well and on track.

Councillor Watson, Deputy Leader, reported a mixed picture for Children and Young People's Services, but pointed out the measures must not be taken in isolation, but read in conjunction with the whole report. The numbers of Children in Need had reduced by 16% which was improved performance, but those children subject to a Child Protection Plan and Looked After Children had increased and numbers were still rising. The Service was working extremely hard to deal with rising numbers, whilst commissioning placements and were finding the recruitment of foster carers were unable to keep up the pace.

Councillor Alam, Cabinet Member for Corporate Services and Finance, reported of the percentage of complaints closed within the timescale (5.C2) and the challenges responding to complaints in Regeneration and Environment and Children and Young People's Services.

Days lost due to sickness (5.D2) had seen further improvement reducing absence levels by 6%.

Reduction in agency cost (5.D3) was now 37% lower than in previous years and the Workforce Management Board was continuing to address the use of agency workers using control processes.

Councillor Hoddinott, Cabinet Member for Waste, Roads and Community Safety, reported on a number of positives including effective enforcement action taken on flytipping and other enviro-crime (3.B2) which was just below target, but making good progress and on the number of missed bin collections (3.B4) which was showing an improvement.

There had been an increase in the percentage of positive outcomes over the year for reported Hate Crime cases (3.A2). This was despite a 25% increase in reported incidents and work was continuing with the Police and officers in dealing with the victims to improve outcomes further.

Unfortunately, complaints against Streetpride not closed within the timescale (5.C2) were getting clouded by the number of service requests which needed to be separated out. Further work was to be undertaken, but it was noted in the last 6 months 47 complaints had been received and in the last quarter of the 24 complaints, 11 had been upheld.

An area of concern was the percentage of licence holders that demonstrated adherence to the requirements of the Council's Hackney Carriage and Private Hire Policy (3.A4) for those having obtained the BTEC/NVQ qualification. Of those remaining they were booked on courses and enforcement action would continue to ensure this target was at 100% by year end.

Councillor Yasseen, Cabinet Member for Neighbourhood Working and Cultural Services, reported on the number of visits to the Council's culture and leisure facilities (3.A9) which indicated overall visitor numbers had increased, but this was assisted by Rotherham Show. Visitor figures had not increased as much during the summer months mainly due to poor weather.

With regards to measures for the number of engagements for culture and leisure facilities and customer satisfaction (3.A6 and 3.A7) it was noted heritage engagements had fallen, but this was expected to increase during the rest of the year.

Ticket sales for the theatre had been down overall for both amateur and professional shows, but this was starting to pick up again. During Quarter 2 the theatre was closed for 5 weeks for maintenance. This would have an impact on the number of performances and participants during this period.

Councillor Lelliott, Cabinet Member for Jobs and the Local Economy, reported on the performance of the Planning Service (4.A8) which was at 100% with all planning applications determined within specified periods.

Action to market Rotherham as a place for businesses to locate and invest was being undertaken and the approved Town Centre Masterplan would now move on to the implementation stage as part of the programmes on promoting the overall number of businesses in the borough (4.A7).

Resolved:- (1) That the overall position and direction of travel in relation to performance be noted.

(2) That consideration be given to measures which have not progressed in accordance with the target set and the actions required to improve performance, including future performance clinics

(3) That the performance reporting timetable for 2017/18 be noted.

88. ROTHERHAM LOCAL PLAN: CONSULTATION ON MAIN MODIFICATIONS TO THE SITES AND POLICIES DOCUMENT

Consideration was given to the report which sought approval to consult on Main Modifications to the Sites and Policies Document. This was necessary to accommodate the changes to the plan required by the Planning Inspector.

These changes were required to make the plan sound and enable the Council to adopt it in due course.

The Inspector's letter, including his list of Proposed Main Modifications, had been published on the Council's Local Plan examination website.

The Inspector's changes were fairly limited and he had accepted almost all of the proposed development sites in the Plan. However, some parts of the Plan have not been accepted by the Inspector.

The Inspector also required the Council to identify and consult on additional housing sites in the Wath upon Dearne, Brampton Bierlow, and West Melton area. This was to remedy a shortfall against the Core Strategy housing target for this area that had come to light as part of the examination. This consultation was approved by Cabinet (Cabinet 26/6/17, Minute No. 8 refers) and was carried out between 3rd July and 14th August, 2017.

Having held a further hearing session on 19th October, 2017 to consider the comments made on the Wath area consultation, the Inspector accepted the 2 additional housing sites consulted on and included them in the list of Proposed Main Modifications.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-Scrutiny process who were in support of the recommendations.

Resolved:- That Council be recommended to approve the public consultation on Main Modifications to the Sites and Policies Document.

89. NEIGHBOURHOOD PLANNING: NEIGHBOURHOOD AREA APPLICATION FROM WICKERSLEY PARISH COUNCIL

Consideration was given to a report which detailed how Wickersley Parish Council had notified the Council of their intention to produce a neighbourhood plan covering the Parish of Wickersley. It was proposed that the Council approved the application from Wickersley Parish Council as the relevant neighbourhood planning body and the designation of Wickersley Parish as a Neighbourhood Area.

A neighbourhood plan, once it came into force, would form part of Rotherham's statutory development plan. Policies in the neighbourhood plan would be taken into account when the Council determined planning applications within the Parish.

Resolved:- (1) That the neighbourhood area application from Wickersley Parish Council as the relevant neighbourhood planning body be approved.

(2) That the Parish of Wickersley be designated as a Neighbourhood Area.

90. SOUTH YORKSHIRE MUNICIPAL WASTE STRATEGY

Consideration was given to the report which sought approval for the adoption of the South Yorkshire Municipal Waste Strategy.

Barnsley, Doncaster, Rotherham Metropolitan Borough Councils and Sheffield City Council were all Unitary Councils in South Yorkshire, this meant that each of them had a statutory obligation to collect and dispose of municipal waste arising across South Yorkshire. The Authorities could choose how best to deliver waste services as long as they complied with legislation.

Each Authority had their own waste strategy that had shaped their services up to now. All of these strategies would benefit from a review. It was important to review waste strategies regularly to reflect on achievements and progress towards the aims and objectives. It also

allowed for consideration of changes to; legislation, government targets, local objectives, new technology and increased pressures on the service.

Austerity measures and budget cuts would undoubtedly continue to impact on local authority funding. Therefore, collaborative initiatives such as the South Yorkshire Municipal Waste Strategy would allow for economies of scale, cost savings and improved efficiency across the four authorities, minimising the impacts on Council services.

Resolved:- That the South Yorkshire Municipal Waste Strategy be approved.

91. THE 'TIME FOR ACTION' INITIATIVE

Consideration was given to the report which set out the work that had been done in Rotherham to strengthen enforcement activity around environmental crime issues such as littering, dog fouling and fly-tipping following the approval by Cabinet and Commissioners of the 'Time for Action' approach on 9th January, 2017 and to progress discussions with Doncaster Council to develop shared service provision.

A pilot exercise in Rotherham had been underway since 26th April, 2017 to test the effectiveness of an alternative approach to deliver enhanced environmental crime and parking enforcement within the Borough.

The pilot had proven to be successful as could be evidenced by the increased level of fixed penalty fines and patrols undertaken to tackle littering and dog fouling and whilst it was difficult to measure any long term effects in relation to deterrent or reducing street cleansing costs, the short term aim of increasing enforcement against environmental crime offences could clearly be demonstrated.

Discussions with Doncaster Council have continued throughout with consideration of options, potential timescales, likely specifications and potential service level agreement items.

This report had been considered by the Overview and Scrutiny Management Board as part of the pre-scrutiny process who were in support of the recommendations, subject to a further recommendation asking the 10 comments by the Improving Places Select Commission inform the negotiations.

Resolved:- (1) That the exercise of the functions detailed within this report (at paragraph 8.1) be delegated to Doncaster MBC, with such delegation to commence in accordance with the shared service arrangement referred to below.

(2) That the Strategic Director of Regeneration and Environment, in consultation with the Strategic Director of Finance and Customer Services and Cabinet Member for Waste, Roads and Community Safety, be authorised to conclude negotiations to enter into a shared service arrangement with Doncaster MBC.

(3) That the following recommendations from the Improving Places Select Commission be used to inform the negotiations:-

a) The service should be extended to include issuing of parking fines.
b) A communication plan be developed to promote the initiative borough wide.
c) Branding is clearly identified and included as part of the communications plan.
d) Members are notified when Enforcement Officers are working in their Wards.
e) Service provision is distributed equally across outlying areas and wards.
f) The extension of service provision to private sector areas be explored.
g) That contractors undertaking enforcement activity and issuing of penalties on behalf of the Council work to Rotherham MBC's code of practice.
h) When fines are issued, that clear and consistent information is provided to the customer about the process and what happens next.
i) Details of the contract covering the shared service arrangements should be presented to Improving Places Select Commission.
j) Six monthly monitoring and evaluation reports are to be presented to Improving Places Select Commission to include details regarding social demographics.

92. SHARED OWNERSHIP AND AFFORDABLE HOUSING PROGRAMME

Consideration was given to the report that detailed how in January, 2017, the Council was awarded £6.81m of grant funding through the Homes and Communities Agency's Shared Ownership and Affordable Homes Programme (SOAHP).

This programme would make a significant contribution to meeting Rotherham's housing growth target, and meeting the needs of a range of people - but particularly first time buyers who were often priced out of the market, and older people seeking homes that met their physical needs.

108 of the homes to be delivered through the programme have been approved by Cabinet as part of the Site Clusters Programme with Wates Construction. Six further specialist bungalows have also been approved by Cabinet. This report, therefore, focused on the remaining 113 homes proposed to be delivered through Shared Ownership and Affordable Housing Programme on the following sites:-

- 14 specialist rented bungalows on Braithwell Road in Ravenfield (NB a different Braithwell Road from the Site Clusters programme main site in Maltby - 5 units), Arundel Avenue in Treeton (6 units), Springfield Avenue in Brampton Bierlow (one unit) and a further site to be confirmed (2 units).
- 59 homes on the Bellows Road site in Rawmarsh (30 shared ownership and 29 affordable rent).
- 40 homes on the Rothwell Grange site in Broom (20 shared ownership and 20 affordable rent).

The report sought approval to use Housing Revenue Account capital funding to complement the grant awarded by the Homes and Communities Agency.

Cabinet Members welcomed any opportunity for new Council housing to be built and brought forward.

Resolved:- (1) That the Shared Ownership and Affordable Homes Programme (SOAHP) be approved.

(2) That the use of Housing Revenue Account capital resources totalling the amount as set out in exempt Appendix 2, to complement the £6.81m grant funding obtained from the Homes and Communities Agency, be approved.

(3) That the appropriation of 2 sites - Bellows Road (Rawmarsh) and Rothwell Grange (Broom) - from the General Fund to the Housing Revenue Account (HRA) be approved.

(4) That the Assistant Director, Housing and Neighbourhoods be authorised to award Tenders for contracts to deliver construction works for the SOAHP, subject to agreement by the Council's Section 151 Officer, and to the costs being within the approved funding envelope for the Programme.

(5) That the Assistant Director, Housing and Neighbourhoods be authorised to substitute other small HRA owned sites into the SOAHP if the two principal sites could not deliver the numbers of units required.

(6) That a further report be submitted to a future meeting with details of the financial modelling and management of shared ownership properties.

(7) That the Assistant Director of Legal Services be authorised to sign and execute the funding agreement with the Homes and Communities Agency.

93. RECOMMENDATIONS FROM OVERVIEW AND SCRUTINY MANAGEMENT BOARD

Consideration was given to the circulated report, the contents of which were included as part of the relevant items and the details included accordingly.

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Cabinet – October Financial Monitoring Report 2017/18 and Update of the Council's Medium Term Financial Strategy to 2019/20

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)
Anne Ellis, Finance Manager
01709 822019 or anne.ellis@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 11 December 2017, the Cabinet considered a report in respect of the October Financial Monitoring Report and Update of the Council's Medium Term Financial Strategy to 2019/20 which contained a recommendation to update the Council's Capital Programme to include the Superfast Broadband Project for South Yorkshire. Cabinet agreed to make the recommendation to Council.

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendation set out below.

Recommendation

That the proposal to further extend Superfast Broadband across South Yorkshire be supported on a basis of being cost neutral to the Council and the authority's share of the capital investment be added to the Capital Programme

List of Appendices Included
Appendix A - October Financial Monitoring Report 2017/18 and Update of the Council's Medium Term Financial Strategy to 2019/20

Background Papers
Revenue Budget and Council Tax Setting Report for 2017/18 – Council – 8 March 2017
May Financial Monitoring Report 2017/18 – Cabinet – 10 July 2017
July Financial Monitoring Report 2017/18 – Cabinet – 11 September 2017
September Financial Monitoring Report 2017/18 – Cabinet – 13 November 2017
Unlocking Property Investment Beighton Link – Cabinet – 11 September 2017.

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 11 December 2017

Council Approval Required
Yes

Exempt from the Press and Public
No

Rotherham Metropolitan Borough Council

Public Report
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Committee Name and Date of Committee Meeting
Cabinet and Commissioners' Decision Making Meeting – 11 December 2017

Report Title
October Financial Monitoring Report 2017/18 and Update of the Council's Medium Term Financial Strategy to 2019/20

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Service

Report Author(s)
Anne Ellis, Finance Manager
01709 822019 or anne.ellis@rotherham.gov.uk

Ward(s) Affected
All

Summary

This report sets out the financial position for the Revenue and Capital Budgets at the end of October 2017 and is based on actual costs and income for the seven months ending 31st October 2017 and forecasts for the remainder of the financial year. This is the fourth of a series of monitoring reports for the 2017/18 financial year which will continue to be brought forward to Cabinet and Commissioners on a regular basis.

Delivery of the Council's Revenue and Capital Budget and Medium Term Financial Strategy within the parameters agreed at the start of the current financial year is essential if the Council's objectives are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

As at October 2017 the Council has a forecast overspend on the General Fund of £4.594m, an increase of £0.6m over the £4.0m forecast overspend as at September. The main reason for this increase is a continuing rise in the projected overspend by the Children and Young People's Directorate of a further £0.434m, chiefly attributable to continued increases in the number of children in care.

This increase in the number of Looked After Children has also placed significant and unavoidable pressure on Legal Services, which currently has a forecast Budget overspend of £1.1m resulting in a net projected overspend for the Finance and

Customer Services Budget of £0.6m. In addition, the Adult Care and Housing forecast overspend has increased by £0.2m from £5.1m to £5.3m.

Offsetting these pressures, the Assistant Chief Executive's Budget projected underspend has increased by £34k to £244k, chiefly as a result of staffing savings mitigating other cost pressures. It is still anticipated that the review of Business Rates and Treasury Management will deliver £5m of savings against the Central Services budget this year.

The Regeneration and Environment Services projected budget outturn remains a break even position achieved through ongoing tight day to day budgetary control.

Management actions to address areas of overspend are also ongoing and the overall budget position will continue to be monitored closely. The current round of budget monitoring shows however, that the Council's Revenue Budget position has deteriorated by £0.6m since the previous monitoring report showing the position as at September.

The majority of the £24m budget savings approved within the 2017/18 budget are on target to be achieved. Within this target there are £11.9m of Directorate budget savings, which combined with a further £5.4m of 2017/18 Directorate budget savings agreed in previous budgets, gives a total Directorate savings target for 2017/18 of £17.3m. The current monitoring indicates that of this total, £6.8m of savings proposals are at risk of non-delivery in the manner approved by Council when the 2017/18 Budget was set (an improvement of £0.4m compared to September). These at risk proposals and the impact of mitigating actions are reflected in the current overspend projection. Cabinet approval will be sought for any budget savings which ultimately are proposed to be delivered differently on a permanent basis.

In order to balance the Revenue Budget for 2017/18 if expenditure cannot be contained within budgets by management actions or by identifying additional savings, the Council will need to call on its reserves. The use of £10.5m from the Council's reserves was approved as part of the 2017/18 Revenue Budget, in recognition of the timescales associated with developing future plans to achieve the significant additional budget savings required to stabilise the Council's Budget position for the financial years 2018/19 and 2019/20. This approach permitted the Council to use its current balance of reserves to mitigate the overall budget risk in the short term and to support a sustainable financial plan in the medium term before these reserves are reinstated in future years. The current financial climate, the risks associated with continuing reductions in Government funding and the resulting significant savings required by the Council mean that there is a need to maintain prudent levels of reserves and to avoid calling on them except in exceptional circumstances. Given this, it is essential that all services continue to develop mitigating actions and identify alternative savings to compensate for financial pressures and delays in delivering the full amount of savings proposed in the Revenue Budget.

The current forecast outturn position reflects the financial effects of the mitigating actions that have been identified and implemented to date and the progress made in re-establishing a balanced budget position will be reported regularly through these Financial Monitoring reports.

As indicated in the Budget and Council Tax report 2017/18, the summary Medium Term Financial Strategy has been reviewed, informed by the financial outturn for 2016/17 and taking into account current economic factors and latest financial planning estimates of the council tax base, council tax collection rates, business rates income and business rates appeals.

This review results in estimates of the MTFS Budget Gaps for the following two financial years of £15.1m in 2018/19 and £15.8m in 2019/20, a total of £30.9m over the two years.

There continues to be significant in-year pressure on the Dedicated Schools Grant (DSG) High Needs Block – the projected overspend has increased by £140k in the past month to the current projection of £7.360m. Whilst at present this pressure does not directly affect the Council's financial position, it is imperative that the recovery strategy is implemented setting out clearly how this position will be resolved and avoiding any risk to the Council in the future. This includes the planned transfer of £3m DSG in 2017/18 to reduce the forecast High Needs Block deficit.

A recovery plan intending to mitigate as far as possible the in-year pressure and achieve the previously reported position of an overall cumulative deficit of £1.796m by April 2019 has been devised by the service. As reported previously, the key areas of focus which will deliver the targeted deficit reduction by April 2019 include:

- A revised Special School funding model (November 2017);
- A review of high cost out of authority education provision to reduce cost and move children back into Rotherham educational provision (November 2019); and
- A review of inclusion services provided by the Council (December 2017).

The Public Health Budget is forecast to spend at budget whilst spending in the Housing Revenue Account (HRA) is forecast to be £0.583m below budget, reducing the planned use of HRA reserves from £1.16m to £0.6m.

An in-year variance of £15.396m reduced spend on the 2017/18 Capital Programme is forecast, the majority of which relates to schemes which are re-profiled into 2018/19. The most significant variance is in respect of the Adult Care and Housing Capital Programme – where it is estimated that £10.821m of spending will be re-profiled into 2018/19 and later years of the Capital Programme, mostly to reflect delays on several major projects providing new housing. This revised and re-profiled Capital Programme position will continue to be closely monitored and any further revisions and adjustments required to the Programme will be reported within the next financial monitoring report to Cabinet.

Recommendations

1. That the current General Fund Revenue Budget forecast overspend for 2017/18 of £4.594m be noted.

2. That management actions continue to be developed to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2017/18.

3. That the review of the Medium Term Financial Strategy and the updated estimates of the Budget Gaps for 2018/19 and 2019/20 be noted.

4. That the current forecast outturn position on the approved Capital Programme for 2017/18 be noted.

5. That the proposal to further extend Superfast Broadband across South Yorkshire be supported on a basis of being cost neutral to the Council and that Council be recommended to add the authority's share of the capital investment to the Capital Programme.

List of Appendices Included
None

Background Papers
Revenue Budget and Council Tax Setting Report for 2017/18 to Council 8th March 2017
May Financial Monitoring Report 2017/18 - 10th July 2017
July Financial Monitoring Report 2017/18 – 11th September 2017
September Financial Monitoring Report 2017/18 - 13th November 2017
Unlocking Property Investment Beighton Link Report to Cabinet and Commissioners' Decision Making Meeting - 11th September 2017.

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Overview and Scrutiny Management Board – 7 December 2017

Council Approval Required
No

Exempt from the Press and Public
No

October Financial Monitoring Report 2017/18 and Update of the Council's Medium Term Financial Strategy to 2019/20

1. Recommendations

1.1 That the current General Fund Revenue Budget forecast overspend for 2017/18 of £4.594m be noted.

1.2 That management actions continue to be developed to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2017/18.

1.3 That the review of the Medium Term Financial Strategy and the updated estimates of the Budget Gaps for 2018/19 and 2019/20 be noted.

1.4 That the current forecast outturn position on the approved Capital Programme for 2017/18 be noted.

1.5 That the proposal to further extend Superfast Broadband across South Yorkshire be supported on a basis of being cost neutral to the Council and that Council be recommended to add the authority's share of the capital investment to the Capital Programme.

2. Background

2.1 As part of its performance and control framework the Council is required to produce regular and timely reports for the Strategic Leadership Team and Cabinet to keep them informed of financial performance so that, where necessary, actions can be agreed and implemented to bring expenditure in line with the approved budget for the financial year.

2.2 This report is the fourth financial monitoring report to Cabinet for 2017/18, setting out the projected year-end revenue budget financial position in light of actual cost and income for the first seven months of the financial year.

2.3 Delivery of the Council's Revenue Budget, Medium Term Financial Strategy (MTFS) and Capital Programme within the parameters agreed by Council is essential if the Council's objectives are to be achieved. Financial performance is a key element within the assessment of the Council's overall performance framework.

2.4 The current 2017-2022 Capital Strategy and Capital Programme aligns the Council's capital investment plans with its strategic priorities and the available resources. The financial implications of the programme are reflected in the Council's Medium Term Financial Strategy (MTFS) and Treasury Management and Investment Strategy. Over the five year period covered by the approved programme, £281.9m will be invested in schemes across the borough including: £120.9m for regeneration and enhanced infrastructure schemes and £91.4m towards improving council housing.

2.5 The Council's Capital Strategy and Capital Programme was approved by Council on the 8th March 2017 and updated in July 2017 to take account of the position at the end of 2016/17. Expenditure plans for the current financial year were further revised at the November 13th Cabinet and Commissioners' Decision Making Meeting reflecting the position at the end of September 2017 to give an estimated outturn for 2017/18 of £81.8m, with £6.7m of planned spending re-profiled into the later years of the programme, chiefly 2018/19. The forecast changes in spending profile have now increased to £15.396m as set out in Table 2 at paragraph 3.46 of this report.

3. Key Issues

3.1 Table 1 below shows by Directorate, the summary forecast revenue outturn position after management actions which have already been quantified and implemented.

Table 1: October Cumulative - Forecast Revenue Outturn 2017/18

Directorate / Service	Revised Annual Budget 2017/18	Forecast Outturn 2017/18	Forecast Variance (over (+) / under (-) spend) AFTER management actions
	£'000	**£'000**	**£'000**
Children & Young People's Services	62,462	66,449	+3,987
Adult Care & Housing	62,088	67,368	+5,280
Regeneration & Environment Services	44,023	44,023	0
Finance & Customer Services	13,264	13,835	+571
Assistant Chief Executive	6,229	5,985	-244
Capital Financing, Levies and Central Services	16,760	11,760	-5,000
SUB TOTAL	**204,826**	**209,420**	**+4,594**
Public Health (Specific Grant)	16,734	16,734	0
Dedicated Schools Grant	106,312	113,532	+7,220
Housing Revenue Account (HRA)	84,564	83,981	-583

Directorate Services Savings of £11.9m were included in the 2017/18 Budget, in addition to £5.4m of savings agreed in previous budgets for delivery in 2017/18, giving a total of £17.3m savings in 2017/18. The following amounts totalling £6.8m from that savings total have been identified as currently being at risk of not being achieved in 2017/18 and are reflected as such in the projected outturn position, along with the impact of mitigating actions. The projected shortfall for Adult Services has reduced by £0.4m since September.

- Children and Young People's Services £0.6m
- Adult Care and Housing £5.4m
- Regeneration & Environment Services £0.5m
- Finance & Customer Services £0.3m

Although not being achieved by the means approved by Council when the 2017/18 was set, some of the above pressures are being mitigated by Directorates and this has been reflected in the forecast outturn figures included in Table 1 above. The following sections (paragraphs 3.2 to 3.44) provide key reasons for the forecast level of annual revenue under or overspend within Directorates and of progress in savings delivery.

Children & Young People's Directorate (£3.987m forecast overspend)

3.2 The full year revenue forecast for Children's and Young People's Services is now an overspend of £3.987m – an increase of £0.434m since the last report in September. This increase is due mainly to the continuing rise in the number of children in care (in October the number rose by 11 from the 522 reported in September). The projected overspend is the result of a range of continuing pressures facing the service which are considered below. Further actions to mitigate the budget pressures are being developed by the service.

3.3 The Children's and Young People's Budget Sustainability proposals were presented to Cabinet in November 2016. The strategy's robustness and the associated investment proposals were predicated upon a number of assumptions derived from what was understood about service demand levels in Rotherham at that time. The number of Looked after Children (LAC) in September 2016 was 443 but was predicted to grow to 460 by the end of March 2017. The assumptions were subject to the caveat that, should the number of children in care increase beyond 460, this would result in further pressure on social care budgets and would risk adversely affecting the reported position and associated financial projections in later years. The continued growth in placements since September 2016 over and above 460 projection contributed significantly to the Directorate's budget overspend in 2016/17 with the number of LAC increasing to 487 as at 31st March 2017.

3.4 The transformation initiatives associated with the investment in Children's Services are based on a need to continue to improve the quality of practice and outcomes for children and young people whilst preventing 52 children entering (or remaining in) care during the current financial year. The estimates for future growth in placements made in September 2016 predicted that, with no preventative action, an additional 48 placements would be needed in addition to the baseline position as at 1st April 2017. Given the starting point of 487 placements at the end of 2016/17 and a projected reduction of 4 during the year, the financial sustainability target was set at 483 placements. Using zero based budgeting principles, the 2017/18 LAC placement budget was set to fund the costs of 480 placements

3.5 The majority of the investment projects are now established. A Placements Review Group has been established to confirm the appropriateness of placements and to review both the quality and efficacy of existing high cost packages of care. This group provides assurance to the Children's Business Savings and Delivery Operational Group regarding the approved investment and associated savings. These projects are on target to deliver or exceed original the original target outcome in placements (net reduction of 4 LAC) with a forecast net decrease in LAC numbers of 8.

3.6 As at the end of October the number of children in care is, however 533, an increase of 11 over the number reported for September and an increase of 46 or 9.4% over the 487 at the start of the financial year. Based on an average unit cost of £50k per LAC placement, the in-year cost pressure due to the higher number of placements has risen by £336k to £2.182m since September. As previously reported, this increase is due entirely to the unforeseen and extraordinary impact of complex child protection work, the associated costs of which are substantial. The above forecast includes 39 children and young people in care who are directly linked to this work (including 10 new placements from 1st April).

3.7 It should be noted that the current forecasts do not incorporate any further growth in placements. It is currently estimated that this could exacerbate the latest position by up to £2 million in this financial year depending on the number and timing of any further placements that could be necessary. In addition, any further increase in numbers above the latest position of 533 or a movement of existing placements to more expensive provision will result in further cost pressure on the social care budgets.

3.8 There remains a budget pressure resulting from the increased costs to meet the support needs of work (from both locality social work and initial screens) related to Child Sexual Exploitation (CSE) and Operation Stovewood, an active National Crime Agency (NCA) operation which is incomparable with any other recent or historic investigation (£724k). In addition, a separate team has recently been established in order to take forward complex child protection work and associated interventions (£486k). The Council has received a commitment from the Department for Education to provide some support for the additional demand on children's social care services and it is expected that £500k will be received this year to contribute towards these costs.

3.9 The latest full year forecast for Children's and Young People's Services is an overspend of £3.987m. This figure includes the net budget pressure of £2.892m outlined above in relation to the unprecedented increase in LAC placements, complex child protection work, CSE investigations and associated interventions. The service continues to face a range of other pressures which are considered below with the further actions to mitigate the budget pressures being developed by the service.

3.10 The recent budget review meetings have identified a number of budget savings options and considerations. A challenging examination of potential efficiencies is underway, recognising the need for these to be thoroughly reviewed, discussed and considered so that the Directorate can bring forward options for immediate implementation. Proposals are being actively pursued to identify savings in current financial year, having due regard form the continued safeguarding of vulnerable children. These include:

- Plans for drawing down additional Payments by Results income from the Troubled Families programme by increasing both conversion rates and widening the cohort and number of families engaged on the programme. For example the October claim for £77k incorporated an improvement in the number of identified outcomes;

- A further step down in placements to reduce the overall placement costs and avoid the use of more expensive Out of Authority and Independent Fostering Agency (IFA) placements will generate further efficiencies and deliver better outcomes for children in care. It should be noted however that this will be impacted by the extraordinary increase in the overall numbers of children in care resulting in future cost avoidance rather than savings on the current budget:

- A continuing review of all budget variances across the Directorate to determine which expenditure can be stopped, scaled back or delayed to mitigate the impact of the in-year service pressures; and

- Other actions including further vacancy management action across all services and a thorough review of all continuing health care contributions from the CCG.

These interventions are expected to contribute towards addressing the forecast shortfall in the agreed saving for 2017/18 predominantly within Business Support (£573k) as outlined in Paragraph 3.14 below.

3.11 A consequence of the unforeseen increase in the number of Looked after Children arising from complex child protection work and the associated interventions has been an impact on savings that had been earmarked as a result of increasing in-house fostering capacity. As reported previously, although the service will achieve targeted recruitment of additional in-house foster carers, these additional places will, however, need to be directed towards new placements, rather than enabling a step down from more expensive out of authority settings. As a consequence, the impact of the new LA fostering placements will be one of cost avoidance rather than of delivering budget savings.

3.12 The Child Arrangement Orders and Special Guardianship Orders budgets remain under pressure with the projected overspend increasing by £8k to £450k. These services offer continued therapeutic service support in line with specific needs and provide children with permanency within a family setting. Whilst using these services has a cost implication to Children's Services, it is significantly less than the cost of alternative foster care or residential placement.

3.13 Expenditure on the Leaving Care budget also continues to rise above budgeted forecasts (£700k). The overspend is due to a general rise in the number of care leavers, some of whom are supported in accommodation at high cost. There are now 237 care leavers (an increase of 7 since September) with 36 supported young people in accommodation as at the end of October – an increase of 8 since last reported.

3.14 As part of the 2017/18 Revenue Budget the Council approved a saving for delivery against the directorate's Business Support function. A Business and Savings Delivery Group has been established to provide assurance in respect of the delivery of savings and the management of the associated financial risks and issues. To date, the Group has identified annual savings of £1.586m across the Directorate over 70% of the target. The balance of £573k remains a cost pressure within social care at this time. Plans to mitigate this position are outlined in paragraph 3.10 above.

3.15 The additional staff required for the Children's Service Resourcing Team and associated support budget, which is currently unbudgeted (£200k) are also a cost pressure. The team has been established to search for and recruit the best social care professionals. Recruitment continues to be successful with a net reduction in the number of agency staff and associated budget savings.

3.16 Savings of £445k have been achieved within Children's Services due to effective vacancy management within Early Help services and other non-social care budgets A redistribution of Special Educational Needs and Disabilities (SEND) funding within the Education and Skills service in respect of Education Psychology has also led to revenue budget savings of £383k.

3.17 Forecast spending on other Services within the Directorate including School Improvement continues to be broadly in line with budgets.

Dedicated Schools Grant

3.18 The Directorate is currently forecasting an over spend on its Dedicated Schools Grant (DSG) High Needs Block of £7.360m an increase of £140k since September's report. The schools' block is expected to underspend by £28k. At the end of 2016/17 the outturn position showed an overall deficit of £5.213k on the non-delegated DSG, comprised as follows:

- Early Years Block: +£0.217m Overspend
- Schools Block: -£0.640m Underspend
- High Needs Block: +£5.636m Overspend.

3.19 The service has developed a recovery plan which aims to mitigate as far as possible the in-year pressure of £7.360m on the High Needs Block and achieve the previously reported position of an overall cumulative deficit of £1.796m by April 2019. As reported, the key areas of focus which will deliver the targeted deficit reduction by April 2019 include:

- A revised Special School funding model (November 2017);
- A review of high cost out of authority education provision to reduce cost and move children back into Rotherham educational provision (November 2019); and
- A review of inclusion services provided by the Council (December 2017).

Adult Care & Housing (£5.280m forecast overspend)

3.21 Adult Care Services are currently forecasting an overall overspend of £5.464m in 2017/18, an increase of £229k from the previous report. The forecast outturn is after taking into account an allocation of £5.4m from the Additional and Improved Better Care Fund to assist in meeting pressures and providing sustainability within the social care system. The forecast also includes a current anticipated shortfall of approximately £5.4m in delivering all of the 2017/18 budget savings in the current financial year, which are in the process of being re-profiled for delivery over a different time period. Within Adult Care pressures relating to the assessment capacity continue. There will be a realignment of current structures and pathways which is part of the improvement journey. The changes also include strengthening procedures to ensure that demand management is robust, in order to divert, signpost and provide a customer focussed service, particularly at the front door.

3.22 As changes to individual packages of support, legally require a reassessment of need, achieving sustainable change to systems will take time; and consequently a planned approach to implementing the changes is required.

3.23 Historically a significant amount of budget has been committed to 24-hour care - £30m from a net budget of approximately £63m. Understanding how this pattern of spending will change; either naturally, as a result of people no longer needing a service, or due to changes in practice moving clients (particularly people under the age of 65 years) from residential care to a range of community accommodation, will require work.

3.24 The main budget pressures continue to be in respect of Direct Payments and Managed Accounts and Residential and Domiciliary Care across all client groups. Anticipated delays in achieving budgeted savings due to the requirement for further consultation with clients, carers and partners have added to pressures.

3.25 The most significant pressure on the Directorate budget, however is in respect of residential and nursing care budgets across all client groups – where the current forecast overspend is £3.0m (after the allocation of £3.4m from iBCF). This includes budget savings of £4.2m relating to the reduction of high cost placements within the Learning Disability and Older People client groups, by the use of strength based assessments and the use of alternative service provision within the community through engaging voluntary and independent providers.

3.26 The budget pressure in respect of Direct Payments and Managed Accounts is now £0.6m, after allocating £500k from the iBCF. This is, however, a reduction in the overspend compared to the outturn for 2016/17, reflecting additional one-off grant funding and an overall reduction in the number of clients by 3% (38 clients) since April 2017.

3.27 The pressure on the Domiciliary Care budget has reduced from £1.1m to £0.9m; however this takes into account the allocation for £0.810m from the iBCF. The reduction in the forecast overspend is attributable to a small reduction of 2% to 10% in the increase in client numbers during the current financial year, together with a recurrent income budget pressure in respect of income from fees and charges.

3.28 Delays in achieving budget savings in Care Enabling within Extra Care Housing (£0.4m) and the review of Rothercare and Assistive Technology provision (£0.3m) continue. To address them these savings are being re-profiled to ensure that they are achieved and where that is not possible, plans are put in place to ensure savings are achieved from other projects or new pieces of work.

3.29 The latest forecast outturn position for Neighbourhood Services' (Housing) is an underspend of £184k, a small increase of £15k on September's projection. The underspending is mainly due to additional income from Furnished Homes and current staff vacancies within Neighbourhood Partnerships pending final recruitment to the recently agreed new Neighbourhood Working Model.

Adult Care & Housing – Recovery Strategy Update

3.30 Although the overall demand for residential placements is reducing, budget pressures remain in consequence of the increasing cost of care packages. Unachieved budget savings carried forward from previous years including; Continuing Health Care funding and a reduction in the level of client contributions to services after financial assessment also remain an underlying pressure.

3.31 The continued review of out of area and high cost care packages across all services in order to identify opportunities to reduce costs and to pursue rigorously all Continuing Health Care funding applications with the Clinical Commissioning Group has been one of the main budget saving measures identified. As part of this, budget meetings are held with senior managers to review in detail the budget forecasts, monitor demographic pressures, to identify further savings opportunities and to mitigate pressures. Progress continues on the delivery of the Adult Services Development Programme to improve the outcomes for service users and additional reports on a range of options for future service delivery, including consultation with service users and carers were considered by Cabinet in July. The consultation will continue until the end of December.

3.32 As the improvement continues, the focus within Adult Care remains on two essential areas; cost avoidance through strengthening the front door and focussed assessments and using enablement to maximise clients' independence. Although the forecast budget overspend has increased from September due to service demand, some of the key actions and changes to practice and the pathway are beginning to take effect in spite of continuing high levels of demand.

3.33 Further investment, as approved by Council in December 2016, has been made in a brokerage team, additional social worker capacity and additional resources to review Direct Payments and Managed Accounts.

Public Health (forecast balanced outturn)

3.34 The forecast outturn for Public Health is to spend at budget. The budget was set taking into account the 2017/18 reduction in Government grant funding of £423k, which was largely been mitigated by the use of the balance on the Public Health grant reserve.

Regeneration and Environment Services (forecast balanced outturn)

3.35 Following the October monitoring cycle the forecast outturn position has been reviewed by the Regeneration and Environment Directorate Management Team and it is forecast (as it was in September) that a balanced outturn position will be achieved. Net pressures of £0.409m for the Directorate were identified during monitoring – an increase of £64k from the previous month, however, the Directorate Management Team remain confident that a balanced position can be achieved by maintaining the robust budget monitoring challenge process that has been put in place and continuing tight day to day budgetary control, including the management of vacant posts and the operation of strict controls on non-essential expenditure.

3.36 Savings of £4.89m were agreed for 2017/18, some of which are predicated on property savings arising from service reviews within other Council services. In particular, a pressure of £478k is being reported in respect of the Corporate Review of Land and Property. This saving is dependent on decisions being taken in other Directorates in respect of future service delivery options, which will determine which buildings can be released. Potential savings (such as the review of Corporate Transport, including Home to School Transport) have been identified by other reviews, however, these will take longer to deliver than had previously been assumed. Mitigating actions to deliver alternative savings are being worked through to ensure that savings targets are met.

3.37 There are a number of overspends and underspends across the Directorate. Summarised briefly the chief projected overspends within the Directorate are:

- Facilities Management (£506k) in respect of the savings referred to above – an increase of £28k from September;
- Street Scene Services (£253k) a rise of £35k, due in the main to increased demand for Home to School Transport – which is a demand led service:

and

- Planning and Building Control (£92k).

These forecast overspends are in part offset by projected underspends in other areas – in particular in Regulation and Enforcement £317k and Network Management £120k.

3.38 The current Directorate forecast position excludes any pressure which may be incurred on the Winter Maintenance budget. This is weather dependent and at this stage is highlighted as a risk.

Finance & Customer Services (£0.571m forecast overspend)

3.39 The Directorate forecast overspend has improved by £32k to £571k since September, chiefly as a result of reductions in the anticipated use of locums and external resources to carry out legal work. There remain however, significant pressures in Legal Services linked to the continuing increase in the number of Looked After Children and related child protection hearings and court fees and costs – as growth of 48% over last year is projected in the number of childcare proceedings. In addition, a review of legal support to Adult Social Care has identified the need for additional legal staffing resource.

3.40 These pressures give rise to a £1.141m projected overspend in Legal Services including £0.682m in respect of court fees and the costs of counsel, expert witnesses and process servers. Locums and the temporary staffing support provided by Sheffield City Council are being used to help to address the increase in caseload whilst recruitment to the childcare team progresses.

3.41 These and other more minor pressures are mitigated in part by the forecast recovery of £300k in Housing Benefit overpayments. In addition, vacancy control within the Revenues and Benefits service combined with lower than anticipated costs of collection have contributed £107k. Vacancy management in other Financial Services has also resulted in a £123k projected underspend to offset the pressures above. A projected underspend of £97k in the Business Unit due to savings from contract negotiations/terminations in print and post and vacancy management is also mitigating the projected overspend. There are also significant vacancies being held in Customer, Information and Digital Services in order to manage cost pressure on IT contracts until this can be addressed.

Assistant Chief Executive (£0.244m forecast underspend)

3.42 The forecast underspend in the Assistant Chief Executive's Directorate has increased by £34k since September to £244k. Although the pressure on HR and Payroll Services due to reducing income from schools and academies and from disclosure and barring checks continues, the forecast year end position has improved by £11k in the past month. Delaying filling vacant posts in Policy and Partnerships until the new financial year as part of vacancy management has increased the projected underspend for the service by £15k to £98k. These additional savings combined with the reduced cost of Members' allowances and staff cost savings from vacancy management across the wider Directorate offset the projected underachievement of income targets.

Corporate & Central Services – (£5m forecast underspend)

3.43 The forecast underspend of £5m in respect of additional business rates income (£3m) and savings from the treasury management strategy (£2m) on the Corporate and Central services Budget remains unchanged. The underspending is the result of reviewing the Government's estimates of business rates income included in the Finance Settlement and reassessing the Council's treasury strategy to maximise the benefit from low interest rates on short-term loans.

3.44 The Council's flexible use of capital receipts policy for 2017/18 anticipates a requirement to fund the first £2m of any staff severance costs, incurred as part of delivering agreed budget savings, from in-year capital receipts. £1.161m of capital receipts has been secured to date and currently a total of £1.8m is anticipated by the end of the financial year.

Capital Programme

3.45 The September forecast outturn positon for the 2017/18 approved Capital Programme indicated an in-year underspend of £6.7m. During October a further detailed review of the profiling of Adult Care and Housing (ACH) schemes has been undertaken has identified £7.3m of expenditure – chiefly on new housing provision - requiring re-profiling into later financial years.

3.46 The table below shows the revised programme budgets as at October and current forecasts of outturn expenditure by Directorate programme.

Table 2 : Capital Programme as at October 2017

Directorate	Current Year 2017/18		
	Budget £'000	Forecast £'000	Variance £'000
Adult Care & Housing	40,971	30,150	-10,821
Children & Young Peoples Services	8,771	8,087	-684
Finance & Customer Services	3,444	3,270	-174
Regeneration & Environment	35,273	31,556	-3,717
Total	**88,459**	**73,063**	**-15,396**

3.47 Further details of variances to the Housing schemes are set out below :

3.48 Strategic Acquisitions:

- The Site Clusters programme is a scheme to deliver 217 new dwellings on 7 HRA sites. The original anticipated start on site date was June 2017; this has now been revised to the end of October 2017 requiring the scheme to be re-profiled over four financial years. This means that the original 2017/18 Budget of £9.482m is reduced to £3.930m with future years re-profiled accordingly.

- The Little London scheme, with a budget of £1.7m to allow properties to be brought into the ownership of the Council is re-profiled from 2017/18 to 2018/19 to retain the original purpose of the scheme should the investment works by the current owner of the properties to bring them back into lettable condition not be completed.

- £0.072m of re-profiling into 2018/19 for the Monksbridge demolition of 3 properties and reinstating land at 44-48 Monksbridge ,which has been delayed in part by a required referral to allow a detailed options paper to be produced. This will ensure that all options have been considered. The project is funded by Regional Housing Board Grant ring fenced within the Capital Programme.

Capital Programme – Superfast Broadband Phase II Proposal

3.49 Following discussions between the four South Yorkshire Councils and Sheffield City Region, a proposal is being developed for further extension of Superfast Broadband accessibility across South Yorkshire in order to make fibre broadband available to as close to 100% coverage as technically possible.

3.50 The total cost of the proposal is £4.3m of which £0.8m of external funding is secured, leaving a £3.5m match funding requirement for the South Yorkshire Councils to contribute.

3.51 The funding of the proposal revolves around £3.5m of National Product Investment Funding being used by SCR to replace borrowing costs within the existing Passenger Transport Executive capital programme and the cost savings released being used to reduce the PTE levy payable by the councils. This proposal allows the councils to utilise the levy savings to fund the financing costs of the £3.5m capital investment in broadband match funding on a cost neutral basis.

3.52 Rotherham Council's share of the levy reduction would be £45k which is sufficient to fund the annual financing costs of the Council's £670k capital share of the broadband proposal.

3.53 Cabinet are asked to support the proposal on this basis and recommend to Council that the scheme is added to the capital programme.

3.54 **General Fund Capital Receipts Position as at 31st October 2017**
The comprehensive review of the Council's assets and buildings portfolio with the objective of rationalising both operational and non-operational asset holdings is continuing. This process will generate future capital receipts which, by utilising the capital receipts flexibilities introduced from the 1st April 2016 can support the revenue budget, through investments in transformational projects that generate future revenue savings.

3.55 The 2017/18 Revenue Budget includes the planning assumption that Capital Receipts of £2m will be generated in 2017/18 and will be used to fund the revenue costs of transformational projects. As at 31st October £1.161m of Capital Receipts have been secured. The completed sales in the year to date include the Habershon House in Filey, the Millside Centre and the disposal of the Pithouse West site to Gulliver's. The current forecast for the full year is that £1.8m of receipts will be achieved. The position will be continuously reviewed and where possible sites will be brought forward for early disposal in coming months.

Housing Revenue Account (HRA) – (Forecast -£0.583m underspend)

3.56 The Housing Revenue Account is a statutory ring-fenced account that the Council is required to maintain in respect of the income and expenditure incurred in relation to its council dwellings and associated assets. The HRA forecast outturn underspend for this financial year has increased since last reported by £126k to £583k. In light of this the budgeted use of HRA reserves for 2017/18 (£1.16m) will be correspondingly less. The surplus is mainly due to staff vacancies with the Supervision and Management section of the HRA, a smaller increase in the provision for outstanding debt plus additional income from the revised management and administration charges for Leasehold properties.

Update of the Council's Medium Term Financial Strategy

3.57 Within the Budget and Council Tax 2017/18 report approved by Council on 8th March 2017, the summary MTFS showed estimated Budget Gaps of £18.8m for 2018/19 and £22.7m for 2019/20, a total Budget Gap of £41.5m over the two years

3.58 The report stated that the summary MTFS would be updated during 2017/18, informed by the actual financial outturn of 2016/17, latest views on funding forecasts and any economic and legislative changes.

3.59 This review has now been completed and in addition to the above has also taken into account latest financial planning estimates of the council tax base, council tax collection rates, business rates income and business rates appeals.

3.60 The updated estimates of Budget Gaps, compared with the previous estimates are shown below:

	2018/19 £m	**2019/20 £m**	**Total £m**
Budget Gaps per Budget Report 17/18	**18.8**	**22.7**	**41.5**
Changes to financial planning forecasts to council tax, business rates and indexation	-3.7	-6.9	-10.6
Updated Budget Gaps	**15.1**	**15.8**	**30.9**

3.61 The updated Budget Gaps will feed into the budget setting process for 2018/19 and the Budget and Council Tax report 2018/19, to be presented to Cabinet on 19th February 2018 and Council on 28th February 2018.

4. Options considered and recommended proposal

4.1 With regard to the current forecast revenue overspend of £4.594m:

- Management actions are being identified with the clear aim of bringing expenditure into line with budgets and the impact of these actions will be included in future financial monitoring reports to Cabinet.

- In addition, £6.8m of Directorate savings targets are currently identified as at risk of delivery in 2017/18 and for which Directorate Management Teams are tasked with continuing to find alternative and additional savings from other areas in order to achieve a balanced position.

4.2 In setting the 2017/18 Revenue Budget the use of £10.5m reserves was approved providing time for further action to be taken to deliver the substantial further savings required over the two financial years 2018/19 to 2019/20. This approach was based on the Council currently having a balance of reserves which could mitigate overall budget risk in the short term and to support a sustainable financial plan in the medium term. It is inevitable that to any extent that planned savings are not delivered and a balanced budget cannot be maintained for 2017/18, there will be an impact on the Council's reserves.

4.3 Within the current financial climate, effective and carefully planned use of reserves is ever more critical to the Council's ability to maintain a robust financial strategy and delivery of a balanced budget. Additional use of reserves in the current financial year will have implications for the authority's overall financial resilience and could result consequent pressure on future years' budgets. It is therefore important that reserves are not called upon save in exceptional circumstances. The level of reserves and requirement for the use of reserves will be considered as part of the budget setting process for 2018/19.

5. Consultation

5.1 The Council consulted extensively on budget proposals for 2017/18. Details of the consultation are set out within the Budget and Council Tax 2017/18 report approved by Council on 8 March 2017.

5.2 Consultation on the Budget for 2018/19 will formally commence on 6th December 2017.

6. Timetable and Accountability for Implementing this Decision

6.1 Strategic Directors, Managers and Budget Holders will ensure continued close management and scrutiny of spend for the remainder of the financial year.

6.2 Financial Monitoring reports are taken to Cabinet/Commissioner Decision Making meetings during the year. The next Financial Monitoring Report will be considered by Cabinet in February 2018.

7. Financial and Procurement Implications

7.1 Current budget forecasts have identified a projected overspend of £4.6m as set out within section 3 of this report. This includes a shortfall in delivery of £6.8m of the total amount of budget savings agreed for 2017/18, net of mitigating actions and savings.

7.2 It is inevitable that to the extent that planned savings are not delivered and expenditure exceeds budgets this year, there will be implications for the level of reserves held by the Council, as reserve levels are affected by unplanned spending. Controlling spending to deliver planned budgets and savings is therefore critical, all areas at risk of shortfall in savings or subject to budget pressures are subject to review to identify alternative savings.

7.3 Failure to achieve planned savings and to contain spending within the agreed budget in the current financial year will also have implications for subsequent financial years 2018/19 and 2019/20, when the Council already has significant challenges ahead across the medium term.

7.4 Following a detailed review of planned housing expenditure in the Adult Care and Housing section of the Capital programme the phasing of several schemes has been further revised moving £7.3m of expenditure from 2017/18 into 2018/19 and later years of the capital programme. It is anticipated that further reviews of other Directorate Programmes will be reflected in subsequent monitoring reports.

7.5 The currently projected levels of Capital receipts to be used flexibility to support transformational projects within the Council £1.8m are £0.2m less than had been assumed when the budget was set. However as indicated the position will be continuously reviewed and where possible sites will be brought forward for early disposal in coming months.

8. Legal Implications

8.1 No direct implications.

9. Human Resources Implications

9.1 No direct implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 This report includes reference to the cost pressures on both Children's and Adult' Social care budgets.

11. Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

12.1 No direct implications. As management actions are developed some of these may impact upon Partners. Timely and effective communication will therefore be essential in these circumstances.

13. Risks and Mitigation

13.1 At a time of economic difficulty and tight financial constraints, managing spend in line with the Council's Budget is paramount. Careful scrutiny of expenditure and income across all services and close budget monitoring therefore remain a top priority if the Council is to deliver both its annual and medium term financial plans while sustaining its overall financial resilience.

13.2 Current spending forecasts for Children and Young People's Services do not incorporate the potential cost of any further Looked After Children placements over and above the latest level of 533 which could add up to £2.0m to the overspend in this financial year depending on the number and timing of placements.

13.3 Potential pressures on the winter maintenance budget arising from adverse weather are not reflected in this report.

13.4 There is a risk that the costs falling on the Council for sponsored academy conversions in-year may exceed the funding set aside for this purpose.

13.5 Although both Council Tax and Business Rates collection levels are on target there is a small risk that this could change during the remaining months of the year.

14. Accountable Officer(s)

Graham Saxton, Assistant Director – Financial Services
Anne Ellis, Finance Manager

Approvals obtained from:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Judith Badger	22.11.2017
Assistant Director of Legal Services	Dermot Pearson	22.11.2017
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

Report Author: *Anne Ellis, Finance Manager*
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http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Cabinet – Review of Council Tax Support Scheme

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)
Robert Cutts, Service and Development Manager – Revenues, Benefits & Payments
01709 823320 or robert.cutts@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 11 December 2017, the Cabinet considered a report in respect of the review of the Council Tax Support Scheme which contained recommendations for the Council to adopt the scheme. Cabinet agreed to make the recommendation to Council.

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendation set out below.

Recommendation

That the following amendments to the current Council Tax Support Scheme to take effect from 1st April 2018, within the revised scheme:

- 100% support for qualifying care leavers
- A standard £10.00 deduction for non-dependants in employment and a standard £5.00 deduction for non-dependants not in employment
- The introduction of a taper rate of 30%
- Discretion is introduced into the Council Tax Support Scheme to limit the number of assessments for claimants in receipt of Universal Credit where there are only small changes to Universal Credit entitlement.

List of Appendices Included
Appendix 1 – Review of the Council Tax Support Scheme – Report to Cabinet and Commissioners' Decision Making Meeting – 11 December 2017
Appendix A – Council Tax Support Consultation Report
Appendix B – Council Tax Support Scheme 2018

Background Papers
The Localism Act 2011
http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted

Local Government Finance Act 1992
https://www.legislation.gov.uk/ukpga/1992/14/contents

Local Government Finance Act 2012
http://www.legislation.gov.uk/ukpga/2012/17/contents/enacted

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended.
http://www.legislation.gov.uk/uksi/2012/2885/contents/made

Council Tax Support Modelling Report Council tax Support Equality Impact Assessment

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 11 December 2017

Council Approval Required
Yes

Exempt from the Press and Public
No

Rotherham Metropolitan Borough Council

Public Report
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Council Report
Cabinet and Commissioners' Decision Making Meeting – 11 December 2017

Title:
Review of Council Tax Support Scheme

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger – Strategic Director of Finance & Customer Services

Report Author(s)
Robert Cutts, Service and Development Manager – Revenues, Benefits & Payments
01709 823320 or robert.cutts@rotherham.gov.uk

Ward(s) Affected
All

Summary

Until 2013/14 Council Tax Benefit was a national scheme administered by Councils but fully funded by the Government. In 2013 the Government abolished the national scheme and asked Local Authorities to create their own local Council Tax Support (CTS) Schemes with reduced funding. Local CTS Schemes have to be reviewed annually and this report sets out recommendations following this year's review which was carried out within the context of the substantial financial challenges facing the Council.

Since 2010 central government grant to local authorities has been severely cut each and every year and the Council's latest financial planning assumptions have identified that the Council needs to reduce its net spending by a further £31m over the two years 2018/19 and 2019/20. The Council must address this funding gap whilst demand for services, particularly social care for vulnerable children and adults, is continuing to rise.

As part of the review of the CTS Scheme, the level of potential savings that could be gained by changing the scheme was considered alongside the impact of a variety of options.

Rotherham's scheme has remained unchanged since it was implemented, whereas many other Councils have already reviewed their schemes and provide support which is significantly less than is currently provided by Rotherham.

The proposals relate only to support for working age claimants (the support provided to pensioner claimants remain unchanged at nationally determined levels).

The options which were selected included retaining the current scheme and a further seven change options which could be implemented individually or in combination. Any proposal to change the Council Tax Support Scheme requires the Council to consult major preceptors (Fire and Rescue Authority and Police and Crime Commissioner) and also to undertake a public consultation exercise. Consultation has been held with the major preceptors and a public consultation was undertaken over the period 9th October 2017 to 20th November 2017.

A total of 401 responses were received and detailed analysis of the consultation, including its scope and the analysis of the responses received, is included within the report. These have informed the final recommendations.

Legislation requires that any changes to the Council Tax Support Scheme must be adopted by Full Council by 31st January 2018 in order to come into effect for 2018/19. The Cabinet recommendation will therefore be forwarded for consideration at the Council meeting on 24th January 2018.

Recommendations

That Cabinet recommend to Council the following amendments to the current Council Tax Support Scheme to take effect from 1st April 2018, with the revised scheme to be included in the report to Council.

- 100% support for qualifying care leavers
- A standard £10.00 deduction for non-dependants in employment and a standard £5.00 deduction for non-dependants not in employment
- The introduction of a taper rate of 30%
- Discretion is introduced into the Council Tax Support Scheme to limit the number of assessments for claimants in receipt of Universal Credit where there are only small changes to Universal Credit entitlement.

List of Appendices Included
Appendix A – Council Tax Support Consultation Report

Background Papers
The Localism Act 2011
http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted
Local Government Finance Act 1992
https://www.legislation.gov.uk/ukpga/1992/14/contents
Local Government Finance Act 2012
http://www.legislation.gov.uk/ukpga/2012/17/contents/enacted

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended.
http://www.legislation.gov.uk/uksi/2012/2885/contents/made
Council Tax Support Modelling Report
Council tax Support Equality Impact Assessment

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Council – 24 January 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Review of Council Tax Support Scheme

1. Recommendations

1.1 That Cabinet recommend to Council the following amendments to the current Council Tax Support Scheme to take effect from 1st April 2018, with the revised scheme to be included in the report to Council:

- 100% support for qualifying care leavers
- A standard £10.00 deduction for non-dependants in employment and a standard £5.00 deduction for non-dependants not in employment
- The introduction of a taper rate of 30%
- Discretion is introduced into the Council Tax Support Scheme to limit the number of assessments for claimants in receipt of Universal Credit where there are only small changes to Universal Credit entitlement.

2. Background to the Council Tax Support Scheme

2.1 Until 2013/14 Council Tax Benefit was a national scheme administered by Councils but fully funded by the Government. In 2013 the Government abolished the national scheme and asked Local Authorities to create their own local Council Tax Support (CTS) Schemes. A contribution to the funding for this was provided to authorities by the Government at a level that was 10% less than the Government's own planned expenditure on the scheme, which already included a reduction on current cost. This funding has subsequently been rolled into the general funding received by Councils so it can no longer be separately identified. Local CTS Schemes have to be reviewed annually and this report sets out recommendations following this year's review which was carried out within the context of the substantial financial challenges facing the Council.

2.2 Since 2010 central government grant to local authorities has been severely cut each and every year and has led to the Council having to save £162m in the 7 years between 2011/12 to the end of 2017/18. The Council's latest financial planning assumptions have identified that the Council needs to reduce its net spending by a further £31m over the two years 2018/19 and 2019/20. The Council must address this funding gap whilst demand for services, particularly social care for vulnerable children and adults, is continuing to rise. Resolving this funding shortfall is essential and the Council is currently reviewing all services' expenditure and income to identify all available options for savings.

2.3 As part of the review of the Council Tax Support Scheme, the level of potential savings that could be gained by changing the scheme was considered alongside the impact of a variety of options. Any changes only affect working age claimants (not pensioners) and do not affect the single person discount.

2.4 As the CTS scheme operates as a discount on claimants' Council Tax bills the support awarded reduces the Council Tax base with the cost of the scheme falling on Rotherham Council and the major preceptors (Police and Crime Commissioner, Fire and Rescue and the Parishes where a precept is set).

Any savings made to the cost of the Council Tax Support Scheme would result in equivalent increases in Council Tax bills for those claimants affected.

3. Rotherham's current Council Tax Support Scheme

3.1 Local Council Tax Support (CTS) is a Council Tax discount. The level of discount, or support, is based on the household income and circumstances. Currently the maximum discount for working age households in Rotherham is 91.5% of the Council Tax liability. This means that all working age households are required to pay a minimum 8.5% of their Council Tax liability.

3.2 The CTS scheme for pension age residents is set by Central Government and claimants can receive a maximum discount of 100% of their Council Tax liability. Pensioner claimants are not affected by the options set out in this report.

3.3 The overall cost of the whole CTS scheme (value of discounts provided) is currently £21.1m per annum which includes the precepts set by the Police and Crime Commissioner, Fire and Rescue Authority and Parish and Town Councils. This overall cost is split between £11.9m for working age claimants and £9.2m for pensioner claimants. Rotherham Council's share of the working age cost is 84% which equates to £10m per annum.

4. Review of Rotherham's Council Tax Support Scheme

4.1 The Council's CTS scheme has been reviewed to identify changes which could contribute to the Council's required savings and reduce the need for the Council to make savings in other service areas that provide vital support to residents or infrastructure to enable the borough to function effectively. Rotherham's scheme has remained unchanged since it was implemented whereas many other Councils have already reviewed their schemes and provide support which is significantly less than is currently provided by Rotherham.

4.2 The review of the scheme included substantial modelling of the options for change. These included estimates of both cost reductions and the changes to claimants CTS awards. The review also looked at CTS schemes nationally to consider what changes had been introduced by other councils and what the impact would be of introducing those changes in Rotherham.

4.3 Following this review a total of eight options were developed and put forward as part of a public consultation on Council Tax Support which ran from 9th October 2017 to 20th November 2017.

4.4 The options which were selected included retaining the current scheme and a further seven change options which could be implemented individually or in combination. In addition to the eight options, the consultation asked respondents whether any specific groups of claimants should receive special consideration under the scheme and for their general views on the scheme and the options for change.

4.5 Alongside the public consultation, any proposal to change the Council Tax Support Scheme requires the Council to consult major preceptors (Fire and Rescue Authority and Police and Crime Commissioner). Consultation has been held with the major preceptors and was undertaken over the same period as the public consultation (9th October 2017 to 20th November 2017).

4.6 The eight options consulted upon were as listed below. Further detail regarding each option, including the potential cost savings and impact on CTS claimants is included in the modelling report.

- Making no change to the current Scheme
- Incorporating support for Care Leavers into the Scheme
- Reducing the maximum level of Council Tax Support from the current 91.5%
- Changing non-dependant deductions
- Restricting Council Tax Support to a lower banded property change
- Introducing a minimum Council Tax Support amount
- Increasing the Taper rate that Council Tax is withdrawn at
- Administrative changes for those on Universal Credit

4.7 Detailed analysis of these options for change and the consultation results has been undertaken to determine the recommendations for amendments to the CTS scheme. A total of 401 responses were received and detailed analysis of the consultation, including its scope and the analysis of the responses received, is included in Appendix A.

4.8 Legislation requires that any changes to the Council Tax Support Scheme must be adopted by Full Council by 31st January 2018 in order to come into effect for 2018/19. The Cabinet recommendation will therefore be forwarded for consideration at the Council meeting on 24th January 2018.

5. Options considered and recommended proposal

5.1 The assessment of the eight options is described below. More detail regarding each option, including the potential cost savings and impact on CTS claimants is included in the modelling report. The analysis from the consultation is set out in Appendix A.

<u>Option 1 – Making no change to the current Scheme</u>

5.2 This option would retain the current CTS scheme but would not deliver a reduction in the cost of the scheme and more savings would therefore have to be made elsewhere in the Council's budget thus affecting other services provided by Rotherham MBC.

5.3 While it may be considered desirable to retain the current level of support for CTS claimants this option was not considered to be viable due to the need for a £31m reduction in net spending over the two years 2018/19 and 2019/20. This view was supported by respondents to the consultation with 53% agreeing that the council should not retain the current CTS scheme compared with 40% who believed it should be retained.

The recommendation is that Option 1 is not approved.

Option 2 – Incorporating support for Care Leavers into the Scheme

5.4 The Children Act 1989 and the Children (Leaving Care) Act 2000 place a duty on the Council to provide support to young people leaving its care and as part of this Rotherham currently provides a local Council Tax discount for care leavers.

5.5 This option would see the current Care Leavers Council Tax Discount incorporated into the CTS scheme in order to ensure that young people leaving Council care continue to receive 100% support regardless of their income. This would apply to all care leavers under the age of 22 and to care leavers between the age of 22 and 25 who are in full time education. The estimated annual cost to the CTS scheme of introducing this option would be £13k although this cost is currently already being met through a local Council Tax Discount.

5.6 Although this option slightly increases the cost of the scheme and had the support of only 40% of respondents it was considered that it helps to improve the life chances of looked after children and supports care leavers in making an effective transition from Local Authority care to independent living. This outcome directly supports the Council's legal obligations and key objectives of supporting people to lead independent lives, and ensuring that children and young people are safe and make a positive contribution.

The recommendation is that Option 2 is approved and that 100% support for qualifying care leavers is incorporated into the 2018/19 CTS scheme.

Option 3 – Reducing the maximum level of Council Tax Support from the current 91.5%

5.7 The maximum Council Tax Support a working age claimant can receive would be reduced from the current 91.5% per cent to a lower percentage.

5.8 The estimated reduction in the cost of the CTS Scheme depends on the maximum percentage of support introduced and varies from £213k (£179k RMBC share) at 90% to £3.03m (£2.54m RMBC share) at 70%.

5.9 This option is easy to administer and for claimants to understand being a simple variation on the current CTS scheme. It also has the potential to deliver larger savings than some of the other options consulted upon. The proposal would spread the savings more evenly across all 15,061 claimants meaning that reductions in support might be more manageable for claimants, particularly if the maximum support was not reduced substantially from current levels.

5.10 54% of respondents to the consultation were in favour of the principle of reducing the maximum level of CTS support compared with 39% who were not. However, whilst this option has been favoured by many councils, it would impact on the most vulnerable claimants who are most reliant on the support and therefore may be least likely to be able to manage financially should that level of support be reduced. After careful analysis of this option it was considered that due to the impact on the most vulnerable claimants reducing the maximum level of CTS from the current 91.5% is not a preferred change.

The recommendation is that Option 3 is not approved.

Option 4 – Changing non-dependant deductions

5.11 The amount of Council Tax Support a claimant receives may reduce where they have other adults (other than their partner) living with them. These reductions are known as non-dependent deductions. Currently in Rotherham's CTS scheme the amount of the non-dependant deduction depends on the non-dependents income and there is no deduction at all for some non-dependants who are in receipt of specific welfare benefits.

5.12 Two options for changes to non-dependent deductions were proposed in the consultation;

- A non-dependant deduction would be introduced where there is currently no deduction; and/or
- The non-dependant deductions which currently apply would be changed.

5.13 The option is based on the expectation that a non-dependent for whom a deduction is made will contribute to the household expenditure, including Council Tax, although the resultant increase in the Council Tax bill will fall on the claimant should the non-dependant fail to contribute.

5.14 The estimated reduction in cost of the CTS scheme depends on which combination of changes are introduced and vary from £99k (£83k RMBC share) for a minimum £3.80 deduction to £169k (£142k RMBC share) for standard deductions of £5.00 for non-dependants who are not in employment and £10.00 for those in employment.

5.15 Both options for changes to non-dependant deductions received support in the consultation. 50% of respondents supported the introduction of non-dependant deductions where there currently are none compared with 34% against. Changes to the current deductions received larger support with 61% in favour compared with 21% against.

5.16 Although some claimants would see a substantial reduction in CTS as a result of both changes it was considered that the presence of non-dependants increased the household's overall income and as they should be expected to contribute to household expenditure it would make increases in Council Tax bills more manageable for these claimants. It was considered that as changes to non-dependant deductions would impact households with larger overall household incomes it would be less likely to impact the most vulnerable claimants who are most reliant on the support and therefore may be least likely to be able to manage financially should that level of support be reduced.

5.17 Careful consideration was given to which changes to non-dependant deductions should be introduced and it was judged that the introduction of standard deduction rates of £5.00 for those non-dependants not in employment and £10.00 for those in employment would simplify the scheme and reduce the number of changes to entitlement where non-dependants income varies. This recommendation if introduced on its own would deliver savings of £169k (£142k RMBC share) and would mean an average annual increase of £169.24 for claimants affected. When introduced as a combination of changes together with the other recommendations the total saving is £536k (£450k RMBC share) and would mean an average increase of £170.24 for claimants affected.

The recommendation is that Option 4 is approved and that standard deductions of £5.00 for non-dependants not in employment £10.00 for non-dependants who are in employment.

Option 5 – Restricting Council Tax Support to a lower banded property change

5.18 In England there are eight Council Tax bands, band A to H into which properties are placed by the Valuation Office Agency for Council Tax purposes. Currently Rotherham's CTS is calculated based on the full Council Tax charge irrespective of the property band.

5.19 This option proposed that CTS awards would be restricted to a maximum Council Tax band and where an applicant lives in a higher banded property their CTS would be calculated as if they lived in a property with the maximum band.

5.20 As the vast majority of Rotherham's CTS claimants live in Band A properties (88%) and Band B (8%) this option only delivers significant savings when CTS is capped at a low band meaning that these savings are shared over a relatively small proportion of claimants, resulting in some claimants receiving substantial increases in their Council Tax bills.

5.21 The estimated reduction in cost of the Council Tax Support Scheme depends on the band at which CTS is restricted and varies from £27k (£23k RMBC share) at Band D to £408k (£343k RMBC share) at band A.

5.22 This option delivers significant savings when CTS is restricted to a very low band, particularly band A. The option is easy to administer and received support in the consultation with 50% of respondents supporting a band cap compared with 34% against.

5.23 However despite this support, further analysis of the option showed that it significantly impacts upon a small number of claimants, (622 at band B and 1,865 at Band A), some of whom would see a substantial reduction in their CTS, far in excess of any of the other options when applied individually. Additionally as this option is not based on an assessment of income and circumstances it can impact on some of the most vulnerable claimants who are most reliant on the CTS and therefore may be least likely to be able to manage financially should that level of support be reduced. After careful analysis of this option it was considered that due to the impact on the most vulnerable claimants and the significant impact on a small number of claimants it would not be appropriate to restrict CTS to a lower band.

The recommendation is that Option 5 is not approved.

Option 6 – Introducing a minimum Council Tax Support amount

5.24 CTS is awarded on a weekly basis and Rotherham's current scheme allows the award of any weekly amount regardless of the amount. This option proposed that a minimum weekly amount of support be set below which no payment would be made.

5.25 The estimated reduction in cost of the CTS scheme depends on the level of the minimum threshold and varies from £18k (£15k RMBC share) at a £2.50 minimum to £98k (£82k RMBC share) at a £5.00 minimum. It is estimated that 238 claimants would be affected at a minimum of £2.50 and 546 at £5.00.

5.26 This option only delivers limited savings unless the minimum threshold is set at the relatively high £5.00 which has only been adopted by 17 councils, 6 of whom still offer 100% support. This option received the highest level of support in the consultation, with 67% of respondents in favour compared with 24% against.

5.27 However despite this support, further analysis indicated that those affected were predominantly claimants in low paid work, for whom the loss of CTS up to £5.00 per week could be a disincentive to work particularly if introduced together with an increased taper rate (option 7).

The recommendation is therefore than Option 6 is not approved.

Option 7 – Increasing the Taper rate that at which Council Tax is withdrawn

5.28 The Taper is the rate at which CTS is reduced for an applicant whose income is above the applicable amount[1]. The current rate at which support is withdrawn is 20% meaning for every £1 income over the applicable amount support will be reduced by 20 pence per week.

5.29 This option proposed that the taper rate be increased to a higher percentage resulting in CTS being withdrawn at a higher rate for those claimants whose income is above the applicable amount.

5.30 The estimated reduction in cost of the Council Tax Support Scheme savings depends on taper rate introduced and varies from £214k (£179k RMBC share) at 25% to £375k (£315k RMBC share) at 30%.

5.31 It was considered that as claimants affected by this option had income above their applicable amounts they would be more likely to be able to manage financially with the reduction in support and increases in Council Tax bills. In the consultation 43% of respondents supported this option compared with 39% against. This option received the highest level of "don't know" responses meaning that the majority of respondents who did express an opinion were in favour of it. As this option is based on an assessment of income and circumstances and affects those above the applicable amount, it is less likely to impact the most vulnerable claimants who are most reliant on the CTS and therefore may be least likely to be able to manage financially should that level of support be reduced.

5.32 Careful consideration was given to the taper rate which should be introduced and the effect that this would have on the amount of Council Tax that claimants would be required to pay on a weekly or annual basis. It was considered that as the options delivering the largest savings - maximum support and band cap - were not being recommended for adoption, a taper of 30% would be necessary in order to deliver a significant saving.

5.33 A taper of 30% if introduced on its own would deliver savings of £375k (£315k RMBC share) and would mean an average annual increase of £157.72 for claimants affected. When introduced as a combination of changes together with the other recommendations the total saving is £536k (£450k RMBC share) and would mean an average increase of £170.24 for claimants affected.

The recommendation is that Option 7 is approved and that a taper rate of 30% is introduced.

[1] Applicable amount is the income level that the Government expects the applicant to be able to live on and is the sum of three allowances for claimant/partner, dependent children and any special needs.

Option 8 – Administrative changes for those on Universal Credit

5.34 The Council currently receives electronic notification from the Department for Works and Pensions when a claimant's Universal Credit entitlement changes, which for some CTS claimants can be every month. Currently this alters a person's entitlement to CTS and can result in claimants receiving a new Council Tax bill every month leading to confusion for claimants and substantially increasing the Council's cost of administration through increased customer contact together with increased print and post costs.

5.35 This option proposed that discretion be introduced to limit the number of assessments undertaken for Universal Credit recipients unless the change is a major one.

5.36 Although this option does not deliver savings on the cost of the CTS scheme it would deliver administrative savings by reducing the number of re-assessments needed, customer contact and Council Tax bills issued, although this cannot be quantified at the moment. It was also considered that it would assist those claimants whose income regularly changes, generally those in low paid and unsecure work such as zero hours contracts, with budgeting by avoiding frequent changes to the support they are receiving.

The recommendation is therefore that Option 8 is approved and that discretion is introduced into the Council Tax Support to limit the number of assessments for claimants on Universal Credit.

Special Consideration for certain claimant groups

5.37 Rotherham's working age CTS claimants are currently split into the following four claimant groups based on their circumstances with claimants falling into the first group for which they match the criteria outlined below.

- Vulnerable (Disability Premium)
  - Claimants in receipt of one of eight specific disability premiums
- Household vulnerable (Children under 5)
  - These claimants have one or more children under 5 and are therefore not required to work by the DWP
- Working age employed
  - These claimants are in employment of over 16 hours per week
- Working age other
  - These claimants do not meet any of the other categories and include those in employment under 16 hours per week.

5.38 Some authorities have opted to protect certain claimant groups from some or all of the changes that they have introduced by either excluding them entirely or by introducing a reduced level of change, such as a lower minimum percentage contribution. As part of the consultation respondents were asked if there are any groups other than care leavers who should be given special consideration.

5.39 34% of respondents agreed that certain groups of claimants should be given special consideration in the CTS scheme with the most common groups being the disabled/ill health (19% of the consultation respondents), low income working families (4%), households with children (3%) and the young (3%).

5.40 Analysis indicated however that protection of some of the suggested groups, particularly the larger groups such as the Vulnerable (Disability Premium) whose claims make up 48% of the cost of the CTS scheme, would significantly reduce savings on the cost of the scheme and may require the adoption of more substantial changes to CTS scheme for those not protected in order to deliver significant savings.

The recommendation is therefore other than care leavers (Option 2) no special consideration is given to any other groups.

6. Consultation

6.1 In order to change the Council Tax Support Scheme the Council is required by legislation to consult with major preceptors (Fire and Rescue Authority and Police and Crime Commissioner) and the public.

6.2 The consultation was undertaken over the period 9th October 2017 to 20th November 2017. 401 responses were received and detailed analysis of the consultation including its scope and analysis of the responses received can be found in Appendix A.

6.3 The recommendations have been considered by the relevant Cabinet Member who is supportive of the changes the CTS scheme.

7. Timetable and Accountability for Implementing this Decision

7.1 Legislation requires that any changes to the Council Tax Support Scheme must be adopted by Full Council by 31st January 2018 in order to come into effect for 2018/19.

7.2 Following adoption of the scheme claimants who will be affected will be contacted by letter prior to 2018/19 annual billing to advise them of the changes to the CTS scheme.

7.3 Annual Council Tax billing for 2018/19 will commence in mid March 2018.

8. Financial and Procurement Implications

8.1 The changes to the scheme will deliver a Scheme cost reduction totalling £536k of which £450k of savings are attributable for the Council as well as the remainder delivering a saving for South Yorkshire Fire and Rescue and Town and Parish Councils.

8.2 The Change in the Council Tax base as a result of the alterations to Rotherham's CTS scheme and the consequent increase in Council Tax income will be reflected in both the Council's Revenue Budget plans for next year and in the Medium Term Financial Strategy. The Council's budget plans for 2018/19 will be included in the Budget Setting Report for submission to full Council on February 28th 2018 and in the revised Medium Term Financial Strategy for 2018-2021.

9. Legal Implications

9.1 Schedule 1A to the Local Government Finance Act 1992 requires the Council as the Billing Authority to consider whether, for each financial year the CTS scheme should be revised or replaced. Any revision or replacement of the CTS scheme must be determined by resolution of full Council no later than the 31st January preceding the financial year in which the changes are to take effect.

9.2 The 1992 Act also requires Billing authorities to consult with major precepting authorities (Fire and Rescue Authority) and the public and this consultation has been carried out as detailed in the Appendix A.

9.3 The Council must comply with its duties under the Equality Act 2010. Under Section 1 of that Act the Council must, when making decisions of a strategic nature about how to exercise its functions, have due regard to the desirability of exercising them in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage. In addition under Section 149 of the Equality Act, the Council must comply with the public sector equality duty which requires it to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

In dealing with this duty, the Council must have due regard in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant characteristic that are connected to that characteristic.
- Take steps to meet the needs of people who share a relevant protected characteristic that are different to the needs of persons who do not share it.
- Encourage persons who share a relevant characteristic to participate in public life or any other activities where their participation is disproportionately low.

Protected characteristics include disability, age, race, sex, religion or belief, gender reassignment, marriage and civil partnership, pregnancy/maternity and sexual orientation.

It is important that each Cabinet Member gives due regard to the public sector equality duty when considering the recommendations in this report.

10. Human Resources Implications

10.1 No direct implications from this report.

11. Implications for Children and Young People and Vulnerable Adults

11.1 This recommendation to implement Option 2 directly supports the Council's key objectives of supporting people to lead independent lives, and ensuring that children and young people are safe and make a positive contribution.

12. Equalities and Human Rights Implications

12.1 An Equalities Impact Assessment has been carried out and it is considered that the impact of implementing the recommended changes would not dis-advantage any particular group with protected characteristics of age, disability, gender, gender identity, race, religion or belief, sexuality, civil partnerships and marriage, pregnancy and maternity.

13. Implications for Partners and Other Directorates

13.1 A reduction in CTS and the subsequent increase in Council Tax bills for affected claimants may increase the numbers engaging with advice agencies in respect of financial difficulties.

14. Risks and Mitigation

14.1 Modelling of the cost savings of changes to the Council Tax Support scheme have been carried out based on the number and value of claims at a specific moment in time. Future increases in the number and/or value of CTS claims may result in the projected savings from any approved options not being achieved.

14.2 Based on the recommended changes to the Council Tax Support Scheme it is estimated that the overall cost of the scheme will fall by £536k (£450k RMBC share), which will then be collected from those claimants who are impacted by the changes, by way of increased Council Tax bills. There is a risk that the changes to the Scheme might have a marginal impact on Council Tax collection rates. Any impact which does materialise will be managed through the Council Tax Collection Fund.

15. Accountable Officer(s)

Judith Badger, Strategic Director of Finance and Customer Service
Graham Saxton, Assistant Director of Financial Services

Approvals Obtained from:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	24.11.2017
Assistant Director of Legal Services	Neil Concannon	22.11.2017
Head of Procurement (if appropriate)	N/A	
Head of Human Resources (if appropriate)	N/A	

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http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

Appendix A
Council Tax Support - Consultation Report

Table of Contents

1 Background to CTS and Consultation 3
2 Consultation Programme 3
2.1 Consultation with the Public 4
2.2 Consultation with Key Stakeholders 4
3 Detailed Consultation Results 5
3.1 Option 1 - Making no change to the current Scheme 5
3.2 Option 2 – Incorporating support for Care Leavers into the scheme 5
3.3 Option 3 – Reducing maximum level of CTS from the current 91.5% 6
3.4 Option 4 – Changing non-dependant deductions 6
3.5 Option 5 – Restricting CTS to a lower banded property change 7
3.6 Option 6 – Introducing a minimum CTS amount 7
3.7 Option 7 – Increasing the Taper rate that CTS is withdrawn at 7
3.8 Option 8 – Administrative changes for those on Universal Credit 8
3.9 Special consideration for certain claimant groups 8
4 Summary of consultation results 8
5 Additional consultation comments 9
6 Breakdown of Consultation Results 10

1 Background to CTS and Consultation

Until 2013/14 Council Tax Benefit was a national scheme administered by Councils but fully funded by the Government. In 2013 the Government abolished the national scheme and asked Local Authorities to create their own local Council Tax Support (CTS) Schemes with reduced funding. Local CTS Schemes have to be reviewed annually and this report sets out recommendations following this year's review which was carried out within the context of the substantial financial challenges facing the Council.

Since 2010 central government grant to local authorities has been severely cut each and every year and the Council's latest financial planning assumptions have identified that the Council needs to reduce its net spending by a further £31m over the two years 2018/19 and 2019/20. The Council must address this funding gap whilst demand for services, particularly social care for vulnerable children and adults, is continuing to rise.

As part of the review of the CTS Scheme, the level of potential savings that could be gained by changing the scheme was considered alongside the impact of a variety of options.

The proposals relate only to support for working age claimants (the support provided to pensioner claimants remain unchanged at nationally determined levels).

The options which were selected included retaining the current scheme and a further seven change options which could be implemented individually or in combination.

Any proposal to change the Council Tax Support Scheme requires the Council to consult major preceptors (Fire and Rescue Authority and Police and Crime Commissioner) and also to undertake a public consultation exercise. Consultation has been held with the major preceptors and a public consultation was undertaken over the period 9th October 2017 to 20th November 2017.

2 Consultation Programme

A wide variety of methods were used as part of the Consultation process with the aim of ensuring the approach was inclusive of all groups including those claimants and non-claimants of CTS.

Overall there were 401 responses to the consultation of which 174 were currently in receipt of CTS. Although the number of responses was low in comparison with the volume of communications that were issued, this appears to be in line with a national low response level experienced by the majority of Councils who have

consulted since the introduction of CTS and is a higher level than when the last CTS consultation was undertaken in 2012 when only 177 were received.

The consultation methods consisted of the following.

2.1 Consultation with the Public

Promotion to the public of the on-line consultation was undertaken by phone messages on the main Benefits and Council Tax lines, letters, SMS, email and the inclusion of promotional flyers with letters, Benefit notifications and Council Tax bills. A press release was issued which appeared on the web site of the Rotherham Advertiser.

The consultation was also promoted on the Councils web site, at customer service centres via the promotional screens and as part of internal communication.

The breakdown of the promotion to the public was as follows;

- Telephone promotional message heard by 18,105 customers
- Promotional email sent to 7,757 customers
- Promotional flyers and letters sent to 20,830 customers
- Promotional SMS sent to 36,333 customers

2.2 Consultation with Key Stakeholders

Individual letters were sent to all preceptors (Police & Crime Commissioner, Fire & Rescue Authority, Parish Councils) as well as MP's and major advice agencies. The consultation was also included in Voluntary Action Rotherham's weekly email to the voluntary sector which reaches over 1,200 organisations. Consultation meetings were held with some stakeholders at their request and in some cases via telephone and email, including representatives from political groups, Citizen Advice Bureau, Sight & Sound, Parish Councils and Kevin Barron MP's office.

3 Detailed Consultation Results

This section details the responses to the consultation which asked the respondents for their opinions on eight options for change.

This section shows the overall results for each question but also breaks down those who could be directly affected by changes to CTS, work age claimants, and those not, non claimants and pensioners.

A total of 401 responses were received to the consultation which can be broken down into the respondent types as follows;

Category	Number	%
Rotherham resident receiving CTS	174	43.4%
Rotherham resident not receiving CTS	221	55.1%
A local organisation	2	0.5%
Other	4	1%

3.1 Option 1 - Making no change to the current Scheme

The current Council Tax Support Scheme would continue however this would mean that cuts would have to be made to services or charges for services increased.

The question asked in the consultation was – "Should the Council continue with the current Council Tax Support scheme at a cost of £10 million, rather than being able to spend part of this money on other Council services?"

Overall 39% of respondents supported continuing with the current CTS scheme while 53% opposed.

69% of work age CTS respondents supported continuing with the current CTS scheme while 20% opposed.

3.2 Option 2 – Incorporating support for Care Leavers into the scheme

This option would see the current Care Leavers Council Tax Discount incorporated into the CTS scheme in order to ensure that young people leaving Council care continue to receive 100% support regardless of their income.

The question asked in the consultation was – "Do you agree with the principle of continuing to support care leavers through the Council Tax Support Scheme, so that their Council Tax is reduced to zero?"

Overall 40% of respondents agreed with incorporating support for Care leavers into the CTS scheme while 46% disagreed.

3.3 Option 3 – Reducing maximum level of CTS from the current 91.5%

The maximum Council Tax Support a working age claimant can receive would be reduced from the current 91.5% per cent to a lower percentage.

The question asked in the consultation was – "Do you agree with the principle of reducing the maximum level of Council Tax Support?"

Overall 54% of respondents agreed with the principle of a reduction in the maximum support while 39% disagreed.

30% of work age CTS respondents agreed with the principle a reduction in the maximum support while 60% disagreed.

3.4 Option 4 – Changing non-dependant deductions

Two options for changes to non-dependent deductions were proposed in the consultation;

- A non-dependant deduction would be introduced where there is currently no deduction; and/or
- The non-dependant deductions which currently apply would be changed.

The questions asked in the consultation were;

"Do you agree with the principle of applying a non-dependant deduction where one does not currently apply?"

Overall 50% of respondents agreed with the principle a applying a non-dependant deduction where one does not currently apply while 34% disagreed.

48% of work age CTS respondents agreed with the principle a applying a non-dependant deduction where one does not currently apply while 31% disagreed.

"Do you agree with the principle of changing the current non-dependant deduction amounts?"

Overall 61% of respondents agreed with the principle of changing the current non-dependant deductions while 21% disagreed.

48% of work age CTS respondents agreed with the principle of changing the current non-dependant deductions while 28% disagreed.

3.5 Option 5 – Restricting CTS to a lower banded property change

This option proposed that CTS awards would be restricted to a maximum Council Tax band and where an applicant lives in a higher banded property their CTS would be calculated as if they lived in a property with the maximum band.

The question asked in the consultation was – "Do you agree with the principle of restricting the level of Council Tax Support to a lower property band charge? "

Overall 50% of respondents agreed with the principle of restricting CTS to a lower banded property charge while 41% disagreed.

45% of work age CTS respondents agreed with the principle of restricting CTS to a lower banded property charge while 44% disagreed.

3.6 Option 6 – Introducing a minimum CTS amount

This option proposed that a minimum weekly amount of support be set below which no payment would be made.

The question asked in the consultation was – "Do you agree with the principle of setting a minimum level of Council Tax Reduction?"

Overall 67% of respondents agreed with the principle of introducing a minimum CTS amount while 24% disagreed.

54% of work age CTS respondents agreed with the principle of restricting CTS to a lower banded property charge while 35% disagreed.

3.7 Option 7 – Increasing the Taper rate that CTS is withdrawn at

This option proposed that the taper rate be increased to a higher percentage resulting in CTS being withdrawn at a higher rate for those claimants whose income is above the applicable amount.

The question asked in the consultation was – "Do you agree with principle of increasing the taper level that Council Tax Support is withdrawn at?"

Overall 43% of respondents agreed with the principle of increasing the taper rate while 39% disagreed.

30% of work age CTS respondents agreed with the principle of increasing the taper rate while 46% disagreed.

3.8 Option 8 – Administrative changes for those on Universal Credit

This option proposed that discretion be introduced to limit the number of assessments undertaken for Universal Credit recipients unless the change is a major one.

The question asked in the consultation was – "Do you agree with the principle of introducing discretion to limit the number of assessments for customers on Universal Credit?"

Overall 70% of respondents agreed with the principle of limiting the number of assessments for Universal Credit claimants while 17% disagreed.

65% of work age CTS respondents agreed with the principle of limiting the number of assessments for Universal Credit claimants while 20% disagreed.

3.9 Special consideration for certain claimant groups

As part of the consultation respondents were asked if there are any groups other than care leavers who should be given special consideration.

The question asked in the consultation was – "Do you think that any other groups of people should get special consideration under Rotherham's Council Tax Support scheme?"

Overall 34% of respondents thought other groups should be protected while 45% thought they shouldn't.

50% of work age CTS respondents thought other groups should be protected while 30% thought they shouldn't

Respondents who thought that other groups should be protected were asked which groups. Detail of their responses can be found in the consultation background documents.

The most common groups being mentioned were the disabled/ill health (19% of the consultation respondents), low income working families (4%), households with children (3%) and the young (3%).

4 Summary of consultation results

The analysis shows that a majority of the 401 respondents who expressed an opinion agreed with the options for change which would result in a reduction in the overall level of CTS (options 3, 4, 5 6 and 7).

A majority of the 401 respondents who expressed an opinion disagreed with the options for change which would result in the retention of the current level of CTS or an increase in it (options 1, 2 and special consideration).

The response was different for respondents who are currently in receipt of CTS. A majority of respondents agreed with retaining the current scheme and providing special consideration to other claimant groups. They also disagreed with some of the options which could reduce CTS (options 3 and 7) however they were in agreement with some of the options which would reduce support (options 4, 5 and 6).

Option 8 to introduce administrative changes for Universal Credit claimants received the highest level of overall support with both claimant and non-claimant groups.

5 Additional consultation comments

In addition to the Yes/No/Don't Know questions the respondents were asked the following three additional questions for which they were able to provide a free text response;

- How important do you think funding the Council Tax Support scheme at its current level is compared to other Council services you or your neighbours may use
- Please tell us which other groups you think should receive special consideration
- Do you have any further comments to make on the Councils proposed options

All additional comments through both sources are listed in full in the consultation background documents.

6 Breakdown of Consultation Results

	Rotherham Resident CTS Claimants (174 respondents)			Rotherham Resident Non-CTS Claimants (221 respondents)			Other (6 respondents)			Total (401 respondents)		
	Yes	**No**	**Don't Know**	**Yes**	**No**	**Don't Know**	**Yes**	**No**	**Don't Know**	**Yes**	**No**	**Don't Know**
Option one: Make no change to the current Council Tax Support scheme	67% (115)	23% (40)	11% (19)	19% (42)	76% (168)	5% (11)	17% (1)	67% (4)	17% (1)	39% (158)	53% (212)	8% (31)
Option two – Part 1: Continue to provide support to care leavers through the Council Tax Support scheme	40% (69)	44% (77)	16% (28)	40% (88)	47% (104)	13% (29)	67% (4)	33% (2)	0% (0)	40% (161)	46% (183)	14% (57)
Option two – Part 2: Giving other groups special consideration	47% (82)	33% (57)	20% (35)	24% (52)	55% (121)	22% (48)	50% (3)	17% (1)	34% (2)	34% (137)	45% (179)	21% (85)
Option three: Reducing the maximum level of Council Tax Support	33% (57)	57% (100)	10% (17)	72% (158)	24% (54)	4% (9)	50% (3)	50% (3)	0% (0)	54% (218)	39% (157)	6% (26)

Option four – Part 1: Changing non-dependant deductions (applying new deductions)	50% (83)	34% (54)	17% (37)	51% (113)	36% (79)	13% (29)	50% (3)	33% (2)	17% (1)	50% (199)	34% (135)	16% (67)
Option four – Part 2: Changing non-dependant deductions (changing existing deductions)	61% (88)	21% (45)	18% (41)	70% (154)	17% (37)	14% (30)	50% (3)	50% (3)	0% (0)	61% (245)	21% (84)	18% (72)
Option five: Restricting Council Tax Support to a lower property band charge	48% (84)	42% (73)	10% (17)	52% (114)	39% (87)	9% (20)	17% (1)	67% (4)	17% (1)	50% (199)	41% (164)	9% (38)
Option six: Introducing a minimum Council Tax Support amount	55% (96)	33% (57)	12% (21)	76% (167)	18% (39)	7% (15)	67% (4)	33% (2)	0% (0)	67% (267)	24% (98)	9% (36)
Option seven: Increasing the taper rate that Council Tax is withdrawn at	33% (57)	45% (78)	22% (39)	52% (114)	33% (74)	15% (33)	33% (2)	67% (4)	0% (0)	43% (173)	39% (156)	18% (72)

Council Tax Support Scheme 2018

Contents

PART 1
Introduction

1. Introduction.

PART 2
Interpretation

2. Interpretation.
3. Application of scheme: pensioners and persons who are not pensioners.
4. Meaning of “couple”.
5. Polygamous marriages.
6. Meaning of “family”.
7. Circumstances in which a person is to be treated as responsible or not responsible for another.
8. Households.
9. Non-dependants.
10. Remunerative work.

PART 3
Procedural matters

11. Procedure for reduction applications and appeals against reduction decisions.

PART 4
Classes of person entitled to a reduction under this scheme

12. Classes of person entitled to a reduction under this scheme.
13. Class A: pensioners whose income is less than the applicable amount.
14. Class B: pensioners whose income is greater than the applicable amount.
15. Class C: alternative maximum council tax reduction – pensioners.
16. Class D: persons who are not pensioners whose income is less than the applicable amount.
17. Class E: persons who are not pensioners whose income is greater than the applicable amount.
18. Class F: Rotherham Care Leavers aged 18 to 21 and Rotherham Care Leavers in full time education aged 21 – 25.
19. Periods of absence from a dwelling – Pensioners

19a. Periods of absence from a dwelling – Persons who are not Pensioners

PART 5
Classes of person excluded from this scheme

20. Classes of person excluded from this scheme.
21. Class of person excluded from this scheme: persons treated as not being in Great Britain.
22. Class of person excluded from this scheme: persons subject to immigration control.
23. Class of person excluded from this scheme: capital limit.
24. Class of person excluded from this scheme: students.

PART 6
Applicable amounts

25. Applicable amounts: pensioners.
25a. Applicable amount t**ransitional provisions for restrictions on amounts for children and young persons – Persons who are Pensioners**
26. Applicable amounts: persons who are not pensioners.
27. Polygamous marriages: persons who are not pensioners.
28. Applicable amount: persons who are not pensioners who have an award of universal credit.

PART 7
Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

29. Maximum council tax reduction amount under this scheme: pensioners .
29A. Maximum council tax reduction amount under this scheme: persons who are not pensioners (class D – E)
29B. Maximum council tax reduction amount under this scheme: persons who are not pensioners (class F)
30. Non-dependant deductions: pensioners.
30A. Non-dependant deductions: persons who are not pensioners.

PART 8
Alternative maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction: Pensioners

31. Alternative maximum council tax reduction under this scheme: pensioners.

PART 9
Amount of reduction under this scheme

32. Amount of reduction under this scheme: Classes A to C (pensioners).
32A. Amount of reduction under this scheme: Classes D to F (persons who are not pensioners).

PART 10
Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

CHAPTER 1
Income and capital: general

33. Calculation of income and capital: applicant’s family and polygamous marriages.
34. Circumstances in which income and capital of non-dependant is to be treated as applicant’s.

CHAPTER 2
Income and capital: pensioners in receipt of guarantee credit or savings credit

35. Applicant in receipt of guarantee credit: pensioners.
36. Calculation of applicant’s income and capital in savings credit only cases: pensioners.

CHAPTER 3
Income and capital where there is an award of universal credit

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

CHAPTER 4

Income: other pensioners

38. Calculation of income and capital where state pension credit is not payable: pensioners.
39. Meaning of “income”: pensioners.
40. Calculation of weekly income: pensioners.
41. Earnings of employed earners: pensioners.
42. Calculation of net earnings of employed earners: pensioners.
43. Calculation of earnings of self-employed earners: pensioners.
44. Earnings of self-employers earners: pensioners.
45. Notional income: pensioners.
46. Income paid to third parties: pensioners.

CHAPTER 5

Income: persons who are not pensioners

47. Average weekly earnings of employed earners: persons who are not pensioners.
48. Average weekly earnings of self-employed earners: persons who are not pensioners.
49. Average weekly income other than earnings: persons who are not pensioners.
50. Calculation of weekly income of employed earners: persons who are not pensioners.
51. Earnings of employed earners: persons who are not pensioners.
52. Calculation of net earnings of employed earners: persons who are not pensioners.
53. Earnings of self-employed earners: persons who are not pensioners.
54. Calculation of income other than earnings: persons who are not pensioners.
55. Capital treated as income: persons who are not pensioners.
56. Notional income: persons who are not pensioners.

CHAPTER 6

Income: further provisions applying to pensioners and persons who are not pensioners

57. Calculation of income on a weekly basis.
58. Treatment of child care charges.
59. Calculation of average weekly income from tax credits.
60. Disregard of changes in tax, contributions etc..
61. Calculation of net profit of self-employed earners.
62. Calculation of deduction of tax and contributions of self-employed earners.

CHAPTER 7

Capital

63. Calculation of capital.
64. Income treated as capital: persons who are not pensioners.
65. Calculation of capital in the United Kingdom.
66. Calculation of capital outside the United Kingdom.
67. Notional capital.
68. Diminishing notional capital rule: pensioners.
69. Diminishing notional capital rule: persons who are not pensioners.
70. Capital jointly held.
71. Calculation of tariff income from capital: pensioners.
72. Calculation of tariff income from capital: persons who are not pensioners.

PART 11
Students

CHAPTER 1
General

73. Interpretation.
74. Treatment of students.
75. Students who are excluded from entitlement to a reduction under this scheme.

CHAPTER 2
Income

76. Calculation of grant income.
77. Calculation of covenant income where a contribution is assessed.
78. Covenant income where no grant income or no contribution is assessed.
79. Relationship with amounts to be disregarded under Schedule 8.
80. Other amounts to be disregarded.
81. Treatment of student loans.
82. Treatment of payments from access funds.
83. Disregard of contribution.
84. Further disregard of student's income.
85. Income treated as capital.
86. Disregard of changes occurring during summer vacation.

PART 12
Extended reductions

CHAPTER 1
Extended reductions: pensioners

87. Extended reductions: pensioners.
88. Extended reductions (qualifying contributory benefits): pensioners.
89. Duration of extended reduction period (qualifying contributory benefits): pensioners.
90. Amount of extended reduction (qualifying contributory benefits): pensioners.
91. Extended reductions (qualifying contributory benefits)—movers: pensioners.
92. Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C.
93. Continuing reductions where state pension credit claimed: pensioners.

CHAPTER 2
Extended reductions: persons who are not pensioners

94. Extended reductions: persons who are not pensioners.
95. Extended reductions: persons who are not pensioners.
96. Duration of extended reduction period: persons who are not pensioners.
97. Amount of extended reduction: persons who are not pensioners.
98. Extended reductions—movers: persons who are not pensioners.
99. Relationship between extended reduction and entitlement to a reduction by virtue of classes D to E.
100. Extended reductions (qualifying contributory benefits): persons who are not pensioners.
101. Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners.
102. Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners.
103. Extended reductions (qualifying contributory benefits)—movers: persons who are not pensioners.

104. Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to E.

CHAPTER 3

Extended reductions: movers in the authority's area

105. Extended reductions: applicant moving into the authority's area.

PART 13

When entitlement begins and change of circumstances

106. Date on which entitlement begins.
107. Date on which change of circumstances is to take effect; pensioners
107a. Date on which change of circumstances is to take effect; persons who are not pensioners
107b. Change of circumstances where universal credit in payment.
108. Change of circumstances where state pension credit in payment.

PART 14

Applications (including duties to notify authority of change of circumstances)

109. Making an application.
110. Date on which an application is made.
111. Back-dating of applications: pensioners.
112. Back-dating of applications: persons who are not pensioners.
113. Information and evidence.
114. Amendment and withdrawal of application.
115. Duty to notify changes of circumstances.

PART 15

Decisions by authority

116. Decision by authority.
117. Notification of decision.

PART 16

Circumstances in which a payment may be made

118. Payment where there is joint and several liability.

PART 17

Class F Discretionary Reduction

119. Class F, circumstances when a Discretionary Reduction is awarded and amount of award.

Schedule 1 - Procedural matters
Schedule 2 - Applicable amounts: pensioners
Schedule 3 - Applicable amounts: persons who are not pensioners
Schedule 4 - Amount of alternative maximum council tax reduction: pensioners
Schedule 5 - Sums disregarded from applicant's earnings: pensioners
Schedule 6 - Amounts to be disregarded in the calculation of income other than earnings: pensioners
Schedule 7 - Sums disregarded in the calculation of earnings: persons who are not pensioners

Schedule 8 - Sums disregarded in the calculation of income other than earnings: persons who are not pensioners
Schedule 9 - Capital disregards: pensioners
Schedule 10 - Capital disregards: persons who are not pensioners

Explanatory Note as to contents

Section 13a of the Local Government Finance Act 1992 (c.14) ("1992"), substituted by section 10 of the Local Government Finance Act 2012 (c.17), requires each billing authority in England to make a scheme specifying reductions which are to apply to amounts of council tax payable by persons, or classes of persons, whom the authority considers are in financial need. Paragraph 2 of Schedule 1A to the 1992 Act sets out matters that must be included in a scheme and gives the Secretary of State power to prescribe by regulations additional requirements, including classes of persons, which must or must not be included.

This scheme incorporates the statutory requirements prescribed in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (statutory instrument 2012, 2885) which must be included in the scheme.

For the avoidance of doubt and in the ease of navigation the following summarises which parts of the scheme are prescribed and which parts are not for pensioners and those of working age.

Pension Age –
All matters in relation to pension age applicants are prescribed and must be included in this scheme with the following exception:-

- war pension income will be disregarded in full opposed to the £10 per week disregard that applies in the prescribed regulations.

Working Age –

Prescribed and must be included in the scheme - Parts 2, Part 5 (paragraph 21 & 22), Part 12 (chapter 3, paragraph 105), Part 14 (except paragraph 112), Part 15, Part 16 and Schedule 1.

All other parts in relation to working age applicants (including Part 14, paragraph 112) is the scheme as made by the Authority.

PART 1
Introduction

Introduction

1. This scheme relates to the financial year beginning on or after 1st April 2018 and may be cited as Rotherham Metropolitan Borough Council, Council Tax Support Scheme 2018**.**
Rotherham Metropolitan Borough Council sets the applicable amounts, premiums and non-dependent deduction annually each April. The applicable amounts will be determined in accordance with those set The Department for Works and Pensions for the Housing Benefit Scheme and the non-dependent deduction in accordance with those set in the prescribed requirements for pensioner applicants.

PART 2
Interpretation

Interpretation

2.—(1) In this scheme—

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

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

"adoption leave" means a period of absence from work on ordinary or additional adoption leave by virtue of section 75A or 75B of the Employment Rights Act 1996(**2**);

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

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

"applicable amount" means—

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

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

(i) paragraph 26 and Schedule 3; or

(ii) paragraph 28,

as the case may be;

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

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

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

"assessment period" means—

(a) in relation to pensioners—

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

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

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

"attendance allowance" means—

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

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

(c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983(**5**) or any analogous payment; or

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

"the authority" means 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;

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

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

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

"care home" 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;

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

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

"concessionary payment" means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act 2002(**15**) are charged;

"contributory employment and support allowance" means an allowance under Part 1 of the Welfare Reform Act 2007(d) as amended by the provisions of Schedule 3, and Part 1 of the Schedule 14, to the Welfare Reform Act 2012(e) that remove reference to an income related allowance and as under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;

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

"couple" has the meaning given by paragraph 4;

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

(a) by notice upon or with a form supplied by it for the purpose of making an application; or

(b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application and without charge; or

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

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

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

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

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

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

"the Employment, Skills and Enterprise Scheme" means a scheme under section 17A (schemes for assisting persons to obtain employment: "work for your benefit" schemes etc.) of the Jobseekers Act 1995(**20**) known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to

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

“employment zone” means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999(**21**) and an “employment zone programme” means a programme established for such an area or areas designed to assist claimants for a jobseeker’s allowance to obtain sustainable employment;

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

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

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

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

“family” has the meaning given by paragraph 6;

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

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

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

“housing benefit” means housing benefit under Part 7 of the SSCBA;

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

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

“independent hospital”—

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

(b) in Wales has the meaning given by section 2 of the Care Standards Act 2000; and

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

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

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

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

“the London Emergencies Trust” means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017;

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

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

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

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

"main phase employment and support allowance" means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 or the applicant is a member of the work-related activity group except in Part 1 of Schedule 3;

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

"maximum council tax reduction amount" means the amount determined in accordance with paragraph 29;

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

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

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

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

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

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

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

"occasional assistance" means any payment or provision made by a local authority, the Welsh Ministers or the Scottish Ministers for the purposes of—

(a) meeting, or helping to meet an immediate short-term need—

(i) arising out of an exceptional event or exceptional circumstances, 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;

"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 ordinary paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996 or on additional paternity leave by virtue of section 80AA or 80BB of that Act;

“pension fund holder” means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers or scheme administrators, as the case may be, of the scheme concerned;

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

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

“person on income support” means a person in receipt of income support;

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

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

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

“personal pension scheme” means—

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

(b) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) of that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 to the Finance Act 2004;

(c) a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

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

“polygamous marriage” means any marriage to which paragraph 5 applies;

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

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

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

“qualifying contributory benefit” means—

(a) severe disablement allowance;

(b) incapacity benefit;

(c) contributory employment and support allowance;

“qualifying income-related benefit” means—

(a) income support;

(b) income-based jobseeker’s allowance;

(c) income-related employment and support allowance;

“qualifying person” means a person in respect of whom payment has been made from the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund or the London Bombings Relief Charitable Fund;

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

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

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

“remunerative work” has the meaning given by paragraph 10;

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

“Rotherham care leaver” means an applicant/partner aged 18 to 21 where Rotherham Metropolitan Borough Council held corporate parenting responsibility at the point the young person left care or applicant/partner aged 21 to 25 who is in full time education where Rotherham Metropolitan Borough Council held corporate parenting responsibility at the point the applicant/partner left care;

“savings credit” is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002;

“Scottish Basic Rate” means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007(e);

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

“Scottish Taxpayer” has the emaining as in Chapter 2 of Part 4A of the Scotland Act 1998(f);

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

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

“self-employment route” means assistance in pursuing self-employed earner’s employment whilst participating in—

(a) an employment zone programme;

(b) a programme provided by or under arrangements made pursuant to section 2 of the Employment and Training Act 1973 (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;

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

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

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

“the SSCBA” means the Social Security Contributions and Benefits Act 1992;

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

“student” has the meaning given by paragraph 73;

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

“training allowance” means an allowance (whether by way of periodical grants or otherwise) payable—

(a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Chief Executive of Skills Funding or the Welsh Ministers;

(b) to a person for his maintenance or in respect of a member of his family; and

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, that department or approved by that department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers,

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

“the Trusts” (except where the context otherwise requires) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarla7ne (Special Payments) (No. 2) Trust and “Trustees” is to be construed accordingly;

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

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

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

“war pension” means a war disablement pension, a war widow’s pension or a war widower’s pension;

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

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

"water charges" means—

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

(b) as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002,

in so far as such charges are in respect of the dwelling which a person occupies as his home;

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

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

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

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

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

(a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995 (circumstances in which a jobseeker's allowance is not payable);

(b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for section 19 or 19A or regulations made under section 17A or 19B of that Act; or

(c) in respect of which an income-based jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

(4) For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day—

(a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act 2007 (disqualification); or

(b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act (employment and support allowance: supplementary provisions) and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

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

(6) In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

(7) References in these Regulations to an applicant participating as a service user are to-

(a) a person who is being consulted by or on behalf of—

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

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

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

(aa) a person who is being consulted by or on behalf of-

(i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973(d); 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;

(b) the carer of a person consulted as described in sub-paragraph (a) or (aa) where the carer is not being consulted as described in that sub-paragraph".

Application of scheme: pensioners and persons who are not pensioners

3.—(1) This scheme applies to—

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

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

(2) In this scheme—

(a) a person is a "pensioner" if—

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

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

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

(bb) a person with an award of universal credit; and

(b)a person is a "person who is not a pensioner" if—

(i) he has not attained the qualifying age for state pension credit; or

(ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is—

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

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

Meaning of "couple"

4.—(1) In this scheme "couple" means—

(a) a man and woman who are married to each other and are members of the same household;

(b) a man and 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.

(2) 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.

Polygamous marriages

5.—(1) This paragraph applies to any case where—

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

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

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

Meaning of "family"

6.—(1) In this scheme "family" means—

(a) a couple;

(b) a couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person; or

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

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

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

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

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

(c) entitled to an award or Universal Credit.

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

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

(2) Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person must be treated for the purposes of sub-paragraph (1) as normally living with—

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

(b) if there is no such person—

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

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

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

Households

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

(2) A child or young person is not be treated as a member of the applicant's household where he is—

(a) placed with the applicant or his partner by a local authority under section 22C or 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or section 81(2) of Social Services and Well Being (Wales) Act 2014 (ways in which looked after children are to be accommodated and maintained or in Scotland boarded out or placed with the applicant or his partner under a relevant enactment; or

(b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or

(c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.

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

(a) is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or

(b) has been placed, or in Scotland boarded out, with a person other than the applicant prior to adoption; or

(c) has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009**.**

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

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

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

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

(a) the Army Act 1955(**75**);

(b) the Air Force Act 1955(**76**);

(c) the Naval Discipline Act 1957(**77**);

(d) the Matrimonial Proceedings (Children) Act 1958(**78**);

(e) the Social Work (Scotland) Act 1968(**79**);

(f) the Family Law Reform Act 1969(**80**);

(g) the Children and Young Persons Act 1969(**81**);

(h) the Matrimonial Causes Act 1973(**82**);

(i) the Children Act 1975(**83**);

(j) the Domestic Proceedings and Magistrates' Courts Act 1978(**84**);

(k) the Adoption and Children (Scotland) Act 2007(**85**);

(l) the Family Law Act 1986(**86**);

(m) the Children Act 1989;

(n) the Children (Scotland) Act 1995(**87**);

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

(o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012(**88**).

Non-dependants

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

(2) This paragraph applies to—

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

(b) if the applicant is polygamously married—

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

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

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

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

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

(d) subject to sub-paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);

(e) subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;

(f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

(3) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is a non-dependant—

(a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either—

(i) that person is a close relative of his or his partner; or

(ii) the tenancy or other agreement between them is other than on a commercial basis;

(b) a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of a council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;

(c) a person who becomes jointly and severally liable with the applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming 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 change giving rise to the new liability was not made to take advantage of a council tax reduction scheme.

Remunerative work

10.—(1) Subject to the following provisions of this paragraph, a person must be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

(2) Subject to sub-paragraph (3), in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard must be had to the average of hours worked over—

(a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);

(b) in any other case, the period of 5 weeks immediately prior to the date of application, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.

(3) Where, for the purposes of sub-paragraph (2)(a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work must be disregarded in establishing the average hours for which he is engaged in work.

(4) Where no recognisable cycle has been established in respect of a person's work, regard must be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.

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

(6) A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week is to be treated as not being in remunerative work in that week.

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

(8) A person must not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which—

(a) a sports award has been made, or is to be made, to him; and

(b) no other payment is made or is expected to be made to him.

PART 3
Procedural matters

Procedure for reduction applications and appeals against reduction decisions

11. Schedule 1 contains provisions about the procedure—

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

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

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

PART 4
Classes of person entitled to a reduction under this scheme

Classes of person entitled to a reduction under this scheme

12.—(1) The classes of person described in paragraphs 13 to 17 are entitled to a reduction under this scheme.

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

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

13. On any day class A consists of any person who is a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident(**89**);

(b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

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

(f) who has made an application.

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

14. On any day class B consists of any person who is a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

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

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

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

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

(g) who has made an application.

Class C: alternative maximum council tax reduction – pensioners

15.—(1) On any day class C consists of any person who is a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

(e) who has made an application; and

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

(2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the applicant in respect of the dwelling and there is an alternative maximum council tax reduction in respect of the day in the case of that person which is derived from the income, or aggregate incomes, of one or more residents to whom this sub-paragraph applies.

(3) Sub-paragraph (2) applies to any other resident of the dwelling who—

(a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;

(b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);

(c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—

(i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act (persons disregarded for the purposes of discount), falls to be disregarded for the purposes of discount; or

(ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;

(d) is not a person who jointly with the applicant falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or

(e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

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

16. On any day class D consists of any person who is not a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19a (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

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

(f) who has made an application.

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

17. On any day class E consists of any person who is not a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19a (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

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

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

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

(ii) amount B is 4 2/7 per cent of the difference between his income for the relevant week and his applicable amount, and

(g) who has made an application.

Class F: persons who are Rotherham Care Leaver aged 18 – 21 and Rotherham Care Leaver in full time education aged 21 -25

18. On any day class F consists of any person who is a Rotherham Care Leaver aged 18 to 21 or Rotherham Care Leaver in full time education aged 21 to 25 —

(a) who is for that day liable to pay council tax in respect of a dwelling;

(b) in respect of whom a maximum council tax reduction amount can be calculated;

(c) who does not fall within a class of person not entitled to a reduction under this scheme. Paragraphs 23 and 24 do not apply for this purpose.

(d) who has made an application.

Periods of absence from a dwelling: Pensioners

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

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

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

(i) the person resides in that accommodation;

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

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

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

(b) subject to sub-paragraph (2B), a period of absence in Great Britain not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where for so long as—

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

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

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

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

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

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

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

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

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

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

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

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

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

(2B) Where-

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

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

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

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

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

(2D) Where-

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

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

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

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

(2E) This sub-paragraph applies where-

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

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

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

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

(b) the person's close relative

(c) the close relative of the persons partner; or

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

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

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

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

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

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

(d) is following, a training course;

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

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

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

(h) is a student;

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

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

(3A) This sub-paragraph applies to a person ("P") who is-

(a) a person detained in custody on remand pending trial;

(b) detained pending sentence upon conviction; or

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

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

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

and who is not retained in custody following sentence upon conviction.

(3B) This Paragraph applies where-

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

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

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

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

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

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

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

(3D) This sub-paragraph applies where-

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

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

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

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

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

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

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

(3F) This sub-paragraph applies where—

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

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

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

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

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

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

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

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

(a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983(**91**), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003(**92**) or the Criminal Procedure (Scotland) Act 1995(**93**) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986(**94**)); and

(b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952(**95**) or the Prisons (Scotland) Act 1989(**96**).

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

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

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

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

(6) In this paragraph—

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

"designated area" means any area which may from time to time be designated by Order in Council under Continental Shelf Act1964(b) as an area within which the rights of the United Kingdom with respect to the seabed and sub soil 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 purpose of that ship or vessel or its crew or any passenger or cargo or mails carried by the ship or vessel; and

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

"medically approved" means certified by a medical practitioner;

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

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

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

"residential accommodation" means accommodation which is provided in—

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

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

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

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

19A.—(1) A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.

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

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

(i) the person resides in that accommodation;

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

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

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

(b) a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as—

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

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

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

(c) a period of absence not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as—

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

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

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

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

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

(a) is detained in custody on remand pending trial or required, as a condition of bail, to reside—

(i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or

(ii) in premises approved under section 13 of the Offender Management Act 2007(**90**),

or is detained in custody pending sentence upon conviction;

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

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

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

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

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

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

(h) is a student;

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

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

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

(a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983(**91**), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003(**92**) or the Criminal Procedure (Scotland) Act 1995(**93**) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986(**94**)); and

(b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952(**95**) or the Prisons (Scotland) Act 1989(**96**).

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

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

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

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

(6) In this paragraph—

"medically approved" means certified by a medical practitioner;

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

"residential accommodation" means accommodation which is provided in—

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

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

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

PART 5

Classes of person excluded from this scheme

Classes of person excluded from this scheme

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

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

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

(2) Except where a person falls within sub-paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

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

(4) For the purposes of sub-paragraph (3), a right to reside does not include a right which exists by virtue of, or in accordance with—

(a) regulation 13 of the EEA Regulations or Article 6 of Council Directive No 2004/38/EC(**97**); or

(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 job seeker for the purpose of the definition of "qualified person" in reglation 6(1) of those regulations, or
(ii) a family member (within the meaning of regulation 7 of those regulations) of such a job seeker;

(aa) 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, Isle of Man or republic of Ireland);

(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)(**98**).

(5) A person falls within this sub-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 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) 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 1971where 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 st 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(**100**) 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 an income-related employment and support allowance:

(ha) in receipt of an income based job seekers allowance and has no 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 purposes 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").

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

(7) A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

(8) In this paragraph—

"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999(**101**);

"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006(**102**).

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

22.—(1) Subject to paragraph (1A), persons subject to immigration control are not entitled to a reduction under this scheme.

(1A) 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 (1).

(2) "Person subject to immigration control" has the meaning given in section 115(9) of the Immigration and Asylum Act 199**9.**

Class of person excluded from this scheme: capital limit

23.—(1) The class of person described in this paragraph consists of any person whose capital exceeds £16,000(**103**).

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

Class of person excluded from this scheme: students

24. The class of person described in this paragraph consists of any student to whom paragraph 75(1) applies.

PART 6

Applicable amounts

Applicable amounts: pensioners

25.—(1) The applicable amount for a pensioner(**104**) for a week is the aggregate of such of the following amounts as apply in his case—

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

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

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

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

(1A) For the purposes of sub-paragraph (1)(b) as it applies apart from sub-paragraph (1C), where the family includes more than two individuals who are either children or young persons and under paragraph 2 of that Schedule a different amount applies to different individuals, the two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.

(1B) Sub-paragraph (1C) applies where—

(a) (whether or not as part of a tax credit couple as defined in section 3(5A) of the Tax Credits Act 2002) the applicant has an award of child tax credit (whether or not any amount is payable by way of such credit) in respect of a child or young person who is a member of his family; and

(b) the total amount to be included in the applicable amount under sub-paragraph (1)(b) as substituted by sub-paragraph (1C) would be higher than the total amount that would be included under paragraph (1)(b) apart from sub-paragraph (1C).

(1C) Where this paragraph applies, for sub-paragraph (1)(b) substitute—

(b) an amount determined in accordance with paragraph 2 of that Schedule in respect of any child or young person who is a member of his family and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;.

(2) In Schedule 2—

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

"patient" means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005(**105**).

Transitional provisions for restrictions on amounts for children and young persons – Persons who are Pensioners

25A.— (1) This regulation applies where—

(a) on 31st March 2018, a person is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Local Government Finance Act 1992 ("a section 13A(2) scheme"); and

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

(2) Where this regulation applies, the amendments made by regulation 25(1)(b), regulation 25 (1B) and regulation 25 (1C) do not apply to the person entitled to a council tax reduction referred to in paragraph (1) until—

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

(b) the person or the person's partner (if any) becomes responsible for a new individual, whichever is the first to occur.

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

(a) the amendments made by regulation 7 apply by virtue of paragraph (2)(b);

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

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

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

(5) Paragraph (6) applies where—

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

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

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

(7) Paragraph (8) applies where—

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

(b) the number of new individuals for whom either the person or the person's partner is responsible, and who are members of the same household, is two or more; and

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

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

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

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

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

(10) For the purposes of this regulation—

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

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

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

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

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

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

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

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

Applicable amounts: persons who are not pensioners

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

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

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

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

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

(e)the amount of either the—

(i) work-related activity component; or

(ii) support component,

which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components(**106**));

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

(2) In Schedule 3—

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

"converted employment and support allowance" means an employment and support allowance which is not income-related and to which a person is entitled as a result of a conversion decision within the meaning of the Employment and Support Allowance (Existing Awards) Regulations 2008(**107**);

"patient" means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005(**108**).

Polygamous marriages: persons who are not pensioners

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

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

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

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

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

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

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

(f) the amount of either the—

(i) work-related activity component; or

(ii) support component,

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

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

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

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

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).

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

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

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

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

(4) In this paragraph "maximum amount" means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012(**109**).

PART 7

Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

Maximum council tax reduction amount under this scheme: pensioners

29.—(1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is 100 per cent of the amount A/B where—

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

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

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

(2) In calculating a person's maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.

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

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

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

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

Maximum council tax reduction amount under this scheme: persons who are not pensioners (Class D – E)

29A.—(1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is 91.50 per cent of the amount A/B where—

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

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

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

(2) In calculating a person's maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.

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

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

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

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

Maximum council tax reduction amount under this scheme: persons who are not pensioners (Class F)

29B.—(1) Subject to sub-paragraphs (2) to (3), a person's maximum council tax reduction amount in respect of a day is 100 per cent of the amount A/B where—

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

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

(2) In calculating a person's maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.

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

Non-dependant deductions: pensioners

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

(a) in respect of a non-dependant aged 18 or over in remunerative work, £11.90 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £3.90 x 1/7**.**

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

(a) less than £202.85, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);

(b) not less than £202.85 but less than £351.65, the deduction to be made under this paragraph is £7.90;

(c) not less than £351.65 but less than £436.90 the deduction to be made under this paragraph is £9.95**.**

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

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

(5) Where in respect of a day—

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

(b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and

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

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

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

(a) blind or treated as blind by virtue of paragraph 10 of Schedule 3 (additional condition for the disability premium); or

(b) receiving in respect of himself—

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

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

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

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

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

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

(iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or

(iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(7) No deduction is to be made in respect of a non-dependant if—

(a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or

(b) he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

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

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

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

(ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.

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

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

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

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

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

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

(a) any attendance allowance, disability living allowance, personal independence payment or an AFIP received by him;

(b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and

(c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

(10) For the purposes of sub paragraph (8), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013

Non-dependant deductions: persons who are not pensioners

30A.—(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29A and paragraph 29B are—

(a) in respect of a non-dependant aged 18 or over with earnings £10.00 x 1/7;
(b) in respect of a non-dependant aged 18 or over whose evidence of income has not been provided by the applicant; £10.00 x 1/7;
(c) in respect of a non-dependant aged 18 or over to whom paragraph (a) or (b) does not apply, £5.00 x 1/7**.**

(2) Only one deduction is to be made under this paragraph in respect of a couple or, as the case may be, members of a polygamous marriage (other than where there is an award of universal credit) and, where, but for this paragraph, the amount that would fall to be deducted in respect of one member of a couple or

polygamous marriage is higher than the amount (if any) that would fall to be deducted in respect of the other, or any other, member, the higher amount is to be deducted.

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

(4) Where in respect of a day—

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

(b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and

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

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

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

(a) blind or treated as blind by virtue of paragraph 10 of Schedule 3 (additional condition for the disability premium); or

(b) receiving in respect of himself—

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

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

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

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

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

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

(iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or

(iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(6) No deduction is to be made in respect of a non-dependant if—

(a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or

(b) he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

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

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

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

(ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.

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

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

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

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

(a) any attendance allowance, disability living allowance, personal independence payment or an AFIP received by him;

(b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and

(c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

(9) For the purposes of sub paragraph (8), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013

PART 8

Alternative maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction: Pensioners

Alternative maximum council tax reduction under this scheme: pensioners

31.—(1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council tax reduction: pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).

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

(3) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9 of the 1992 Act (liability of spouses and civil partners), sub-paragraph (2) does not apply in his case.

PART 9

Amount of reduction under this scheme

Amount of reduction under this scheme: Classes A to C (pensioners)

32.—(1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.

(2) Where the person is within class A (**110**), that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.

(3) Where the person is within class B (**111**), that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 14(f).

(4) Where the person is within class C (**112**), that amount is the amount which is the alternative maximum council tax reduction in respect of the day in the applicant's case.

(5) Sub-paragraph (6) applies where both—

(a) sub-paragraph (2) or sub-paragraph (3), and

(b) sub-paragraph (4),

apply to a person.

(6) The amount of the reduction to which the person is entitled is whichever is the greater of—

(a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and

(b) the amount of the reduction given by sub-paragraph (4).

Amount of reduction under this scheme: Classes D to F (persons who are not pensioners)

32A.—(1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.

(2) Where the person is within class D,that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.

(3) Where the person is within class E, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 17(f)..

(4) Where the person is within class F, that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.

PART 10

Income and capital for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

CHAPTER 1

Income and capital: general

Calculation of income and capital: applicant's family and polygamous marriages

33.—(1) The income and capital of—

(a) an applicant; and

(b) any partner of that applicant,

is to be calculated in accordance with the provisions of this Part.

(2) The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

(3) Except where paragraph 37 applies, where an applicant or the partner of an applicant is married polygamously to two or more members of his household—

(a) the applicant must be treated as possessing capital and income belonging to each such member; and

(b) the income and capital of that member is to be calculated in accordance with the following provisions of this Part in like manner as for the applicant.

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

34.—(1) Sub-paragraph (2) applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependant has more income and capital than the applicant.

(2) Except where—

(a) the applicant is a pensioner and is on a guarantee credit, or

(b) the applicant is not a pensioner and is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance,

the authority must treat the applicant as possessing income and capital belonging to that non-dependant and, in such a case, any income and capital which the applicant does possess is to be disregarded.

(3) Where an applicant is treated as possessing income and capital belonging to a non-dependant under sub-paragraph (2) the income and capital of that non-dependant must be calculated in accordance with the following provisions of this Part in like manner as for the applicant and, except where the context otherwise requires, any reference to the "applicant" is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

CHAPTER 2

Income and capital: pensioners in receipt of guarantee credit or savings credit

Applicant in receipt of guarantee credit: pensioners

35. In the case of an applicant who is a pensioner and who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of his capital and income must be disregarded.

Calculation of applicant's income and capital in savings credit only cases: pensioners

36.—(1) In determining the income and capital of an applicant who is a pensioner and who has, or whose partner has, an award of state pension credit comprising only the savings credit, subject to the following provisions of this paragraph, the authority must use the calculation or estimate of the applicant's or as the case may be, the applicant's partner's income and capital made by the Secretary of State for the purpose of determining the award of state pension credit(**113**).

(2) Where the calculation or estimate provided by the Secretary of State includes the amount taken into account in that determination in respect of net income, the authority may only adjust that amount so far as necessary to take into account—

(a) the amount of any savings credit payable;

(b) in respect of any dependent children of the applicant, child care charges taken into account under paragraph 57(1)(c) (calculation of income on a weekly basis);

(c) the higher amount disregarded under this scheme in respect of—

(i) lone parent's earnings; or

(ii) payments of maintenance, whether under a court order or not, which is made or due to be made by—

(aa) the applicant's former partner, or the applicant's partner's former partner; or

(bb) the parent of a child or young person where that child or young person is a member of the applicant's family except where that parent is the applicant or the applicant's partner;

(d) any amount to be disregarded by virtue of paragraph 10(1) of Schedule 5 (sums disregarded from applicant's earnings: pensioners);

(e) the income and capital of any partner of the applicant who is treated as a member of the applicant's household under paragraph 8, to the extent that it is not taken into account in determining the net income of the person claiming state pension credit;

(f) paragraph 34 (circumstances in which capital and income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;

(g) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act(**114**) (power of billing authority to reduce amount of council tax payable);

(h) any amount to be disregarded by virtue of paragraph 6 of Schedule 5 (exempt work);

(i) to disregard such amount of war pension, war disablement pension or war widowers pension that has not been disregarded in the calculation of state pension credit.

(3) Paragraphs 39 to 46 (calculation of income: pensioners) and 57 to 61 (calculation of income: pensioners and persons who are not pensioners) do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).

(4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 63, 65 to 68 and 70 (calculation of capital: pensioners).

(5) This sub-paragraph applies if—

(a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines his capital as being £16,000 or less;

(b) subsequent to that determination the applicant's capital rises to more than £16,000; and

(c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002**.**

CHAPTER 3

Income and capital where there is an award of universal credit

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

37.—(1) In determining the income of an applicant—

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the amount of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

(2) The authority must adjust the amount of the income referred to in sub-paragraph (1) by multiplying the amount by 12 and dividing the product by 52**.**

(3) The authority may only adjust the amount of the income as adjusted in accordance with sub-paragraph (2) so far as necessary to take into account—

(a) the amount of the award of universal credit, determined in accordance with sub-paragraph (3);

(b) paragraph 34 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;

(c) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

(4) The amount for the award of universal credit to be taken into account for the purposes of sub-paragraph (3)(a) is to be determined by multiplying the amount of the award of universal credit by 12 and dividing the product by 52**.**

(5) Paragraph 34 (income and capital of non-dependant to be treated as applicant's) applies for the purpose of determining any adjustments which fall to be made to the figure for income under sub-paragraph (3).

(6) In determining the capital of an applicant—

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

CHAPTER 4

Income: other pensioners

Calculation of income and capital where state pension credit is not payable: pensioners

38. Where neither paragraph 35 (applicant in receipt of guarantee credit: pensioners) nor 36 (applicant in receipt of savings credit only: pensioners) applies in the applicant's case, his income and capital is to be calculated or estimated in accordance with paragraphs 39 to 46 and 57 to 62 (calculation of income) and Chapter 7 of this Part (calculation of capital).

Meaning of "income": pensioners

39.—(1) For the purposes of classes A to C in this scheme, "income" means income of any of the following descriptions—

(a) earnings;

(b) working tax credit;

(c) retirement pension income within the meaning of the State Pension Credit Act 2002;

(d) income from annuity contracts (other than retirement pension income);

(e) a war disablement pension or war widow's or widower's pension;

(f) a foreign war disablement pension or war widow's or widower's pension;

(g) a guaranteed income payment;

(h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011(**115**), in any case where article 31(2)(c) applies;

(i) income from capital(**116**) other than capital disregarded under Part 1 of Schedule 9;

(j) social security benefits, other than retirement pension income or any of the following benefits—

(i) disability living allowance;

(ii) personal independence payment;

(iii) an AFIP;

(iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);

(v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of that Act (increase for exceptionally severe disablement);

(vi) child benefit;

(vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);

(viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of that Act (increases for dependants);

(ix) any—

(aa)social fund payment made under Part 8 of the SSCBA (the social fund), or

(bb)occasional assistance;

(x) Christmas bonus payable under Part 10 of that Act (Christmas bonus for pensioners);

(xi) housing benefit;

(xii) council tax benefit;

(xiii) bereavement payment;

(xiv) statutory sick pay;

(xv) statutory maternity pay;

(xvi) ordinary statutory paternity pay payable under Part 12ZA of the SSCBA(**117**);

(xvii) additional statutory paternity pay payable under Part 12ZA of the SSCBA;

(xviii) statutory adoption pay payable under Part 12ZB of that Act (statutory adoption pay);

(xix) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;

(k) all foreign social security benefits which are similar to the social security benefits mentioned above;

(l) a payment made—

(i) under article 30 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006(**118**) (award for children who have reached the child's age limit), in any case where article 30(1)(b) applies; or

(ii) under article 12(8) of that Order (unemployability allowances: children who have reached the child's age limit), in any case where sub-paragraph (b) of that article applies;

(m) a pension paid to victims of National Socialist persecution;

(n) payments under a scheme made under the Pneumoconiosis etc. (Worker's Compensation) Act 1979(**119**);

(o) payments made towards the maintenance of the applicant by his spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by his spouse, civil partner, former spouse or former civil partner, including payments made—

(i) under a court order;

(ii) under an agreement for maintenance; or

(iii) voluntarily;

(p) payments due from any person in respect of board and lodging accommodation provided by the applicant;

(q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;

(r) any payment in respect of any—

(i) book registered under the Public Lending Right Scheme 1982; or

(ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982;

(s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;

(t) any sum payable by way of pension out of money provided under—

(i) the Civil List Act 1837(**120**),

(ii) the Civil List Act 1937(**121**),

(iii) he Civil List Act 1952(**122**),

(iv) the Civil List Act 1972(**123**), or

(v) the Civil List Act 1975(**124**);

(u) any income in lieu of that specified in paragraphs (a) to (r);

(v) any payment of rent made to an applicant who—

(i) owns the freehold or leasehold interest in any property or is a tenant of any property;

(ii) occupies part of the property; and

(iii) has an agreement with another person allowing that person to occupy that property on payment of rent;

(w) any payment made at regular intervals under an equity release scheme;

(x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 200**2.**

(2) Where the payment of any social security benefit referred to in sub-paragraph (1) or retirement pension income to which section 16(1)za to (e) of the State Pension Credit Act 2002 applies is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(4) The adjustments specified in this sub-paragraph are those made in accordance with—

(a) the Social Security (Overlapping Benefits) Regulations 1979(**125**);

(b) the Social Security (Hospital In-Patients) Regulations 1975;

(c) section 30DD or section 30E of the SSCBA(**126**) (reductions in incapacity benefit in respect of pensions and councillor's allowances);

(d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it.

(e) section 14 of the Pensions Act 2014 (pension sharing: reduction in sharers section4 pension) of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it.

(f) section 45B or 55B of the Social Security Contributions and Benefits Act 1992 (reduction in additional pension in Category A retirement pension and shared additional pension: pension sharing).

(5) In sub-paragraph (1)(w), "equity release scheme" means a loan—

(a) made between a person ("the lender") and the applicant;

(b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and

(c) which is secured on a dwelling in which the applicant owns an estate or interest and which he occupies as his home.

Calculation of weekly income: pensioners

40.—(1) Except in a case within sub-paragraph (2), (3A), (4A) or (5), for the purposes of calculating the weekly income of an applicant who is a pensioner, where the period in respect of which a payment is made—

(a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;

(b) exceeds a week, the amount to be included in the applicant's weekly income is to be determined—

(i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;

(ii) in a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;

(iii) in a case where that period is a year, by dividing the amount of the payment by 52;

(iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.

(2) Sub-paragraph (3) applies where—

(a) the applicant's regular pattern of work is such that he does not work the same hours every week; or

(b) the amount of the applicant's income fluctuates and has changed more than once.

(3) The weekly amount of that applicant's income is to be determined—

(a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or

(b) in any other case, on the basis of—

(i) the last two payments if those payments are one month or more apart;

(ii) the last four payments if the last two payments are less than one month apart; or

(v) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.

(3A) Income calculated pursuant to sub paragraphs (2) and (3) must be taken into account-

(a) in the case of an application on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment and the first day of each reduction week thereafter; or

(c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicants earnings from employment change so as to require recalculation under this paragraph and the first day of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.

(4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.

(4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub paragraphs (2) or (3) must be taken into account-

(a) in the case of an application on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;

(b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment and the first day of each reduction week thereafter; or

(c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicants earnings from employment change so as to require recalculation under this paragraph and the first day of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.

(5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that payment is to be treated as if made in respect of a period of a year.

(6) This sub-paragraph applies to—

(a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;

(b) any payment in respect of any—

(i) book registered under the Public Lending Right Scheme 1982; or

(ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982; and

(c) any payment which is made on an occasional basis.

(7) The period under which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(8) Where payments are made in a currency other than Sterling, the value of the payment is to be determined by taking the Sterling equivalent on the date the payment is made.

(9) The sums specified in Schedule 5 are to be disregarded in calculating—

(a) the applicant's earnings; and

(b) any amount to which sub-paragraph (6) applies where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book or work referred to in sub-paragraph (6)(b).

(10) For the purposes of sub-paragraph (9)(b), and for that purpose only, the amounts specified in sub-paragraph (6) is to be treated as though they were earnings.

(11) Income specified in Schedule 6 is to be disregarded in the calculation of the applicant's income.

(12) Schedule 9 (capital disregards: pensioners) has effect so that—

(a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and

(b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 71 (calculation of tariff income from capital: pensioners).

(13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

Earnings of employed earners: pensioners

41.—(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner who is a pensioner, means any remuneration or profit derived from that employment and includes—

(a) any bonus or commission;

(b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;

(c) any payment in lieu of notice;

(d) any holiday pay;

(e) any payment by way of a retainer;

(f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—

(i) travelling expenses incurred by the applicant between his home and place of employment;

(ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;

(g) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001(**127**);

(h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;

(i) statutory paternity pay payable under Part 12ZA of that Act;

(j) statutory adoption pay payable under Part 12ZB of that Act;

(k) any sums payable under a contract of service—

(i) for incapacity for work due to sickness or injury; or

(ii) by reason of pregnancy or confinement.

(2) Earnings does not include—

(a) subject to sub-paragraph (3), any payment in kind;

(b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;

(c) any occupational pension;

(d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;

(e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996(**128**) in respect of unfair dismissal or unlawful discrimination;

(f) any payment in respect of expenses arising out of the applicant participating as a service user.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(g).

Calculation of net earnings of employed earners: pensioners

42.—(1) For the purposes of paragraph 57 (calculation of income on a weekly basis), the earnings of an applicant who is a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 40(5) and Schedule 5 (sums to be disregarded from earnings: pensioners), be his net earnings.

(2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—

(a)any amount deducted from those earnings by way of—

(i) income tax;

(ii) primary Class 1 contributions under the SSCBA;

(b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

(c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and

(d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

(3) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined—

(a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;

(b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(5) Where the earnings of an applicant are determined under paragraph 40(2)(b) (calculation of weekly income: pensioners) his net earnings is to be calculated by taking into account those earnings over the assessment period, less—

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 or 3A of Part 3 of the Income Tax Act 2007 as are (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 or the Scottish basic rate is to be applied and the amount of the personal reliefs deductible under this sub-paragraph is to be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and

(c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Calculation of earnings of self-employed earners: pensioners

43.—(1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self-employed earner, the weekly amount of his earnings is to be determined by reference to his average weekly earnings from that employment—

(a) over a period of one year; or

(b) where the applicant has recently become engaged in that employment or there has been a change which is likely to affect the normal pattern of business, over such other period ("computation period") as may, in the particular case, enable the weekly amount of his earnings to be determined more accurately.

(2) For the purposes of determining the weekly amount of earnings of an applicant to whom sub-paragraph (1)(b) applies, his earnings over the computation period are to be divided by the number equal to the number of days in that period and the product multiplied by **7.**

(3) The period over which the weekly amount of an applicant's earnings is calculated in accordance with this paragraph is to be his assessment period.

Earnings of self-employers earners: pensioners

44.—(1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner who is a pensioner, means the gross income of the employment.

(2) "Earnings" in the case of employment as a self-employed earner does not include—

(a) where an applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation for which payment is made, those payments;

(b) any payment made by a local authority to an applicant—

(i) with whom a person is accommodated by virtue of arrangements made under section 22C or 23(2)(a) of the Children Act 1989(**130**) or, as the case may be, section 26 or 26a of the Children (Scotland) Act 1995(**131**); or

(ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009(**132**) or who is a kinship carer under those Regulations;

(c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);

(d) any payment made to the applicant or his partner for a person ("the person concerned") who is not normally a member of the applicant's household but is temporarily in his care, by—

(i) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(ii) a voluntary organisation;

(iii) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948(**133**);

(iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006(**134**);

(v) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006 or

(vi) the persons concerned where the payment is for the provision of accommodation to meet that person's needs for care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult)

(da) any payment or part of a payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person ("A") which A passes on to the applicant where A—

(i) was formerly in the applicant's care;

(ii) is aged 16 or over; and

(iii) continues to live with the applicant;

(db) any payments made to an applicant under section 73(1)(b) of the Children and Young People (Scotland) Act 2014 (kinship care assistance: further provisions)

(e) any sports award.

Notional income: pensioners

45.—(1) An applicant who is a pensioner is to be treated as possessing—

(a) subject to sub-paragraph (2), the amount of any retirement pension income—

(i) for which no claim has been made; and

(ii) to which he might expect to be entitled if a claim for it were made;

(b) income from an occupational pension scheme which the applicant elected to defer.

(2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred—

(a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;

(b) a shared additional pension payable under section 55A of the SSCBA;

(c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965(**136**).

(3) For the purposes of sub-paragraph (2), entitlement has been deferred—

(a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;

(b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA; and

(c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 19**65.**

(4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit—

(a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;

(b) fails to purchase an annuity with the funds available in that scheme; and

(c) either—

(i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or

(ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or

(iii) income withdrawal is not available to him under that scheme.

(5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.

(6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the rate of annuity which may have been purchased with the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).

(8) In sub-paragraph (4), “money purchase benefits” has the same meaning as in the Pension Schemes Act 199**3.**

(9) Subject to sub-paragraphs (10) and (12), a person is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under this scheme or increasing the amount of the reduction.

(10) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension or benefit where a person, having made an election in favour of that increase of pension or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005(**137**), changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.

(11) In sub-paragraph (10), "lump sum" means a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 200**5.**

(12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.

(13) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects to apply, to the date on which the altered rate is to take effect.

(14) In the case of an applicant who has, or whose partner has, an award of state pension credit comprising only the savings credit, where the authority treats the applicant as possessing any benefit at the altered rate in accordance with sub-paragraph (13), the authority must—

(a) determine the income and capital of that applicant in accordance with paragraph 36(1) (calculation of applicant's income in savings credit only cases: pensioners) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter; and

(b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the relevant authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

(15) For the purposes of sub-paragraph (9), a person is not to be regarded as depriving himself of income where—

(a) his rights to benefits under a registered pension scheme are extinguished and in consequence of this he receives a payment from the scheme, and

(b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004(**138**).

(16) In sub-paragraph (15), "registered pension scheme" has the meaning given in section 150(2) of the Finance Act 200**4.**

Income paid to third parties: pensioners

46.—(1) Any payment of income, other than a payment specified in sub-paragraph (2) or (3), to a third party in respect of an applicant who is a pensioner is to be treated as possessed by the applicant.

(2) Sub-paragraph (1) does not apply in respect of a payment of income made under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—

(a) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980(**139**);

(b) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(c) the person referred to in paragraph (a) and his partner does not possess, or is not treated as possessing, any other income apart from that payment.

(3) Sub-paragraph (1) does not apply in respect of any payment of income other than earnings, or earnings derived from employment as an employed earner, arising out of the applicant participating as a service user.

CHAPTER 5

Income: persons who are not pensioners

Average weekly earnings of employed earners: persons who are not pensioners

47.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as an employed earner his average weekly earnings must be estimated by reference to his earnings from that employment—

(a) over a period immediately preceding the reduction week in which the application is made or treated as made and being a period of—

(i) 5 weeks, if he is paid weekly; or

(ii) 2 months, if he is paid monthly; or

(b) whether or not paragraph (a)(i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

(2) Where the applicant has been in his employment for less than the period specified in sub-paragraph (1)(a)(i) or (ii)—

(a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings must be estimated by reference to those earnings;

(b) in any other case, the authority must estimate the applicant's average weekly earnings(**140**).

(3) Where the amount of an applicant's earnings changes the authority must estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed 52 weeks.

(4) For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraphs 51 and 52 (earnings of employed earners: persons who are not pensioners).

Average weekly earnings of self-employed earners: persons who are not pensioners

48.—(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as a self-employed earner his average weekly earnings must be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period must not in any case exceed a year.

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61 and 62 (earnings, and net profit, of self-employed earners).

Average weekly income other than earnings: persons who are not pensioners

49.—(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period must not in any case exceed 52 weeks; and nothing in this paragraph authorises an authority to disregard any such income other than that specified in Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners).

(2) The period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(3) For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 54 (calculation of income other than earnings: persons who are not pensioners).

Calculation of weekly income of employed earners: persons who are not pensioners

50.—(1) For the purposes of paragraphs 47 (average weekly earnings of employed earners), 49 (average weekly income other than earnings) and 59 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made—

(a) does not exceed a week, the weekly amount is to be the amount of that payment;

(b) exceeds a week, the weekly amount is to be determined—

(i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;

(ii) n any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by **7.**

(2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by **7.**

Earnings of employed earners: persons who are not pensioners

51.—(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner of a person who is not a pensioner, means any remuneration or profit derived from that employment and includes—

(a) any bonus or commission;

(b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;

(c) ny 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) ny 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) ny payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—

(i) travelling expenses incurred by the applicant between his home and place of employment;

(ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;

(g) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);

(h) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);

(i) any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);

(j) any statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;

(k) any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave or adoption leave or is absent from work because he is ill;

(l) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 200**1.**

(2) Earnings does not include—

(a) subject to sub-paragraph (3), any payment in kind;

(b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;

(c) any occupational pension;

(d) any payment in respect of expenses arising out of the applicant participating as a service user

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(l).

Calculation of net earnings of employed earners: persons who are not pensioners

52.—(1) For the purposes of paragraph 47 (average weekly earnings of employed earners: persons who are not pensioners), the earnings of an applicant who is not a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to sub-paragraph (2), be his net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (6) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less—

(a) any amount deducted from those earnings by way of—

(i) income tax;

(ii) primary Class 1 contributions under the SSCBA;

(b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

(c) one-half of the amount calculated in accordance with sub-paragraph (5) in respect of any qualifying contribution payable by the applicant; and

(d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

(4) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(5) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined—

(a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;

(b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to E), his net earnings is to be calculated by taking into account those earnings over the assessment period, less—

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3, and 3A of Part 3 of the Income Tax Act 2007 as are (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 or the Scottish basic rate is to be applied and the amount of the personal reliefs deductible under this sub-paragraph is to be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and

(c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Earnings of self-employed earners: persons who are not pensioners

53.—(1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.

(2) "Earnings" does not include any payment to which paragraph 31 or 32 of Schedule 8 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor does it include any sports award.

(3) This paragraph applies to—

(a) royalties or other sums paid as a consideration for the use of, or the right to use, any 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 or work concerned.

(4) Where the applicant's earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by—

(a) the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus

(b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) as appropriate in the applicant's case.

Calculation of income other than earnings: persons who are not pensioners

54.—(1) For the purposes of paragraph 49 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income: persons who are not pensioners).

(2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule **8.**

(3) Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under sub-paragraph (1) must be the gross amount payable.

(4) Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008(**142**), the amount of that benefit to be taken into account is the amount as if it had not been reduced.

(5) Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(6) Sub-paragraphs (7) and (8) apply where—

(a) a relevant payment has been made to a person in an academic year; and

(b) that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

(7) Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula—

$$\left(A-\left(B\times C\right)\right)/D$$

Where

(a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);

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

(c) C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 81(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;

(d) D = the number of reduction weeks in the assessment period.

(8) Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula in sub-paragraph (8) but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 81(5).

(9) In this paragraph—

"academic year" and "student loan" have the same meanings as in Part 11 (students);

"assessment period" means—

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

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

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

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

whichever of those dates is earlier;

"quarter" in relation to an assessment period means a period in that year beginning on—

(c) 1st January and ending on 31st March;

(d) 1st April and ending on 30th June;

(e) 1st July and ending on 31st August; or

(f) 1st September and ending on 31st December;

"relevant payment" means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 76(7) or both.

(10) For the avoidance of doubt there must be included as income to be taken into account under sub-paragraph (1)—

(a) any payment to which paragraph 41(2) or 51(2) (payments not earnings) applies; or

(b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 199**9.**

Capital treated as income: persons who are not pensioners

55.—(1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £16,000, be treated as income.

(2) Any payment received under an annuity is to be treated as income.

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

(5) Where an agreement or court order provides that payments must be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital by virtue of this Part), is to be treated as income.

Notional income: persons who are not pensioners

56.—(1) An applicant who is not a pensioner is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.

(2) Except in the case of—

(a) a discretionary trust;

(b) a trust derived from a payment made in consequence of a personal injury;

(c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;

(d) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);

(e) any sum to which paragraph 51(a) of Schedule 10 refers;

(f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;

(g) child tax credit;

(h) working tax credit, or

(i) any sum to which sub-paragraph (11) applies,

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

(3) Any payment of income, other than a payment of income specified in sub-paragraph (4), made—

(a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;

(b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;

(c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

(4) Sub-paragraph (3) does not apply in respect of a payment of income made—

(a) under or by the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);

(b) pursuant to section 19(1)(a) of the Coal Industry Act 1994(**143**) (concessionary coal);

(c) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation—

(i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996(**144**);

(ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

(iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;

(iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or

(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

(e) in respect of a person's participation in the Mandatory Work Activity Scheme;

(f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—

(i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980(**145**);

(ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

(5) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects, to the date on which the altered rate is to take effect.

(6) Subject to sub-paragraph (7), where—

(a) an applicant performs a service for another person; and

(b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area,

the authority must treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

(7) Sub-paragraph (6) does not apply—

(a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or

(b) in a case where the service is performed in connection with—

(i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations 1996, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations; or

(ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or

(c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

(8) In sub-paragraph (7)(c) "work placement" means practical work experience which is not undertaken in expectation of payment.

(9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.

(10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 42(2) or 52(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and his net earnings are to be calculated by taking into account those earnings which he is treated as possessing, less—

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007(**146**) (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 is to be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and

(c) one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

(11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.

CHAPTER 6

Income: further provisions applying to pensioners and persons who are not pensioners

Calculation of income on a weekly basis

57.—(1) Subject to paragraph 60 (disregard of changes in tax, etc.), the income of an applicant is to be calculated on a weekly basis—

(a) by estimating the amount which is likely to be his average weekly income in accordance with this Part;

(b) by adding to that amount the weekly income calculated—

(i) if the applicant is a pensioner, under paragraph 71 (tariff income: pensioners);

(ii) if the applicant is a person who is not a pensioner, under paragraph 72 (tariff income: persons who are not pensioners); and

(c) deducting from the sum of paragraphs (a) and (b) any relevant child care charges to which paragraph 58 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.

(2) The conditions of this paragraph are that—

(a)the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in sub-paragraph (3) otherwise applies in his case; and

(b)that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

(3) The maximum deduction to which sub-paragraph (1)(c) above refers is to be—

(a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £17**5.**00 per week;

(b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300 per week.

Treatment of child care charges

58.—(1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and—

(a) is a lone parent and is engaged in remunerative work;

(b) is a member of a couple both of whom are engaged in remunerative work; or

(c) is a member of a couple where one member is engaged in remunerative work and the other—

(i) is incapacitated;

(ii) is an in-patient in hospital; or

(iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—

(a) is paid statutory sick pay;

(b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;

(c) is paid an employment and support allowance;

(d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987(**147**); 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(**148**).

(3) This sub-paragraph applies to a person who was engaged in remunerative work immediately before—

(a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or

(b) the first day of the period in respect of which earnings are credited,

as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (10).

(6) The charges are paid by the applicant for care which is provided—

(a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or

(b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

(7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (8) and are not paid—

(a) in respect of the child's compulsory education;

(b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with paragraph 7 (circumstances in which a person is treated as responsible or not responsible for another); or

(c) in respect of care provided by a relative of the child wholly or mainly in the child's home.

(8) The care to which sub-paragraph (7) refers may be provided—

(a) out of school hours, by a school on school premises or by a local authority—

(i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or

(ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or

(b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999(**149**); or

(c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010(**150**); 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(**151**); or

(e) by—

(i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010(**152**); or

(ii) local authorities registered under section 83(1) of that Act,

where the care provided is child minding or day care of children within the meaning of that Act; or

(f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or

(g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006(**153**); or

(h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or

(i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or

(j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of "childcare" for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or

(k) by a foster parent or kinship carer under the Fostering Services Regulations 2011(**154**), the Fostering Services (Wales) Regulations 2003(**155**) or the Looked After Children (Scotland) Regulations 2009(**156**) in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or

(l) by a provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010(**157**) and being a regulated activity prescribed by those Regulations; or

(m) by a person who is not a relative of the child wholly or mainly in the child's home.

(9) In sub-paragraphs (6) and (8)(a), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

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

(11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where—

(a) the applicant is a pensioner and the other member of the couple is aged not less than 80;

(b) the applicant is a pensioner and the other member of the couple is aged less than 80, and—

(i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and

(ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

(c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;

(d) the applicant is not a pensioner, the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

(e) the 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 the Employment and Support Regulations 2013(a);

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

(g) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Regulations 2013(a) for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;

(h) there is payable in respect of him one or more of the following pensions or allowances—

(i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;

(ii) attendance allowance under section 64 of the SSCBA;

(iii) severe disablement allowance under section 68 of the SSCBA;

(iv) disability living allowance under section 71 of the SSCBA;

(v) personal independence payment;

(vi) an AFIP;

(vii) increase of disablement pension under section 104 of the SSCBA;

(viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;

(ix) main phase employment and support allowance;

(i) a pension or allowance or payment to which sub-paragraph (vii) or (viii) of paragraph (h) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;

(j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for—

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

(ii) an abatement as a consequence of hospitalisation;

(k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(l) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

(m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

(n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006(**158**) or under section 46 of the National Health Service (Scotland) Act 1978(**159**) 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(**160**).

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

(13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the person, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter to apply to him for so long as he has, or is treated as having, limited capability for work.

(14) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person—

(a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for—

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

(ii) an abatement as a consequence of hospitalisation;

(b) to whom the daily living component of personal independence payment is payable or has ceased be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(c) 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

(d) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (15) ("the relevant period") provided that—

(a) in the week before the period of maternity leave, paternity leave or adoption leave began he was in remunerative work;

(b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and

(c) he is entitled to either statutory maternity pay under section 164 of the SSCBA(**161**), ordinary statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, additional statutory paternity pay by virtue of section 171ZEA or 171ZEB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave or adoption leave commences and ends on—

(a) the date that leave ends;

(b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, ordinary or additional 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, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends,

whichever occurs first.

(17) In sub-paragraphs (15) and (16)—

(a) "qualifying support" means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987(**162**); and

(b) "child care element" of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph "applicant" does not include an applicant—

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit.

Calculation of average weekly income from tax credits

59.—(1) This paragraph applies where an applicant receives a tax credit.

(2) Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in sub-paragraph (3).

(3) Where the instalment in respect of which payment of a tax credit is made is—

(a) a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;

(b) a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;

(c) a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;

(d) a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

(4) For the purposes of this paragraph "tax credit" means child tax credit or working tax credit.

Disregard of changes in tax, contributions etc.

60. In calculating the applicant's income the authority may disregard any legislative change—

(a) in the basic or other rates of income tax;

(aa) in the Scottish basic or other rates of income tax;

(b) in the amount of any personal tax reliefs under Chapters 2, 3 and 3A of the Part 3 of the Income Tax Act 2007;

(c) in the rates of national insurance contributions payable under the SSCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, the lower or upper limits applicable to Class 4 contributions under that Act or the amount specified in section 11(4) of that Act (small profits threshold exception 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 SSCBA;

(e) in the maximum rate of child tax credit or working tax credit,

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

Calculation of net profit of self-employed earners

61.—(1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners: persons who are not pensioners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must be—

(a) in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;

(b) in the case of a self-employed earner who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less—

(i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions of self-employed earners); and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium;

(c) in the case of a self-employed earner who is not a pensioner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975(**163**), his share of the net profit derived from that employment, less—

(i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(2) There must be disregarded from the net profit of an applicant who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (9) applies, be calculated by taking into account the earnings of the employment over the assessment period less—

(a) subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of that employment;

(b) an amount in respect of—

(i) income tax; and

(ii) national insurance contributions payable under the SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(c) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(4) For the purposes of sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

(5) Subject to sub-paragraph (6), no deduction is to be made under sub-paragraph (3)(a) or (4), in respect of—

(a) any capital expenditure;

(b) the depreciation of any capital asset;

(c) any sum employed or intended to be employed in the setting up or expansion of the employment;

(d) any loss incurred before the beginning of the assessment period;

(e) the repayment of capital on any loan taken out for the purposes of the employment;

(f) any expenses incurred in providing business entertainment; and

(g) in the case of an applicant who is not a pensioner, any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.

(6) A deduction is to be made under sub-paragraph (3)(a) or (4) in respect of the repayment of capital on any loan used for—

(a) the replacement in the course of business of equipment or machinery; or

(b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

(7) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (3)(a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

(8) For the avoidance of doubt—

(a) a deduction must not be made under sub-paragraph (3)(a) or (4) in respect of any sum unless it has been expended for the purposes of the business;

(b) a deduction must be made there under in respect of—

(i) the excess of any value added tax paid over value added tax received in the assessment period;

(ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;

(iii) any payment of interest on a loan taken out for the purposes of the employment.

(9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less—

(a) an amount in respect of—

(i) income tax; and

(ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

(b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(10) For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments must not be offset against his earnings in any other of his employments.

(11) The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium must be determined—

(a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and dividing the product by 365;

(b) in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.

(12) In this paragraph, “qualifying premium” means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of application.

Calculation of deduction of tax and contributions of self-employed earners

62.—(1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or (9)(a)(i) (calculation of net profit of self-employed earners) must be calculated—

(a) on the basis of the amount of chargeable income, and

(b) as if that income were assessable to income tax at the basic rate or in the case of a Scottish taxpayer, the Scottish basic rate of tax applicable to the assessment period less only the personal

reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are (personal allowances) as is appropriate to his circumstances.

(2) But, if the assessment period is less than a year, the earnings to which the basic rate or the Scottish basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph must be calculated on a pro rata basis.

(3) The amount to be deducted in respect of national insurance contributions under paragraph 60(1)(b)(i), (3)(b)(ii) or (9)(a)(ii) is the total of—

(a) the amount of Class 2 contributions payable under section 11(2) or, as the case may be, 11(8) of the SSCBA 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 that 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 must be reduced pro rata; and

(b) the amount of Class 4 contributions (if any) which would be payable under section 15 of the SSCBA (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits must be reduced pro rata.

(4) In this paragraph "chargeable income" means—

(a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under sub-paragraph (3)(a) or, as the case may be, (5) of paragraph 61;

(b) in the case of employment as a child minder, one-third of the earnings of that employment.

CHAPTER 7

Capital

Calculation of capital

63.—(1) The capital of an applicant(**165**) to be taken into account must be, subject to sub-paragraph (2), the whole of his capital calculated in accordance with this Part and (in the case of persons who are not pensioners) any income treated as capital under paragraph 64 (income treated as capital: persons who are not pensioners).

(2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in—

(a) Schedule 9, in relation to pensioners;

(b) Schedule 10, in relation to persons who are not pensioners.

(3) In the case of an applicant who is a pensioner, his capital is to be treated as including any payment made to him by way of arrears of—

(a) child tax credit;

(b) working tax credit;

(c) state pension credit,

if the payment was made in respect of a period for the whole or part of which a reduction under this scheme was allowed before those arrears were paid.

(4) The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

Income treated as capital: persons who are not pensioners

64.—(1) This paragraph applies in relation to persons who are not pensioners.

(2) Any bounty derived from employment to which paragraph 9 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) applies and paid at intervals of at least one year is to be treated as capital.

(3) Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E is to be treated as capital.

(4) Any holiday pay which is not earnings under paragraph 41(1)(d) or 51(1)(d) (earnings of employed earners) is to be treated as capital.

(5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 50 or 51 of Schedule 10 (capital disregards: persons who are not pensioners), any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.

(6) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.

(7) Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the 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, is to be treated as capital.

(8) There is to be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

(9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

(10) Any arrears of working tax credit or child tax credit must be treated as capital.

Calculation of capital in the United Kingdom

65. Capital which an applicant possesses in the United Kingdom is to be calculated at its current market or surrender value less—

(a) where there would be expenses attributable to the sale, 10 per cent; and

(b) the amount of any encumbrance secured on it.

Calculation of capital outside the United Kingdom

66. Capital which an applicant possesses in a country outside the United Kingdom must be calculated—

(a) in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value;

(b) in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent and the amount of any encumbrances secured on it.

Notional capital

67.—(1) An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to a reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with paragraph 68 (diminishing notional capital rule).

(2) A person who is a pensioner who disposes of capital for the purpose of—

(a) reducing or paying a debt owed by the applicant; or

(b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,

is to be regarded as not depriving himself of it.

(3) Sub-paragraphs (4) to (6) apply in relation to applicants who are not pensioners.

(4) Except in the case of—

(a) a discretionary trust; or

(b) a trust derived from a payment made in consequence of a personal injury; or

(c) any loan which would be obtained only if secured against capital disregarded under Schedule 9; or

(d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or

(e) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a); or

(f) any sum to which paragraph 51(a) of Schedule 10 refers; or

(g) child tax credit; or

(h) working tax credit,

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

(5) Any payment of capital, other than a payment of capital specified in sub-paragraph (6), made—

(a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;

(b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;

(c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of the family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

(6) Sub-paragraph (5) does not apply in respect of a payment of capital made—

(a) under or by any of 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 Employment and Training Act 1973 in respect of a person's participation—

(i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;

(ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

(iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;

(iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or

(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(c) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

(d) in respect of a person's participation in the Mandatory Work Activity Scheme;

(e) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—

(i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;

(ii) he payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

(7) Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case—

(a) the value of his holding in that company must, notwithstanding paragraph 63 (calculation of capital) be disregarded; and

(b) he must, subject to sub-paragraph (8), be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing

provisions of this Chapter apply for the purposes of calculating that amount as if it were actual capital which he does possess.

(8) For so long as the applicant undertakes activities in the course of the business of the company, the amount which he is treated as possessing under sub-paragraph (7) is to be disregarded.

(9) Where an applicant is treated as possessing capital under any of sub-paragraphs (1), (4) or (5) the foregoing provisions of this Chapter apply for the purposes of calculating its amount as if it were actual capital which he does possess.

Diminishing notional capital rule: pensioners

68.—(1) Where an applicant who is a pensioner is treated as possessing capital under paragraph 67(1) (notional capital), the amount which he is treated as possessing—

(a) in the case of a week that is subsequent to—

(i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or

(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—

(i) that week is a week subsequent to the relevant week; and

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week where the applicant satisfies the conditions that—

(a) he is in receipt of a reduction under this scheme; and

(b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) must be equal to the aggregate of—

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;

(b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002 (notional capital);

(c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (notional capital);

(d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and

(e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under this scheme in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(b) is equal to the aggregate of—

(a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of

those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to—

(i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or

(ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;

(d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and

(e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—

(a) dividing the relevant amount by the number equal to the number of days in that part-week, and

(b) multiplying the result of that calculation by **7.**

(7) The amount determined under sub-paragraph (5) is to be re-determined under that sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case—

(a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that—

(a) a further application is made 26 or more weeks after—

(i) the date on which the applicant made an application in respect of which he was first treated as possessing the capital in question under paragraph 67(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or

(iii) he date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

(b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (7) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

(10) For the purposes of this paragraph—

"part-week"—

(a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction in council tax under this scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means—

(i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and

(ii) any other period of less than a week for which it is payable;

"relevant week" means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of paragraph 67(1)—

(a) was first taken into account for the purpose of determining his entitlement to a reduction; or

(b) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to a reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, a reduction;

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Diminishing notional capital rule: persons who are not pensioners

69.—(1) Where an applicant who is not a pensioner is treated as possessing capital under paragraph 67(1) (notional capital), the amount which he is treated as possessing—

(a) in the case of a week that is subsequent to—

(i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or

(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—

(i) that week is a week subsequent to the relevant week; and

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week (or, in the case of persons who are not pensioners, part-week) where the applicant satisfies the conditions that—

(a) he is in receipt of a reduction in council tax under this scheme; and

(b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) is equal to the aggregate of—

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;

(b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);

(c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (notional capital);

(d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and

(e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is not a pensioner and would have been entitled to a reduction in council tax in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of—

(a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to—

(i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or

(ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;

(c) if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and

(e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by—

(a) dividing the relevant amount by the number equal to the number of days in that part-week, and

(b) multiplying the result of that calculation by **7.**

(7) The amount determined under sub-paragraph (5) is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case—

(a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and

(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that—

(a) a further application is made 26 or more weeks after—

(i) the date on which the applicant made an application for a reduction under this scheme in respect of which he was first treated as possessing the capital in question under paragraph 67(1);

(ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which he last made an application under this scheme which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

(b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (6) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

(10) For the purposes of this paragraph—

"part-week"—

(a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction under this scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means—

(i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and

(ii) any other period of less than a week for which it is payable;

"relevant week" means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of paragraph 67(1)—

(a) was first taken into account for the purpose of determining his entitlement to a reduction; or

(b) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to a reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, a reduction,

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Capital jointly held

70. Except where an applicant possesses capital which is disregarded under paragraph 67(7) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Chapter apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

Calculation of tariff income from capital: pensioners

71. The capital of an applicant who is a pensioner, calculated in accordance with this Part(**166**), is to be treated as if it were a weekly income(**167**) of—

(a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and

(b) £1 for any excess which is not a complete £500.

Calculation of tariff income from capital: persons who are not pensioners

72. The capital of an applicant who is not a pensioner, calculated in accordance with this Part(**168**), is to be treated as if it were a weekly income(**169**) of—

(a) £1 for each £250 in excess of £6,000 but not exceeding £16,000;

(b) £1 for any excess which is not a complete £2**50.**

PART 11

Students

CHAPTER 1

General

Interpretation

73.—(1) In this Part—

"academic year" means the period of twelve months beginning on 1st January, 1st April, 1st July or 1st September according to whether the course in question begins in the winter, the spring, the summer or the

autumn respectively but if students are required to begin attending the course during August or September and to continue attending through the autumn, the academic year of the course is to be considered to begin in the autumn rather than the summer;

"access funds" means—

(a) grants made under section 68 of the Further and Higher Education Act 1992(**170**) for the purpose of providing funds on a discretionary basis to be paid to students;

(b) grants made under sections 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980(**171**);

(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(**172**); or

(e) Financial Contingency Funds made available by the Welsh Ministers;

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

"contribution" means—

(a) any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or

(b) any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority considers that it is reasonable for the following persons to contribute towards the holder's expenses—

(i) the holder of the allowance or bursary;

(ii) the holder's parents;

(iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or

(iv) the holder's spouse or civil partner;

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

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

"education authority" means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

"full-time course of study" means a full-time course of study which—

(a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;

(b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out—

(i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement

signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or

(ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or

(c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves—

(i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or

(ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

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

"grant" (except in the definition of "access funds") means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

"grant income" means—

(a) any income by way of a grant;

(b) any contribution whether or not it is paid;

"higher education" means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

"last day of the course" means—

(a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;

(b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

"period of study" means—

(a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;

(b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, that year's start and ending with either—

(i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or

(ii) n any other case, the day before the start of the normal summer vacation appropriate to his course;

(c) in the final year of a course of study of more than one year, the period beginning with that year's start and ending with the last day of the course;

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

"qualifying course" means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker's Allowance Regulations 1996;

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

"standard maintenance grant" means—

(a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003(**173**) ("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(**174**), section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and includes, in Scotland, a young student's bursary paid under regulation 4(1)(c) of the Students' Allowances (Scotland) Regulations 200**7.**

(2) For the purposes of the definition of "full-time student" in sub-paragraph (1), a person must be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course—

(a) subject to sub-paragraph (3), in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending—

(i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or

(ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;

(b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

(3) For the purposes of paragraph (a) of sub-paragraph (2), the period referred to in that paragraph includes—

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

(b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

(4) In sub-paragraph (2), "modular course" means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

Treatment of students

74. This scheme has effect in relation to students who are not pensioners subject to the following provisions of this Part.

Students who are excluded from entitlement to a reduction under this scheme

75.—(1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7)—

(a) full-time students, and

(b) students who are persons treated as not being in Great Britain(**175**).

(2) Sub-paragraph (1)(b) does not apply to a student—

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

(b) who is a lone parent;

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

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

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

(f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;

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

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

(i) who is—

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

(ii) aged 21 and attained that age during a course of study which is not a course of higher education, or

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

(j)in respect of whom—

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

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

(iii) a payment has been made under or by virtue of regulations made under the Teaching and Higher Education Act 1998;

(iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or

(v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

(3) Sub-paragraph (2)(i)(ii) only applies to an applicant until the end of the course during which the applicant attained the age of **21.**

(4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph must, on his again becoming so incapable, or so treated as incapable, of work at the end of that

period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

(5) In sub-paragraph (2)(i) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988(**176**).

(6) A full-time student to whom sub-paragraph (2)(i) applies must be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

(7) Sub-paragraph (1)(b) does not apply to a full-time student for the period specified in sub-paragraph (8) if—

(a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is—

(i) engaged in caring for another person; or

(ii) ill;

(b) he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

(c) he is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).

(8) The period specified for the purposes of sub-paragraph (7) is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before—

(a) the day on which he resumes attending or undertaking the course; or

(b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,

whichever first occurs.

CHAPTER 2

Income

Calculation of grant income

76.—(1) The amount of a student's grant income to be taken into account in assessing his income must, subject to sub-paragraphs (2) and (3), be the whole of his grant income.

(2) There must be excluded from a student's grant income any payment—

(a) intended to meet tuition fees or examination fees;

(b) in respect of the student's disability;

(c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;

(d) on account of the student maintaining a home at a place other than that at which he resides during his course;

(e) on account of any other person but only if that person is residing outside the United Kingdom and there is no applicable amount in respect of him;

(f) intended to meet the cost of books and equipment;

(g) intended to meet travel expenses incurred as a result of his attendance on the course;

(h) intended for the child care costs of a child dependant;

(i) of higher education bursary for care leavers made under Part 3 of the Children Act 198**9.**

(3) Where a student does not have a student loan and is not treated as possessing such a loan, there must be excluded from the student's grant income—

(a) the sum of £303 per academic year in respect of travel costs; and

(b) the sum of £390 per academic year towards the costs of books and equipment,

whether or not any such costs are incurred.

(4) There must also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998(**177**).

(5) Subject to sub-paragraphs (6) and (7), a student's grant income must be apportioned—

(a) subject to sub-paragraph (8), in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;

(b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

(6) Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, **53.**

(7) In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither sub-paragraph (6) nor paragraph 80(2) (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

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

Calculation of covenant income where a contribution is assessed

77.—(1) Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following must be the whole amount of the covenant income less, subject to sub-paragraph (3), the amount of the contribution.

(2) The weekly amount of the student's covenant must be determined—

(a) by dividing the amount of income which falls to be taken into account under sub-paragraph (1) by 52 or 53, whichever is reasonable in the circumstances; and

(b) by disregarding £5 from the resulting amount.

(3) For the purposes of sub-paragraph (1), the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 76(2)(g) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

Covenant income where no grant income or no contribution is assessed

78.—(1) Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows—

(a) any sums intended for any expenditure specified in paragraph 76(2)(a) to (e) necessary as a result of his attendance on the course must be disregarded;

(b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;

(c) there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 76(2)(f) and (3) had the student been in receipt of the standard maintenance grant; and

(d) the balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.

(2) Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income must be calculated in accordance with paragraphs (a) to (d) of sub-paragraph (1), except that—

(a) the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 76(2)(a) to (e); and

(b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 76(2)(f) and (g) and (3).

Relationship with amounts to be disregarded under Schedule 8

79. No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 8 (disregard of certain charitable and voluntary, etc., payments).

Other amounts to be disregarded

80.—(1) For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 81 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 76(2) (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.

(2) But sub-paragraph (1) applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 76(2) or (3), 77(3), 78(1)(a) or (c) or 81(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

Treatment of student loans

81.—(1) A student loan is to be treated as income.

(2) In calculating the weekly amount of the loan to be taken into account as income—

(a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period is to be apportioned equally between the weeks in the period beginning with—

(i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;

(ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course,

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

(b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year is to be apportioned equally between the weeks in the period—

(i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and

(ii) ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year,

but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

(c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year is to be apportioned equally between the weeks in the period beginning with—

(i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

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

(d) in any other case, the loan is to be apportioned equally between the weeks in the period beginning with the earlier of—

(i) the first day of the first reduction week in September; or

(ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

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

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

(3) A student is to be treated as possessing a student loan in respect of an academic year where—

(a) a student loan has been made to him in respect of that year; or

(b) he could acquire such a loan in respect of that year by taking reasonable steps to do so.

(4) Where a student is treated as possessing a student loan under sub-paragraph (3), the amount of the student loan to be taken into account as income must be, subject to sub-paragraph (5)—

(a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to—

(i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and

(ii) any contribution whether or not it has been paid to him;

(b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if—

(i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and

(ii) no deduction in that loan was made by virtue of the application of a means test.

(5) There must be deducted from the amount of income taken into account under sub-paragraph (4)—

(a) the sum of £303 per academic year in respect of travel costs; and

(b) the sum of £390 per academic year towards the cost of books and equipment,

whether or not any such costs are incurred.

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

Treatment of payments from access funds

82.—(1) This paragraph applies to payments from access funds that are not payments to which paragraph 85(2) or (3) (income treated as capital) applies.

(2) A payment from access funds, other than a payment to which sub-paragraph (3) applies, must be disregarded as income.

(3) Subject to sub-paragraph (4) of this paragraph and paragraph 40 of Schedule 8 (disregards in the calculation of income other than earnings: persons who are not pensioners)—

(a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family, and

(b)any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable,

must be disregarded as income to the extent of £20 per week.

(4) Where a payment from access funds is made—

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

(b) before the first day of the course to a person in anticipation of that person becoming a student,

that payment must be disregarded as income.

Disregard of contribution

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

Further disregard of student's income

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

Income treated as capital

85.—(1) Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.

(2) An amount paid from access funds as a single lump sum must be treated as capital.

(3) An amount paid from access funds as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, must be disregarded as capital but only for a period of 52 weeks from the date of the payment.

Disregard of changes occurring during summer vacation

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

PART 12

Extended reductions

CHAPTER 1

Extended reductions: pensioners

Extended reductions: pensioners

87. Paragraphs 88 to 93 apply in relation to applicants who are pensioners.

Extended reductions (qualifying contributory benefits): pensioners

88.—(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes A to C is entitled to an extended reduction (qualifying contributory benefits) where—

(a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;

(b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner—

(i) commenced employment as an employed or self-employed earner;

(ii) increased their earnings from such employment; or

(iii) increased the number of hours worked in such employment,

and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more;

(c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and

(d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

(2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes A to C where—

(a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;

(b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and

(c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): pensioners

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

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

(3) The extended reduction period ends—

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant who is receiving the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): pensioners

90.—(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of—

(a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within any of classes A to C in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;

(b) the amount of reduction under this scheme to which the applicant would be entitled under by virtue of falling within any of classes A to C for any reduction week during the extended reduction period, if paragraph 88 (extended reductions (qualifying contributory benefits): pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes A to C, if paragraph 88 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, the authority must not award a reduction in pursuance of that application during the extended reduction period.

Extended reductions (qualifying contributory benefits)—movers: pensioners

91.—(1) This paragraph applies—

(a) to a mover(**178**); and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefits) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

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

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C

92.—(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 88(1)(b), that reduction does not cease to have effect until the end of the extended reduction period.

(2) Part 13 (when entitlement begins and change of circumstances) does not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 90(1)(a) or paragraph 91(2) (amount of extended reduction — movers: pensioners).

Continuing reductions where state pension credit claimed: pensioners

93.—(1) This paragraph applies where—

(a) the applicant is entitled to a reduction under this scheme;

(b) sub-paragraph (2) is satisfied; and

(c) either—

(i) the applicant has attained the qualifying age for state pension credit; or

(ii) the applicant's partner has actually claimed state pension credit.

(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that—

(a) the applicant's award of—

(i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or

(ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit; and

(b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.

(4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—

(a) the whole of the income and capital of the applicant is to be disregarded;

(b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.

(6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated—

(a) the applicant's council tax liability has increased; or

(b) a change in the deduction under paragraph 30 falls to be made.

CHAPTER 2

Extended reductions: persons who are not pensioners

Extended reductions: persons who are not pensioners

94. Paragraphs 95 to 104 apply in relation to applicants who are not pensioners.

Extended reductions: persons who are not pensioners

95.—(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to E is entitled to an extended reduction where—

(a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;

(b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—

(i) commenced employment as an employed or self-employed earner;

(ii) increased their earnings from such employment; or

(iii) increased the number of hours worked in such employment,

and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more; and

(c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.

(2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

(3) For the purpose of this paragraph, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they must be treated as being entitled to and in receipt of jobseeker's allowance.

(4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to E where—

(a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;

(b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and

(c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

(5) This paragraph does not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987(**179**) (remunerative work: housing costs) applied to that applicant.

Duration of extended reduction period: persons who are not pensioners

96.—(1) Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

(2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

(3) The extended reduction period ends—

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

Amount of extended reduction: persons who are not pensioners

97.—(1) For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of—

(a) the amount of the reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to E in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;

(b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to E for any reduction week during the extended reduction period, if paragraph 95 (extended reductions: persons who are not pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to E, if paragraph 95 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

Extended reductions—movers: persons who are not pensioners

98.—(1) This paragraph applies—

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income-related benefit.

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

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction and entitlement to a reduction by virtue of classes D to E

99.—(1) Where an applicant's entitlement to a reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 95(1)(b), that entitlement does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 do not apply to any extended reduction payable in accordance with paragraph 95(1)(a) or 98(2) (amount of extended reduction—movers: persons who are not pensioners).

Extended reductions (qualifying contributory benefits): persons who are not pensioners

100.—(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to E is entitled to an extended reduction (qualifying contributory benefits) where—

(a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;

(b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner—

(i) commenced employment as an employed or self-employed earner;

(ii) increased their earnings from such employment; or

(iii) increased the number of hours worked in such employment,

and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more;

(c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and

(d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

(2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to E where—

(a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;

(b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and

(c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners

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

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

(3) The extended reduction period ends—

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant entitled to the extended reduction (qualifying contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners

102.—(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of—

(a) the amount of reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to E in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;

(b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to E for any reduction week during the extended reduction period, if paragraph 100 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to E, if paragraph 100 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

Extended reductions (qualifying contributory benefits)—movers: persons who are not pensioners

103.—(1) This paragraph applies—

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

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

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to E

104.—(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 100(1)(b), that reduction does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction—movers: persons who a re not pensioners).

CHAPTER 3

Extended reductions: movers in the authority's area

Extended reductions: applicant moving into the authority's area

105. Where—

(a) an application is made to the authority ("the current authority") for a reduction under this scheme, and

(b) the applicant, or the partner of the applicant, is in receipt of an extended reduction from—

(i) another billing authority in England; or

(ii) a billing authority in Wales,

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

PART 13

When entitlement begins and change of circumstances

Date on which entitlement begins

106.—(1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.

(2) Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

Date on which change of circumstances is to take effect; pensioners

107.—(1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph and (in the case of applicants who are pensioners) paragraph 108 (change of circumstance where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.

(2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.

(3) Subject to sub-paragraph (4), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

(4) Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under section 11 or 11A of that Act(**180**) (discounts), it takes effect from the day on which the change in amount has effect.

(5) Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

(6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

(7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

(8) Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances takes effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(10) Sub-paragraph (11) applies if—

(a) Removed by SI2017/1305

(b) either—

(i) a non-dependant took up residence in the applicant's dwelling; or

(ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 30 increased.

(11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.

(12) In sub-paragraph (11), but subject to sub-paragraph (13), "the effective date" means—

(a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since—

(i) the date on which the applicant's entitlement to a reduction under this scheme first began; or

(ii) the date which was the last effective date in respect of such a change,

whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;

(b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.

(13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.

Date on which change of circumstances is to take effect; persons who are not pensioners

107A.—(1) Except in cases where paragraph 60 (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 this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.

(2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.

(3) Subject to sub-paragraph (4), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

(4) Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under section 11 or 11A of that Act(**180**) (discounts), it takes effect from the day on which the change in amount has effect.

(5) Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

(6) Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

(7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

(8) Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances takes effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(10) Where a change of circumstances is notified more than one month after it occurs, or such longer period as may be allowed under sub-paragraph 11 and that change is advantageous to the applicant, then the change will take effect from the first day of the reduction week following the date of notification to the Authority.

(11) For the purposes of sub-paragraph 10, a longer period of time may be allowed for the notification of a change of circumstances in so far as it affects the effective date of the change where the conditions specified in the in the following provisions of this sub-paragraph are satisfied.

(a) An application for the purposes of sub-paragraph 11 shall –

(i) include particulars of the change of circumstances and the reasons for the failure to notify the change of circumstances on an earlier date; and

(ii) be made within 13 months of the date on which the change occurred.

(b) An application for the purposes of sub-paragraph 11 shall not be granted unless the authority is satisfied that –

(i) it is reasonable to grant the application;

(ii) the change in circumstances notified by the applicant is relevant to the decision which is to be changed and

(iii) special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to notify the change of circumstances within one month of the change occurring.

(c) In determining whether it is reasonable to grant the application, the authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the change of circumstances occurred and the date the change of circumstance was notified to the authority, the more compelling should be the special circumstances on which the application is based.

(d) In determining whether it is reasonable to grant an application , no account shall be taken of the following –

(i) that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by these rules); or

(ii) that a tribunal or court has taken a different view of the rules from that previously understood and applied.

(d) An application under this rule which has been refused may not be renewed.

Change of circumstances where universal credit in payment

107b.—(1) Subject to paragraph (2) where—

(a) the applicant is in receipt of universal credit and

(b) the universal credit award is changed in consequence of a change in the applicant's income, circumstances or the correction of an official error;

the applicable amount and income calculated in accordance with paragraphs 28 and 37 will not change unless three months has elapsed since they were last changed.

(2) Paragraph 1 shall not apply where the Authority considers that a major change in circumstances has occurred. A major change shall include, **but is not limited** to

(a) a partner moving into or leaving the household or

(b) the applicant or their partner enters employment or self-employment or

(c) the applicant or their partners employment or self-employment ceases or

(d) the applicant or their partner appears to have had an increase in employment of 10 or more hours per week

Change of circumstances where state pension credit in payment

108.—(1) Sub-paragraphs (2) and (3) apply where—

(a) the applicant is in receipt of state pension credit;

(b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and

(c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under this scheme.

(2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in—

(a) an increase in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or

(b) a decrease in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which—

(i) the local authority receives notification from the Secretary of State of the increase in the amount of state pension credit; or

(ii) state pension credit is increased,

whichever is the later.

(3) Where the change of circumstance ("the relevant change") is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces—

(a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or

(b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which—

(i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or

(ii) state pension credit is reduced,

whichever is the later.

(4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction he receives under this scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which—

(a) the authority receives notification from the Secretary of State of the award of state pension credit; or

(b) entitlement to state pension credit begins,

whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is—

(a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and

(b) a change of circumstances which is a relevant determination,

each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in sub-paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 93 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.

(9) In this paragraph—

"official error" means an error made by—

(a) the authority or a person—

(i) authorised to carry out any function of the authority relating to this scheme; or

(ii) providing services relating to this scheme directly or indirectly to the authority; or

(b) an officer of—

(i) the Department for Work and Pensions; or

(ii) the Commissioners of Inland Revenue,

acting as such,

but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

"relevant calculation or estimate" means the calculation or estimate made by the Secretary of State of the applicant's or, as the case may be, the applicant's partner's income and capital for the purposes of the award of state pension credit;

"relevant determination" means a change in the determination by the authority of the applicant's income and capital using the relevant calculation or estimate, in accordance with paragraph 36(1).

PART 14

Applications (including duties to notify authority of change of circumstances)

Making an application

109.—(1) In the case of—

(a) a couple or (subject to paragraph (b)) members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines; or

(b) in the case of members of a polygamous marriage to whom paragraph 37 (income and capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

(2) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and—

(a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(**181**) 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(**182**), the Enduring Powers of Attorney Act 1985(**183**) or the Mental Capacity Act 2005 or otherwise,

that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.

(3) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under this scheme and to receive and deal on his behalf with any sums payable to him.

(4) Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

(5) Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4)—

(a) it may at any time revoke the appointment;

(b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;

(c) any such appointment must terminate when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

(6) Anything required by this scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the 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.

(7) The authority must—

(a) inform any person making an application of the duty imposed by paragraph 115(1)(a);

(b) explain the possible consequences (including prosecution) of failing to comply with that duty; and

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

Date on which an application is made

110.—(1) Subject to sub-paragraph (7), the date on which an application is made is—

(a) in a case where—

(i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and

(ii) the application is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

(b) in a case where—

(i) an applicant or his partner is a person in receipt of a guarantee credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(c) in a case where—

(i) an award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and

(ii) he application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(d) in a case where—

(i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,

(ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and

(iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

(e) in a case where—

(i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and

(ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which the application is received at the designated office.

(2) For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under—

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 1 to this scheme (application by telephone)—

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

(4) The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

(5) The conditions are that—

(a) where paragraph 4(a) of Schedule 1 (incomplete form) applies, the authority receives at its designated office the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

(b) where paragraph 4(b) of Schedule 1 (application not on approved form or further information requested by authority) applies—

(i) the approved form sent to the applicant is received at the designated office properly completed within one month of it having been sent to him; or, as the case may be,

(ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request,

or, in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its designated office the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

(6) Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.

(7) Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under this scheme for a period beginning not later than—

(a) in the case of an application made by—

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,

the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,

the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

(8) In this paragraph “appropriate DWP office” means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims for income support, a jobseeker’s allowance or an employment and support allowance.

Back-dating of applications: pensioners

111.—(1) Subject to sub-paragraph (2), the time for the making of an application under this scheme by a pensioner is as regards any day on which, apart from satisfying the condition of making an application, the applicant is entitled to such a reduction, that day and the period of three months immediately following it.

(2) In any case where paragraph 110(1)(a) applies, sub-paragraph (1) does not entitle a person to apply for a reduction under this scheme in respect of any day earlier than three months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987).

Back-dating of applications: persons who are not pensioners

112.—(1) Where an applicant who is a person who is not a pensioner—

(a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and

(b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

(2) That date is the latest of—

(a) the first day from which the applicant had continuous good cause;

(b) the day 6 months before the date the application was made;

(c) the day 6 months before the date when the applicant requested that the application should include a past period.

Information and evidence

113.—(1) Subject to sub-paragraph (3), a person who makes an application for a reduction under this scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

(2) This sub-paragraph is satisfied in relation to a person if—

(a) the application is accompanied by—

(i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or

(ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or

(b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by—

(i) evidence of the application for a national insurance number to be so allocated; and

(ii) the information or evidence enabling it to be so allocated.

(3) Sub-paragraph (2) does not apply—

(a) in the case of a child or young person in respect of whom an application for a reduction is made;

(b) to a person who—

(i) is a person treated as not being in Great Britain for the purposes of this scheme(**184**);

(ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and

(iii) has not previously been allocated a national insurance number.

(4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under this scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

(5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.

(6) Where a request is made under sub-paragraph (4), the authority must—

(a) inform the applicant or the person to whom a reduction under this scheme has been awarded of his duty under paragraph 115 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and

(b) without prejudice to the extent of the duty owed under paragraph 115, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which is to be notified.

(7) This sub-paragraph applies to any of the following payments—

(a) a payment which is—

(i) disregarded under paragraph 28 of Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or

(ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Londons Emergencies Trust, the We Love Manchester Emergency Fund or the London Bombings Relief Charitable Fund;

(b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);

(c) a payment which is disregarded under paragraph 30(9)(b) or (c) (payment made under certain trusts etc.) or paragraph 2(b) or (c) of Schedule 4 (payments made under certain trusts etc.) other than a payment under the Independent Living Fund (2006).

(8) Where an applicant or a person to whom a reduction under this scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information—

(a) the name and address of the pension fund holder(**185**);

(b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

Amendment and withdrawal of application

114.—(1) A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.

(2) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the amendment may also be made by telephone.

(3) Any application amended in accordance with sub-paragraph (1) or (2) is to be treated as if it had been amended in the first instance.

(4) A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

(5) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

(7) Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

Duty to notify

changes of circumstances

115.—(1) Subject to sub-paragraphs (3) and (9), the applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time—

(a) between the making of an application and a decision being made on it, or

(b) after the decision is made (where the decision is that the applicant is entitled to a reduction under this scheme) including at any time while the applicant is in receipt of such a reduction.

(2) The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under this scheme (a “relevant change of circumstances”) by giving notice to the authority—

(a) in writing; or

(b) by telephone—

(i) where the authority has published a telephone number for that purpose or for the purposes of Part 1 of Schedule 1 unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

(ii) in any case or class of case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case,

within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(3) The duty imposed on a person by sub-paragraph (1) does not extend to notifying—

(a) changes in the amount of council tax payable to the authority;

(b) changes in the age of the applicant or that of any member of his family;

(c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

(5) Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.

(6) The duty imposed on a person by sub-paragraph (1) includes—

(a) in the case of a person falling within class C (pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs;

(7) A person who has been awarded a reduction under this scheme who is also on state pension credit must report—

(a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;

(b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks or where the absence is from Great Britain, which exceeds or is likely to exceed 4 weeks.

(8) In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only the savings credit must also report—

(a) changes affecting a child living with him which may result in a change in the amount of reduction under this scheme allowed in his case, but not changes in the age of the child;

(b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £16,000;

(c) any change in the income or capital of—

(i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 34 (circumstances in which income of a non-dependant is to be treated as applicant's); or

(ii) a person to whom paragraph 36(2)(e) (partner treated as member of the household under paragraph 8) refers,

and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(9) A person who is entitled to a reduction under this scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).

PART 15

Decisions by authority

Decision by authority

116. The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 110 and 113 and Part 1 of Schedule 1 being satisfied, or as soon as reasonably practicable thereafter.

Notification of decision

117.—(1) The authority must notify in writing any person affected by a decision made by it under this scheme—

(a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;

(b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

(2) Where the decision is to award a reduction the notification under sub-paragraph (1) must include a statement—

(a) informing the person affected of the duty imposed by paragraph 115(1)(b);

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

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

(3) Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

(4) In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in this scheme relating to the procedure for making an appeal(**186**).

(5) A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

(6) The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

(7) For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under this scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

(8) This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act—

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(**187**) who has power to apply or, as the case may be, receive benefit on the person's behalf; or

(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority under paragraph 109(3).

PART 16

Circumstances in which a payment may be made

Payment where there is joint and several liability

118.—(1) Where—

(a) a person is entitled to a reduction under this scheme in respect of his liability for the authority's council tax as it has effect in respect of a financial year;

(b) the person entitled to the reduction is jointly and severally liable for the council tax; and

(c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers would be inappropriate,

it may make a payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

(2) Subject to sub-paragraph (3), any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

(3) Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 109(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 109(5), the amount of the reduction may be paid to that person.

PART 17

Class F Discretionary Reduction

Class F, Circumstances where a Discretionary Reduction is awarded and the amount of the award

119.—(1) Where an applicant is subject to paragraph 18 (c) (class F) they shall be entitled to a discretionary reduction.

(2) The amount of discretionary reduction where paragraph 119(1) shall be calculated in accordance with paragraph 32A (4)

Other classes can make an application for a discretionary reduction in accordance with Part 3 of Schedule 1 of these regulations. Such requests will be considered having regard to the Authority's Discretionary Relief Policy as allowed under regulation 13a(1)(c) of The Local Government Finance Act.

SCHEDULE 1

Procedural matters

PART 1

Procedure for an application for a reduction under this scheme

Procedure by which a person may apply for a reduction under this scheme

1. Paragraphs 2 to 7 apply to an application for a reduction under this scheme.

2. An application may be made—

(a) in writing,

(b) by means of an electronic communication in accordance with Part 4 of this Schedule, or

(c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

3.—(1) An application which is made in writing must be made to the designated office on a properly completed form.

(2) The form must be provided free of charge by the authority for the purpose.

4. Where an application made in writing is defective because—

(a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or

(b) it was made in writing but not on the form supplied for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

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

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

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

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

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

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

PART 2

Procedure for making an appeal

Procedure by which a person may make an appeal against certain decisions of the authority

8. A person who is aggrieved by a decision of the authority which affects—

(a) the person's entitlement to a reduction under this scheme, or

(b) the amount of any reduction under this scheme,

may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

9. The authority must—

(a) consider the matter to which the notice relates;

(b) notify the aggrieved person in writing—

(i) hat the ground is not well founded, giving reasons for that belief; or

(ii) that steps have been taken to deal with the grievance, stating the steps taken.

10. Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

PART 3

Procedure for applying for a discretionary reduction

Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

11.—(1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made—

(a) in writing;

(b) by means of an electronic communication in accordance with Part 4 of this Schedule; or

(c) where the authority has published a telephone number for the purposes of receiving such applications, by telephone.

(2) Where—

(a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and

(b) a person in that class would otherwise be entitled to a reduction under this scheme,

that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A(1)(c).

PART 4

Electronic communication

Interpretation

12. In this Part—

"information" includes an application, certificate, notice or other evidence;

"official computer system" means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13.—(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

(2) A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

(3) The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

(4) The second condition is that the person uses an approved method of—

(a) authenticating the identity of the sender of the communication;

(b) electronic communication;

(c) authenticating any application or notice delivered by means of an electronic communication; and

(d) subject to sub-paragraph (7), submitting to the authority any information.

(5) The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this Part of this Schedule.

(6) The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

(7) Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

(8) In this paragraph "approved" means approved by means of a direction given by the Chief Executive of the authority for the purposes of this Part of this Schedule.

Use of intermediaries

14. The authority may use intermediaries in connection with—

(a) the delivery of any information by means of an electronic communication; and

(b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

Effect of delivering information by means of electronic communication

15.—(1) Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of this scheme, on the day the conditions imposed—

(a) by this Part; and

(b) by or under an enactment,

are satisfied.

(2) The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

(3) Information must not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

Proof of identity of sender or recipient of information

16. If it is necessary to prove, for the purpose of any legal proceedings, the identity of—

(a) the sender of any information delivered by means of an electronic communication to an official computer system; or

(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,

the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

Proof of delivery of information

17.—(1) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this must be presumed to have been the case where—

(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or

(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

(2) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this must be presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

(3) If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt must be presumed to be that recorded on an official computer system.

Proof of content of information

18. If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content must be presumed to be that recorded on an official computer system.

SCHEDULE 2

Applicable amounts: pensioners

PART 1

Personal allowances

Personal allowance

1. The amount specified for the purpose of paragraph 25(1)(a) is-

(a)prior to 6th December 2018, the amount specified in column (2) of Table 1 below in respect of each person or couple referred to in column (1) of that Table;

(b)on or after 6th December 2018, the amount specified in column (2) of Table 2 below in respect of each person or couple referred to in column (1) of that Table**.**

Table 1

Column (1) *Person, couple or polygamous marriage*	*Column (2)* *Amount*
(1) Single applicant or lone parent—	(1)
(a) aged under 65;	(a) £163.00;
(b) aged 65 or over.	(b) £176.40**.**
(2) Couple—	(2)
(a) both members aged under 65;	(a) £248.80;
(b) one or both members aged 65 or over.	(b) £263.80**.**
(3) If the applicant is a member of a polygamous marriage and none of the members of the marriage has attained the age of 65—	(3)
(a) for the applicant and the other party to the marriage;	(a) £248.80;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £85.80**.**
(4) If the applicant is a member of a polygamous marriage and one or more members of the marriage are aged 65 or over—	(4)
(a) for the applicant and the other party to the marriage;	(a) £263.80;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £87.40**.**

Table 2

Column (1) *Person, couple or polygamous marriage*	*Column (2)* *Amount*
(1) Single applicant or lone parent who has attained pensionable age	£176.40
(2) Couple and one or both members have attained pensionable age	£263.80
(3) If the applicant is a member of a polygamous marriage and one or more members of the marriage has attained pensionable age	(3)
(a) for the applicant and the other party to the marriage;	(a) £263.80;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £87.40**.**

Child or young person amounts

2.—(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of paragraph 25(1)(b).

Column (1) *Child or young person*	*Column (2)* *Amount*
Person in respect of the period—	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	(a) £**66.90**;
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	(b) £**66.90.**

(2) In column (1) of the table "the first Monday in September" means the Monday which first occurs in the month of September in any year.

PART 2

Family premium

Family premium

3. (1) Subject to sub-paragraph 2, the amount for the purposes of paragraph 25(1)(c) in respect of a family of which at least one member is a child or young person-

(a) is £17.45 in respect of a reduction week which begins with 1st April 2016 and ending with 30th April 2016;

(b) is nil in respect of a reduction week which begins after 1st May 2016

Family premium transitional provision

(1) Subject to paragraph (2), the removal of the family premium in 3(1)(b) shall not apply to a person who, on 30th April 2016, is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act and is –

(a) a member of a family of which at least one member is a child or young person; or

(b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if –

(a) sub-paragraph (a) or (b) of that paragraph ceases to apply: or

(b) the person makes a new application for a reduction under an authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this regulation – (a) "the Act" means the Local Government Finance Act 1992; (b) "child", "family", "partner", "polygamous marriage" and "young person" have the meanings given by regulation 2 of the Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012.

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PART 3

Premiums

4. The premiums specified in Part 4 are, for the purposes of paragraph 25(1)(d), applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5.—(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

(a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provision of those Regulations, he would be in receipt of that benefit; and

(b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973, or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of

the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 9, a person is to be treated as being in receipt of a carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP.

Severe disability premium

6.—(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if—

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; and

(ii) subject to sub-paragraph (6), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SCCBA or has an award of universal credit which includes the carer element under regulation 29 of the universal credit regulations 2013(a); in respect of caring for him;

(b) in the case of an applicant who has a partner—

(i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP;

(ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and

(iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer element in respect of caring for only one of the couple or, if he is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance or has such an award of universal credit in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if he is registered in a register compiled by a local authority 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 in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 199**4.**

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—

(a) a person receiving attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; or

(b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated—

(a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if he would, but for his being a patient for a period exceeding 28 days, be so in receipt, notwithstanding section 86 of that Act and regulations made there under;

(c) as being in receipt of an AFIP if he would be so in receipt but for a suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

(d) as being entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer element if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt or have such an award of universal credit.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (b)—

(a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and

(b) references to a person being in receipt of a carer's allowance or has an award of universal credit that includes the carer element include reference to a person who would have been in receipt of that allowance or have such an award of universal credit but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001(**188**) (loss of benefit).

Enhanced disability premium

7.—(1) The condition is that—

(a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act; or

(b) (as the case may be) the daily living component of personal independence payment is, or would, but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act,

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

Disabled child premium

8. The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household—

(a) is in receipt of disability living allowance, personal independence payment or is no longer in receipt of such allowance or payment because he is a patient, provided that the child or young person continues to be a member of the family; or

(b) is blind within the meaning of paragraph 6(4) or treated as blind in accordance with paragraph 6(5); or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

9.—(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance.

(2) Where a carer premium has been awarded but—

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance,

this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

(a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or beginning with the date of death if the date occurred on a Sunday);

(b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.

(4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

Persons in receipt of concessionary payments

10. For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Person in receipt of benefit

11. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

PART 4

Amounts of premium specified in Part 3

12.—(1) Severe Disability Premium—

Provision	*Amount*
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	(a) £64.30;
(b) where the applicant satisfies the condition in paragraph 6(2)(b)—	(b)
(i) in a case where there is someone in receipt of a carer's allowance or has an award of universal credit that includes the carer element under regulation 29 of the universal credit regulations 2013(a) or if he or any partner satisfies that condition only by virtue of paragraph 6(7);	(i) £64.30;
(ii) in a case where there is no-one in receipt of such an allowance or such an award of universal credit.	(ii) £128.60**.**
(2) Enhanced disability premium.	(2) £25.48 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 are satisfied.
(3) Disabled Child Premium.	(3) £62.86 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied
(4) Carer Premium.	(4) £36.00 in respect of each person who satisfies the condition specified in paragraph **9.**

SCHEDULE 3

Applicable amounts: persons who are not pensioners

PART 1

Personal allowances

1. The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 26(1)(a) and 27(1)(a) and (b)—

Column (1) *Person or couple*	*Column (2)* *Amount*
(1) A single applicant who—	(1)
(a) is entitled to main phase employment and support allowance;	(a) £73.10
(b) is aged not less than 25;	(b) £73.10;
(c) is aged not less than 18 but less than **25.**	(c) £57.90**.**
(2) Lone parent.	(2) £73.10.
(3) Couple.	(3) £114.85**.**

2. For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if—

(a) paragraph 18 is satisfied in relation to the applicant; or

(b) the applicant is entitled to a converted employment and support allowance.

3.—(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraphs 26(1)(b) and 27(1)(c)—

Column (1) *Child or Young person*	*Column (2)* *Amount*
Person in respect of the period—	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£66.90
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£66.90

(2) In column (1) of the table in sub-paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

PART 2

Family premium

4.—(1) The amount for the purposes of paragraphs 26(1)(c) and 27(1)(d) in respect of a family of which at least one member is a child or young person is—

(a) In respect of a reduction week which begins on the 1st April 2016 and ending on with 30th April 2016;

(i) where the applicant is a lone parent to whom sub-paragraph (2) applies, £**22.**20;

(ii) in any other case, £**17.45.**

(b) is nil in respect of any reduction week after 1st May 2016 (subject to paragraph 5)

(2) Paragraph (1) does not apply if –

(a) sub-paragraph (a) or (b) of that paragraph ceases to apply: or

(b) the person makes a new application for a reduction under an authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this regulation – (a) "the Act" means the Local Government Finance Act 1992; (b) "child", "family", "partner", "polygamous marriage" and "young person" have the meanings given by regulation 2 of the Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012.

(2) The amount in sub-paragraph (1)(a) is applicable to a lone parent—

(a) who was entitled to council tax benefit on 5th April 1998 and whose applicable amount on that date included the amount applicable under paragraph 3(1)(a) of Schedule 1 to the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as in force on that date; or

(b) on becoming entitled to council tax benefit where that lone parent—

(i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and

(ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006,

and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.

(3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6th April 1998—

(a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to

(i) council tax benefit (in relation to the period prior to 1st April 2013), and

(ii) a reduction under this scheme (in relation to the period commencing on 1st April 2013);

(b) the applicant has not ceased to be a lone parent;

(c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and support allowance or a combination of those benefits;

(d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and

(e) a premium under paragraph 9 or a component under paragraph 21 or 22 has not become applicable to the applicant.

(4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where he was not, or had ceased to be, so entitled and—

(a) throughout that period, he had been awarded housing benefit and his applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or

(b) he would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and his applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

Family premium transitional provision

(5) Subject to paragraph (2), the removal of the family premium in 4(1)(b) shall not apply to a person who, on 30th April 2016, is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act and is –

(a) a member of a family of which at least one member is a child or young person; or

(b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if –

(a) sub-paragraph (a) or (b) of that paragraph ceases to apply: or

(b) the person makes a new application for a reduction under an authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this regulation – (a) "the Act" means the Local Government Finance Act 1992; (b) "child", "family", "partner", "polygamous marriage" and "young person" have the meanings given by regulation 2 of the Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012.

PART 3

Premiums

5. Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraphs 26(1)(d) and 27(1)(e) (premiums), applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.

6. Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is applicable to him and, if they are different amounts, the higher or highest amount applies.

7. The following premiums, namely—

(a) a severe disability premium to which paragraph 11 applies;

(b) an enhanced disability premium to which paragraph 12 applies;

(c) a disabled child premium to which paragraph 13 applies; and

(d) a carer premium to which paragraph 14 applies,

may be applicable in addition to any other premium which may apply under this Schedule.

8.—(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for—

(a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979(**189**) applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and

(b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973 or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 20**12.**

Disability premium

9. The condition is that—

(a) where the applicant is a single applicant or a lone parent, he has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 is satisfied; or

(b) where the applicant has a partner, either—

(i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) or (b) is satisfied by him; or

(ii) his partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) is satisfied by his partner.

Additional condition for the disability premium

10.—(1) Subject to sub-paragraph (2) and paragraph 8, the additional condition referred to in paragraph 9 is that either—

(a) the applicant or, as the case may be, his partner—

(i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002(**190**), mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or

(ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act and the applicant remained continuously entitled to—

(aa) council tax benefit (in relation to the period prior to 1st April 2013, and

(bb) a reduction under this scheme (in relation to the period commencing on 1st April 2013), and

if the long-term incapacity benefit was payable to his partner, the partner is still a member of the family; or

(iii) was in receipt of attendance allowance or disability living allowance but payment of benefit has been suspended in accordance with regulations made under section 113(2) of the SSCBA or otherwise abated as a consequence of the applicant or his partner becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(iv) was in receipt of personal independence payment, but payment of that benefit has been suspended in accordance with section 86 of the Welfare Reform Act 2012 as a consequence of the applicant becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(v) was in receipt of an AFIP, but payment has been suspended in accordance with any terms of the armed and reserve forces compensation scheme which allow for suspension because a person is undergoing medical treatment in a hospital or similar institution; or

(vi) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006(**191**) or under section 46 of the National Health Service (Scotland) Act 1978(**192**) 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(**193**); or

(vii) is blind and in consequence registered in a register compiled by a local authority 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 in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(b) the applicant—

(i) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work); and

(ii) has been incapable, or has been treated as incapable, of work for a continuous period of not less than—

(aa) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;

(bb) in any other case, 364 days.

(2) For the purposes of sub-paragraph (1)(a)(vii), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, if he then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work he is, on again becoming so incapable of work, immediately thereafter to be treated as satisfying the condition in sub-paragraph (1)(b).

(4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, he is to continue to be treated as satisfying that condition for any period spent by him in undertaking a course of training provided under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(5) For the purposes of sub-paragraph (1)(b), where any two or more periods of incapacity are separated by a break of not more than 56 days, those periods are to be treated as one continuous period.

(6) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of section 30B(4)(a) of the Act (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt of short-term incapacity benefit at such a rate but for the fact that the rate of short-term incapacity benefit already payable to him is or was equal to or greater than the long-term rate.

(7) In the case of an applicant who is a welfare to work beneficiary (a person to whom regulation 13A(1) of the Social Security (Incapacity for Work) (General) Regulations 1995 applies, and who again becomes incapable of work for the purposes of Part 12A of the SSCBA)—

(a) the reference to a period of 8 weeks in sub-paragraph (3); and

(b) the reference to a period of 56 days in sub-paragraph (5),

in each case is to be treated as a reference to a period of 104 weeks.

(8) The applicant is not entitled to the disability premium if he has, or is treated as having, limited capability for work.

Severe disability premium

11.—(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if—

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)—

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and

(ii) subject to sub-paragraph (4), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or has an award of universal credit that includes the carer element under regulation 29 of the universal credit regulations 2013(a) in respect of caring for him;

(b) in the case of an applicant who has a partner—

(i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and

(ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, all the partners of that marriage are in receipt of such an allowance; and

(iii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer's element in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance or has such an award of universal credit in respect of caring for either member of a couple or any partner of a polygamous marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of paragraph 10(1)(a)(v) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of—

(a) a person receiving attendance allowance, or disability living allowance by virtue of the care component at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012; or

(b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(v) and (2).

(5) For the purposes of sub-paragraph (2)(b) a person is to be treated—

(a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being entitled to and in receipt of a carer's allowance if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.

(6) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b), no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid.

(7) In sub-paragraph (2)(a)(iii) and (b), references to a person being in receipt of a carer's allowance include references to a person who would have been in receipt of that allowance but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001(**194**) (loss of benefit provisions).

Enhanced disability premium

12.—(1) Subject to sub-paragraph (2), the condition is that—

(a) the Secretary of State has decided that the applicant has, or is to be treated as having, limited capability for work-related activity; or

(b) the care component of disability living allowance is, or would be payable at the highest rate prescribed under section 72(3) of the SSCBA, but for a suspension of benefit in accordance with regulations made under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation be payable at the highest rate prescribed under section 72(3) of the SSCBA in respect of—

(i) the applicant; or

(ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit; or

(c) the daily living component of personal independence payment is, or would be payable at either rate under Part 4 of the Welfare Reform Act 2012, but for a suspension of benefit in accordance with section 86 of the Welfare Reform Act 2012 in respect of—

(i) the applicant; or

(ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

(3) The condition is not satisfied if the person to whom sub-paragraph (1) refers is—

(a) an applicant who—

(i) is not a member of a couple or a polygamous marriage; and

(ii) s a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges) and has been for a period of more than 52 weeks; or

(b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11)(i) and has been for a period of more than 52 weeks.

Disabled child premium

13. The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household—

(a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or

(b) is blind or treated as blind within the meaning of paragraph 10; or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young

person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

14.—(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but—

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance,

the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is—

(a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;

(b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which—

(a) the person in respect of whose care the carer's allowance has been awarded dies; or

(b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

Persons in receipt of concessionary payments

15. For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

16. For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

PART 4

Amounts of Premiums Specified in Part 3

17.—(1) Disability Premium—

Premium	*Amount*
(a) where the applicant satisfies the condition in paragraph 9(a);	(a) £33.55.
(b) where the applicant satisfies the condition in paragraph 9(b).	(b) £47.80**.**
(2) Severe Disability Premium—	(2)
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	(a) £64.30.
(b) where the applicant satisfies the condition in paragraph 11(2)(b)—	

(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 11(5);	(b)(i) £64.30.
(ii) in a case where there is no-one in receipt of such an allowance.	(b)(ii) £128.60**.**
(3) Disabled Child Premium.	(3) £62.86 in respect of each child or young person in respect of whom the condition specified in paragraph 13 is satisfied.
(4) Carer Premium.	(4) £36.00 in respect of each person who satisfies the condition specified in paragraph **14.**
(5) Enhanced disability premium	(5) (a) £25.48 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied; (b) £16.40 in respect of each person who is neither— (i) a child or young person; nor (ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 12 are satisfied; (c) £23.55 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage.

PART 5

The components

18. Subject to paragraph 20 the applicant is entitled to one, but not both, of the components in paragraph 21 or 22 if—

(a) the applicant or the applicant's partner has made a claim for employment and support allowance;

(b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work or limited capability for work-related activity; and

(c) either—

(i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or

(ii) regulation 7 of the Employment and Support Allowance Regulations 2008 (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work related activity component arises does not apply) applies.

19. Subject to paragraph 20, the applicant is entitled to one, but not both, of the components in paragraphs 21 and 22 if the applicant or his partner is entitled to a converted employment and support allowance.

20.—(1) The applicant has no entitlement under paragraph 21 or 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10**.**

(2) Where the applicant and the applicant's partner each satisfies paragraph 21 or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

The work-related activity component

21. The applicant is entitled to the work-related activity component if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work.

The support component

22. The applicant is entitled to the support component if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity.

PART 6

Amount of Components

23. The amount of the work-related activity component is £29.05**.**

24. The amount of the support component is £37.65**.**

PART 7

Transitional Addition

25.—(1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")—

(a) is entitled to a converted employment and support allowance; or

(b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2008 and—

(i) is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2008; and

(ii) is not in receipt of an income-related employment and support allowance,

unless the amount of the transitional addition calculated in accordance with paragraph 28 would be nil.

(2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

(a) the reduction of the transitional addition to nil in accordance with paragraph 29;

(b) the termination of the applicant's award of reduction under this scheme;

(c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;

(d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;

(e) 5th April 2020**.**

26.—(1) This paragraph applies where—

(a) the applicant's entitlement to a transitional addition ends, by virtue of the termination of the applicant's award of reduction, under—

(i) paragraph 25(2)(b);

(ii) sub-paragraph (3)(b); or

(iii) paragraph 27(3)(b);

(b) within 12 weeks of that termination but before 5th April 2020 the applicant again becomes entitled to a reduction under this scheme;

(c) in the reduction week in which the applicant again becomes entitled to a reduction under this scheme the relevant person is entitled to an employment and support allowance which is not income-related; and

(d) at the date on which the applicant again becomes entitled to a reduction under this scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

(a) the reduction of the transitional addition to nil in accordance with paragraph 29;

(b) the termination of the applicant's award of a reduction under this scheme;

(c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);

(d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;

(e) 5th April 2020**.**

27.—(1) This paragraph applies where—

(a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under—

(i) paragraph 25(2)(c);

(ii) paragraph 26(3)(c); or

(iii) sub-paragraph (3)(c);

(b) before 5th April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;

(c) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and

(d) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following—

(a) the reduction of the transitional addition to nil in accordance with paragraph 29;

(b) the termination of the applicant's award of a reduction under this scheme;

(c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);

(d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;

(e) 5th April 2020**.**

PART 8

Amount of Transitional Addition

28.—(1) Subject to paragraph 29, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.

(2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No. 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person—

(a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and

(b) Amount B is the basic amount that applied on that day as a result of that decision.

(3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations—

(a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and

(b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.

(4) In this paragraph and paragraph 29, "basic amount" means the aggregate of such amounts as may apply in the applicant's case in accordance with paragraph 26(1)(a) to (e) or paragraph 27(1)(a) to (f) (applicable amounts).

29.—(1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant's basic amount, the transitional addition that applies immediately before the change of circumstances must be reduced by the amount by which Amount C exceeds Amount D.

(2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition must be reduced to nil.

(3) Amount C is the basic amount that applies as a result of the increase.

(4) Amount D is the basic amount that applied immediately before the increase.

SCHEDULE 4

Amount of alternative maximum council tax reduction: pensioners

1.—(1) Subject to paragraphs 2 and 3, the alternative maximum council tax reduction in respect of a day for the purpose of paragraph 31 (alternative maximum council tax reduction: pensioners) is determined in accordance with the following Table and in this Table—

(a) "second adult" means any person or persons residing with the applicant to whom paragraph 15(2) (class C) applies; and

(b) "persons to whom paragraph 75(1) of this scheme applies" includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule "council tax due in respect of that day" means the council tax payable under section 10 of the 1992 Act less—

(a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under this scheme); and

(b) in a case to which sub-paragraph (c) in column (1) of the table below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

(1) *Second adult*	*(2)* *Alternative maximum council tax reduction*
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance—	(b)
(i) is less than £201.00 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £201.00 per week but less than £260.00 per week;	(ii) **7.**5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 75(1) of this	(c) 100 per cent of the

scheme applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.

council tax due in respect of that day.

2. In determining a second adult's gross income for the purposes of this Schedule, the following must be disregarded from that income—

(a) any attendance allowance, any disability living allowance, any personal independence payment under Part 4 of the Welfare Reform Act 2012 or an AFIP;

(b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and

(c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

3. Where there are two or more second adults residing with the applicant for a reduction under this scheme and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 to the 1992 Act, his income must be disregarded in determining the amount of any alternative maximum council tax reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

SCHEDULE 5

Sums disregarded from applicant's earnings: pensioners

1. Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to—

(a) £25 in the case of a lone parent;

(b) £20 in any other case.

2. In a case where an applicant is a lone parent, £25 of earnings.

3.—(1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £**20.**

(2) This paragraph applies to employment—

(a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;

(b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005 (a);

(c) as an auxiliary coastguard in respect of coast rescue activities;

(d) in the manning or launching of a lifeboat if the employment is part-time;

(e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 200**1.**

(3) If—

(a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and

(b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £**20.**

4.—(1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

(3) In this paragraph the applicant or his partner is a carer if paragraph 14 of Part 3 of Schedule 3 (amount applicable for carers) is satisfied in respect of him.

5.—(1) £20 is disregarded if the applicant or, if he has a partner, his partner—

(a) is in receipt of—

(i) long-term incapacity benefit under section 30A of the SSCBA;

(ii) severe disablement allowance under section 68 of that Act;

(iii) attendance allowance under sections 64 of that Act;

(iv) disability living allowance;

(v) personal independence payment;

(vi) an AFIP;

(vii) any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983;

(viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002; or

(ix) main phase employment and support allowance; or

(b) is or are registered as blind in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than—

(i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the Act, 196 days;

(ii) in any other case, 364 days; or

(d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act 1997 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either—

(i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or

(ii) regulation 7 of the Employment and Support Allowance Regulations 2008 or Regulation 7 of the Employment and Support Allowance Regulations 2013 (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work-related activity component arising does not apply) applies.

(2) Subject to sub-paragraph (3), £20 is disregarded if the applicant or, if he has a partner, his partner has, within a period of 8 weeks ending on the day in respect of which the applicant or his partner attains the qualifying age for state pension credit, had an award of housing benefit or council tax benefit or been in receipt of a reduction under this scheme and—

(a) £20 was disregarded in respect of earnings taken into account in that award; and

(b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.

(3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's—

(a) entitlement to housing benefit; or

(b) receipt of a reduction under a council tax reduction scheme; or

(c) employment,

following the first day in respect of which that benefit is awarded under this scheme.

(4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that, where the applicant has a partner, both the applicant and his partner satisfy the requirements of this paragraph.

6.—(1) Where—

(a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;

(b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and

(c) paragraph 35 (applicant in receipt of guarantee credit: pensioners) does not apply,

the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there is also to be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance;

(d) being credited with on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 197**5.**

(6) "Exempt work" means work of the kind described in—

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or regulation 39(1)(a), (b) or (c) of the Employment Support Allowance Regulations 2013; or (as the case may be); or

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

7. Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 6 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full amount disregarded thereunder.

8. Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule—

(a) £5 is to be disregarded if an applicant who has no partner has earnings;

(b) £10 is to be disregarded if an applicant who has a partner has earnings.

9. Any earnings, other than earnings referred to in paragraph 40(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.

10.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be increased by £**17.10.**

(2) The conditions of this sub-paragraph are that—

(a) the applicant, or if he has a partner, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant—

(i) is, or any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) if he is a member of a couple—

(aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his family includes at least one child or young person; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) above is satisfied in respect of that person.

(3) The following are the amounts referred to in sub-paragraph (1)—

(a) any amount disregarded under this Schedule;

(b) the amount of child care charges calculated as deductible under paragraph 57(1)(c) (deductions from income of certain child care charges); and

(c) 17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph was a reference to 30 hours.

11. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

SCHEDULE 6

Amounts to be disregarded in the calculation of income other than earnings: pensioners

1. In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, the remaining balance of any of the following—

(a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 2 or 3);

(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 and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011(**196**), so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

(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) a pension paid by a government to victims of National Socialist persecution.

2. The whole of any amount included in a pension to which paragraph 1 relates in respect of—

(a) the applicant's need for constant attendance;

(b) the applicant's exceptionally severe disablement.

3. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.

4. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

5. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6.—(1) Any payment which is—

(a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person—

(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and

(ii) whose service in such capacity terminated before 31st March 1973; and

(b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

7. £15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the SSCBA.

8. £15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the SSCBA.

9. Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for whom such accommodation is provided for the whole or any part of a week, equal to—

(a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent. of such payments; or

(b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent. of the excess over £20**.**

10. If the applicant—

(a) owns the freehold or leasehold interest in any property or is a tenant of any property; and

(b) occupies a part of that property; and

(c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and—

(i) the amount paid by that person is less than £20 per week, the whole of that amount; or

(ii) the amount paid is £20 or more per week, £20**.**

11. Where an applicant receives income under an annuity purchased with a loan, which satisfies the following conditions—

(a) that the loan was made as part of a scheme under which not less than 90 per cent. of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;

(b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65;

(c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;

(d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as his home at the time the interest is paid; and

(e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,

the amount, calculated on a weekly basis, equal to—

(i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;

(ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

12.—(1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by Trustees in exercise of a discretion exercisable by them.

(2) This sub-paragraph applies to payments made to the applicant by Trustees in exercise of a discretion exercisable by them for the purpose of—

(a) obtaining food, ordinary clothing or footwear or household fuel;

(b) the payment of rent, council tax or water charges for which that applicant or his partner is liable;

(c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002**.**

(3) In a case to which sub-paragraph (2) applies, £20 or—

(a) if the payment is less than £20, the whole payment;

(b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g), £10 or the whole payment if it is less than £10; or

(c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 and—

(i) he has no disregard under paragraph 1(a) to (g), £5 or the whole payment if it is less than £5;

(ii) he has a disregard under paragraph 1(a) to (g), nil.

(4) For the purposes of this paragraph, "ordinary clothing or footwear" means clothing or footwear for normal daily use, but does not include school uniforms, or clothing and footwear used solely for sporting activities.

13. Any increase in pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 paid in respect of a dependent other than the pensioner's partner.

14. Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.

15. Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or, as the case may be, the applicant's partner for an injury suffered by him.

16. Any income which is payable outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

17. Any banking charges or commission payable in converting to Sterling payments of income made in a currency other than Sterling.

18. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—

(a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;

(b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or

(c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

19.—(1) Where the applicant is the parent of a student aged under 25 in advanced education who either—

(a) is not in receipt of any award, grant or student loan in respect of that education; or

(b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 18, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount is to be equal to—

(a) the weekly amount of the payments; or

(b) 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.

20.—(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

21. Except in a case which falls under paragraph 10 of Schedule 5, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £**17.10.**

22. Where the total value of any capital specified in Part 2 (capital disregarded only for the purposes of determining deemed income) of Schedule 9 does not exceed £10,000, any income actually derived from such capital.

23. Except in the case of income from capital specified in Part 2 of Schedule 9, any actual income from capital.

24. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.

SCHEDULE 7

Sums disregarded in the calculation of earnings: persons who are not pensioners

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 a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—

(i) any payment of the nature described in—

(aa) paragraph 51(1)(e) (retainer), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and

(ii) any award, sum or payment of the nature described in—

(aa) paragraph 51(1)(g) or (i) (compensation etc. relating to employment), or

(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),

including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;

(c) where before the first day of entitlement to a reduction under this scheme—

(i) the employment has not been terminated, but

(ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc.).

2. In the case of an applicant who, before the first day of entitlement to a reduction under this scheme—

(a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and

(b) has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings paid or due to be paid in respect of that employment except—

(i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);

(ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc.).

3. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.

4.—(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £**20.**

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component under Schedule 3 (applicable amounts: persons who are not pensioners).

(3) This paragraph applies where—

(a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium under Schedule 3; and

(b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.

5. In a case where the applicant is a lone parent, £25**.**

6.—(1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

7. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment—

(a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;

(b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20**.**

8. In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10**.**

9.—(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as—

(a) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;

(b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;

(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 paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment—

(a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;

(b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20**.**

10. Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20**.**

11. In a case to which none of the paragraphs 4 to 10 applies, £5**.**

12.—(1) Where—

(a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;

(b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and

(c) paragraph 14 does not apply,

the amount specified in sub-paragraph (7) ("the specified amount").

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there must also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

(a) in receipt of a contributory employment and support allowance;

(b) in receipt of incapacity benefit;

(c) in receipt of severe disablement allowance; or

(d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975**.**

(6) "Exempt work" means work of the kind described in—

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be)

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13. Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 8 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

14. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

15. Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

16. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17. Any earnings of a child or young person.

18.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £**17.10.**

(2) The conditions of this sub-paragraph are that—

(a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant—

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and—

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his family includes at least one child or young person;

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and—

(aa) the applicant's applicable amount includes a disability premium under paragraph 9, the work-related activity component under paragraph 21 or the support component under paragraph 22 of Schedule 3 respectively;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in paragraph (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 (Entitlement and Maximum Rate) Regulations 2002 (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

(3) The following are the amounts referred to in sub-paragraph (1)—

(a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12;

(b) the amount of child care charges calculated as deductible under paragraph 57(1)(c); and

(c) £17.10**.**

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph were a reference to 30 hours.

19. In this Schedule "part-time employment" means employment in which the person is engaged on average for less than 16 hours a week.

SCHEDULE 8

Sums disregarded in the calculation of income other than earnings: persons who are not pensioners

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.

2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.

3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme.

4. Any amount paid by way of tax on income which is to be taken into account under regulation 30 (calculation of income other than earnings).

5. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—

(a) engaged by a charitable or voluntary organisation, or

(b) a volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 56(5) (notional income: persons who are not pensioners).

6. Any payment in respect of expenses arising out of the applicant participating as a service user.

7. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.

8. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his income.

9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.

10. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999(**198**) as in force at that date, the whole of his income.

11. Any disability living allowance, personal independence payment or an AFIP.

12. Any concessionary payment made to compensate for the non-payment of—

(a) any payment specified in paragraph 11 or 14;

(b) income support;

(c) an income-based jobseeker's allowance;

(d) an income-related employment and support allowance: or

(c) universal credit.

13. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.

14. Any attendance allowance.

15. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

16.—(1) Any payment—

(a) by way of an education maintenance allowance made pursuant to—

(i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc.);

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to—

(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act; or

(c) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002**.**

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to—

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

17. Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002**.**

18.—(1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990(**199**) except a payment—

(a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;

(b) of an allowance referred to in section 2(3) of the Employment and Training Act 1973 or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or

(c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.

(2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

19.—(1) Subject to sub-paragraph (2), any of the following payments—

(a) a charitable payment;

(b) a voluntary payment;

(c) a payment (not falling within paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;

(d) a payment under an annuity purchased—

(i) pursuant to any agreement or court order to make payments to the applicant; or

(ii) from funds derived from a payment made,

in consequence of any personal injury to the applicant; or

(e) a payment (not falling within paragraphs (a) to (d)) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

(2) Sub-paragraph (1) does not apply to a payment which is made or due to be made by—

(a) a former partner of the applicant, or a former partner of any member of the applicant's family; or

(b) the parent of a child or young person where that child or young person is a member of the applicant's family.

20. Subject to paragraph 40, the whole amount of any of the following, namely—

(a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 13 or 14);

(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 and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

(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 paragraphs (a) to (d) above;

(g) pension paid by a government to victims of National Persecution.

21. Subject to paragraph 40, £15 of any—

(a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;

(b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

22.—(1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 10**.**

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 but only to the extent of—

(a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or

(b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of "water charges" in paragraph 2(1) (interpretation) applies to sub-paragraph (2) of this paragraph with the omission of the words "in so far as such charges are in respect of the dwelling which a person occupies as his home".

23. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—

(a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;

(b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or

(c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

24.—(1) Where the applicant is the parent of a student aged under 25 in advanced education who either—

(a) is not in receipt of any award, grant or student loan in respect of that education; or

(b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 23, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount must be equal to—

(a) the weekly amount of the payments; or

(b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

25. Any payment made to the applicant by a child or young person or a non-dependant.

26. Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family—

(a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or

(b) where the aggregate of any such payments is £20 or more per week, £20**.**

27. Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to—

(a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent of such payments;

(b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £**20.**

28.—(1) Any income in kind, except where paragraph 54(10)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 in the calculation of income other than earnings) applies.

(2) The reference in sub-paragraph (1) to "income in kind" does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.

29. Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

30.—(1) Any payment made to the applicant in respect of a person who is a member of his family—

(a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(**200**) (schemes for payments of allowances to adopters) or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes);

(b) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);

(c) which is a payment made by an authority, as defined in Article 2 of the Children (Northern Ireland) Order 1995, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);

(d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services);

(2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002**.**

31. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made—

(a)by a local authority under—

(i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),

(ii) section 26 or 26a of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or

(iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or

(b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

32. Any payment made to the applicant or his partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in his care, by—

(a) a health authority;

(b) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(c) a voluntary organisation;

(d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;

(e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or

(f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 200**6 or**

(g) the persons concerned where the payment is for the provision of accommodation to meet that person's needs for care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult) or

(h) any payment or part of a payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person ("A") which A passes on to the applicant where A—

(i) as formerly in the applicant's care;

(ii) is aged 16 or over; and

(iii) continues to live with the applicant;

(i) any payments made to an applicant under section 73(1)(b) of the Children and Young People (Scotland) Act 2014 (kinship care assistance: further provisions)

33. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

34.—(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A—

(a) was formerly in the applicant's care, and

(b) is aged 18 or over, and

(c) continues to live with the applicant.

35.—(1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments—

(a) on a loan which is secured on the dwelling which the applicant occupies as his home; or

(b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974(**201**) or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964**.**

(2) A payment referred to in sub-paragraph (1) is only to be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—

(a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (1)(b); and

(b) meet any amount due by way of premiums on—

(i) that policy; or

(ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

36. Any payment of income which by virtue of paragraph 64 (income treated as capital: persons who are not pensioners) is to be treated as capital.

37. Any—

(a)social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or

(b) occasional assistance.

38. Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).

39. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

40. The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 33(3) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 77(2)(b) and paragraph 78(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.

41.—(1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund or the Independent Living Fund (2006).

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

(a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

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

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either—

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

(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either—

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

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(6a) Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disability was caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

(7) For the purposes of sub-paragraphs (2) to (6a), any reference to the Trusts is to be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund and the London Bombings Relief Charitable Fund.

42. Any housing benefit.

43. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

44. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

45. Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).

46.—(1) Any payment or repayment made—

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).

47. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

48. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

49.—(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50.—(1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.

(2) In sub-paragraph (1)—

"child maintenance" means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under—

(a) the Child Support Act 1991(**202**);

(b) the Child Support (Northern Ireland) Order 1991;

(c) a court order;

(d) a consent order;

(e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

"liable relative" means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

51. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944(**203**) to assist disabled persons to obtain or retain employment despite their disability.

52. Any guardian's allowance.

53.—(1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

54. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

55. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56.—(1) Any payment which is—

(a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person—

(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and

(ii) whose service in such capacity terminated before 31st March 1973; and

(b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006**.**

(2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

57. Any council tax benefit to which the applicant is entitled.

58. Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 7, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £**17.10.**

59. Any payment made under section 12B of the Social Work (Scotland) Act 1968, or 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).

59A. Any payments to an applicant made under section 49 of the Children and Families Act 2014(a) (personal budgets and direct payments);

60.—(1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—

(a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;

(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,

in respect of which such assistance is or was received.

(2) Sub-paragraph (1) applies only in respect of payments which are paid to that person from the special account.

61.—(1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) "food" does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

62. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

63. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.

64. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001(**204**).

65.—(1) Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes, in England, a county council.

66. Any payment of child benefit.

SCHEDULE 9

Capital disregards: pensioners

PART 1

Capital to be disregarded

1. Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

2. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

3. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

4. Any premises occupied in whole or in part—

(a) by a person who is a relative of the applicant or his partner as his home where that person has attained the qualifying age for state pension credit or is incapacitated;

(b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

5. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

6. Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from his former partner or the dissolution of a civil partnership with his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

7. Any premises where the applicant is taking reasonable steps to dispose of the whole of his interest in those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

8. All personal possessions.

9. The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner or, if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of those assets.

10. The assets of any business owned in whole or in part by the applicant if—

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged (or, as the case may be, re-engaged) as a self-employed earner in that business as soon as he recovers or is able to become engaged, or re-engaged, in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

11. The surrender value of any policy of life insurance.

12. The value of any funeral plan contract; and for this purpose, “funeral plan contract” means a contract under which—

(a) the applicant makes one or more payments to another person (“the provider”);

(b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on his death; and

(c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on his death.

13. Where an ex-gratia payment has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment of—

(a) the applicant;

(b) the applicant’s partner;

(c) the applicant’s deceased spouse or deceased civil partner; or

(d) the applicant’s partner’s deceased spouse or deceased civil partner,

by the Japanese during the Second World War, an amount equal to that payment.

14.—(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or an applicant's partner who is—

(a) a diagnosed person;

(b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or

(c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(2) Where a trust payment is made to—

(a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or an applicant's partner who is—

(a) the diagnosed person;

(b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or

(c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(4) Where a payment such as referred to in sub-paragraph (3) is made to—

(a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending two years after that date.

(5) In this paragraph, a reference to a person—

(a) being the diagnosed person's partner;

(b) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home or an independent hospital.

(6) In this paragraph—

"diagnosed person" means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeldt-Jakob disease;

"relevant trust" means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

15. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or civil partner or the applicant's partner's deceased spouse or civil partner—

(a) was a slave labourer or a forced labourer;

(b) had suffered property loss or had suffered personal injury; or

(c) was a parent of a child who had died,

during the Second World War.

16.—(1) Any payment made under or by—

(a) the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as "the Trusts"); or

(b) 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 and which is made to or for the benefit of that person's partner or former partner—

(a) from whom he is not, or where that person has died was not, estranged or divorced, or

(b) with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person which derives from a payment made under or by any of the Trusts and which is made to or for the benefit of the person who is suffering from haemophilia or who is a qualifying person.

(4) Sub-paragraph (3) does not apply if—

(a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

(5) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts, where—

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child who is or had been a member of that person's household; and

(b) the payment is made either—

(i) to that person's parent or step-parent; or

(ii) where that person at the date of the payment is a child or a student who has not completed his full-time education and has no parent or step-parent, to any person standing in the place of his parent,

but only for a period from the date of the payment until the end of two years from that person's death.

(6) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts, where—

(a) that person at the date of his death ("the relevant date") had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child who was or had been a member of his household; and

(b) the payment is made either—

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child or a student who had not completed his full-time education and had no parent or step-parent, to any person standing in place of his parent,

but only for a period of two years from the relevant date.

(7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

16A.-- Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

17.—(1) An amount equal to the amount of any payment made in consequence of any personal injury to the applicant or, if the applicant has a partner, to the partner.

(2) Where the whole or part of the payment is administered—

(a) by the High Court or the County Court under Rule 21**.**11(1) of the Civil Procedure Rules 1998, or the Court of Protection, or on behalf of a person where the payment can only be disposed of by order or direction of any such court;

(b) in accordance with an order made under Rule 36**.**14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules; or

(c) in accordance with the terms of a trust established for the benefit of the applicant or his partner,

the whole of the amount so administered.

18. Any amount specified in paragraph 19, 20, 21 or 25 for a period of one year beginning with the date of receipt.

19. Amounts paid under a policy of insurance in connection with the loss of or damage to the property occupied by the applicant as his home and to his personal possessions.

20. So much of any amounts paid to the applicant or deposited in the applicant's name for the sole purpose of—

(a) purchasing premises which the applicant intends to occupy as his home; or

(b) effecting essential repairs or alterations to the premises occupied or intended to be occupied by the applicant as his home.

21.—(1) Subject to paragraph 22 any amount paid—

(a) by way of arrears of benefit;

(b) by way of compensation for the late payment of benefit;

(c) in lieu of the payment of benefit;

(d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;

(e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000(**205**) under a scheme known as "Supporting People" or section 91 of the Housing (Scotland) Act 200**1.**

(f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in paragraph "occasional assistance" has the same meaning as in paragraph 39 of Part 10, Chapter 4.

(2) In sub-paragraph (1), "benefit" means—

(a) attendance allowance under section 64 of the Act;

(b) disability living allowance;

(c) personal independence payment;

(d) an AFIP;

(e) income support;

(f) income-based jobseeker's allowance;

(g) state pension credit;

(h) housing benefit;

(i) council tax benefit;

(j) child tax credit;

(k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the Act (increase for exceptionally severe disablement);

(l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;

(m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

(n) working tax credit;

(o) income-related employment and support allowance;

(p) social fund payments under Part 8 of SSCBA: or

(q) universal credit.

22.—(1) Subject to sub-paragraph (3), any payment of £5,000 or more which has been made to rectify, or to compensate for, an official error relating to a relevant benefit and which has been received by the applicant in full on or after the day on which he became entitled to a reduction under this scheme.

(2) Subject to sub-paragraph (3), the total amount of any payments disregarded under—

(a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987;

(b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996(a);

(c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006;

(d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002,

(e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008(b),

(f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013.

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

(3) Any disregard which applies under sub-paragraph (1) or (2) has effect until the award comes to an end.

(4) In this paragraph—

"the award", except in sub-paragraph (2), means—

(a) the award of a reduction under the authority's scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant—

(i) is the person who received the relevant sum;

(ii) is the partner of that person; or

(iii) was the partner of that person at the date of his death;

"official error"—

(a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001(**206**); and

(b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

"the relevant date" means the date on which the application for a reduction under this scheme was made;

"relevant benefit" means any benefit specified in paragraph 21(2); and

"the relevant sum" means the total amount referred to in sub-paragraph (1).

23. Where a capital asset is held in a currency other than Sterling, any banking charge or commission payable in converting that capital into Sterling.

24. The value of the right to receive income from an occupational pension scheme or a personal pension scheme.

25. Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 6 (amounts to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 5 or 6 of that Schedule.

26. The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27.—(1) Subject to sub-paragraph (2), where an applicant falls within class C (alternative maximum council tax reduction: pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class B and class C.

28. Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum;

(b) the amount of that lump sum,

but only for so long as that person does not change that election in favour of an increase of pension or benefit.

29. Any payments made by virtue of regulations made under—

(a) section 57 of the Health and Social Care Act 2001 (direct payments);

(b) section 12B of the Social Work (Scotland) Act 1968 (direct payments in respect of community care services);

(c) sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);

(d) Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972(**207**) (general social welfare); or

(e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002(**208**) (direct payments).

29a. A payment made under the Age-Related Payments Regulations 2013.

29b. Any payment to an applicant made under section 49 of the Children and Families Act 2014(a) (personal budgets and direct payments) or

29C.—(1) Any payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care).

(2) Any payment or part of a payment made by a local authority in accordance with that section to a person ("A") which A passes on to the applicant where A—

(a)was formerly in the applicant's care;

(b)is aged 16 or over; and

(c)continues to live with the applicant.

PART 2

Capital disregarded only for the purposes of determining deemed income

30. The value of the right to receive any income under a life interest or from a life rent.

31. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

32. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

33. Where property is held under a trust, other than—

(a) a charitable trust within the meaning of the Charities Act 1993; or

(b) a trust set up with any payment to which paragraph 16 applies,

and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

SCHEDULE 10

Capital disregards: persons who are not pensioners

1. Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment.

2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.

3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme but only for 52 weeks beginning with the date of receipt of the payment.

4. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.

5. Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

6. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.

7. Any premises occupied in whole or in part—

(a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;

(b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

8. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.

9. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.

10. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

11.—(1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

(2) The assets of any business owned in whole or in part by the applicant where—

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

12.—(1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of—

(a) any payment specified in paragraphs 11, 13 or 14 of Schedule 8;

(b) an income-related benefit under Part 7 of the SSCBA;

(c) an income-based jobseeker's allowance;

(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

(e) working tax credit and child tax credit;

(f) an income-related employment and support allowance,

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as "the relevant sum") and is—

(a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) received by the applicant in full on or after 14th October 2001,

sub-paragraph (1) has effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the period of an award of a reduction under this scheme, for the remainder of that period if that is a longer period.

(3) For the purposes of sub-paragraph (2), "the period of an award of a reduction under this scheme" means—

(a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and

(b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant—

(i) is the person who received the relevant sum; or

(ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

13. Any sum—

(a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or

(b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home,

which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

14. Any sum—

(a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 as a condition of occupying the home;

(b) which was so deposited and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

15. Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to a reduction under this scheme or to increase the amount of that reduction.

16. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

17. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.

18.—(1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)—

(a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;

(b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);

(c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;

(d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).

19. The value of the right to receive any income under a life interest or from a life rent.

20. The value of the right to receive any income which is disregarded under paragraph 15 of Schedule 7 or paragraph 29 of Schedule 8**.**

21. The surrender value of any policy of life insurance.

22. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

23. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

24.—(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A—

(a) was formerly in the applicant's care, and

(b) is aged 18 or over, and

(c) continues to live with the applicant.

25. Any—

(a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or

(b) occasional assistance.

26. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

27. Any capital which by virtue of paragraph 55 or 81 (capital treated as income: persons who are not pensioners, treatment of student loans) is to be treated as income.

28. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

29.—(1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund or the London Bombings Relief 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 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) Sub-paragraph (3) does not apply if—

(a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

(5) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts 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.

(6) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, 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.

(7) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(8) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts is to be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund and the London Bombings Relief Charitable Fund.

29A.-- Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

30.—(1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph "dwelling" includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

31. Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

32. Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

33. Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

34. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

35. The value of the right to receive an occupational or personal pension.

36. The value of any funds held under a personal pension scheme.

37. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

38. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

39. Any payment made pursuant to section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.

40. Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.

41. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988(**209**) or section 66 of the Housing (Scotland) Act 1988(**210**) (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—

(a) to purchase premises intended for occupation as his home; or

(b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,

for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.

42. Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 8 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

43.—(1) Any payment or repayment made—

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service 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 receipt of the payment or repayment.

44. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

45. Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).

46. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.

47. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944(**211**) to assist disabled persons to obtain or retain employment despite their disability.

48. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958(**212**) to homeworkers assisted under the Blind Homeworkers' Scheme.

49. Removed

50.—(1) Any sum of capital to which sub-paragraph (2) applies and—

(a) which is administered on behalf of a person by the High Court or the County Court under Rule **21.**11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;

(b) which can only be disposed of by order or direction of any such court; or

(c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18**.**

(2) This sub-paragraph applies to a sum of capital which is derived from—

(a) an award of damages for a personal injury to that person; or

(b) compensation for the death of one or both parents where the person concerned is under the age of 18**.**

51. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36**.**14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from—

(a) award of damages for a personal injury to that person; or

(b) compensation for the death of one or both parents where the person concerned is under the age of 18**.**

52. Any payment to the applicant as holder of the Victoria Cross or George Cross.

53. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

54.—(1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) "food" does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

55.—(1) Any payment—

(a) by way of an education maintenance allowance made pursuant to—

(i) regulations made under section 518 of the Education Act 1996;

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to—

(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act; or

(c)in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002**.**

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to—

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

56. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

57. Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

58. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment of—

(a) the applicant;

(b) the applicant's partner;

(c) the applicant's deceased spouse or deceased civil partner; or

(d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.

59.—(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is—

(a) a diagnosed person;

(b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

(c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or

(d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.

(2) Where a trust payment is made to—

(a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date;

(c) a person referred to in sub-paragraph (1)(d), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending—

(i) two years after that date; or

(ii) on the day before the day on which that person—

(aa) ceases receiving full-time education; or

(bb) attains the age of 20,

whichever is the latest.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—

(a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;

(b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or

(c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death,

but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.

(4) Where a payment as referred to in sub-paragraph (3) is made to—

(a) a person referred to in sub-paragraph (3)(a), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending on the date on which that person dies;

(b) a person referred to in sub-paragraph (3)(b), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending two years after that date; or

(c) person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending—

(i) two years after that date; or

(ii) on the day before the day on which that person—

(aa) ceases receiving full-time education; or

(bb) attains the age of 20,

whichever is the latest.

(5) In this paragraph, a reference to a person—

(a) being the diagnosed person's partner;

(b) being a member of a diagnosed person's family;

(c) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph—

"diagnosed person" means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld-Jakob disease;

"relevant trust" means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

60. The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner—

(a) was a slave labourer or a forced labourer;

(b) had suffered property loss or had suffered personal injury; or

(c) was a parent of a child who had died,

during the Second World War.

61.—(1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes in England a county council.

62. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or 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).

63. Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002**.**

64. Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

Agenda Item 13

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Cabinet – Calculation of the Council Tax Base 2018/19

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)
Anne Ellis, Finance Manager
01709 822019 or anne.ellis@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 15 January 2018, the Cabinet considered a report in respect of the calculation of the proposed Council Tax Base for 2018/19.

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendation set out below.

Recommendation

That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix 1 for 2018/19 be a total of 69,240.35 Band D Equivalent Properties.

List of Appendices Included
Appendix 1 – Calculation of the Council Tax Base for 2018/19 – Report to Cabinet and Commissioners' Decision Making Meeting – 15 January 2018
Appendix A – The Council Tax Base for 2017/18

Background Papers
Localism Act 2011
Local Government Finance Act 1992
Local Authorities (Calculation of Council Tax Base) Regulations 2012 (Statutory Instrument 2012 no 2914)
Section 84 of the Local Government Act 2003
The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015
Review of the Council Tax Support Scheme - Report to Cabinet and Commissioner Decision Making meeting 11th December 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Rotherham Metropolitan Borough Council

Public Report
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Committee Name and Date of Committee Meeting
Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Report Title
Calculation of the Council Tax Base for 2018/19

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Service

Report Author(s)
Anne Ellis, Finance Manager
01709 822019 or anne.ellis@rotherham.gov.uk

Ward(s) Affected
All

Summary

This report sets out the calculation of the Council's proposed Council Tax base for the forthcoming financial year 2018/19.

This calculation takes into account: the Council's own Local Council Tax Support Scheme (CTSS), discretionary discounts and premiums on second homes, projected in-year council tax collection rate in 2018/19 and estimates of the changes and adjustments in the tax base that occur during the financial year.

In accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 governing its calculation, it is determined that the Council's Tax Base for the financial year 2018/19 is 69,240.35 Band D Equivalent Properties.

Recommendations

That Cabinet recommend to Council:

- That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2018/19 shall be a total of 69,240.35 Band D Equivalent Properties.

List of Appendices Included
Appendix A - The Council Tax Base for 2017/18

Background Papers
Localism Act 2011
Local Government Finance Act 1992.
Local Authorities (Calculation of Council Tax Base) Regulations 2012 (Statutory Instrument 2012 no 2914)
Section 84 of the Local Government Act 2003
The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015
Review of the Council Tax Support Scheme - Report to Cabinet and Commissioner Decision Making meeting 11th December 2017

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Council – 24 January 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Calculation of the Council Tax Base for 2018/19

1. Recommendations

That Cabinet recommend to Council that:

1.1 That the amount calculated by Rotherham Metropolitan Borough Council as its Council Tax Base and those of the Parish Councils shown at Appendix A for 2018/19 shall be a total of 69,240.35 Band D Equivalent Properties.

2. Background

2.1 Setting the Tax Base is an integral part of the Budget setting process and the determination of the Council Tax level.

2.2 The formula for calculating the Council's Tax Base is set out by the Local Authorities (Calculation of Council Tax Base) Regulations 2012 and the projected Tax Base is shown in Appendix A. The Tax base is set in Band D equivalent properties – that is properties are placed into one of 8 valuation bands (A-H) and these are converted to Band D Equivalent properties using the proportions set out in the 1992 Act which are weighted in relation to the Band D property - Band A is 6/9^{ths}, Band B 7/9^{ths} etc.

3. Key Issues

3.1 The calculation of the Tax Base takes into account several factors:

- The Council's own Local Council Tax Support Scheme (CTSS),
- Council Tax Discounts and Premiums for example, on second homes and empty properties;
- The projected level of Council Tax discounts and exemptions awarded;
- Estimates and projections reflecting the changes and adjustments in the Tax Base that occur during the financial year, in particular, newly built properties;
- An estimate of the in-year council tax collection rate at 97%

3.2 The Local Council Tax Support scheme operates as a discount on claimants' Council Tax bills and its effect is to reduce the Council Tax base. Proposed changes to the CTS Scheme will be considered at the Full Council meeting on 24th January 2018. The calculation of the tax base for 2018/19 incorporates the impact of these proposed changes.

3.3 Taking account of these factors, Rotherham's Council Tax base for 2018/19 has been calculated to be 69,240.35 Band D Equivalent properties – an increase of 1,005.22 Band D equivalent properties or just under 1.5% over the 2017/18 Tax base. This is in line with the budget assumptions within the updated Medium Term Financial Strategy as presented to Cabinet in December 2017.

Council Tax Base

3.4 The Tax Base for the Council as a whole (both parished and unparished areas) is comprised as follows:

Tax Band	Band D Equivalent Properties
Band A	26,563.14
Band B	14,441.54
Band C	11,606.32
Band D	8,079.34
Band E	5,103.26
Band F	2,279.26
Band G	1,104.99
Band H	62.50
TOTAL	**69,240.35**

Details of the Council Tax Base by Band for parish Councils are set out in the attached Appendix.

3.5 The calculation of the Council Tax Base is a mostly technical calculation made in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012.

4. Options considered and recommended proposal

4.1 The Council Tax Base calculation takes account of the proposed changes to the Local Council Tax Scheme recommended to the Full Council by the Cabinet and Commissioners' Decision Making meeting of 11th December.

4.2 The estimated level of losses on collection was considered, particularly in light of the Council's record of good performance in Council Tax collection and 3.0% provision for losses is considered prudent and realistic.

5. Consultation

5.1 The South Yorkshire Police and Crime Commissioner and the South Yorkshire Fire and Rescue Authority will be notified of their Council Tax Bases for 2018/19 by the end of January 2018 in line with the Statutory Deadline. Details of the proposed Council Tax base have been circulated to Parish and Town Councils to assist them in preparing their budgets.

6. Timetable and Accountability for Implementing this Decision

6.1 Rotherham's Council Tax Support Scheme (CTSS) must be approved annually by Full Council by the end of January and as the CTSS affects the calculation of the Council Tax Base the proposed changes are being considered elsewhere on the agenda for the current Council meeting.

6.2 Regulations under the Local Government Finance Act 1992 require the Council to have determined and approved the Council's annual Council Tax Base before 31 January in the preceding financial year and to notify both major and local precepting authorities of their tax base.

7. Financial and Procurement Implications

7.1 Determining the Council Tax Base is a fundamental part of the Council's budget setting process. The Tax Base is central in determining the amount of Council Tax income to be raised, which represents a significant proportion of the Council's resources for the coming financial year.

7.2 The increase in the Council's Tax Base is in line with the financial planning assumptions within the updated Medium Term Financial Strategy.

8. Legal Implications

8.1 The legal implications are set out in the body of this report.

9. Human Resources Implications

9.1 None directly from this report

10. Implications for Children and Young People and Vulnerable Adults

10.1 None directly from this report.

11. Equalities and Human Rights Implications

11.1 The Council must be mindful of the potential impact on service users. Section 149 of the Equality Act 2010 in particular imposes an obligation on Members to have due regard to protecting and promoting the welfare and interests of persons who share a relevant protected characteristic (such as: age; disability; gender re-assignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation).

12. Implications for Partners and Other Directorates

12.1 None directly.

13. Risks and Mitigation

13.1 As the Council Tax Base must be set by the 31 January 2018, it contains projections in respect of the additions, adjustments, discounts and reliefs to be granted before the 31 March 2018 and during the financial year 2018/19, including the projected cost of the Council's CTSS and an estimate of future collection rates. These assumptions are in line with the Council's collection performance in recent years and are considered to be robust.

14. Accountable Officer(s)

Graham Saxton, Assistant Director – Financial Services
Anne Ellis, Finance Manager

Approvals obtained from:-

	Named Officer	**Date**
Strategic Director of Finance & Customer Services	Judith Badger	21/12/17
Director of Legal Services	Dermot Pearson	21/12/17
Head of Procurement (if appropriate)	N/A	N/A
Head of Human Resources (if appropriate)	N/A	N/A

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ROTHERHAM MBC COUNCIL TAX BASE 2018/19 **Appendix A**

Band D Equivalent Properties

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total	Loss	Total (after losses on collection)
Anston	427.66	1,094.02	421.39	385.16	374.06	186.28	69.20	6.93	2,964.70	88.94	2,875.76
Aston	1,159.90	1,312.37	669.18	601.01	510.45	121.08	25.40	1.00	4,400.39	132.01	4,268.38
Bramley	587.21	405.47	651.19	437.32	209.94	19.90	6.30	1.00	2,318.33	69.55	2,248.78
Brampton Bierlow	572.16	161.66	123.38	295.25	128.62	-	1.70	-	1,282.77	38.48	1,244.29
Brinsworth	718.08	1,180.45	342.54	145.56	15.90	2.90	-	-	2,405.43	72.16	2,333.27
Catcliffe	268.20	137.76	137.25	99.12	25.62	5.10	-	-	673.05	20.19	652.86
Dalton	1,092.10	364.55	566.30	221.53	257.79	27.40	10.16	1.00	2,540.83	76.22	2,464.61
Dinnington	1,063.62	363.83	331.70	457.70	101.00	48.93	16.30	2.00	2,385.08	71.55	2,313.53
Firbeck	6.12	18.38	13.37	12.80	33.60	36.11	21.30	-	141.68	4.25	137.43
Gildingwells	2.50	1.24	1.60	7.80	10.10	18.40	1.70	-	43.34	1.30	42.04
Harthill	143.23	78.58	95.73	110.80	94.08	92.04	50.00	-	664.46	19.93	644.53
Hellaby	29.34	179.37	22.20	17.00	9.20	-	-	-	257.11	7.71	249.40
Hooton Levitt	3.96	6.39	1.80	3.75	14.70	16.60	6.70	1.00	54.90	1.65	53.25
Hooton Roberts	6.79	2.30	7.08	14.55	25.38	15.92	9.60	-	81.62	2.45	79.17
Laughton	88.53	56.04	41.76	108.71	79.42	65.10	28.30	-	467.86	14.04	453.82
Letwell	0.74	2.10	0.90	3.00	19.58	22.00	19.60	-	67.92	2.04	65.88
Maltby	2,182.15	669.40	653.84	552.73	100.13	31.40	39.60	2.00	4,231.25	126.94	4,104.31
Orgreave	28.53	255.63	167.00	158.50	97.08	4.30	-	-	711.04	21.33	689.71
Ravenfield	97.66	105.09	283.03	240.02	216.71	104.56	15.80	-	1,062.87	31.89	1,030.98
Thorpe Salvin	9.24	9.30	11.77	28.38	43.40	58.50	42.90	2.00	205.49	6.16	199.33
Thrybergh	593.48	55.00	56.61	55.33	38.91	42.47	20.40	-	862.20	25.87	836.33
Thurcroft	952.57	431.35	336.94	319.61	72.41	41.52	21.66	-	2,176.06	65.28	2,110.78
Todwick	28.70	68.60	77.85	252.35	139.54	55.94	51.30	2.00	676.28	20.29	655.99
Treeton	378.03	198.26	32.62	163.93	93.64	16.60	-	1.00	884.08	26.52	857.56
Ulley	8.53	8.90	13.30	5.22	13.10	11.60	6.70	-	67.35	2.02	65.33
Wales	787.18	423.17	424.54	248.61	118.56	68.65	22.50	2.00	2,095.21	62.86	2,032.35
Wentworth	33.79	101.72	111.06	105.51	104.90	68.20	42.10	4.00	571.28	17.14	554.14
Whiston	342.26	351.10	345.18	127.49	207.86	94.77	51.70	4.00	1,524.36	45.73	1,478.63
Wickersley	191.99	692.17	603.38	265.91	350.30	409.01	304.58	2.00	2,819.34	84.58	2,734.76
Woodsetts	60.76	188.89	130.26	94.89	58.74	35.40	32.50	10.00	611.44	18.34	593.10
Total Parishes	**11,865.01**	**8,923.09**	**6,674.75**	**5,539.54**	**3,564.72**	**1,720.68**	**918.00**	**41.93**	**39,247.72**	**1,177.42**	**38,070.30**
Un-Parished	**15,519.67**	**5,965.09**	**5,290.53**	**2,789.68**	**1,696.37**	**629.07**	**221.16**	**22.50**	**32,134.07**	**964.02**	**31,170.05**
TOTAL	**27,384.68**	**14,888.18**	**11,965.28**	**8,329.22**	**5,261.09**	**2,349.75**	**1,139.16**	**64.43**	**71,381.79**	**2,141.44**	**69,240.35**
Adjusted Total After Losses on Collection	**26,563.14**	**14,441.54**	**11,606.32**	**8,079.34**	**5,103.26**	**2,279.26**	**1,104.99**	**62.50**	**69,240.35**		

Agenda Item 14

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Cabinet – Increase in Council Tax Empty Property Premium

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)
Robert Cutts – Service & Development Manager - Revenues, Benefits & Payments
01709 823320 or robert.cutts@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 15 January 2018, the Cabinet considered a report in respect of the proposed increase in Council Tax Empty Property Premium.

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendation set out below.

Recommendations

That an increase in the Empty Property Premium from 50% to 100% from the 1 April 2018 or any later date upon which the Autumn Budget 2017 provision to increase the Empty Homes Premium is implemented.

List of Appendices Included
Appendix A – Increase in Council Tax Empty Property Premium – Report to Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Background Papers
None

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Rotherham Metropolitan Borough Council

Public Report
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting
Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Report Title:
Increase in Council Tax Empty Property Premium

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Judith Badger – Strategic Director, Finance & Customer Services Directorate

Report Author(s)
Robert Cutts – Service & Development Manager - Revenues, Benefits & Payments
01709 823320 or robert.cutts@rotherham.gov.uk

Ward(s) Affected
All

Summary

From 2013/14 the Government introduced changes affecting the way that Council Tax was charged on certain types of empty property or second homes, by allowing Local Authorities increased discretion to set the level of charges locally.

One option available to Local Authorities was the introduction of a 50% Premium for long term empty properties which had been unoccupied and substantially unfurnished for a period of over two years. The principle of the introduction of the Premium was to incentivise owners to bring empty properties back into use.

The Council introduced the Council Tax Premium with effect from 1st April 2013 with the 50% Premium being charged on the two year anniversary of a property becoming unoccupied and substantially unfurnished.

In the November 2017 Budget statement, the Chancellor of the Exchequer announced that authorities would be given the power to increase the Council Tax empty homes premium from the current level of 50% to 100% as further encouragement to owners to bring empty properties back into use.

No further detail has yet been released by the Government regarding the implementation timeline or any exceptions that may be introduced and the change will require legislation meaning the earliest implementation date cannot yet be confirmed.

Recommendations

That Cabinet recommend to Council:

- That an increase in the Empty Property Premium from 50% to 100% from the 1 April 2018 or any later date upon which the Autumn Budget 2017 provision to increase the Empty Homes Premium is implemented.

List of Appendices Included
None

Background Papers
None

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Overview and Scrutiny Management Board – 10 January 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Increase in Council Tax Empty Property Premium

1. Recommendations

That Cabinet recommend to Council:

1.1 That an increase in the Empty Property Premium from 50% to 100% from the 1 April 2018 or any later date upon which the Autumn Budget 2017 provision to increase the Empty Homes Premium is implemented.

2. Background

2.1 From 2013/14 the Government introduced changes affecting the way that Council Tax was charged on certain types of empty property or second homes, by allowing Local Authorities increased discretion to set the level of charges locally.

2.2 One option available to Local Authorities was the introduction of a 50% Premium for long term empty properties which had been unoccupied and substantially unfurnished for a period of over two years. The principle of the introduction of the Premium was to incentivise owners to bring empty properties back into use.

2.3 The Council introduced the Council Tax Premium with effect from 1st April 2013 with the 50% Premium being charged on the two year anniversary of a property becoming unoccupied and substantially unfurnished. Government introduced exceptions to the Premium for annexes and properties which were the sole or main residence of members of the armed forces.

2.4 In addition to the two exceptions for annexes and armed forces, Government included in both the consultation and subsequent guidance their expectations that councils would consider why properties were empty including whether they were genuinely on the housing market for sale or rent. Government stipulated in their guidance however that billing authorities were free to make their own decisions when administering the premium.

2.5 Rotherham, like many other authorities, considered that the determination of whether a property was genuinely on the housing market for sale or rent would be difficult and create an administrative burden. No exceptions were therefore adopted and the Premium in Rotherham is applied to all long term empty properties without any locally determined exceptions.

2.6 Liable parties are advised of the Premium six months in advance of it coming into effect. Where they are struggling with payment the Council Tax teams will work with them to agree payments and where a sale is imminent will agree to payment from proceeds of sale if backed by a solicitor's agreement. Although Charging Orders can be obtained to secure any Council Tax arrears this can incur substantial additional costs and is generally only used where the level of arrears is high and taxpayer is not making efforts to pay. The Charging Order can be used to force the sale of the property in certain circumstances such as high arrears levels or where a property is abandoned.

2.7 In the November 2017 Budget statement the Chancellor of the Exchequer announced that authorities would be given the power to increase the Council Tax empty homes premium from the current level of 50% to 100% as further encouragement to owners to bring empty properties back into use.

3. Key Issues

3.1 No further detail has yet been released by the Government regarding the implementation timeline or any exceptions that may be introduced. However it is considered that the change will require Legislation and it is not known when this will be enacted. The recommendation is therefore that the change be implemented at the earliest possible date on or after 1st April 2018.

4. Options considered and recommended proposal

4.1 The Council could choose not to introduce the 100% Premium however it is considered that it is desirable to do so in order to incentivise owners to bring empty properties back into use and thus reduce the shortage of available housing.

4.2 Exceptions to the 100% Premium could be introduced where, for example, it is considered that a property is genuinely on the housing market for sale or rent. However this would require a change to the current scheme arrangements and as was previously considered, it would be very difficult to implement accurately and fairly, involving a substantial amount of individual opinion.

5. Consultation

5.1 It is unknown, until further detail is released by Government, whether public consultation will be required before a 100% Premium is introduced, although this was not required in 2013 when the initial 50% Premium was introduced.

6. Timetable and Accountability for Implementing this Decision

6.1 The Council is awaiting further detail from Government regarding the introduction of the 100% Premium however the intention is to implement the change from 1st April 2018 or the earliest date allowed thereafter.

7. Financial and Procurement Implications

7.1 In Rotherham the 50% Council Tax premium charges totalled £178k for 2016/17. An increase in the Premium to 100% could result in a further increase in Council Tax income by a similar amount, although this figure could be lower if the increase results in a reduction in long term empty properties.

7.2 The increase in income will contribute to the budget gap of £15.1m for 2018/19. Any implementation delay risk will be managed through the Council's Collection Fund and hence does not constitute a risk to the 2018/19 Budget.

8. Legal Implications

8.1 The implementation of the Autumn Budget 2017 provision to increase the Empty Homes Premium from 50% to 100% will require legislation. It is not yet known when the new provisions will take effect.

9. Human Resources Implications

9.1 No direct implications from this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 No direct implications from this report.

11. Equalities and Human Rights Implications

11.1 No direct implications from this report.

12. Implications for Partners and Other Directorates

12.1 No direct implications from this report.

13. Risks and Mitigation

13.1 The implementation of the 50% premium in 2013/14 prompted a number of complaints from affected taxpayers, elected members and Members of Parliament. It is likely that an increase in the Premium to 100% may have the same effect.

14. Accountable Officer(s)

Judith Badger, Strategic Director of Finance and Customer Services

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Graham Saxton	21/12/17
Assistant Director of Legal Services	Dermot Pearson	21/12/17
Head of Procurement (if appropriate)	Not applicable	
Head of Human Resources (if appropriate)	Not applicable	

Report Author: Robert Cutts – Service & Development Manager
Revenues, Benefits & Payments
01709 823320 or robert.cutts@rotherham.gov.uk

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http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Cabinet – Housing Revenue Account Rents & Service Charges 2018/19

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)
Mark Scarrott, Finance Manager – Adult Care & Housing
01709 822007 or mark.scarrott@rotherham.gov.uk

Tom Bell, Assistant Director of Housing and Neighbourhood Services
01709 254954 or tom.bell@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 15 January 2018, the Cabinet considered a report in respect of the proposed rents and service charges for the Housing Revenue Account 2018/19.

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendation set out below.

Recommendations

1. That dwelling rents are reduced by 1% for 2018/19 in line with the requirements outlined in the Welfare Reform and Work Act 2016.

2. That there is a 3% increase to charges for garage rents, communal facilities, cooking gas and laundry facilities in 2018/19 in line with the increase in Consumer Price Index as at September 2017.

3. That the unit charge per Kwh for District Heating Schemes remains at the same level as agreed by the Council in December 2017.

4. That the draft Housing Revenue Account budget for 2018/19 be approved.

List of Appendices Included

Appendix 1 – Housing Revenue Account Rents & Service Charges 2018/19 – Report to Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Appendix A – HRA Draft Budget Operating Statement 2018/19 (-1% Rent Decrease)

Background Papers

Welfare Reform and Work Act 2016 DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Council Approval Required

Yes

Exempt from the Press and Public

No

Rotherham Metropolitan Borough Council

Public Report
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting
Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Report Title
Housing Revenue Account Rents & Service Charges 2018/19

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)
Mark Scarrott, Finance Manager – Adult Care & Housing
01709 822007 or mark.scarrott@rotherham.gov.uk

Tom Bell, Assistant Director of Housing and Neighbourhood Services
01709 254954 or tom.bell@rotherham.gov.uk

Ward(s) Affected
All

Executive Summary
The purpose of the report is to seek approval for the proposed values for the setting of the housing rents, non- dwelling rents and service charges for 2018/19.

Recommendations

That Cabinet recommend to Council:-

1. That dwelling rents are reduced by 1% for 2018/19 in line with the requirements outlined in the Welfare Reform and Work Act 2016.

2. That there is a 3% increase to charges for garage rents, communal facilities, cooking gas and laundry facilities in 2018/19 in line with the increase in Consumer Price Index as at September 2017.

3. That the unit charge per Kwh for District Heating Schemes remains at the same level as agreed by the Council in December 2017.

4. That the draft Housing Revenue Account budget for 2018/19 be approved.

List of Appendices Included
Appendix A – HRA Draft Budget Operating Statement 2018/19 (-1% Rent Decrease)

Background Papers
Welfare Reform and Work Act 2016
DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Overview and Scrutiny Management Board – 10 January 2018
Council – 24 January 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Housing Revenue Account, Rents and Service Charges 2018/19

1. Recommendations

That Cabinet recommend to Council:-

1.1 That dwelling rents are reduced by 1% for 2018/19 in line with the requirements outlined in the Welfare Reform and Work Act 2016.

1.2 That there is a 3% increase to charges for garage rents, communal facilities, cooking gas and laundry facilities in 2018/19 in line with the increase in Consumer Price Index as at September 2017.

1.3 That the unit charge per Kwh for District Heating Schemes remains at the same level as agreed by the Council in December 2017.

1.4 That the draft Housing Revenue Account budget for 2018/19 be approved.

2. Background

2.1 The Government expects that all similar properties in the same local area will have equitable rent levels, even if properties are owned by different social landlords. This process is known as 'rent convergence'. The Government set a target for Authorities to achieve rent convergence by 2015/16. However, changes to the rent formula removed the flexibility to increase rents by an additional £2 above the increase in formula rent where rent is below convergence, therefore 2014/15 was the final year to achieve full convergence.

2.2 The former Housing Revenue Account (HRA) subsidy system was replaced with a devolved system of council housing finance called self-financing in April 2012. The purpose of which was to give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long term and give tenants greater transparency and accountability as to how the rent collected is spent on the services provided. Changes to the formula rent from April 2015 resulted in the council not meeting rent convergence and therefore lower levels of income which impacted on the investment plans within the HRA Business Plan. Due to historical decisions to limit rent increases, Rotherham's rents were not scheduled to reach full convergence until 2016/17. Government guidance states that where properties have not reached formula rent by April 2015 it is expected that the rent is moved up to formula rent when the property is re-let following vacancy. Approximately 1,700 properties are re-let each year; it is anticipated that this will generate additional income of approximately £108k in 2018/19.

2.3 However, section 23 of The Welfare Reform and Work Act 2016 implements the government's policy on social housing rents which requires providers of social housing to reduce rents by 1% per year for four years with effect from April 2016 to March 2020.

The policy applies to all registered providers of social housing including local authority landlords, who have a statutory obligation to implement the policy.

2.4 In October 2017 the government confirmed details of future social rent policy from 2020, after the four-year period of 1% rent decreases ends.
The announcement confirms that for the five years from 2020/21, providers will be able to increase rents, up to a limit of Consumer Price Inflation (CPI) plus 1% each year.

2.5 This report also considers the charges for garages, garage plot sites, cooking gas and communal facilities including laundry services where provided, District Heating charges for 2018/19 and summarises the draft HRA budget.

3. Key Issues

Housing Rents

3.1 The average rent in 2017/18 is currently £73.60 when aggregated over 52 weeks. The 2018/19 average weekly rent based on the statutory 1% reduction collected over 52 weeks will be £72.87, an average reduction of £0.73 per week.

3.2 Total housing rent income generated through the proposed revised weekly rents is estimated to be £76.236m in 2018/19 (compared with £77.341m in 2017/18) assuming 175 Right to Buy sales, and voids and rent adjustments at 1.4%. The reduction of 1% on the weekly rent charge will result in a loss in rent income of £1.105m compared with rent income for 2017/18.

Garage Rents

3.3 The Council has continued with its garage site improvement programme with plans to invest a £227k in 2017/18, and a further £250k in 2018/19.

3.4 In previous years increases in charges have been linked to changes in CPI. At September 2017 CPI was 3%; therefore it is proposed that there will be an increase of 3% to the current charge. Therefore, the charge for garage rents for 2018/19 will increase by 14p to £4.89 per week.

3.5 It is proposed that there will also be a 3% increase to the charge for garage plot sites which will increase by £1.71 to £58.85 per annum in 2018/19. Unsurfaced garage plot sites will increase by £1.54 to £52.97 in 2018/19.

Cooking Gas

3.6 The Council also charges for cooking gas facility at 81p per week. It is proposed to increase the charge by 3% to 83p per week in line with other increases in charges.

Communal Facilities

3.7 In line with other non-dwelling charges it is proposed to increase the communal facilities charge and the laundry charge by 3%. The communal facilities charge will increase by 14p to £4.64 per week and the laundry charge will increase by 5p to £1.55 per week.

District Heating Charges

3.8 During 2017-18 there has been an extensive review of district heating pricing to ensure that charges are fair and reasonable to all tenants. As a consequence a revised schedule of charges was approved by Council on 13 December 2017.

This report proposed that charges be reduced to 6.28p per kWh including VAT and applied retrospectively from 1 April 2017. Given this new charging regime has only recently been adopted, which saw a reduction in the average bill of £176 per annum it is proposed to leave district heating charges unchanged as per table below.

	2016/17	2017/18 (Revised)	2018/19
All District Heating Schemes - Unit Cost KWh (inc. VAT)	8.72p	6.28p	6.28p
Pooled Schemes - Pre-payment Charges per week (incl. VAT)			
Bedsit	£11.81	£9.66	£9.66
1 Bed	£13.76	£11.25	£11.25
2 Bed	£15.78	£12.90	£12.90
3/4 Bed	£18.26	£14.93	£14.93

4. Options considered and recommended proposal

4.1 Changes to the government's policy on social housing rents resulted in the requirement to reduce dwelling rents by 1% over four years from April 2016. To comply with the legislation rents will be reduced by 1% for a third year from April 2018.

4.2 In previous years increases to charges for non-dwelling rents have been linked to changes in CPI. As at September 2017 CPI was 3% and therefore it is proposed to increase charges for garages and communal facilities including laundry and cooking gas by 3% as follows:

Non Dwelling Rents	52 Week Charge 2017/18	Proposed 52 week Charge 2018/19	Increase
Garage rent	£4.75	£4.89	£0.14
Garage Plots (annual charge)	£57.14	£58.85	£1.71
Unsurfaced Garage Plots (annual charge)	£51.43	£52.97	£1.54
Cooking Gas	£0.81	£0.83	£0.02
Communal Facility	£4.50	£4.64	£0.14
Laundry	£1.50	£1.55	£0.05

The proposed increase would generate additional income of £35k in 2018/19. However, a number of closures of communal schemes are proposed which will reduce the income available once implemented.

5. Consultation

5.1 This report will be subject to review by the Overview and Scrutiny Management Board before final decision by the Council.

6. Timetable and Accountability for Implementing this Decision

6.1 Final approval is required by the Council on 24th January 2018 with full implementation from Monday 2nd April 2018.

7. Financial and Procurement Implications

7.1 Appendix A of this report presents the 2018/19 detailed Draft Operating Statement which is effectively "The HRA Budget".

The table below presents an overall summary position of the Income and expenditure budgets:-

Housing Revenue Account	**Proposed Budget 2018/19 £'000**
Expenditure	76,869
Income (including service charges)	-82,211
Net Cost of Service	-5,342
Interest Received	-100
Net Operating Expenditure	-5,442
Revenue Contribution to Capital Outlay	9,970
Transfer from Reserves	-4,528
Surplus/Deficit for the Year	0

It can be seen that based on the 1% reduction in dwelling rent income and increase in service charges by 3% outlined in this report, the budgeted income of £82.211m is anticipated to be collected in 2018/19 and that this is offset by £76.869m of budgeted expenditure, which represents the net cost of delivering the service.

As budgeted income is greater than the net cost of delivering the service, there is an overall net income of £5.442m to the service after interest received.

Once capital financing interest has been charged to the HRA, a Revenue Contribution to Capital of £9.970m has been made towards the HRA Capital Programme, in accordance with the HRA Business Plan, there will be a transfer required from HRA Reserves of £4.528m in order to provide an overall balanced budget for 2018/19.

8. Legal Implications

8.1 In addition to the legal implications are set out in the main body of this report, section 24 of the Housing Act 1985 allows local authorities to make such reasonable charges as they may determine for a tenancy or occupation of their houses. Further, it requires the local authority from time to time to review rents and other charges and make such changes, as circumstances may require. The changes proposed in the recommendations to this report would fall within the ambit of the Council's discretion as set out in section 24 of the Housing Act 1985.

9. Human Resources Implications

9.1 There are no Human Resources implications arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 No direct implications.

11. Equalities and Human Rights Implications

11.1 No direct implications.

12. Implications for Partners and Other Directorates

12.1 No direct implications for partners and other directorates.

13. Risks and Mitigation

13.1 The greatest risk and uncertainty surrounds the level of rent income received into the Housing Revenue Account. This is dependent upon the number of properties available to generate income.

13.2 The level of properties is directly affected by the level of sales and demolitions which may vary to those used in the budget assumptions. New rules regarding Right to Buy (RTB) receipts were implemented in April 2012 included increasing the discount cap, which is now £78,600. This has seen the number of RTB sales increase significantly as a result of the higher discount cap. Total sales in 2016/17 were 152, it is estimated that there will be 170 RTB by the end of 2017/18 and the HRA Business Plan assumes a further increase to 175 sales in 2018/19.

13.3 Strategic Housing Investment plans involve the acquisition or build of 35 new properties for council rent in 2017/18 and 35 shared ownership properties which will also bring in some rent income. This will mitigate against lost rental income for RTB sales.

13.4 The changes to the rent formula from 2016/17 will result in the Council receiving less income than under the original formula over four years, therefore impacting on the 30 year business plan.

13.5 The Governments changes to welfare benefits and the introduction of Universal Credit will also impact on the level of rent income collected including the level of arrears and therefore be reflected in the Housing Revenue Account balances.

13.6 All budgets carry a certain level of risk in that unforeseen circumstances may arise, causing additional pressures on the level of resources applied.

14. Accountable Officer(s)

Tom Bell, Assistant Director of Housing and Neighbourhoods

Approvals obtained on behalf of:-

	Named Officer	**Date**
Strategic Director of Finance & Customer Services	Judith Badger	20/12/2017
Assistant Director of Legal Services	Neil Concannon	18/12/2017
Head of Procurement (if appropriate)	Not applicable	
Head of Human Resources (if appropriate)	Not applicable	

Report Authors: Mark Scarrott, Finance Manager – Adult Care & Housing
01709 822007 or mark.scarrott@rotherham.gov.uk

Tom Bell, Assistant Director of Housing & Neighbourhoods
01709 254954 or tom.bell@rotherham.gov.uk

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http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

APPENDIX A

HRA - Draft Budget Operating Statement 2018/19 (-1% Rent Decrease)

Narrative	Full-year Budget 2017/18 £	Full-year Budget 2018/19 £	Year on Year Change £
Contributions to Housing Repairs Account	19,395,000	19,954,400	559,400
Supervision and Management	20,860,000	21,497,300	637,300
Rents, Rates, Taxes etc.	230,000	185,000	-45,000
Provision for Bad Debts	1,332,400	1,334,200	1,800
Cost of capital Charge	13,389,000	13,182,000	-207,000
Depreciation of Fixed Assets	20,082,240	20,591,800	509,560
Debt Management Costs	125,000	125,000	0
Expenditure	**75,413,640**	**76,869,700**	**1,456,060**
Dwelling Rents	-77,341,010	-76,236,370	1,104,640
Non-dwelling Rents	-772,810	-777,540	-4,730
Charges for Services and facilities	-4,790,700	-4,656,100	134,600
Other fees and charges	-299,310	-374,260	-74,950
Leaseholder Income	-100,880	-167,511	-66,631
Income	**-83,304,710**	**-82,211,781**	**1,092,929**
Net Cost of Services	**-7,891,070**	**-5,342,081**	**2,548,989**
Interest received	-100,000	-100,000	0
Net Operating Expenditure	**-7,991,070**	**-5,442,081**	**2,548,989**
Appropriations:			
Revenue Contributions to Capital Outlay	9,150,000	9,970,150	820,150
Transfer from Reserves	-1,158,930	-4,528,069	-3,369,139
Surplus/Deficit for the year	**0**	**0**	**0**

Agenda Item 16

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Cabinet – Housing Revenue Account 2018/19

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)
Paul Elliott, Business and Commercial Programme Manager
01709 822494 or paul.elliott@rotherham.gov.uk

Kath Andrews, Principal Finance Officer
01709 255987 or kathleen.andrews@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 15 January 2018, the Cabinet considered a report in respect of the proposed Housing Revenue Account Business Plan 2018/19

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from Cabinet, consideration and approval by Council must be given to the recommendation set out below.

Recommendations

1. That the proposed 2018-19 Base Case for the HRA Business Plan and investment in services detailed within be approved.

2. That the plan be reviewed annually to provide an updated financial position as new government regulations come into force.

List of Appendices Included

Appendix 1 – Housing Revenue Account Business Plan 2018/19 – Report to Cabinet and Commissioners' Decision Making Meeting – 15 January 2018
Appendix A – HRA Business Plan 2018-19
Appendix B – HRA Operating Statement
Appendix C – Summary of modelled Business Plan Scenarios
Appendix D – Government Policy Changes affecting the HRA Business Plan

Background Papers

HRA Business Plan 2016-17
DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Council Approval Required

Yes

Exempt from the Press and Public

No

Rotherham Metropolitan Borough Council

Public Report
Cabinet and Commissioners' Decision Making Meeting

Summary Sheet

Name of Committee and Date of Committee Meeting
Cabinet and Commissioners' Decision Making Meeting – 15 January 2018

Council Report
Housing Revenue Account Business Plan 2018-19

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Strategic Director Approving Submission of the Report
Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)
Paul Elliott, Business and Commercial Programme Manager
01709 822494 or paul.elliott@rotherham.gov.uk

Kath Andrews, Principal Finance Officer
01709 255987 or kathleen.andrews@rotherham.gov.uk

Ward(s) Affected
All

Executive summary

The Housing Revenue Account (HRA) records all expenditure and income relating to the provision of council housing and related services, and the Council is required to produce a HRA Business Plan setting out its investment priorities over a 30 year period.

Following the introduction in 2012 of HRA self-financing, whereby the Council was awarded control over its HRA in return for taking on a proportion of national housing debt, Rotherham's HRA is in a strong position with a healthy level of reserves. However a number of policies have been introduced by central government that result in a reduction to HRA resources, namely:

- 1% per annum reduction in Council rents over four years
- Reinvigoration of the Right to Buy (reduction of qualifying period to three years): Reducing stock
- Welfare reform - bedroom tax, universal credit and benefits cap: Impacting on tenants' ability to pay their rent, and increasing the resources required by the Council to collect rent from tenants in receipt of benefits
- Introduction in the future of mandatory fixed term tenancies
- Introduction in the future of the enforced sale of high value properties / equivalent levy: Meaning the Council will have to pay in the region of £2m

annually to the Treasury, to cover the costs of the discounts housing associations must offer now they can offer the Right to Buy to their tenants

Whilst significant savings were required to ensure the HRA Business Plan was balanced over the 30 year period the extent of these pressures has reduced somewhat following recent policy announcements; the most significant of which is the return of the previous rent formula from 2020-21 onwards i.e. CPI + 1% for five years. This policy change increases HRA balances by over £104m over the life of the plan.

The subsequent review of the HRA Business Plan for 2018-19 is now focused on achieving the following:

- Contributing to the borough's housing growth target of 900 homes per annum through building and/ or purchasing new properties
- Maintaining and continuing to improve our 20,500 Council homes
- Contributing to the development of low cost home ownership products that are needed locally and will play a critical role in Rotherham's overall economic growth
- Continued investment to support the General Fund budget position

This report provides a detailed technical overview of the current position and the reason for changes to the Plan. This report is to be considered alongside proposed 2018-19 rents, service charges and budgets.

Recommendations

That Cabinet recommends to the Council:

1. That the proposed 2018-19 Base Case for the HRA Business Plan and investment in services detailed within be approved.

2. That the plan be reviewed annually to provide an updated financial position as new government regulations come into force.

List of Appendices Included
Appendix A – HRA Business Plan 2018-19
Appendix B – HRA Operating Statement
Appendix C – Summary of modelled Business Plan Scenarios
Appendix D – Government Policy Changes affecting the HRA Business Plan

Background Papers
HRA Business Plan 2016-17
DCLG Guidance on Rents for Social Housing from 2015/16 (May 2014)

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Overview and Scrutiny Management Board – 10 January 2018
Council – 28 February 2018

Council Approval Required
Yes
Exempt from the Press and Public
No

Housing Revenue Account Business Plan 2018-19

1. Recommendations

That Cabinet recommends to the Council:

1.1 That the proposed 2018-19 Base Case for the HRA Business Plan and investment in services detailed within be approved.

1.2 That the plan be reviewed annually to provide an updated financial position as new government regulations come into force.

2. Background

2.1. This report sets out the proposals for the HRA Business Plan for 2018-19 onwards and provides information on the positioning of the HRA Business Plan as a driver of Housing Growth to assist in meeting the Council's housing objectives. In essence the overall approach is to make savings where it is feasible to do so these can be invested in future housing growth and to position the housing service so it is best placed to respond to future challenges that come.

2.2 It was originally envisaged there would be a profoundly different position for the HRA finances following the 2015 Summer Budget. However in recent months there have been some significant shifts in government policy, which whilst resources are still significantly lower than anticipated at the onset of self-financing in 2012, they are far healthier than the Council had been planning for a year ago.

2.3 The key shift in policies that has resulted in changes to underlying assumptions are:

- Agreed rent formula of CPI + 1% from 2020-21 onward for five years. Previously it had been assumed CPI only would apply in this period.
- Removal of pay to stay which would have meant any household earning over £31,000 would have been required to pay at or near market rent.
- Scrapping the proposed restriction of Housing Benefit to Local Housing Allowance rate for new tenants from April 2019.
- Delayed introduction of the sale of higher value Council Properties until 2018-19

2.4 Whilst there have been a number of welcomed policy changes, there are still multiple policies which will continue to impact directly or indirectly on the amount of resources available with the HRA Business Plan. These are summarised as:

- Reduction in the Benefit Cap to £20,000 per annum for families (£13,400 for a single person) commenced in December 2016 Restriction of Housing Benefit for people aged 18 to 21 (from April 2018)
- The sale of higher value Council Properties (assumed first payment to be made in 2018-19 and annually thereafter)
- The ending of lifetime tenancies for new tenants

- Roll out of full service Universal Credit to all remaining working age tenants in Rotherham from July 2018 onwards

2.5 The combined effect of these changes is likely to have a significant impact on the nature of housing provision in Rotherham, not just in terms of Council Housing.

2.6 The view of Government appears to be that social housing should provide a home if a person is in need and that once the tenant has the ability to purchase a property of their own or rent from the market place then that should be the outcome. This increasingly means that Council provision will potentially be scarcer with fewer properties available. How the Council reacts to these changes will determine the HRA's ability to survive in a more difficult market place.

2.7 In the future new tenants will be subject to a review of their tenancies and the need to be in social housing, at least every 10 years.

2.8 Within this context, deriving a sustainable business plan has been problematic, in terms of estimations as to how the underlying business will change and how to address the potential reductions in income that will result from these changes, not least the requirement to reduce rents by 1% for a further two years at a time when costs are increasing.

2.9 The overall position remains challenging, but given the level of reserves and the previous decision to defer some investment in stock until later in the plan there is the ability to divert resources to fund housing growth and contribute to the Council's Corporate Plan.

2.10 There remains one as yet unquantifiable risk. This is that the Government has the power to make estimates of what the HRA should pay over to DCLG (Department for Communities and Local Government) in relation to the sale of 'higher value properties'. These estimates may bear little or no relation to actual worth. This has made the estimation of budgets for 2018-19 onwards difficult. Estimates are discussed in the report, but it should be noted that until it is understood how the costs will be calculated, these are only indicative figures.

2.11 Over the medium term, the significant number of changes introduced means the underlying assumptions have been reviewed to reflect the changing environment in which the HRA operates.

3. Key Issues

3.1 The Council currently owns circa 20,500 homes, 500 leasehold homes and 3,400 garages with a turnover from rents and other sources approaching £81m per annum (excluding the sale of new properties).

3.2 The overall financial strategy for the HRA is focused on:

- Supporting housing growth (circa £57m including grant income will be available over the next five years)
- Supporting delivery of the Council's Corporate Plan
- Maintaining a sufficient level of balances both as a contingency against risks and to ensure that investment can be sustained over the period of the business plan
- Achieving and maintaining the decent homes standard
- Providing a customer focused and effective repairs service
- Supporting housing and neighbourhood management

3.3 The proposed changes means there is a need to restructure the budget. With this in mind proposals are designed to ensure:

- There is a significant contribution to housing growth and support the Council's Corporate Plan
- Whilst savings are made no action is taken that will undermine the Council's longer term ability to react to changes
- Provision is made to ensure there are sufficient resources available to invest in services where there is an identified need
- The longer term viability of the HRA business plan is maintained
- Budgets remain flexible to react to any significant changes in property numbers currently expected or further government policy changes
- No early repayment of debt is made

Financial Position of the HRA

3.4 The HRA currently has a healthy financial position with a general reserve balance forecast to be £33m and a Major Repair Reserve of £7.5m as at the end of March 2018. A summary of Income and Expenditure for 2017-18 follows:

HRA Operating Statement - October 2017	2017/18 Full Year Budget £'000	2017/18 Forecast Out-turn £'000
Expenditure		
Contributions to Housing Repairs Account	19,395	19,395
Supervision and Management	20,860	20,548
Rents, Rates, Taxes etc.	230	230
Provision for Bad Debts	1,332	1,232
Cost of capital Charge	13,389	13,389
Depreciation of Fixed Assets	20,083	20,083
Debt Management Costs	125	125
Expenditure	**75,414**	**75,002**
Income		
Dwelling Rents	-77,341	-77,341
Non-dwelling Rents	-773	-773
Charges for Services and facilities	-4,791	-4,904
Leaseholder Income	-101	-152
Other fees and charges	-299	-306
Income	**-83,305**	**-83,476**
Net Cost of Services	**-7,891**	**-8,474**
Interest received	-100	-100
Net Operating Expenditure	**-7,991**	**-8,574**

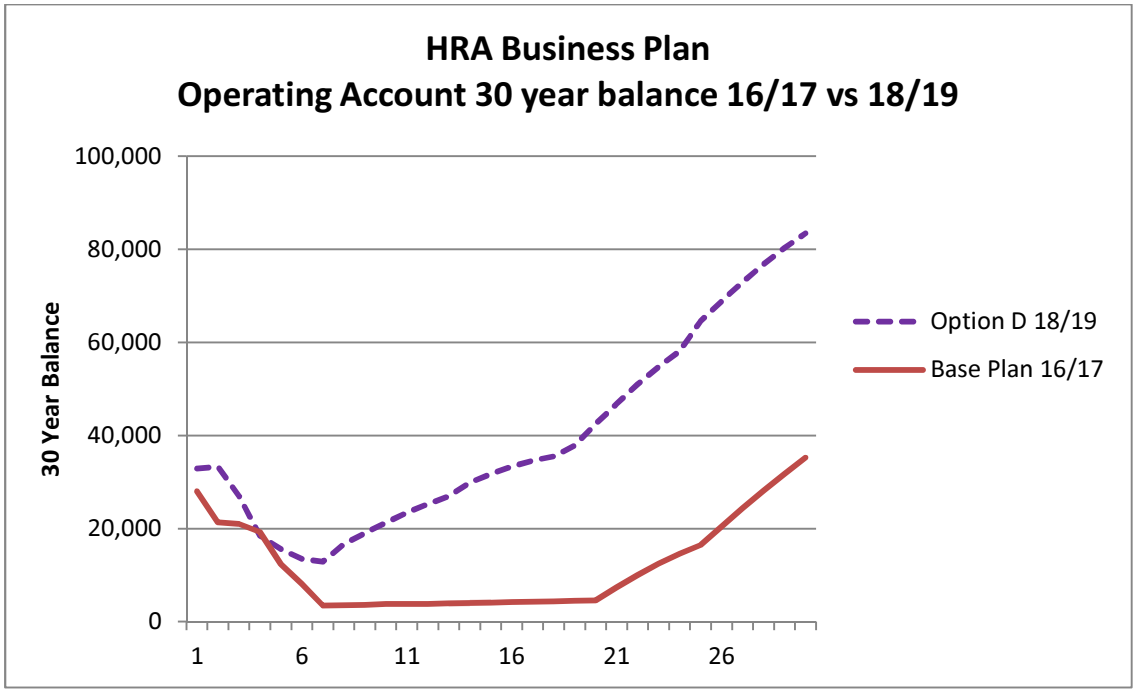
3.5 The £8.5m operating surplus is being used to fund part of the Housing Capital Programme via a Revenue Contribution to Capital Outlay (RCCO).

Supporting Housing Growth

3.6 Going forward whilst the financial position of the HRA deteriorates over the next two years due to the ongoing 1% per annum rent reduction this is against a backdrop of a healthy reserves position. These levels of reserves represent a significant opportunity to support housing growth throughout the borough over the next five years. Consequently it is proposed that £57m of HRA resources will be invested in building new homes over the next five years. This includes grant from the HCA of £6.8m. Assuming all properties developed for private sale are sold at forecast values, this will result in sales income of circa £16m.

3.7 The following graph shows the impact on the Operating Account due to changes in underlying assumptions following new Government policies and gearing the business plan towards support housing growth when compared to the previous business plan:

Operating Account Balance based on modelled assumptions



3.8 In arriving at the 2018-19 Base Option D a series of assumptions have been modelled which give a variety of different scenarios over the life of the business plan. A summary of these scenarios are detailed at Appendix D. The key changes to assumptions modelled from the 2016-17 Base to 2018-19 Base Option D have been:

- **2018-19 Base Option D –** this assumes that rents will decrease by 1% for two more years and then increase by CPI + 1% for five years (in line with government rent formula) then CPI only for the remainder of the plan. Right to Buy sales have been increased to 200 per year from Year 4 of the plan. To accommodate the reduction in income as a result of increased RTB forecasts 50% of Supervision and Management expenditure has been flexed along with 75% percent of Repairs and Maintenance expenditure (excluding disabled adaptations and garages) in proportion to RTB sales. It also assumes repairs and maintenance expenditure will reduce by 10% for a period of five years from 2020-21 onwards. It also proposes to invest a further £1m per year in Supervision and management and one off investments of £4m to the General Fund. It continues to assume an annual Higher Value Property Levy of £2m. **This results in an Operating Surplus at Year 30 of £83m.**

3.9 In developing the 2018-19 Base Case Option D, Ken Jones, an LGA Advisor and former Director of Housing Strategy at Barking and Dagenham Council has supported the Housing and Neighbourhoods management team to develop and challenge the proposals contained in the plan. In addition, Capita Housing and Consultancy have undertaken a review of the HRA Business Plan to confirm it is arithmetically correct.

3.10 The Proposed 2018-19 Base Case Option D results in an increase to forecast surpluses of circa £48m when compared to the previous approved plan. Although this is against a backdrop of reductions of circa £360m in the 2015-16 plan. The assumptions detailed ensure expenditure is kept in line with forecast income throughout the life of the business plan.

3.11 Although the Operating Account surplus at Year 30 for the preferred option is lower than other scenarios this has been chosen because:

- It provides opportunities to contribute to the housing growth agenda through deferring stock investment and reducing repairs and maintenance expenditure where it is sensible to do so.
- It enables investment of £1m per annum to develop capacity to deliver on the Council's service priorities to meet the increasingly complex needs of our tenants.
- It increases contributions to the General Fund by £4m over the period 2017-18 to 2020-21.
- Expenditure is reduced proportionately to stock size, so mitigating the effect of increasing Right to Buys.
- RPI is set at 0.25% higher than CPI so provides a more prudent assessment of potential cost inflation compared to some other scenarios.
- Rent increases are kept in line with CPI following expiry of the government's new social rent formula for five years from 2020-21 to increase rents by CPI + 1%.
- Repairs and maintenance costs reflect the current fixed overhead charge of circa 25% until 2019-20.
- Although debt is not repaid, there is no additional borrowing requirement.

Impact on the Housing Growth agenda

3.12 Through reviewing the business plan it has provided an opportunity to re-focus HRA resources on the construction and acquisition of new council homes and facilitate the provision of other tenures. The business plan supports delivery of multiple housing schemes throughout the borough across a variety of tenures as detailed below:

	2017/18		2018/19		2019/20		2020/21		2021/22		TOTAL	
	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
Strategic Acquisitions/ New Build Programmes	14	1,673,602	29	3,189,495	30	2,611,750	27	2,459,000	15	1,890,000	115	11,823,847
SOAHP & Bungalows	0	556,311	42	5,405,187	43	6,171,694	33	4,673,808	0	0	119	16,807,000
Site Clusters	0	3,930,395	72	13,654,703	110	10,446,742	35	738,755	0	0	217	28,770,595
TOTAL	**14**	**6,160,308**	**143**	**22,249,385**	**183**	**19,230,186**	**95**	**7,871,563**	**15**	**1,890,000**	**451**	**57,401,442**

3.13 In supporting the housing growth agenda it assists in:

- Delivery of the Council's housing growth target
- Generates additional income into the HRA
- Provides a return on investment for cash (reserves) in the HRA
- Mitigates stock reduction as a consequence of Right to Buy

Impact on Repairs and Maintenance

3.14 Given the level of historic investment in existing stock, circa £130m over the past five years, that the stock is overwhelmingly traditional build and its condition is at or beyond the decent homes standard, there is ample opportunity to reallocate investment from this area to further increase the Council new build programme. This will create additional housing assets, generate greater rental income and meet housing need in the borough. The proposed budget and savings for the next 7 years are detailed below:

Year	Repairs and Maintenance Budget £'000s (savings included)	Repairs and Maintenance Budget Savings £'000s
2018-19	19,954	0
2019-20	20,566	0
2020-21	19,022	2,095
2021-22	19,363	2,131
2022-23	19,662	2,167
2023-24	19,957	2,204
2024-25	20,256	2,241
Total	**138,780**	**10,838**

3.15 Whilst significant; in the context of the overall property based budgets, the repairs and maintenance savings equate to a 10% reduction in spend from 2020-21 for five years. This timeline allows for consultation with tenants and Councillors on what the new service offer will look like prior to commencement of the new repairs and maintenance contracts in 2020-21. Housing Services will look to reduce demand for those repairs, having minimal impact on residents and being low risk and in line with best practice across the industry. It is also envisaged the re-tendering exercise, will also deliver organic savings and provide the opportunity to deliver the same or improved services in a different and more innovative way, at a lower cost to the Council.

Supporting tenants with Financial Pressures

3.16 A key priority is the ongoing work mitigating the impact of welfare reform and general financial pressures tenants face. The Council is committed to minimising any effects of welfare reform on tenants and to do this through continuing early intervention and arrears prevention. Our efforts will continue to be in supporting tenants to continue to pay their rent; by offering additional

support to vulnerable tenants to help with money, benefits and debt advice; this is being done through our Financial Inclusion team. The HRA also supports the Advocacy and Appeals service through funding for Money Advice Officers to support tenants in rent arrears manage priority debts.

3.17 Following a restructure of the Housing Income Service in 2017-18 which saw staffing levels more than double, following an investment of over £600k per annum, there continues to be a cultural transition to develop an approach which can be summarised as having a commercial mind and social heart. A key driver for this change has been the ongoing squeeze on tenant's incomes so the service now has a dedicated Financial Inclusion team that supports tenants facing financial exclusion.

3.18 The housing service also have active partnerships with a number of other partners and Directorates all aimed at supporting tenants maximise income and promote independence thereby increasing their ability to pay rent:

1. Age UK, Rotherham
2. Laser Credit Union
3. Children's and Young Persons Service
4. HR Employability Project
5. Employability Support Officer

Investment in other Council Housing Services

3.19 In reviewing the business plan, it is assumed there will be growth in the management and administration costs to the HRA of circa £1m per annum for the remainder of the plan. This assumes that £1m from cost savings identified within the plan following a review of average underspends within the HRA Management and Administration budgets over the last five years will be spent on:

- Investment in the Strategic Housing and Development Service to provide capacity to deliver the housing growth agenda detailed earlier in the report.
- Increasing capacity in the Housing Option Service to provide support to prevent homelessness in preparation for introduction of the Homelessness Reduction Act
- Establishing a Business Planning and Improvement Unit
- Establishing a Tenancy Involvement and Strategic Partnering Team
- Changes to the management of compliance functions through the creation of a small Mechanical and Electrical team.
- Increasing capacity within the Housing and Neighbourhood Management team to support vulnerable customers with high need on their journey to a more independent future.

3.20 A further one off investment of £4m will be made enhancing support services contained in the General Fund over the period up until 2020-21. In addition it is proposed to work in partnership with Adult Care to complete a review of Rothercare so it is transformed into a service which promotes customers to maintain independence within their own home for as long as possible. As around 60% of service users live in Council properties it is proposed to consider

transferring the service into the HRA. This would cost circa £1m per annum from 2019-20 with the intention for the service to reach a breakeven point by 2021-22.

Impact of the proposed scenario

3.21 The impact of the changes to the business plan are summarised below:

- There will be £57m spent on housing growth over the next five years. This will result in 451 new properties being built or acquired
- The General Fund will receive additional funding for HRA support services of £4m over the next 4 years.
- There will be £6.4m less spent on day to day repairs over the next five years
- There will be £5m more invested into developing capacity in the Housing Service to deliver Council priorities.
- By Year 30 the plan forecasts the housing stock size will have reduced to circa units 15,029. i.e. a reduction of around 5,000 units.
- There will be surpluses of £83m by year 30.

3.22 These savings have already been factored into the proposed HRA budgets within the HRA Business Plan Base 2018-19 Option D. The challenge is to ensure that the savings to repairs and maintenance budgets are delivered and tenants are consulted on their priorities for the future of Council housing in Rotherham.

4. Options considered and recommended proposals

4.1 A series of options were considered as part of scenario modelling, these are detailed at Appendix D of the report. Details of the preferred HRA Business Plan Base Case Option D are set out in the main body of the report. This will result in the HRA having an Operating Surplus of £83m by Year 30 and provide support to the housing growth agenda and the Council's General Fund position.

5. Consultation

5.1 The Tenants Quality and Standards Group will be consulted and their comments will be incorporated into future revisions of the plan.

5.2 The Housing Service undertake an annual survey of tenant's views, referred to as the Star (Standard Tenant Assessment Response) Survey which supports how resources are targeted and allows the Council to benchmark satisfaction with other social housing providers. The most recent survey found:

- 85% of tenants are satisfied with the overall service provided
- 85% of tenants are satisfied with the quality of their home
- 82% of tenants believe their rent provides value for money
- 63% of tenants were satisfied that their views were listened to and acted upon
- Satisfaction with grounds maintenance and estate services were varied across the borough

5.3 The HRA Business Plan responds to some of the above concerns by increasing investment in Tenant involvement services and increasing capacity in the Housing and Neighbourhood Management teams.

5.4 The HRA Business Plan also supports housing growth, the targets which were set following The Rotherham Strategic Housing Market Assessment which was completed in 2015; and consisted of a large scale resident survey, targeted focus groups and detailed analysis of housing market, population and demographic data. The study contains a calculation which takes into account delivery of new housing against newly forming households to highlight any shortfall. The Rotherham SHMA concluded that 900 new homes are required per year to meet housing needs in the borough, a quarter of which should be 'affordable'. The data from the study has been used to develop Housing Profiles for each ward which considers specific housing needs, and sets out opportunities for housing growth at a local level.

6. Timetable and Accountability for Implementing this Decision

6.1 The table below shows the approval timeline:

Date	Meeting
10/01/18	Overview and Scrutiny Management Board Meeting
15/01/18	Cabinet and Commissioners Decision making meeting
28/02/18	Council

7. Financial and Procurement Implications

7.1 In developing the HRA Business Plan the CIPFA / CIH code of practice for a self- financed housing revenue account; the Financial Viability principle has been taken into account which states that:

- The housing authority has arrangements in place to monitor the viability of the housing business and take appropriate actions to maintain viability.

7.2 A reduction of 1% on rental values as required by legislation and assuming CPI increases only thereafter, compounded for 30 years had a significant detrimental impact on the potential HRA balances. Income within the HRA Business Plan was £638m lower as a result. Newly introduced legislation now allows rents to be increased by CPI plus 1% for five years from April 2020. This results in additional income of £104.6m over the life of the plan.

7.3 Significant cuts to capital Investment built into the plan in 2016/17 have remained in place. Work is ongoing to manage this and it may be delivered in part by extending the life of building components and by planning in advance. There is potential to make further savings on capital costs when the new repairs/maintenance contracts are negotiated.

7.4 Reductions to revenue Repairs/ Maintenance costs of £10.8m have been incorporated into the HRA Business Plan from 2020/21 to 2024/25(detailed at

3.14 above). It is anticipated that these savings can be made from 2020, when the existing repairs/maintenance contracts end and contracts based on revised service standards are negotiated.

7.5 Due to the increased rental income anticipated as per 7.2 there is no longer a shortfall of capital funding within the plan.

7.6 The HRA Business Plan assumes an annual payment to central Government of £2m for the higher value property levy. As previously noted it is not possible at this stage to confirm the accuracy of the estimate until the detailed regulations are issued by DCLG. Any change in the estimate will need to be reflected in a revision to the business plan.

7.7 Significant investment in property developments and acquisitions of £57.4m has been built into the plan over the next five years. On current assumptions the Business Plan indicates that this is fundable within available resources. Affordability is reliant upon £28.8m of funding which has been built into the plan: £6.8m of HCA grant funding, £6m of unallocated capital receipts and sales income of £16m from properties built for sale and shared ownership.

8. Procurement Implications

8.1 There are no procurement implications.

9. Legal Implications

9.1 The legal Implications, where known, are covered the main body of this report. Further detail is awaited from central government on some legislative changes under the Housing and Planning Act 2016, such as the higher value property sales provisions, which may alter some of the estimates made in this report.

10. Human Resources Implications

10.1 There are no immediate human resource implications although the proposal for expanding existing and developing new business units will result in a requirement for additional staffing resource.

11. Implications for Children and Young People and Vulnerable Adults

11.1 There are no implications for children and young people or vulnerable adults.

12. Equalities and Human Rights Implications

12.1 There are no Equalities and Human Rights implications.

13. Implications for Partners and Other Directorates

13.1 This proposal is about making effective use of council assets and managing them to best effect. It contributes to the sustainable neighbourhood's agenda by addressing future investment needs and will help deliver a better quality of affordable housing to the community.

14. Risks and Mitigation

14.1 Self-financing involved a significant transfer of risk from Central Government to the Council. Variables such as interest rates, cost inflation, number of homes owned etc. are all risks managed by the Council.

14.2 Any adverse changes in rental income (for example as a result of welfare reform or changes in the number of Right to Buy sales) must be managed locally.

14.3 The risks associated with the HRA Business Plan demand a smarter approach to risk management. The Council will closely monitor the viability of the HRA Business Plan; through the governance structure described in the Business Plan at Appendix A, by building a HRA Business Plan monitoring report to monitor key variables such as:

- Number of homes
- Rental income
- Rent arrears and bad debts
- Voids and void rent loss
- Debt levels and repayment
- Reserve levels, and
- Maintenance backlog

14.4 The risk management plan for the HRA Business Plan is contained in the HRA Business Plan at Appendix A. The plan follows the Council's risk management methodology and approach. It includes a clear description of the risk, an assessment of probability and impact of the risk, a summary of controls and cost consideration and information on when the risk will be reviewed.

14.5 The risk management plan is updated, tracked and monitored through the governance structure described under the Governance section. The management plan will be revised as the situation changes - especially regarding interest rates and inflation - in light of Government announcements such as continuing welfare reforms as part of process of monitoring changes in variables and performance.

14.6 Significant risks will be placed on the Corporate Risk Register and risk issues will be escalated through the Council to Departmental Leadership Team and Senior Leadership Team as necessary.

14.7 The Council has risk based reserves to ensure that HRA reserves are maintained at the appropriate level. The reserves will be maintained at the appropriate level to fund potential future financial pressures from risks such as welfare reform and investment requirements.

15. Accountable Officer(s)

Anne Marie Lubanski, Strategic Director of Adult Care and Housing
Tom Bell, Assistant Director of Housing and Neighbourhood Services

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Mark Scarrott	04/12/2017
Assistant Director of Legal Services	Neil Concannon	05/11/2017
Head of Procurement (if appropriate)	Not applicable	
Head of Human Resources (if appropriate)	Not applicable	

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http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

Appendix A

Housing Revenue Account (HRA) 30 Year Business Plan 2018-19

Contents Page

Foreword by Cabinet Member for Housing

Executive Summary

1. Introduction

2. Governance

3. Income and Resources

4. Investment

5. Housing and Estate Services

6. Debt and Treasury Management

7. Value for Money

8. Risk Management

9. Conclusion

HRA Financial Information Appendix A

Housing Revenue Account – 30 year projections

30 Year Housing Investment Plan

HRA Financial Assumptions Appendix B

HRA Risk Management Plan Appendix C

Glossary of Key terms

Foreword

This business plan describes the ambitions and targets for future housing growth and council housing investment over the next five years and how it affects the long term health of the business plan over 30 years. I hope you will find the plan accessible and informative, and useful in helping to inform you of our priorities for council housing and how we have arrived at them.

Feedback from tenants and residents will be crucial to the ongoing development of this plan. It is tenants who live in the homes and neighbourhoods and tenants who use the services that this HRA Business Plan describes. We have listened to what tenants and residents have said over the past year, including at the Annual Tenants Conference, and through all our engagement routes.

Over the last year the government have made some policy changes which have had a positive impact on the business plan. Highlights of the plan include:

- Investing over £50m in new council and affordable housing over the next five years.
- Investing over £100m over the next five years in maintaining and improving existing council housing and the communities in which they are located. This includes commencing a programme to refurbish the communal areas of flats, completion of upgrades to District Heating systems and maintaining the Rotherham Decent Homes Standard.

We expect tenants to continue to play a key role in shaping the future of council housing investment and services. There is great scope for tenants to influence this plan as we continue in this period of self-financing. I hope to see more tenants and residents getting involved in making choices that affect them so that council housing in Rotherham is able to continue delivering the outcomes we need for tenants and delivering our ambition to be the best housing provider in the country.

Cllr Dominic Beck

Cabinet Member for Housing

Executive Summary

This is Rotherham Council's business plan for the Housing Revenue Account (HRA) over the next 30 years.

As of April 2017 the Council had £304 million housing debt and a borrowing limit set by the Government of £336 million. Total HRA Operating expenditure for the year 2018-19 is projected to be £75m. Income for the year is forecast to be £83.5m. Appropriations to support capital investment will total approximately £8.5m.

The objectives of this business plan are to ensure the HRA has balanced budgets for the next five years, support housing growth, continuing stock investment that will satisfy tenant expectations and targeted investment in key services that will improve services to tenants.

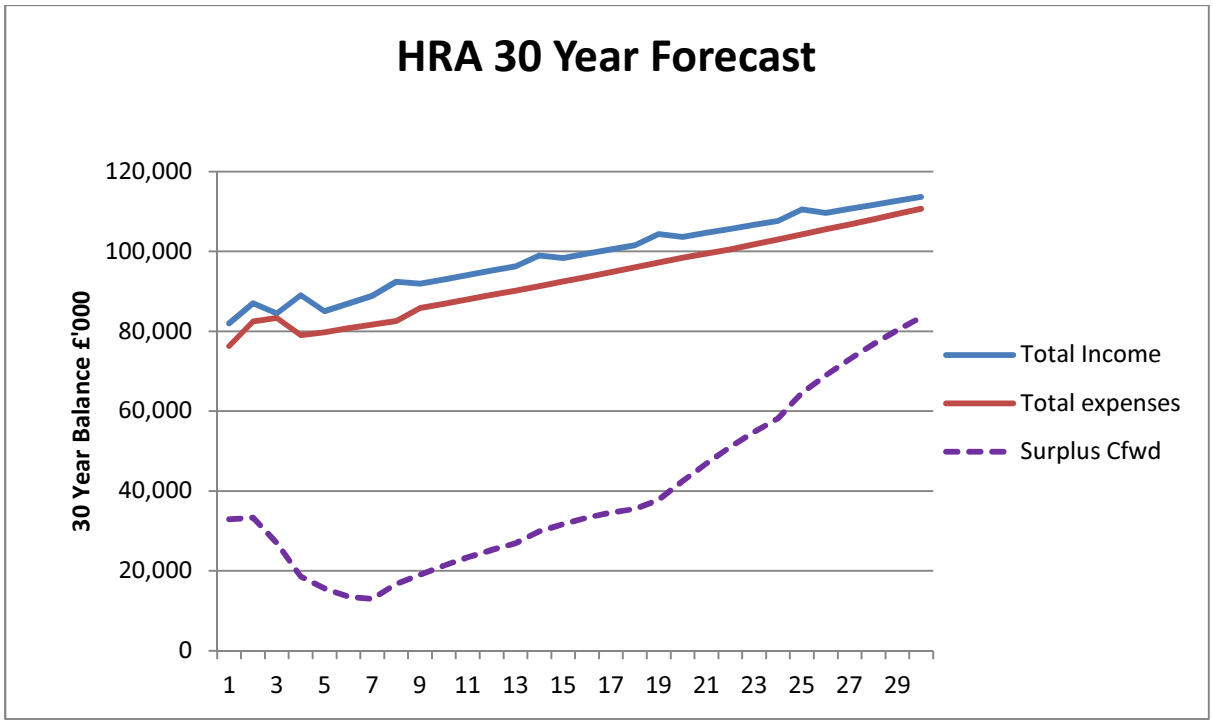
The main areas of investment in the early years will be:

- Supporting housing growth where we plan to spend over £50m by 2023
- Activity to mitigate the impact of welfare reform
- Ensuring we prioritise the completion of essential investment associated with our statutory duties including but not limited to the Regulatory Reform (Fire Safety) Order 2006.

The main source of funding for the business plan is from tenant rents which will continue to be set in line with the Government's national social rent policy.

The chart on the next page represents the current forecast. This shows that all planned activity is affordable over 30 years.

HRA 30 Year Forecast



It is important to note that all 30-year forecasts serve only as indicative guides from a point in time and these will continually change as progress and long term planning assumptions are reviewed.

1. Introduction

The Housing Revenue Account Business Plan

This is the Housing Revenue Account Business Plan 2018-19 for Rotherham Council.

The purpose of this plan is to set out how the Council will manage the financial aspects of Council Housing in Rotherham from the income raised locally. The plan sets out the rent, charges and forecast budgets for 2018-19, together with an outline budget for the remaining period of the plan.

This business plan:

- Sets out how the Council will manage and monitor delivery of the business plan
- Outlines the Council's income strategy for council housing
- Sets out the Council's aims and objectives for tenant services and investment in our housing stock
- Explains the Council's approach to treasury management
- Describes the Council's approach for ensuring value for money

- Details the main financial assumptions in the plan
- Sets out the main risks to the business and how they will be managed.

Rotherham MBC owns 20,475 council homes which are home to over circa 25,000 tenants and make up around 19% of overall housing in Rotherham. The Council also owns 3,375 garages and has management responsibility for 534 leasehold properties.

The plan incorporates anticipated income and projected expenditure for the next 30 years and sets the long term direction for council housing investment and services in Rotherham. The business plan focuses on income and expenditure for 2018-19 to 2022-23 and assumes full recovery of leaseholder contributions to capital works.

The Housing Revenue Account

The Housing Revenue Account is the financial account used by the local authority for council housing income and expenditure. The HRA is ring fenced for income and expenditure on council housing and funds services for council tenants and investment in council homes. Interest repayments of outstanding council housing debt are also funded by the HRA.

Financial summary

The closing Net Book Value of the HRA assets owned by the council as at 31 March 2017 (adjusted for Social Housing Adjustment Factor) was £653m. Rotherham Council's total housing debt as at April 2017 was £304.125 million with a further borrowing potential of £32m.

Over the life of the business plan total income is expected to be £2,900m and total planned expenditure will be £2,800m. Cumulative surpluses by year 30 of the plan will be £83 million. Over the first 10 years of the business plan there is the potential for there to be significant financial pressures to overcome as a result of loss of income due to ongoing welfare reforms. Throughout the period it is planned to maintain a minimum reserve balance of £3m which will mitigate risks associated with welfare reform.

Over the 30 year business plan period total debt will remain at £304.125 million and costs of servicing this debt will be approximately £402 million over the 30 years. A copy of the 30 Year Operating Account are attached at Appendix A.

Business planning principles

Since self-financing was introduced in 2012 it has required the Council to think differently for two reasons:

The Council bears the responsibility for the long term security and viability of council housing, rather than Government

Key risks are now managed by the council, these include inflation, interest rate fluctuation and Right to Buy numbers.

These factors mean the council has to be more business minded and commercial in its approach to managing its council housing portfolio. Being business-minded means ensuring we have the means to make the right investment in our homes and the services that support them. This investment needs to be made at the right time in order to keep homes lettable. It also means we make best use of our homes by charging for them fully and fairly, by collecting all income owed and by keeping them in use as much of the time as possible. Being business minded also means ensuring we continue to maximise value for money of our expenditure.

The Council's business principles are as follows:

1. **Providing good quality homes at a reasonable cost.**

a. Homes are in a safe and sound condition

b. Neighbourhoods are places where people want to live

c. Homes and services are charged for fully and fairly

d. External investment is levered into the business

2. **Tenants can influence the council housing service**

a. Ensure our homes are attractive to existing and prospective tenants

b. Homes are kept in use as much as possible

c. Provide services that meet tenant's reasonable expectations

d. All income owed is collected

3. **Efficiently manage running costs**

a. Using the Council's purchasing power and long term view to get the best deals for tenants

b. Management of known hotspots of expense in the business

c. Keeping overhead costs under control

d. Seek added value for benefit of tenants through contracts we award

These business principles are the criteria we use to inform how investment decisions are made.

These business principles have been used to help determine what the priorities are for the council over the next five years. For example, making the best use of homes applied to council housing means allocating properties quickly to new tenants and minimising turnover of the property. This links to sustaining tenancies and working with tenants to support them to stay in their home. This would reduce the time that properties are empty which in turn increases rental income.

In relation to council housing, being business minded does not mean generating a profit as it does in the private sector. Any surplus generated by council housing under self-financing is ring-fenced for re-investment in council housing in Rotherham.

It is the Council's intention that under self-financing council housing will continue to be owned by the Council, the HRA ring fence will continue to be in place and any surpluses will continue to be invested in supporting housing growth, reinvested in services or maintaining and improving the condition of the homes for the benefit of tenants. We need to be business minded to secure the long term future of council housing and we must balance this with what is best for tenants and for the residents of Rotherham.

Rotherham's priorities for the next five years

The key priorities for the next five years of the HRA business plan are:

1. **Supporting housing growth**

The investment in new housing will contribute to the Council's housing growth target of 900 new homes per year. A total of £57m of HRA resources have been allocated to housing growth over the next five years. This will lever in HCA grant of at least £6.8m and the sale of private homes are expected to generate surpluses of £2m to be re-invested into the acquisition of new council homes. The table below details the total investment over the next five years:

	2017/18		2018/19		2019/20		2020/21		2021/22		TOTAL	
	Units	£	Units	£	Units	£	Units	£	Units	£	Units	£
Strategic Acquisitions/ New Build Programmes	14	1,673,602	29	3,189,495	30	2,611,750	27	2,459,000	15	1,890,000	115	11,823,847
SOAHP & Bungalows	0	556,311	42	5,405,187	43	6,171,694	33	4,673,808	0	0	119	16,807,000
Site Clusters	0	3,930,395	72	13,654,703	110	10,446,742	35	738,755	0	0	217	28,770,595
TOTAL	**14**	**6,160,308**	**143**	**22,249,385**	**183**	**19,230,186**	**95**	**7,871,563**	**15**	**1,890,000**	**451**	**57,401,442**

2. Investing in our homes

The investment programme provides the most scope for allowing projected spend to fit within the resources available. This is because the programme is the largest area of expenditure for council housing in Rotherham and is constructed based on the resources available. The programme also provides opportunities for efficiencies through procurement.

The value of the investment programme (excluding Repairs & Maintenance and new build) will initially be around £20m per annum for the first five years. Within this funding the Council has started to set out what its priorities are for investment in homes. Alongside this, resources are prioritised for the completion of other investment schemes that must be concluded. These include works to ensure compliance with Health and Safety legislation and the Regulatory Reform (Fire Safety) Order 2005.

3. Mitigating risks of welfare reform

Tenant services will play a key role in mitigating the risk of welfare reform, for example the work of the Income Management team will be critical, as will links with Rothersave Credit Union, debt advice partners and continuing the Smart Move project which supports tenants who might choose to move to a more suitably sized and affordable homes.

Ongoing support of the Council's digital inclusion strategy is also essential as this will support tenants to move towards accessing Council services online and enable them to apply for benefits online as the roll out of Universal Credit throughout Rotherham continues in July 2018.

4. Efficiency savings

Ongoing efficiencies from services will contribute to reducing costs over 30 years. There are opportunities to review key services where the greatest spend on services exist - rehousing and estate management - to ensure value for money and contribute to an overall reduction in costs. The Council will also explore how we can work with partner organisations to better support tenants to remain longer in their tenancy thereby reducing costs and maintaining a rental income.

Linking management and overhead costs to the size of the housing stock will allow us to mitigate some of the effects of the 1% rent reduction for the life of the business plan. We have therefore proposed to link fifty percent of the cost of Supervision and Management to the size of the housing stock. This in real terms means there will be a saving of circa £100m over that period. Other efficiencies will come from improved asset management, contract management and procurement.

Key facts and figures

Our homes

20,475 homes are owned by the Council (19% of all homes in Rotherham)

The Council is responsible for 534 leasehold properties

24% of homes are 1-bedroom, 32% 2-bedroom, 43% 3-bedroom

24% of properties are flats or maisonettes and these are contained in over 500 blocks

99.8% of council homes currently meet the Decent Homes standard

Around 1,730 homes were let to new tenants in 2016/ 17

Approximately 600 acres of Green space is managed by the HRA

3,375 garages are owned by the council

Our contractors complete around 90,000 repair and servicing visits per year – an average of 246 per day

We spend £19m per year on day to day repairs and maintenance – an average of £52,000 per day.

Our customers

We have over 25,000 tenants (this is more than the number of homes as we offer joint tenancies)

2.8% of our tenants are from BME communities compared to 3.9% across all tenures

2.4% of our tenants are under the age of 24 compared to 1.5% across all tenures

22.4% of tenants are 75 years old or more compared to 15% across all tenures

56.8% of council tenants classify themselves as having a disability compared to 30.6% across all tenures

66% of tenants receive housing benefit

6,462 people are currently on the housing register, of which 1,209 are current tenants wishing to transfer.

Challenges for Rotherham

Whilst the Council's initial long term financial forecast under self-financing showed a significant surplus in resources, this has now come under increasing pressure due to

ongoing welfare reforms meaning we now have higher rent arrears, a decrease in rent for a four year period and increasing essential investment costs.

The Government's plans for welfare reform are a key risk to this plan because of changing rules which mean that:

All working age tenants, including those currently on housing benefit, will be responsible for paying their rent when they transition to Universal Credit. This commenced in December 2015, the final tranche of working age tenants will start transitioning from July 2018 onwards when they experience a change in circumstances.

Tenants who are deemed to be under-occupying only receive benefit for the size of property they need.

Capping and restrictions on eligibility for housing benefit across multiple age groups

Welfare reform has the potential to have a significant impact on the business plan which is based on 95% of income coming from rents. All tenant services will therefore need to be reviewed to ensure that they are best able to mitigate the effect of welfare reform on the business plan.

The next five years

Funding our priorities

The main areas of investment in the early years will be targeted at:

- Support housing growth
- Activity to mitigate the impact of poverty and welfare reform
- Making the best use of the homes we have by ongoing improvements to the rehousing process and supporting tenants to sustain their tenancy
- Managing the impact of the Housing and Planning Bill, in particular the requirement to sell or pay a determination based on the value and vacancy rate of Higher Value Properties owed by the Council and the introduction of mandatory fixed term tenancies.

Later sections of this business plan (sections 3-7) serve to provide an overview of how we will manage each element of the service to maximise housing growth, investment and drive efficiency.

It is important to note that these long term forecasts are the products of a series of assumptions based on information available at a point in time. Extended over 30 years any inaccuracies are magnified and as it is impossible to know the exact financial environment (interest rates, cost inflation etc.) in future years, or the

housing needs of future tenants (housing standards, welfare arrangements) so the forecasts we make about future costs and income can only ever serve as an indicative guide which must be subject to regular review.

How does this plan fit with Council's strategic objectives?

The HRA Business Plan will not sit in isolation but will be influenced by and itself influence the Council's wider aims and objectives. Council housing is a significant asset to the town and the business plan is a powerful tool for maximising the benefits of that asset for the citizens of Rotherham.

The business plan's wider benefits are linked to the four priorities in the Council's Corporate Plan 2016-19. The table over page explains how the HRA will support delivery of these priorities:

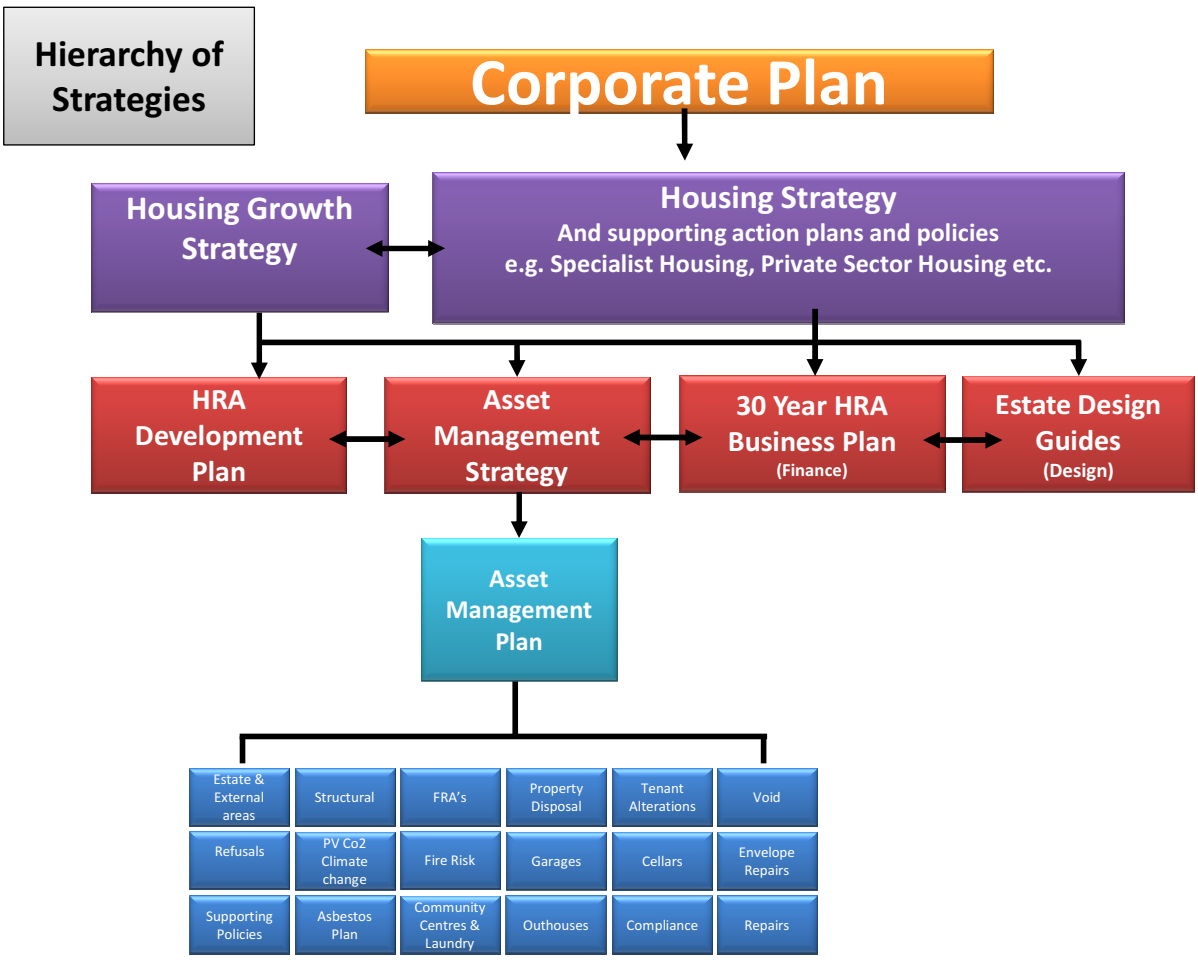
Every child making the best start in life Children require safe and warm homes to grow up in if they are to learn and fulfil their potential. Housing cuts across each of themes identified to ensure Rotherham is a child centred borough, for example: -The HRA funds three workers within the Early Help team to support families with children -Staff and construction partners are trained in safeguarding and tackling child sexual exploitation so they can spot the early signs and make referrals	**Every adult secure, responsible and empowered** Decent housing underpins positive physical and mental health and can help older people to remain in their own homes for longer, potentially reducing costs in health and social care services. During 2018-19 the Housing service will see the construction of 11 disabled persons bungalows commenced on site.
A strong community in a clean, safe environment Housing can have a significant impact on one's feeling of well-being, and sense of security and community. In 2018-19 we plan to invest over £20m in improvements to our estates and the properties we own.	**Extending opportunity, prosperity and planning for the future** The delivery of the housing growth plan will contribute significantly to the overall economic growth of Rotherham, by providing homes for people, meeting local need and creating jobs and training opportunities. Over the next five years the Housing service will invest over £50m in new housing throughout the borough.
A modern, efficient council The housing service is ranked in the top 25% of council's in the country for the cost of managing Council Housing.	

Alongside delivering against the Council's Strategic Objectives the plan also links into delivering key aims of The Housing Strategy. The HRA Business plan supports the vision for the Housing by 2019 in the following ways:

Enough social rented homes available for local people	The council will continue to purchase new properties to ensure we minimise the impact of Right to Buy on the existing social housing stock owned. This will ensure we continue to have sufficient houses available for those residents in most housing need. Over the next five years the Housing service will invest over £30m in new housing throughout the borough.
High levels of resident satisfaction	The council will continue to invest in services that tenants want through regular consultation. We will monitor tenant satisfaction with the services we offer bi-annually through the industry recognised STAR survey. Our latest STAR survey showed 83% of tenants were satisfied or very satisfied with our services.
Nobody trapped in housing that fails to meet their needs	A robust business plan will allow funding for Housing Options to continue offering advice to residents on the most appropriate housing for their needs
Better more joined up working between RMBC Housing, Adult Services and Children and Young People Services	We will continue to work with Adult Services to expand the housing offer for elderly and vulnerable residents so they remain independent for longer so reducing the burden on social care budgets. We will continue to fund family Support workers in Children's and Young People Services to support families in crisis.
Continuing to alleviate fuel poverty for our most vulnerable households	Between 2018-19 and 2023-24 we plan to invest over £100m in improvements to our housing stock that will alleviate fuel poverty.

This Business Plan will be reviewed annually against the Housing Strategy and other legislation and corporate policies so that the changing needs and expectations of tenants can be reflected in the plan.

The chart below illustrates the policy framework within which the HRA 30 year Business Plan operates.



2. Governance

The Council needs a robust HRA Business Plan in order to ensure resources are optimised over the next 30 years for the benefit of all Rotherham citizens. Strong governance of the business plan will be the key to its success and must be led by Councillors. Strong governance must also include; tenant and leaseholder scrutiny, and officer responsibility, and the council as systems in place to ensure this occurs.

Governance of the HRA Business Plan includes three key structures; political governance, tenant governance & scrutiny and the officer structure. This section sets out arrangements for governance of the plan which will be further developed during the course of 2018-19 in partnership with Councillors, tenants and stakeholders. This will be set out fully in the next update of this plan.

i. Councillor governance

The Cabinet and Commissioners will monitor performance against the HRA Business Plan and make decisions on matters relating to strategic service and service planning, contracts, partnership & consultation and property.

A financial report will be reported to Cabinet, these reports will include both revenue and capital aspects of the business plan.

The Cabinet will be involved where there is a need to discuss and take decisions on the most significant issues facing the Council. These include issues about the direction of the Council, its policies and strategies, as well as Rotherham wide decisions and those which affect more than one Council service.

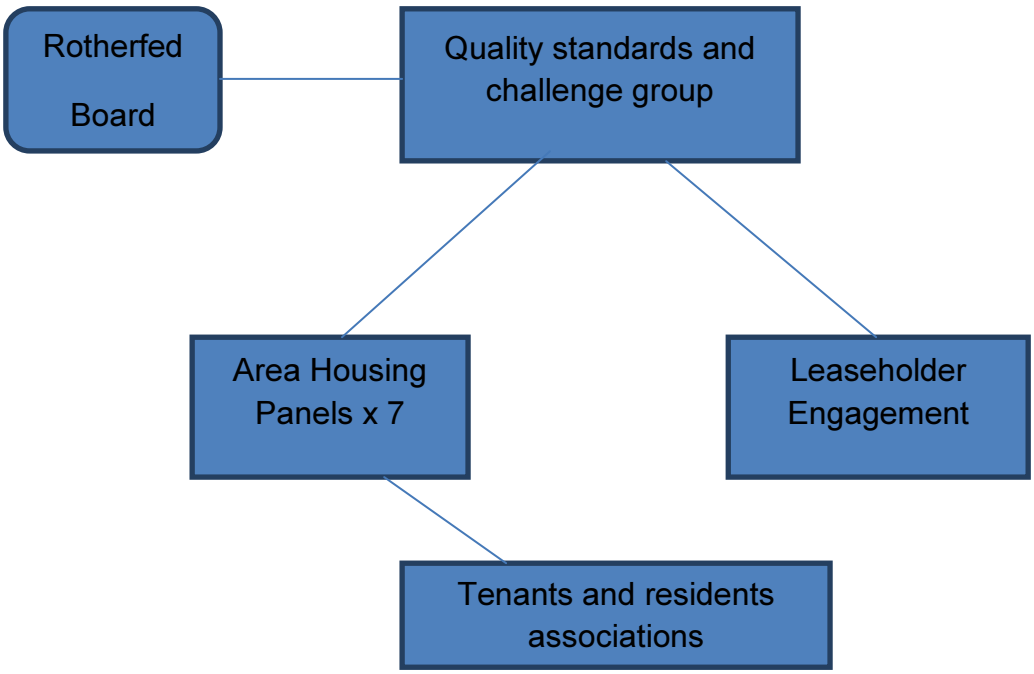
The Improving Places Select Commission will undertake scrutiny of the Business Plan. The scrutiny committees help to ensure that local government is effective and accountable. The central purpose of scrutiny is to monitor and examine services provided by the Council and its partners, as well as to carry out in-depth reviews into specific service areas. The aim of these scrutiny functions is to continuously improve the delivery of local public services to residents.

The Audit Committee may also wish to review the HRA Business Plan in performing its remit to ensure effective corporate governance of the HRA Business Plan.

iii. Tenant and resident involvement and scrutiny

Tenants and resident involvement is key to ensuring the Business Plan reflects the priorities of our tenants and leaseholders. Below is an outline of our current engagement structure with tenants and leaseholders:

Tenant and Leaseholder Engagement Structures



In the future, tenant priorities will be fed into the HRA Business Plan through our Local Offers that will continue to be reviewed and developed in partnership with

tenants, leaseholders and residents at service level through the Area Housing Panels and Leaseholder engagement. Performance against the Local Offers will continue to be monitored with and reported to tenants through the structure detailed.

Customers must be able to monitor and challenge performance against the business plan in the spirit of co-regulation.

The Annual Report to Tenants will continue to be agreed each year and will set out the targets including key performance indicators, the risk management plan, improvement plans, customer satisfaction measures, service review updates and information on tenant and resident involvement.

The Annual Report to Tenants will be available on the Council's website for tenants and residents to monitor performance.

The Annual Report to Tenants will provide feedback to all tenants on the performance of the Council against the Government's regulatory framework and the HRA Business Plan. The Annual Report will be published each year.

iiii. Officer governance

Responsibility for the HRA Business Plan will sit with the Assistant Director of Housing and Neighbourhoods in consultation with the Assistant Director of Finance. The Business and Commercial Programme Manager will support the governance of all activity relating to council housing under the HRA Business plan.

The Business and Commercial Programme Manager is responsible for monitoring performance against the plan, updating the plan together with annual budget and performance setting. The Assistant Director of Housing and Neighbourhoods and the Assistant Director of Finance will be responsible for monitoring and challenging the use of council housing resources, ensuring value for money and monitoring risks.

There will be scrutiny of revenue and capital monitoring and target setting under the business plan's key themes:

- Income and Resources
- Investment
- Housing and Estate services
- Value for money
- Treasury management, and
- Risk management.

Performance against the business plan will be monitored through the HRA Business Plan monitoring report.

Contract and Service Development team will provide contract advice and support to both the revenue and capital teams on the repairs, maintenance and investment contracts.

The HRA Business Plan will be updated on an annual basis so that changes such as rent increases/ decreases, charges, cost savings, budget pressures and policy can be reflected in the plan. The updated business plan will be approved by Full Council in January/ February each year. Any in-year policy changes will be approved by Cabinet as required.

The HRA Business Plan will include revenue and capital resources and activity. The Council Housing Investment Programme will continue to be part of the Council's overall Capital Programme which will be approved by Commissioners and Full Council in February each year.

Within the Council, aspects of the Housing Revenue Account will also be reported routinely to the officer groups responsible for day to day delivery and management of the plan.

3. Income and resources

i. Overview

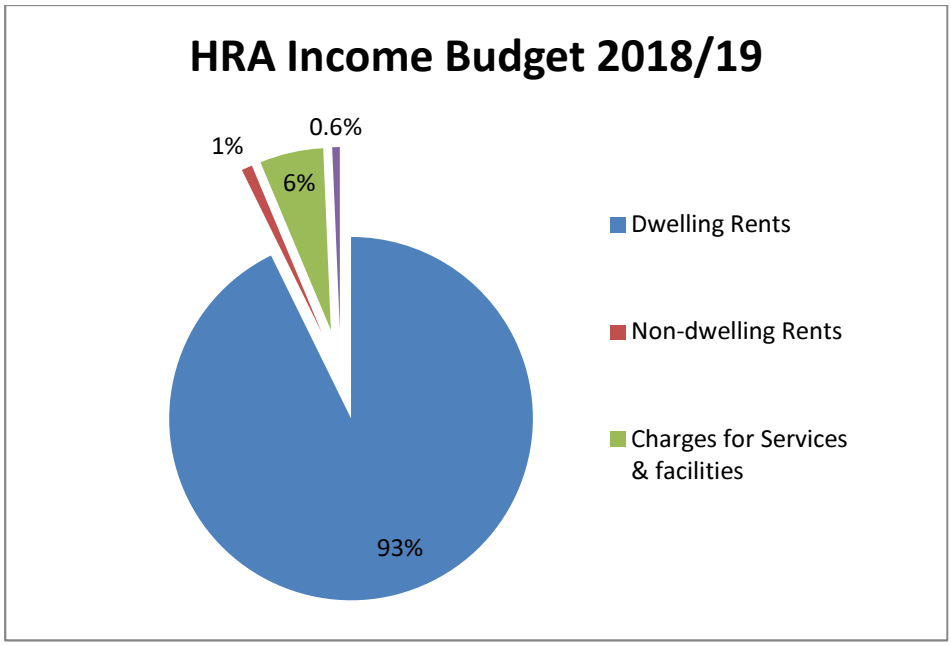
This part of the business plan is concerned with income into the Housing Revenue Account. It includes rent setting, service charges, re-charges and other charges payable by tenants to the Council as landlord.

All aspects of council housing delivery - services, investment, support costs, debt interest payments etc. - must be funded through the income the Council is able to raise locally. Therefore, it is important to ensure our income is at the right level to provide the right services, support housing growth and the investment needed to Council homes.

ii. Income breakdown

The following chart shows the items which make up the £82m income expected into the HRA in 2018-19. The chart shows that over 93% of income into the HRA is rental income from council homes. The chart does not include capital receipts (for land or Right-to-Buy sales) which are reviewed annually as part of the wider Capital Programme.

HRA income breakdown 2018-19



iii. Key risks

1. **Welfare Reform**

Benefits Cap

The Welfare Reform Act was passed by Parliament in March 2012 which introduced the concept of a Benefits Cap. The amount at which the cap would be introduced was reduced as part of the Summer Budget 2015, the details of how groups are affected is below:

	£ per week	£ per week Autumn 2016	£ per annum now	£ per annum Autumn 2016
Single	350.00	257.69	18,200	13,400
Lone Parent	500.00	384.62	26,000	20,000
Couple	500.00	384.62	26,000	20,000
Couple with children	500.00	384.62	26,000	20,000

Housing benefit is the first payment to be cut if a household is affected by the benefit cap. From data provided by the DWP (Department of Work and Pensions), 142 council tenancies are currently affected in Rotherham which have an average arrears balance of £433.06 per tenancy.

Whilst the benefit cap does not directly affect the HRA, it means that a number of tenants have no immediate means to pay their rent, which may cause significant strain on bad debts over the medium term as well increase in void rates as tenants seek to move to smaller properties.

Other potential factors that will impact the HRA Business Pan include:

- Households in private rented accommodation may apply for re-housing to more affordable council accommodation.
- Affected council tenants may require money advice to assist them with budgeting.
- Rent arrears may increase from larger households in receipt of welfare benefits

Spare Room Subsidy

The Spare room subsidy commenced in April 2013. There are currently 2,983 tenancies affected of which 1,908 tenants are in arrears with an average balance of £262. Total arrears balances for tenants affected have now begun to stabilise with an increase of 4% over the past 12 months.

Universal Credit

The way in which benefits will be paid to tenants in the future presents a risk. At the current time 64% of HRA income is received via direct payment of Housing Benefit, with the remainder paid direct by tenants.

Universal Credit commenced in Rotherham on 7 December 2015, at the current time there are 295 tenants claiming Universal Credit. Throughout 2017-18 the number of UC claimants has steadily increased following the roll out of Full Service Universal Credit in the neighbouring DWP areas of Barnsley and Doncaster. This roll out means over 1,100 working age tenants will transfer to Universal Credit when they have a change in circumstances if they are claiming any of the following benefits:

Income Support
Job Seekers Allowance
Employment and Support Allowance
Child Tax Credits
Working Tax Credits
Housing Benefit

The Council anticipate approx. 10 tenants a week in the area will be affected based solely on Housing Benefit data we hold.

During the past year the Council have written to all tenants that will be affected by the initial roll out of Universal Credit and offered support. Alongside this there have been regular articles in Home Matters magazine to raise awareness amongst all tenants. The remaining roll out in Rotherham will take place in July 2018. It is anticipated up to 150 tenants will transfer to Universal Credit each week to when this roll out takes place.

As at the end of October 2017 the arrears balance of tenants on Universal Credit stood at £212,000; an average balance of £720. This is approximately twice the average balance of tenants whose rent is paid by Housing Benefit or fully themselves.

In setting budget projections beyond the short term these changes to benefits make accurate estimation difficult. There is a lack of information to accurately assess the scale of bad debt provision required, which means over the coming years there is a need to regularly review the impact on:

- Rent payment levels
- Cost of collection
- Tenancy turnover

If tenants on Universal credit do not pay their rent, in addition to an Alternative Payment Arrangement, the landlord can also apply for a direct deduction of up to 20% for the non-housing element of their claim. This allows some degree of certainty that rent will be paid eventually so at the current time bad debt provision has been left at 1.72% up to year 10 of the plan.

Backdating of Housing Benefit

As of 1 April 2016 Housing Benefit claims commenced only being backdated by 4 weeks. This impact's on rent payments where a tenant was eligible for Housing Benefit but did not submit an earlier claim. As a result the Housing Income team now attend all tenancy sign up meetings to ensure that Housing Benefit claims are submitted at the start of a tenancy to minimise the detrimental impact this may have on income collection. Clearly this may also impact on existing tenants when there is a change in circumstances, which will be dealt with when identified through the arrears management process. Going forward this will reduce as tenants transfer gradually onto Universal Credit.

Restriction of Housing benefit for 18 to 21 year olds

From April 2018, 18-21 year olds submitting a claim for Universal Credit will not be automatically eligible for the housing cost element (equivalent of Housing Benefit). There will be some exceptions for:

- Parents whose children live with them
- Vulnerable groups
- Those who have previously been living independently and working continuously for six months

The HRA has 214 tenancies that fall into this category for which £10,592 income per week is received via Housing Benefit. Based on an average tenancy duration of 13 months for this client group it is inevitable there will be a risk that some of the £550,000 annual income would not be recovered from April 2018 onwards. This will lead to further pressure on HRA income and bad debt provision.

Local Housing Allowance

Previously announced plans to cap Housing benefit payments at the often lower Local Housing Allowance rates have now been scrapped following an announcement by the Prime Minister to Parliament on 25 October 2017. Whilst this would not have

had a direct impact on the HRA Business Plan, it would have potentially led to a considerable increase in rent arrears amongst groups affected.

2. **Housing and Planning Bill**

Lifetime Tenancies

The Housing and Planning Bill has introduced the requirement for fixed term tenancies of up to 10 years for social housing with the aim of making best use of the stock so only people in housing need remain. Whilst this will not reduce income to the HRA, it will probably increase the turnover rate for stock so increasing housing management and void costs at a time when cost savings are required.

This policy would also apply to succession rights, with the exception of the partner or spouse inheriting the tenancy.

Higher Value Property Sales

The Housing and Planning Bill has introduced a requirement on Local Authorities to consider the sale of high value properties that become vacant.

This duty is a result of the introduction of Right to Buy for Housing Association tenants. Originally it was intended that this would be funded by the sale of high value council properties when they became vacant. As the bill has progressed it is now clear that Local Authorities will receive an annual determination from the DCLG which may or may not reflect the actual turnover of higher value properties.

It will be for Rotherham MBC to consider if it wishes to sell a higher value property when it becomes vacant. No guidance has been issued yet to define what is meant by higher value. Irrespective of whether the council chooses to sell or not, it will be required to make a payment from the HRA each year to the DCLG based on the determination it receives.

Previous estimates, assuming the 10% highest value properties by bedroom size would be subject to review and therefore captured by the levy/ determination this could cost the HRA up to £3.1m per annum.

As of November 2017 no detailed regulations have been issued. For planning purposes it has been assumed the HRA will incur a charge of £2m per annum under this policy. Once the regulations have been published a review of this assumption will take place. This is a significant risk to the HRA Business Plan.

3. **Right to Buy**

The final key risk to the income of the HRA is the Government's policy on Right to Buy receipts which continue to be pooled nationally. Whilst reducing numbers of dwellings and reduced rental income as a result of Right to Buy have been factored into the business plan, the number of sales over 30 years is only an assumption based on recent averages. If Right to Buy sales rise above their forecast numbers

over the next 30 years, the business plan will be inadequately compensated for lost rental income. This risk is even greater given the Government's increase in Right to Buy discount, providing a 70% discount to many tenants.

iv. Income for 2018-19

a. Rent setting

In 2018-19 rent charges will decrease by -1%, resulting in an average weekly rent of £72.73 over 52 weeks.

The rent levels in the business plan for 2019-20 will reduce by a further -1%. Thereafter they increase by CPI + 1% for five years followed by CPI for the remainder of the plan. This is assumed to be 2% based on Office for Budgetary Responsibility forecasts. These assumptions will be reviewed at annual budget setting and HRA Business Plan update reports.

b. Target rent

The amended national social rent policy removed the Council's ability to achieve rent convergence.

The revised social rent policy does still allow for the Council to move rent to convergence at re-let. It is the intention for the council to continue implementing this guidance. It is anticipated this will help to raise an additional £70.5 million income to the HRA over the life of the business plan and sustain continued investment in council housing. If we had not chosen to take this approach it would have meant less investment in our housing stock and a deterioration in the quality of our homes over the life of the business plan as we would not have been able to afford the investment necessary to maintain our houses to the standards tenants want.

c. Rotherham Furniture Solutions

Tenants have the option to enter into a furnished tenancy as part of our housing offer. We currently have 3,868 furnished tenancies for which an additional charge is made. In 2018-19 these charges will reduce by -1% in line with the Government's national rent policy.

d. Garage Rents

Garage rents for 2018-19 will increase by 3% as per CPI for September 2017(the month used for determining increase in rent charges). By increasing garage rents the average weekly charge will increase to £4.89 per week.

e. Service Charges

Currently, the Council sets separate service charges for district heating and sheltered housing (which includes Rothercare alarms service and/ or communal area

charge) because these are services that not everyone receives and so not everyone should pay for through their rent. Guidance from Government recommends that other types of service charges are separated from rents so that charges are more transparent and fair.

District Heating

For 2018-19 District heating charges will initially be maintained at a rate of 6.28 pence per kwh. Once full year costs for 2017-18 are known charges will be revised accordingly and any reduction in charge rate will be applied retrospectively from 1 April 2018. The council will continue to charge district heating based on cost recovery across all schemes, therefore some District Heating services may operate at a deficit and some at surplus but all tenants will pay the same unit rate irrespective of the scheme they are on.

Rothercare

In 2018-19 it is proposed charges for Rothercare are £2.77 per week.

Cooking Gas

The Council also charges for cooking gas facility at 83p per week. This is an increase of 3% the equivalent of 2p per week.

Communal Facilities

In line with other non-dwelling charges it is proposed to increase the communal facilities charge and the laundry charge by 3%. The communal facilities charge will increase by 14p to £4.64 per week and the laundry charge will increase by 5p to £1.55 per week.

f. Right to Buy Receipts

Under the Government's determination, 25% Right to Buy (RTB) receipts will continue to be retained by the local authority. The amount of receipt the authority keeps is ring-fenced by Government for use on regeneration or providing affordable housing, or for paying off HRA debt.

The Council has a total HRA debt of £304.125 million. This debt must be serviced from the rental income from council dwellings. As homes are lost from the HRA through RTB then so is the rental income from the property but not the debt that is associated with that home. Therefore under self-financing the first call on any income received from Right to Buy receipts should be a payment to the HRA equivalent to the HRA debt associated with that property.

g. Other Income

During the life of the business plan, the Council will continue to look at other ways of bringing in income. This will include potential contributions from our partner organisations, e.g. health, where they will benefit from outcomes from council housing projects. The Council will also consider ways of maximising our assets for example through short lease properties, neighbourhood centres and garages. Also where possible any grants available for council housing investment will be maximised.

Homes and Communities Agency

Within 2018-19 we anticipate receiving grant income from the Homes and Communities Agency of £6.8m for the construction of 227 new council houses.

v. Financial Impact of proposals

The proposals above will have a variety of different impacts on income coming into the HRA. For the year 2018-19 forecast income will be £1.1m less than in 2017-18.

As set out above, moving all properties to target rent at re-let and reviewing service charges are two options for additional income and it is the Council's intention that wherever possible all charges will be fair, reasonable and transparent.

4. Housing Investment

i. Overview

The Asset Management Strategy sets out how the Council will prioritise works to its homes and estates to ensure they are places where residents want to live while remaining cognisant of the financial policy and regulatory constraints that affect the housing sector.

Approximately £40 million is invested by Rotherham Council annually in maintaining and improving our properties. The budget is currently split £20m in Planned replacements and £19 million in Responsive repairs. Sound asset management is about providing a quality service whilst achieving value for money therefore it follows that the aspiration should be to further invest in planned works with a view to reducing the need for reactive repairs.

These fundamental changes will require the Council to continually review its assets, in order to make sure our homes are desirable, meet people's changing needs, and create increased value for money efficiency within our business.

The Council has pledged to improve the environment for the people of Rotherham where residents live in safe and healthy communities. This investment contributes to those pledges by seeking to improve the energy efficiency of our homes and

ensuring the estates follow the latest design good practice for safety and the environment being free from trips and falls for example.

In summary the Asset Management strategy seeks to maintain:

- The Decent Homes Standard
- Various Health and Safety Legislation including compliance including but not restricted to:
- Gas Safety
- Asbestos Management
- Fire Safety

The 'Rotherham Standard' will:

- Meet all Health and Safety Standards
- Have repairs carried out in a timely fashion to a high standard
- Have key items such as kitchens and boilers replaced and updated based upon an enhanced industry standard

In addition we will also:

- Improve the energy efficiency of our homes
- Invest in the communal and external environment

Future Investment

It is our intention during 2018-19 to further refine the 30 year investment model so we can explore opportunities including:

- Maximise further opportunities for housing growth
- Review implications of the Care Act 2014 on the services we provide to support people living longer independent lives in their own homes

Given the significant changes to the policy environment in which the HRA operates there have been substantial reductions in resources available to invest in properties the council owns. Whilst the need to maximise investment in new homes to afford opportunities for housing growth so meeting the needs of local people waiting to get on the housing ladder. Appendix A details the proposed funds available for investment in the housing stock over the next 30 years.

ii. Cost breakdown

Proposals for 2018-19 to 2022-23

This section explains how investment will be prioritised over the next five years. The aim of the investment programme is to create an affordable plan to match expected resources.

Proposed 5 year investment programme

The table below sets out priorities for our investment strategy and costs over the next 5 years of this business plan. The plan will continue to be refreshed annually and does not yet account for circa £43m further investment in housing growth as plans are still be finalised at the time of developing this plan.

5 Year Housing Investment Plan

Area	Budget 2018-19 ('000)	Budget 2019-20 ('000)	Budget 2020-21 ('000)	Budget 2021-22 ('000)	Budget 2022-23 ('000)	TOTAL
Repairs and Maintenance	19,954	20,566	19,022	19,363	19,662	**98,567**
Stock Investment (incl. Public Adaptations)	23,661	23,473	29,433	26,947	28,539	**132,053**
Housing Growth	22,249	19,230	7,871	1,890	0	**51,240**
Total	**65,864**	**63,269**	**56,326**	**48,200**	**48,201**	**281,860**

It is anticipated that with the continuing trends for welfare reform and the 1% year on year rent reduction until 2019-20, it will become increasingly challenging to deliver high quality services with the available funding.

We recognise that there is a risk of the available budgets not matching the amount we are predicting to spend on repairs and planned works. We must therefore manage our budgets to reflect the available budgets and if necessary smooth out peaks in demand by delaying some stock investment and replacements. In order to achieve this it is important that we are able to extend the life of a building component which can only be achieved by careful planning in advance.

In the future we aim to deliver a greater proportion of our investment in a planned way. Best practice suggests that the split should be 70:30 Planned to Reactive maintenance. Historically this balance has not been achieved as the policy has been to repair or renew components rather than maintain components for the future. It is proposed that to achieve this target we will increase the number planned cyclical maintenance programmes examples will include external painting and clearing of rainwater goods. The Council Housing Investment programme will be funded from a set charge from revenue plus an annual Revenue Contribution to Capital Outlay generated as a result of efficiency savings.

Full details of the approach to investment within the Council's housing portfolio is detailed in the Housing Asset Management Plan 2016-2019.

5. Housing Management

i. Overview

This part of the business plan is concerned with the services provided to tenants. It includes services such as tenancy management, income management and re-housing services together with tenancy enforcement (ASB), estate services, governance and involvement.

Good services are important to our customers and impact on our housing offer and ability to let homes. This business plan depends on our income from rents, so we need to collect as much of the rental income as possible. We also need to ensure that our most high cost services (estate services and rehousing) are as efficient and cost effective as possible.

ii. Cost breakdown

The pie chart below shows the proportion of the HRA budget spent on Supervision and Management including overhead/ support costs, split by service type. The chart shows that the highest cost area is Central Services. Each area as a key role in ensuring we deliver high quality services to our tenants and is expanded on below:

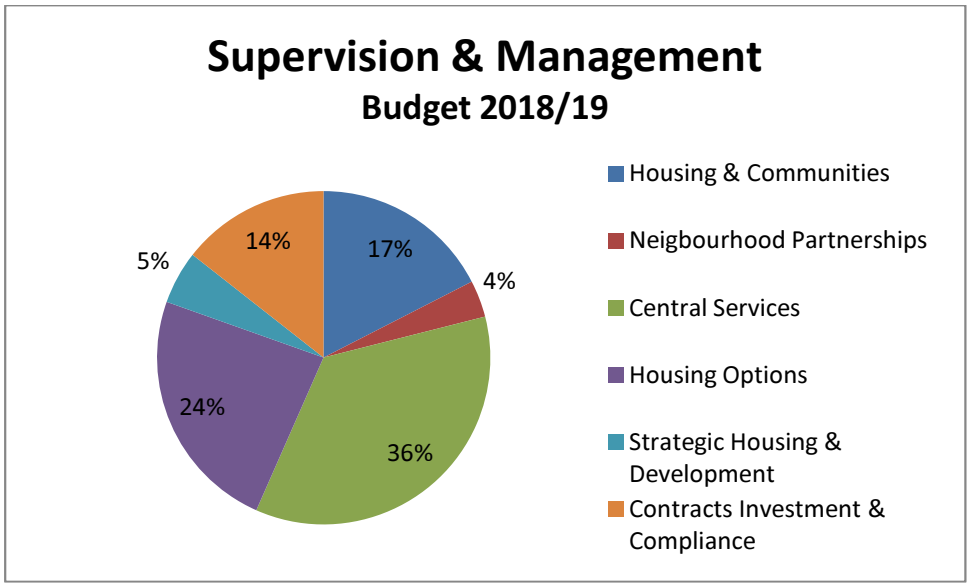
Housing Options is responsible for managing the housing allocation process, housing register and preventing homelessness.

Housing and Estates Services is responsible for post-letting tenancy and estate management functions, including tenancy enforcement and tenancy associated service requests (excluding repairs and maintenance), dealing with anti-social behaviour, management of the general estate environment and housing revenue account administered non-residential assets, such as garage sites. The service also supports the Safer Rotherham Partnership and community safety functions. The service also has close working relationships with the Safer Rotherham Partnership and community safety functions, particularly the Anti-Social Behaviour Team.

Central Services is the area of expenditure responsible for managing income to the HRA and commissioning other services that support effectively delivery of the Housing service such as accountancy support, ICT, Corporate Governance and Human Resources etc.

The Contracts, Investment and Compliance is responsible for the management of our housing assets, deciding how we will invest in our assets to ensure they are places tenants want to rent. Repairs Management is seen by tenants as one of the most important and is responsible for day to day management of the repairs and maintenance contractors ensuring repairs are carried out right first time.

HRA breakdown of proposed expenditure on Supervision and Management 2018-19



iii. Risks

There are a number of risks to this area of the plan, the most significant being welfare reform. As set out in section 3 on Income, the Housing Revenue Account is forecast to receive around 60% or £48.6 million income paid directly from housing benefit. This benefit will progressively be paid direct to eligible tenants under the housing cost element of Universal Credit. So far single new claimants are automatically processed as a Universal Credit Claim in Rotherham and more recently the full service role out extended to the Swinton area of Rotherham for all working age claimants. It is anticipated the full scale roll out of Universal Credit across the rest of Rotherham will take place in July 2018. In the first instance only claimants who have a change in circumstances and are claiming eligible benefits will be affected. It will be at least 2022 until the roll at of Universal Credit is fully complete and all legacy benefit claimants transferred nationally. The risk of increasing arrears and the impact on bad debt provisions has been factored into the business plan.

Under the continuing reforms more tenants are finding it harder to pay their rent because of the effects of the welfare reforms on household income. This has led to an increase rent arrears, which have increased by over 230% since the on-set of welfare reforms. Consequently this has also resulted in higher tenancy turnover. There is also a higher demand on the re-housing and tenancy support services, an increased demand for additional downsizing support and a growing need for early support for vulnerable tenants which includes money, debt and welfare advice.

Any additional demands on council housing as a partner in addressing vulnerability, safeguarding, preventing homelessness and in reducing demand for care services are likely to be exacerbated by the continued challenging local economic environment.

iv. Proposals for 2018-19

This section explains how tenant services will be developed over the next three years. The aim is to develop tenant services to ensure they align to the business planning objectives and also that they are tailored to meet emerging need, which includes the ongoing impact of welfare reform.

a) Tenancy Standard

Ensure all income owed is collected

A key priority is the ongoing work mitigating the impact of welfare reform. The Council is committed to minimising any effects of welfare reform on tenants and to do this through continuing early intervention and arrears prevention. Our efforts will continue to be in supporting tenants to continue to pay their rent; by offering additional support to vulnerable tenants to help with money, benefits and debt advice, this is being done through our Financial Inclusion team. We are also supporting the Advocacy and Appeals service through funding for Money Advice Officers to support tenants in rent arrears manage priority debts.

Following a restructure of the housing income service in 2017-18 which saw staffing levels more than double there continues to be a cultural transition to develop an approach which can be summarised as having a commercial mind and social heart.

We also have active partnerships with the following organisations and Directorates aimed at supporting tenants maximise income thereby increasing their ability to pay rent:

1. Age UK, Rotherham
2. Laser Credit Union
3. Children's and Young Persons Service

We have also offered and will continue to offer funding for vocational training and apprenticeships for tenants so improving their ability to successfully secure employment and become independent. These projects include:

1. HR Employability Project
2. Employability Support Officer

b. Neighbourhood and Estate Management

A key focus for the service in 2018-19 is developing support to sustain new and existing tenancies, this includes effective up front assessment of prospective tenants to ensure they meet the new allocations criteria and can afford the properties. To ensure this support is focused, achieves outcomes for tenants and is delivered as efficiently as possible a service review will be undertaken to agree how best to deliver the provision across Housing allocations, Tenancy Management and the Housing Income Service. The role of Area Housing Officers will continue to be re-

shaped towards a balance between enforcement activity and early intervention, prevention and support.

There will also be a review of Neighbourhood Working with key services, agencies and South Yorkshire Police. This will focus around the safer, greener, cleaner agenda and protecting the most vulnerable within our communities.

There is also a need to increase contact with vulnerable and older tenants so supporting them to live independent lives within their own homes and with their local support networks nearby. This will help reduce the pressure on Adult Social Care Services.

Delivering effective tenancy management will also be a foundation of our work in 2018-19 ensuring we continue to be responsive to key tenancy issues such as ASB.

Housing Allocations

Key priorities for the service in 2018-19 are:

Review of Temporary Accommodation

1. Set up and finalise processes for 6 “Step up Step down” Crash pads which will be utilised by Adult Care.

2. Explore the use of transitional tenancies

3. Explore alternative options for charging arrangements for supported housing

4. Set up crash pad provision for Adult and Children’s services

5. Set up additional provision for victims of Domestic abuse

6. Develop a Housing First Model

Reduce Homelessness and Rough Sleeping

1. Review and implement a revised Homelessness Prevention Strategy 2018 – 2020

2. Review processes and Structure in readiness for the Homelessness reduction Act

3. Undertake an actual Rough Sleeper Count

Void Re-let times and Sustainable tenancies

1. Review the Allocation Policy for people with complex needs

2. Implement mandatory pre tenancy workshops people for people with complex need including online access for those applicants who live out of the Borough

3. Reduce the number of 'Hard to Let' properties

4. Implement a revised transfer process to improve standards of voids

5. Increase referrals for support to help people into Employment

6. Help to set up Shared Tenancies for those who cannot afford a tenancy

c. Tenancy involvement

We have made significant improvements in our strategic approach to tenant involvement in the last 2 years which is enabling tenants to have more say in our services e.g. TI (Tenant Involvement) Strategy, TPAS Accreditation , STAR Survey, Home Matters (Tenants Magazine), Training etc. We have been confirmed as a Tpas (Tenant Engagement Experts) accredited landlord for Resident Involvement Excellence from 2016 for a period of three-years. We will continue to build on this success and continue to deliver our Tenant Involvement Strategy) to :

• Make tenant involvement an integral part of our business by involving and consulting tenants to shape services to best meet their needs

• Ensure that we are fully inclusive and provide opportunities to widen engagement by offering a range of ways that tenants can get involved, at a level and pace that is accessible to all

• To provide and support training and development opportunities to enable all tenants to make a difference

• To maximise accountability and value for money to ensure that tenants have confidence in our services.

We will seek to improve tenant involvement widen and improve opportunities such as digital inclusion for tenants including under-represented groups such as younger tenants and working tenants to make a positive difference to the services they provide. We have already seen some success with this approach such as the Tenants Conference, Garden Competition and young tenants scrutiny review undertaken by Rother Fed on our behalf. We currently have a contract with Rother Fed (Tenant Federation) to deliver some of the Tenant Involvement activities on our behalf supporting and developing TARA's and working with us to deliver our TI objectives.

We will seek to improve how we performance manage and capture the impact of our tenant involvement activities such as the Housing Involvement Panel, Area Housing Panels, Quality Standards Challenge Group, strategic housing consultations and Rother Fed activities e.g. scrutiny reviews. This will ensure that tenants have involvement that is meaningful, accessible and which allows them to influence services at both a local and strategic level. This will enable us to:

- Monitor and evaluate the impact of the Tenant Involvement Strategy
- Implement the recommendations from the Tpas Accreditation to further improve accountability and performance with regards to tenant involvement over the next 2 years and beyond, so we can achieve the reaccreditation in 2019.
- Improve how we act on and feedback to tenants to improve our performance on the performance indicator 'Listen to views and act upon them' on the back of the recent STAR Survey results

d. Housing Management Systems & Digital Inclusion

The focus for ICT system developments will be supporting omni-channel customer and staff access to ensure services are available at a time to suit customers.

Moving transactions online will free more officer time to support customers and mobile and remote working will ensure that services can be agile and more responsive.

Business requirements have been identified ready for soft market testing and procurement of a replacement system for Housing. These business requirements include a system that will be:

- agile and responsive to business changes
- customer friendly allowing staff and customers to access this through many different channels including a simple customer friendly website
- accessible through a variety of mobile devices for customers and staff
- link business intelligence and sharing data across the business with an integrated platform

Digital Inclusion

We are working hard to widen and improve opportunities such as digital inclusion for tenants, leaseholders including under-represented groups to make a positive difference to the services we provide. The Council is seeking to go digital by default and improve our digital offer. We want to ensure that our tenants and customers do not become excluded from the digital era and the opportunities available to them. The introduction of Universal Credit does require people to be online and computer literate. The application process for the Credit can only be completed online and we want to make sure customers are prepared for these changes. For many social landlords, the use of technology is becoming an increasingly important way of delivering their services, supporting tenants to apply for their housing benefit and universal credit online, from online repairs reporting, reporting ASB and rent accounts to using social media to engage with tenants. Systems that support some

form of choice – including accessing services outside office hours – are important if tenants are to be fully engaged, while self-service will further reduce costs for us. Essentially it's about giving tenants access to information and enabling them to do something with it at their desired level of involvement. Good examples of this kind of electronic interaction mean that it doesn't take up as much of tenants' time as traditional meetings that could involve travel and tenants can participate in them at any point over a period instead of a meeting that takes place on a fixed date and time that may be inconvenient.

As part of our contract with Rother Fed, they have established a Digital Inclusion Network which is made up of partner organisations who share information and good practice with regards to digital inclusion. Rother Fed have also trained up over 10 Digital Champions who are a resource to empower and support tenants to get online and access services on our using self-service for paying rent, reporting repairs, universal credit etc. Working with Rother Fed and other partners such as Job Centre Plus, we will seek to:

- To break down barriers to digital & social inclusion amongst the council tenants.
- To support and develop tenants' self-confidence, digital skills, access to online services, complete benefit forms online e.g. Your Account, universal credit and housing benefit, employment opportunities, and further learning opportunities.
- To develop more Digital Champions to test online services and support tenants and residents to engage with and access online services and improve our digital offer.
- To enable council tenants to engage with our services through online tools.
- To continue to develop positive engagement with a wide range of stakeholders and share best practice.

6. Debt and Treasury Management

The financing of the HRA's asset base critically underpins the delivery of the Business Plan.

Therefore the HRA's debt portfolio will be actively managed to minimise the financial risks associated with past and future financing of the HRA's asset base.

When self-financing was introduced on 1st April 2012 the HRA's borrowing need/ debt level was £303.959m and was £304.125m at 31st March 2016. The HRA's maximum borrowing limit is £336.623m.

i. Overview

One of the principles of self-financing is that the HRA is responsible for managing its debt portfolio without Government support and will bear all of the risk and also the opportunity.

It should be borne in mind that even with the new freedoms under self-financing, the debt of the HRA remains the debt of the authority and all treasury management decisions are still ultimately the responsibility of the section 151 officer. Decisions on debt, funding and cash flow investment are therefore those of the authority not the HRA alone.

Treasury management is the term used to describe the way a council manages the cash it needs to meet both its day-to-day running costs and the borrowing for capital expenditure.

ii. Capital Programme

The Capital budget (programme) covers the money spent on investing in buildings, infrastructure and expensive pieces of equipment and to count as capital expenditure, new assets or improvements to assets must have a life of more than one year.

Councils finance capital spending in a number of ways, including:

- Use of revenue funds – known as direct revenue financing
- Capital receipts – money received from the disposal of capital assets can only be used for debt repayment or to finance new capital expenditure
- Grants and contributions – can come from central government or other organisations
- Major Repairs Reserve – this is a special reserve that provides capital funding for the Housing Revenue Account
- Borrowing – councils can borrow money to pay for capital assets, this was traditionally the most important source of financing

iii. Prudential Code

April 2004 saw the introduction of CIPFA's Prudential Code for Capital Finance in Local Authorities. It is given statutory backing, which means that councils are required to 'have regard' to it, by the Local Government Act 2003 (in England and Wales)

The Prudential Code provides a framework to judge whether capital investment is affordable, prudent and sustainable in the year in question and in future years and it requires thought about six things when agreeing the capital programme. Relating this to the HRA these would be:

- The HRA's service objectives – are the capital spending plans consistent with the local council's strategic plan and its future plans for its services?
- The stewardship of the council's assets – is the capital expenditure being spent on new assets at the cost of maintaining existing assets?
- The value for money offered by the plans – have all the options for investment been considered and do the benefits outweigh the cost?
- The prudence and sustainability of its plans – can the HRA afford the borrowing now and in the future?
- The affordability of its plans – what are the implications for housing rents?
- The practicality of the capital expenditure plan – does the HRA have the resources to manage the project and does the total programme look sensible?

Councils prove that they are complying with the Prudential Code and this is done through a series of prudential indicators that are set locally and approved at the same time as the Council sets its budget for the following year.

The Key Prudential Indicators as they affect the HRA are:

- Estimate of the ratio of the capital financing costs to the net revenue stream of the HRA over the next three years
- Actual ratio of the capital financing costs of the HRA's net revenue stream - the current value of the indicator above
- Estimates of the incremental impact of the capital investment decisions on housing rents for three years, or longer - because all HRA borrowing is secured against future income
- Debt compared to the capital financing requirement

iv. Capital Financing Requirement & Borrowing

The Capital Financing Requirement (CFR) indicates the theoretical need to borrow and the HRA has a share of this need but it will be no more than the borrowing cap. At 31/03/16 the HRA's CFR was £304.125m and in the short-term is not expected to increase. Over the longer-term the CFR is expected to rise up to the level of the borrowing limit (cap) of £336.623m as new capital investments are made.

The HRA's share of the Council's loans outstanding stood at £260.384m at 31/03/16, borrowed from the Public Works Loans Board (PWLB) and Market sources (e.g. Banks, Pension Funds, etc.), but this is less than the CFR/borrowing need. The 'under-borrowing' of £43.741m is funded by borrowing internally from the General Fund, i.e. the HRA is assumed to be fully borrowed at its CFR/borrowing need level.

The rate of interest on the internal borrowing is calculated by reference to the annual weighted average of the Council's overall debt portfolio.

This is considered to be an equitable approach as the Council's existing debt portfolio reflects the Council's investment in the HRA's asset base pre self-financing whilst also sharing any future interest rate risk between the General Fund and HRA arising out of the Council's existing 'under-borrowed' position.

The HRA's debt portfolio at 31st March 2016 was as follows:

HRA DEBT PORTFOLIO AS AT 31ST MARCH 2016

	Maturity, EIP or Annuity	Fixed, Variable or LOBO	Total	< 12 Months	12 Months to 2 Years	2 to 5 Years	5 to 10 Years	10 to 20 Years	20 to 30 Years	30 to 40 Years	40 to 50 Years	Above 50 Years	Not Known
Public Works Loans Board													
Apportioned Loans													
	Maturity	Fixed	121,520,253	3,204,037	12,816,150	16,020,187	16,020,187	0	18,134,851	36,100,618	19,224,223		
	EIP	Fixed	6,408,075	1,281,615	1,281,615	3,844,845							
	Maturity	Variable	6,408,075	6,408,075									
			134,336,403	**10,893,727**	**14,097,765**	**19,865,032**	**16,020,187**	**0**	**18,134,851**	**36,100,618**	**19,224,223**	**0**	**0**
HRA only Loans													
	Maturity	Fixed	15,188,000					10,000,000	5,188,000				
			15,188,000	**0**	**0**	**0**	**0**	**10,000,000**	**5,188,000**	**0**	**0**	**0**	**0**
			149,524,403	**10,893,727**	**14,097,765**	**19,865,032**	**16,020,187**	**10,000,000**	**23,322,851**	**36,100,618**	**19,224,223**	**0**	**0**
Market													
Apportioned Loans													
	Maturity	LOBO - Callable 16/17	45,497,330				640,807				9,612,112	35,244,411	
	Maturity	LOBO - Not Callable 16/17	65,362,362								6,408,075	58,954,287	
			110,859,692	**0**	**0**	**0**	**640,807**	**0**	**0**	**0**	**16,020,187**	**94,198,698**	**0**
			260,384,095	**10,893,727**	**14,097,765**	**19,865,032**	**16,660,994**	**10,000,000**	**23,322,851**	**36,100,618**	**35,244,410**	**94,198,698**	**0**
Un-funded CFR - Internal Borrowing			43,740,905										43,740,905
Maturity Structure based on debt maturity dates			**304,125,000**	**10,893,727**	**14,097,765**	**19,865,032**	**16,660,994**	**10,000,000**	**23,322,851**	**36,100,618**	**35,244,410**	**94,198,698**	**43,740,905**
			304,125,000	**3.58%**	**4.64%**	**6.53%**	**5.48%**	**3.29%**	**7.67%**	**11.87%**	**11.59%**	**30.97%**	**14.38%**
Adjusted for Market Debt with possible calls in 16/17				45,497,330			-640,807				-9,612,112	-35,244,411	
Maturity Structure based on interest rate risk				**56,391,057**	**14,097,765**	**19,865,032**	**16,020,187**	**10,000,000**	**23,322,851**	**36,100,618**	**25,632,298**	**58,954,287**	**43,740,905**
				18.54%	**4.64%**	**6.53%**	**5.27%**	**3.29%**	**7.67%**	**11.87%**	**8.43%**	**19.38%**	**14.38%**

Strategic borrowing considerations take account of the level of debt, the type of debt (short/long-term, variable/fixed rate) and whether it is affordable, sustainable and prudent to borrow. The debt strategy also impacts on level of investments i.e. if the Council borrows its investment levels will be temporarily inflated.

In previous years the Council has taken the opportunity to reschedule debt by repaying more expensive debt and replacing this with cheaper debt. However in the current climate it is unlikely that these opportunities will be available. A change in the October 2010 Comprehensive Spending Review which affected on-going PWLB rates combined with the current market conditions means previous advantages which could be gained from rescheduling PWLB debt are no longer available. In addition the market conditions also mean the Banks are less willing to consider rescheduling Market debt.

The Council is required to provide an amount in its General Fund revenue budget for the repayment of debt and this is referred to as the Minimum Revenue Provision (MRP). Whilst the debt is not physically repaid as this will occur when debt matures, the amount set aside reduces the Council's underlying need to borrow (i.e. the CFR). The HRA is not required to provide for MRP although it can budget to repay debt if this is so desired and thereby reduce the CFR.

v. Investment of Surplus Funds

Surplus funds available to the Council are invested to achieve a return. This is principally over the short-term but can be longer if cash projections indicate this may be possible and advantageous.

The primary governing principle remains security of the Council's investments and this takes precedence over liquidity (i.e. having funds readily available) and the return on investments. The criteria for selecting investment counterparties reflect this principle.

Current investment counterparty risk has been minimised further by adopting a stricter operational guidance. Investments are currently restricted to the Debt Management Office, top rated Banks and other large Local Authorities. As a consequence investment returns remain low and are unlikely to increase in the near future.

The HRA is paid interest on its notional cash balances as these would be available for investment thereby partially reducing the rate charged on internal borrowing (unfunded CFR).

vi. Forecasts

It is difficult to forecast debt costs for the HRA over the course of the business plan as borrowing rates will fluctuate and the regulatory and operating environment will change. The financial impact of fluctuations in borrowing rates is mitigated through the effective management of the debt portfolio and control of risk (see vii below).

The weighted average rate of interest for 2015/16 was 4.33% and this is expected to remain low over the short-term as a result of low interest rates generally. In 2016-17 the currently forecasted rate of 4.30% will equate to an interest charge of around £13.650m.

However for modelling purposes which covers the long-term it has been forecast that the average rate of the HRA's borrowing over the course of the 30 year plan will be approximately 4.75%. This rate, which will be subject to continual review, takes account of both the current average rate of existing borrowing and the forecast rate at which new debt will be taken on to refinance maturing debt and to fund any new capital expenditure over the longer-term.

vii. Managing Risk

The HRA will face four principal types of risk in relation to its treasury-management activities over the course of its business plan:

- Credit risk;
- Liquidity risk;
- Interest rate risk; and,
- Default risk

(a) **Credit risk** – the HRA will face the possibility that other parties might fail to pay amounts due to it. Credit risk arises from deposits of cash balances as well as credit exposures to its customers.

(b) **Liquidity risk** – the HRA's cash balances are identifiable on an on-going basis to ensure the impact of positive and negative cash-flows can be readily determined and factored into the financing of the business plan.

(c) **Interest-rate risk** – the debt portfolio will be managed so as to ensure interest rate risk is effectively controlled. Maturity dates will be chosen to ensure the amount of debt falling due for re-financing is manageable when set against the portfolio as a whole and the uncertainty of re-financing rates in the future.

Exposure to the possible impact of interest rate fluctuations arising on variable rate debt including Market Lender Option, Borrowing Option (LOBO) loans will be controlled by ensuring at any one point in time less than 30% of the debt portfolio is subject to the possibility of interest rate change in the 12 months from that point in time.

Uncertainty over the borrowing cost of un-funded CFR will be mitigated by using the average rate on the debt portfolio which will equate more closely to average rates over the longer-term.

(d) **Default Risk** – The primary governing principle remains security of the cash investments and this takes precedence over liquidity (i.e. having funds readily available) and the return on investments. The criteria for selecting investment counterparties reflect this principle. Investment counterparty risk will be minimised further by adopting a stricter operational guidance when circumstances dictate.

7. Value for money

i. Overview

This section on value for money underpins all aspects of the business plan. The section also reviews overheads and support costs such as management, accommodation and support services.

Overheads and support costs are an essential part of running a business which directly supports frontline services. However, we need to continue to ensure these costs are value for money. Within the HRA ring-fence, the costs incurred of running council house activity have to be charged to the HRA.

Ongoing support costs include:

- Management and support staff costs e.g. Accountants
- Support services such as Legal, Contact Centre and ICT
- Accommodation costs such as Riverside House
- The pension valuations from ex-council staff who transferred to Mears and Fortem in 2010.
- Other costs including supplies and services e.g. public liability insurance etc.

Given the significant changes to the operating environment in which the HRA now operates, there has to be a renewed focus on ensuring all services offer value for money. To provide assurance that the services we offer provide value for money the HRA benchmarks annually through Housemark. This provides an overview of how costs compare to those of our peers within the sector.

ii. Cost breakdown

The following table illustrates the total costs of running the Council Housing Service, including fixed costs such as interest charges on debt for 2016-17:

Description	**Outturn £**
Contributions to Housing Repairs	18,382,096
Supervision and Management	19,227,860
Rents, Rates and taxes	230,170
Provision for bad debts	1,139,528
Cost of Capital Charge (Interest payable on debt)	13,554,808
Depreciation of fixed assets	19,975,350
Debt Management Costs	115,810
Revenue Contribution to Capital Outlay	5,465,685
Total	**78,091,305**

iii. How does Rotherham compare?

Changes to the operating environment may impact on costs and performance in a number of ways. The table below gives some indication of how well Rotherham is facing up to those challenges compared to our peers against a number of industry standards.

Cost comparison of the Housing Service 2015-16

Measure	Rotherham Outturn	Peer Group Average	Quartile
Costs			
Overheads as a % of adjusted turnover	4.7%	7%	Second
Total Cost Per Property of Housing Management	£249.61	£355.09	First
Total Cost Per Property of Repairs & Maintenance and Voids Management	£648.48	£736.62	First
Total Cost Per Property of Major Works and Cyclical Maintenance	£1,784.79	£2,051.52	Second
Performance			
Tenant satisfaction	83%	85%	Third
Rent collected from current and former tenants	98.2%	99.7%	Fourth
Average re-let time of standard lets	37 days	30.38 days	Fourth
Rent loss due to empty property as a % of rent due	1.51%	1.39%	Third
Tenancy turnover rate	8.04	7.41	Third
Average number of days to complete a repair	7.99 days	8.04 days	Second
Percentage of repairs completed at first visit	96.66	94.1%	First
Average SAP rating	65.9	70.33	Fourth
Percentage of	100%	100%	First

dwellings with a valid gas safety certificate			
Staff sickness absence, average number of working days lost per employee	11.21 days	10.2 days	Third

Key findings and actions:

Rotherham has a Housing Service that is low cost compared to its peers

Repairs and Maintenance performance is good

Investment is required in stock that is not well insulated, hence the low SAP rating, we have a programme to address these issues from 2018-19 onwards

Rent collection performance is poor, proposals were approved in October 2016 and the transformation of this service has commenced, with early signs of improving collection rates

Tenancy sustainability is lower than our peers. Therefore we incur additional cost through the lettings process. A review of the transfer process is under way to ensure we provide further support to prospective tenants who have not managed a tenancy before.

Sickness is high in comparison to our peers. We will continue to performance manage sickness in accordance with corporate policies.

Tenant satisfaction has declined in comparison with our peers. We will work with Rotherfed and the Housing Involvement panel to understand the reasons for and act upon these findings.

iv. Risks

Risks to achieving maximum value for money include:

- External economic factors, including fluctuating inflation and interest rates, are a risk which will be taken on by the Council
- Support service savings are challenging because there are external contractual obligations to achieve and competing priorities to protect services due to reductions in General Fund budgets
- Savings to support costs would lead to staffing reductions and may reduce capacity to deliver business as usual.

v. Proposals for 2018-19

Given the significant changes to the operating environment a quarterly update to the Housing Involvement Panel will take place throughout 2018-19 which will ensure tenants retain oversight of the Housing Service. As a service we will continue to

a. Greater value for money from support costs

We will continue to ensure that the Council's support costs are value for money.

We will continue to seek efficiency savings where the service is being restructured in view of the current budget pressures to the wider Council General Fund. Where these reductions result in a reduced service to the HRA decisions will be made about whether this is in tenant's interests.

Every three years there is an actuarial review of the HRA's pension liability. The costs of known pension liabilities have been included within the Supervision and Management costs of the service.

b. Greater value for money from Mears and Fortem

During 2018, discussions will continue with our contract partners to determine how additional efficiencies can be delivered from the remainder of the contract. We will continue with the same principle as in previous years, in that any cost savings generated through the contract mechanism will be re-invested into council housing. There have been efficiency savings of over £1.7m returned to the HRA since the start of the Repairs and maintenance contracts. These savings have so far been invested in

- The construction of four disabled person units
- Contribution to the relocation and refurbishment of new facilities for the SHILOH project which supports homeless and vulnerable adults.
- We plan to refurbish part of a residential Facility to provide permanent accommodation for elderly and vulnerable adults.
- We plan to invest further savings in developing further disabled person units.

It is also recognised that tenants of Rotherham also receive other indirect benefits through the council's partnership with Mears and Fortem via their Corporate Social Responsibility (CSR) Programmes operating within the borough. Recent activity supported through these programmes include the re-modelling and refurbishment of Kimberworth Park Resource Centre and the installation of fencing at Dinnington allotments.

c. Procurement Strategy for Construction contracts

The R & M Contracts currently run until April 2020 at which point a new arrangement will need to be put in place. This arrangement was procured in 2009-10 under an EU Competitive Dialogue process and involved the transfer of the then internal workforce to the private sector. While the contract gave no guarantee of value or

volume an obligation does exist to provide work for the 350 staff that transferred out of the Council's workforce on 1st November 2010. The current approach to this is one of seeking to maximise the use of the existing partnership where it is reasonably possible, offers VfM and remains within the scope of the original OJEU notice. We anticipate when the contracts are renewed there will be potential costs savings to be generated through lower staffing as the TUPE'd work force numbers continue to reduce and replacement staff are employed on lower cost terms and conditions.

Currently approximately £30m is spent on planned works though the Repairs and Maintenance Framework and a further £10 million is procured through competitive tender each year. This is the largest area of expenditure and is therefore the area of spend that will need to generate the most savings to fund future housing growth proposals. Total savings required over the next 5 years from this area of the business total £6.5m which will be used to fund the development of new council housing throughout the borough. This will be kept under review so that any further cost savings from other parts of the business will also be invested in housing growth.

By 2020 we will:

1. Complete the procurement of the repairs and maintenance contracts to lever significant savings and investment into housing growth.
2. To seek to work with existing framework agreements let by other authorities / organisations where these can be shown to offer VfM and a suitable route to market.
3. To put in place a Rotherham based framework for housing growth alongside our existing contracts with Wates Construction.

Any other unique or specific requirements will be procured in line with RMBC Standing Orders and Financial Regulations.

We recognise as the Council becomes more sophisticated in managing is housing assets, through understanding the Net Present Value of our assets further efficiency savings should be generated.

d. Review of Tenant services

Over the next five years a number of initiatives are planned to reduce costs these include:

1. Decommissioning of garage sites as part of the development of the Garage strategy- this will reduce not only repairs and maintenance costs but also costs associated with management of these tenancies within the Housing Management service and provide opportunities for Housing growth.
2. Communal area upgrades will be an invest to save in automated lighting, windows and heating systems to reduce long term running costs of communal areas.

3. Land disposals that are currently of low amenity value on estates will be pursued. This will reduce ongoing maintenance costs to the service and also where possible generate capital income to fund future acquisition of new council housing.

vi. Financial impact of proposals

The table below summarises the planned cost of value for money savings over the three years of this business plan. Each figure in the tables represents a one off saving (negative numbers) or cost (positive numbers) compared with the 2017-18 budget and does not take into account inflation.

Description	2018-19 £'000s	2019-20 £'000s	2020-21 £'000s	2021-22 £'000s	2022-23 £'000s	Total
Repairs and Maintenance	0	0	-2,095	-2,131	-2,167	-6,393
Repairs and Maintenance 'Shared savings'	-250	-250	0	0	0	-500
Total	-250	-250	-2,095	-2,131	-2,167	-6,893

These savings will ensure the forecasts in the HRA Operating statement are achieved.

8. Risk Management

Self-financing involved a significant transfer of risk from Central Government to the Council. Variables such as interest rates, cost inflation, number of homes owned etc. are all risks managed by the council.

Any adverse changes in rental income (for example as a result of welfare reform or changes in the number of Right-to-Buy sales) must be managed locally.

The risks associated with the HRA Business Plan demand a smarter approach to risk management. The Council will closely monitor the viability of the HRA Business Plan; through the governance structure described in section 2, by building a HRA Business Plan monitoring report to monitor key variables such as:

- Number of homes
- Rental income
- Rent arrears and bad debts
- Voids and void rent loss
- Debt levels and repayment
- Reserve levels, and
- Maintenance backlog.

The risk management plan for the HRA Business Plan is attached at Appendix C. The plan follows the Council's risk management methodology and approach. It includes a clear description of the risk, an assessment of probability and impact of the risk, a summary of controls and cost consideration and information on when the risk will be reviewed.

The risk management plan is updated, tracked and monitored through the governance structure described under the Governance section. The management plan will be revised as the situation changes - especially regarding interest rates and inflation - in light of Government announcements such as continuing welfare reforms as part of process of monitoring changes in variables and performance.

Significant risks will be placed on the Corporate Risk Register and risk issues will be escalated through the Council to Departmental Leadership Team and Senior Leadership Team as necessary.

The Council has risk based reserves to ensure that HRA reserves are maintained at the appropriate level. The reserves will be maintained at the appropriate level to fund potential future financial pressures from risks such as welfare reform and investment requirements.

The detailed financial model behind the HRA Business Plan includes a number of assumptions we have used to understand what resources will be available for council housing over the next five years in the context of the next thirty years. These baseline assumptions are detailed at Appendix B.

9. Conclusion

The HRA 30 year business plan demonstrates we have a well-run and efficient business. Over the life of the plan we are able to meet the needs of our tenants whilst generating significant surpluses. These surpluses provide the council with enormous opportunities to invest in new council housing over the next five year's, improve the well-being of our tenants and further enhance our housing stock and neighbourhoods.

Over the life of the business plan total income is expected to be £2,966m and total planned expenditure will be £2,800m. Cumulative surpluses by year 30 of plan will be £83m. Over the first two years of the business plan there are financial pressures from the ongoing reduction in rents whilst inflation in projected to remain at or above 2%. In addition there continues to be pressure on income due to welfare reform. These pressures are being managed by making costs savings in property investment and repairs & maintenance budgets. Throughout the period it is planned to maintain a minimum reserve balance of £3m which will mitigate risks associated with welfare reform and is a reflection of the day to day financial pressures facing the HRA.

Appendices

HRA Financial Information Appendix A

Housing Revenue Operating Account – 30 year projections

HRA 30 Year Investment Plan

HRA Financial Assumptions Appendix B

HRA Risk Management Plan Appendix C

Glossary of Key Terms

Term	Definition
Housing Revenue Account (HRA)	The Housing Revenue Account is the financial account used by the local authority for council housing income and expenditure. The HRA is ring fenced for income and expenditure on council housing and funds services for council tenants and investment in council homes. Interest repayments of outstanding council housing debt are also funded by the HRA.
Consumer Price Inflation (CPI)	Consumer Price inflation is the speed at which the prices of the goods and services bought by households rise or fall. Consumer price inflation is estimated by using price indices. One way to understand a price index is to think of a very large shopping basket containing all the goods and services bought by households. The price index estimates changes to the total cost of this basket. Most ONS price indices are published monthly.
Retail Price Inflation (RPI)	Calculated using the Retail Price Index (RPI). It is a measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a representative sample of retail goods and services.
Interest Rates	An interest rate is the rate at which interest is paid by borrowers (debtors) for the use of money that they borrow from lenders (creditors). Specifically, the interest rate is a percentage of principal paid a certain number of times per period for all periods during the total term of the loan or credit. Interest rates are normally expressed as a percentage of the principal for a period of one year
Income	Income is increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants.
Capital Expenditure	Capital Expenditure (under the Local Government Act 2003): Expenditure that falls to be capitalised in accordance with proper practices. The secretary of state may by regulations provide that expenditure may or may not be treated as capital expenditure by authorities (or that particular expenditure is capital expenditure for a specific authority).
Surpluses	Total value of income remaining after all costs (expenditure) have been accounted for.
Deficit	A deficit is an excess of expenditures over revenue in a given time period

Reserves	Unrestricted cash available to fund business costs as required e.g. in periods when the HRA is forecast to operate at a deficit or to mitigate any future risks to the HRA such as welfare reform.
Net Book Value	The value of HRA assets on the council's balance sheet.
Social Housing Adjustment Factor	The percentage reduction in the value of housing assets owned by the council to reflect that properties have sitting tenants, rent increases are subject to social housing regulations and tenants have a Right to buy the freehold on the property.
Self Financing	The objectives of this reform to council housing finance are to give councils the resources, incentives and flexibility needed to manage their own housing stock for the long term and to drive up quality and efficiency; as well as giving tenants the information they need to hold their landlord to account.
R & M	Repairs and Maintenance
Service Level Agreements (SLA)	Agreements with other Rotherham MBC departments for the supply of goods and services to assist in the management of council housing.
Audit Committee	The Council has established an Audit Committee comprising five non-executive members of the Council. The Committee will be attended by a representative of the Council's external auditors as well as senior officers of the Council. The Committee's remit is – Revised May 2014 □ to consider all issues relating to audit matters, both internal and external; □ to monitor and review the effectiveness of risk management systems, including systems of internal control; □ to consider the preparation and monitoring of the internal audit plan; □ to consider summary reports of each internal audit and value for money study undertaken; □ to consider the external audit plan; □ to consider reports from the external auditor, including value for money, systems and final accounts audits; □ to review and monitor the performance of internal audit; □ to review and monitor the anti-fraud strategy and initiatives; □ to ensure the receipt of 'Best Value' from all audit resources; □ to review and monitor corporate governance matters in accordance with audit guidelines. The Audit Committee will consider the external auditor's annual report on the Council's statement of accounts income and expenditure and will also consider the SAS 610 report from the external auditor. However, the external auditor's management letter will be presented to the full Council.
Self Regulation Select Commission	A council committee which locally elected councillors sit on. The remit of the Overview and Scrutiny boards are as set out in Procedure Rules to discharge between them the functions conferred by section 21 of the Local Government Act 2000, namely –

	to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive; to make reports or recommendations to the Council or the Cabinet with respect to the discharge of any functions which are the responsibility of the executive; to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive; to make reports or recommendations to the Council or the Cabinet with respect to the discharge of any functions which are not the responsibility of the executive; to make reports or recommendations to the Council or the Cabinet on matters which affect the borough or the inhabitants of the borough.
Housing Excellence Plan	A plan for improving services offered to tenants and leaseholders by Rotherham Council's housing services department.
Dwelling Rents	Income charged on a weekly basis to tenants who reside in council properties and have a tenancy agreement with Rotherham MBC.
Non Dwelling rents	Rent received for land, garages, commercial property etc.
Service Charges	Additional charges to be paid by tenants for additional services such as District Heating.
Furnished Tenancy	A tenancy where furniture is provided for an additional charge.
Right to buy	The regulations that allow council tenants to purchase the leasehold or freehold of their home.
Capital Financing Requirements	The measure from April 2004 used to calculate capital charges. It is introduced and defined in the CIPFA Prudential Code
Revenue Contribution to Capital Outlay	The total value of revenue funding being used to support Capital Expenditure in a given year.
OJEU	Official Journal of the European Union – commonly used for advertising public procurement contracts.
Decent Homes Standard	A government target to ensure that all social housing met set standards of decency by 2010, by reducing the number of households living in social housing that did not meet these standards. A decent home was defined as one that meets the following four criteria: A: It meets the current statutory minimum standard for housing B: It is in a reasonable state of repair C: It has reasonably modern facilities and services Dwellings failing on this point are those that lack three or more of the following: „„ a reasonably modern kitchen (20 years old or less) „„ a kitchen with adequate space and layout „„ a reasonably modern bathroom (30 years old or less)

	„„ an appropriately located bathroom and WC „„ adequate noise insulation (where external noise/neighbourhood noise is a problem) „„ adequate size and layout of common areas for blocks of flats. D: It provides a reasonable degree of thermal comfort.

Appendix B

Rotherham MBC

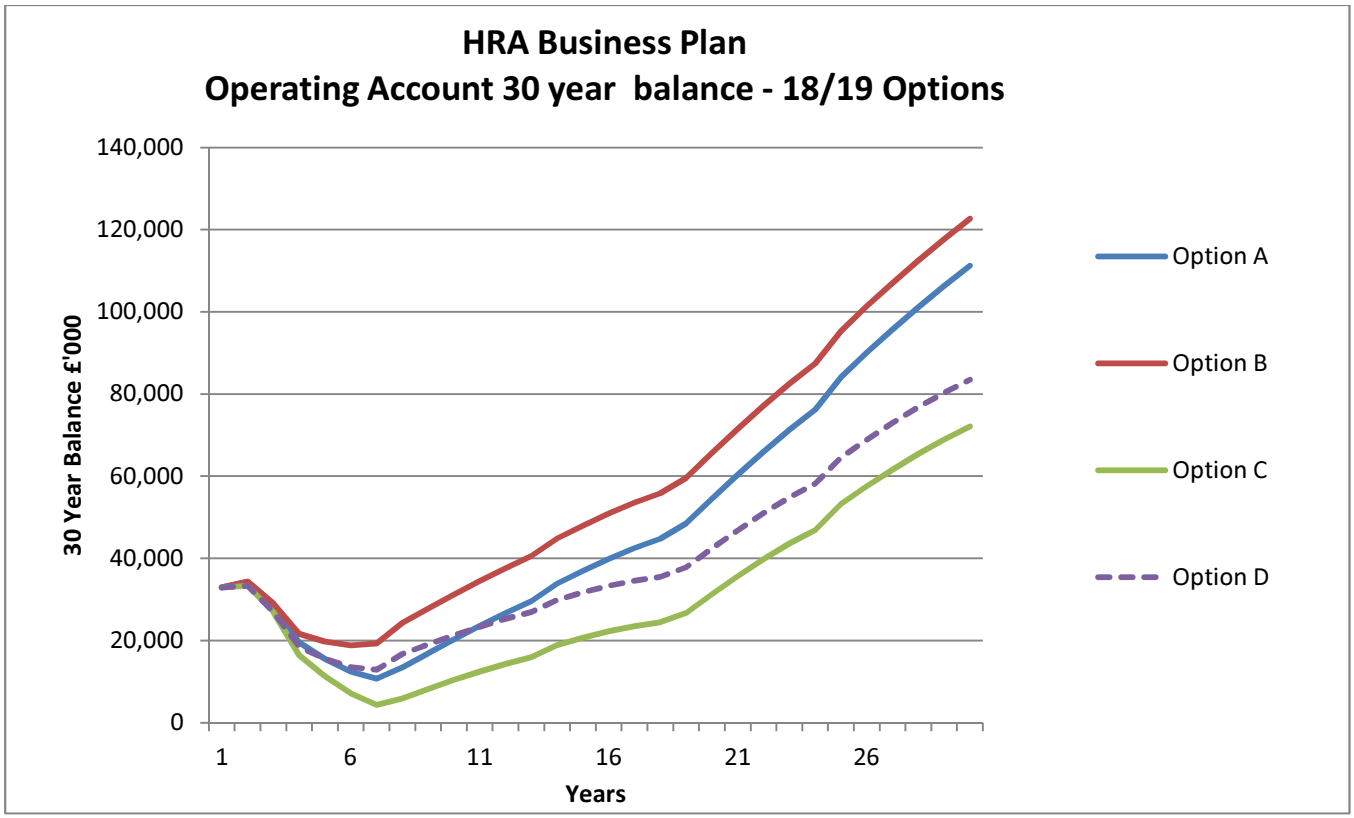
HRA Business Plan

Operating Account

(expressed in money terms)

		Income				Expenditure																	DO NOT DELETE	
Year	Year	Net rent Income	Other income	Misc Income	Total Income	Managt.	Depreciation	Responsive & Cyclical	Other Revenue spend	HRA Cost of Rent Rebates	Misc expenses	Total expenses	Capital Charges	**Net Operating (Expenditure)**	Repayment of loans	Transfer to MRR	Transfer from / (to) Revenue Reserve	RCCO	**Surplus (Deficit) for the Year**	**Surplus (Deficit) b/fwd**	**Interest**	**Surplus (Deficit) c/fwd**	Working Balance check	Cashflow Balance check
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	**£,000**	£,000	£,000	£,000	£,000	**£,000**	**£,000**	**£,000**	**£,000**		
1	2017.18	75,844	228	5,865	81,936	(20,862)	(20,082)	(19,400)	(2,384)	0	0	(62,728)	(13,532)	**5,676**	0	0	0	(7,991)	**(2,315)**	**35,146**	**96**	**32,927**	0	0
2	2018.19	74,673	249	12,099	87,021	(22,498)	(20,603)	(19,954)	(5,934)	0	0	(68,990)	(13,477)	**4,555**	0	0	0	(4,274)	**281**	**32,927**	**88**	**33,296**	0	0
3	2019.20	75,077	278	9,117	84,472	(23,184)	(21,219)	(20,556)	(4,845)	0	0	(69,803)	(13,554)	**1,114**	0	0	0	(7,506)	**(6,392)**	**33,296**	**69**	**26,974**	0	0
4	2020.21	75,658	287	13,115	89,059	(23,812)	(21,775)	(19,022)	(778)	0	0	(65,387)	(13,628)	**10,044**	0	0	0	(18,533)	**(8,489)**	**26,974**	**53**	**18,538**	0	0
5	2021.22	77,527	293	7,174	84,994	(24,248)	(22,188)	(19,363)	(259)	0	0	(66,059)	(13,661)	**5,274**	0	0	0	(8,262)	**(2,988)**	**18,538**	**40**	**15,590**	0	0
6	2022.23	79,094	300	7,551	86,944	(24,675)	(22,479)	(19,662)	(265)	0	0	(67,081)	(13,665)	**6,197**	0	0	0	(8,289)	**(2,092)**	**15,590**	**34**	**13,532**	0	0
7	2023.24	80,641	306	7,918	88,866	(25,106)	(22,756)	(19,957)	(271)	0	0	(68,090)	(13,582)	**7,194**	0	0	0	(7,844)	**(651)**	**13,532**	**31**	**12,912**	0	0
8	2024.25	83,792	313	8,246	92,351	(25,544)	(23,033)	(20,256)	(277)	0	0	(69,110)	(13,421)	**9,820**	0	0	0	(6,070)	**3,751**	**12,912**	**35**	**16,697**	0	0
9	2025.26	83,007	320	8,551	91,878	(25,990)	(23,311)	(22,809)	(283)	0	0	(72,393)	(13,410)	**6,075**	0	0	0	(3,775)	**2,300**	**16,697**	**42**	**19,039**	0	0
10	2026.27	83,802	328	8,850	92,979	(26,442)	(23,591)	(23,147)	(290)	0	0	(73,469)	(13,410)	**6,100**	0	0	0	(3,893)	**2,207**	**19,039**	**47**	**21,293**	0	0
11	2027.28	84,596	335	9,148	94,078	(26,901)	(23,870)	(23,489)	(296)	0	0	(74,557)	(13,410)	**6,111**	0	0	0	(4,077)	**2,034**	**21,293**	**52**	**23,379**	0	0
12	2028.29	85,387	342	9,439	95,169	(27,368)	(24,151)	(23,835)	(303)	0	0	(75,657)	(13,410)	**6,102**	0	0	0	(4,283)	**1,818**	**23,379**	**56**	**25,254**	0	0
13	2029.30	86,177	350	9,718	96,245	(27,842)	(24,432)	(24,185)	(310)	0	0	(76,769)	(13,410)	**6,066**	0	0	0	(4,489)	**1,577**	**25,254**	**60**	**26,892**	0	0
14	2030.31	88,637	358	9,983	98,978	(28,324)	(24,714)	(24,538)	(317)	0	0	(77,893)	(13,410)	**7,675**	0	0	0	(4,744)	**2,930**	**26,892**	**66**	**29,888**	0	0
15	2031.32	87,749	366	10,244	98,359	(28,814)	(24,995)	(24,896)	(324)	0	0	(79,028)	(13,452)	**5,879**	0	0	0	(4,092)	**1,787**	**29,888**	**71**	**31,746**	0	0
16	2032.33	88,530	374	10,512	99,417	(29,311)	(25,277)	(25,257)	(331)	0	0	(80,176)	(13,452)	**5,788**	0	0	0	(4,290)	**1,499**	**31,746**	**75**	**33,320**	0	0
17	2033.34	89,307	383	10,787	100,477	(29,816)	(25,559)	(25,621)	(339)	0	0	(81,335)	(13,453)	**5,689**	0	0	0	(4,494)	**1,195**	**33,320**	**79**	**34,593**	0	0
18	2034.35	90,080	391	11,068	101,540	(30,329)	(25,841)	(25,990)	(346)	0	0	(82,506)	(13,489)	**5,544**	0	0	0	(4,706)	**838**	**34,593**	**81**	**35,512**	0	0
19	2035.36	92,595	400	11,351	104,347	(30,850)	(26,123)	(26,363)	(354)	0	0	(83,689)	(13,489)	**7,168**	0	0	0	(4,925)	**2,243**	**35,512**	**85**	**37,840**	0	0
20	2036.37	91,611	409	11,611	103,632	(31,379)	(26,404)	(26,739)	(362)	0	0	(84,884)	(13,490)	**5,258**	0	0	0	(741)	**4,517**	**37,840**	**93**	**42,450**	0	0
21	2037.38	92,369	418	11,853	104,640	(31,916)	(26,685)	(27,119)	(370)	0	0	(86,090)	(13,374)	**5,176**	0	0	0	(902)	**4,274**	**42,450**	**103**	**46,827**	0	0
22	2038.39	93,120	428	12,100	105,648	(32,462)	(26,965)	(27,503)	(378)	0	0	(87,308)	(13,211)	**5,129**	0	0	0	(1,071)	**4,058**	**46,827**	**113**	**50,998**	0	0
23	2039.40	93,864	437	12,353	106,654	(33,016)	(27,244)	(27,890)	(387)	0	0	(88,537)	(13,209)	**4,907**	0	0	0	(1,247)	**3,660**	**50,998**	**122**	**54,780**	0	0
24	2040.41	94,601	447	12,610	107,658	(33,579)	(27,522)	(28,281)	(396)	0	0	(89,778)	(13,209)	**4,671**	0	0	0	(1,430)	**3,240**	**54,780**	**130**	**58,151**	0	0
25	2041.42	97,163	457	12,873	110,493	(34,151)	(27,799)	(28,676)	(405)	0	0	(91,030)	(13,209)	**6,254**	0	0	0	0	**6,254**	**58,151**	**148**	**64,552**	0	0
26	2042.43	96,050	468	13,142	109,659	(34,731)	(28,074)	(29,075)	(414)	0	0	(92,293)	(13,209)	**4,156**	0	0	0	0	**4,156**	**64,552**	**172**	**68,880**	0	0
27	2043.44	96,760	478	13,416	110,654	(35,320)	(28,347)	(29,477)	(423)	0	0	(93,567)	(13,206)	**3,881**	0	0	0	0	**3,881**	**68,880**	**192**	**72,954**	0	0
28	2044.45	97,462	489	13,695	111,646	(35,919)	(28,619)	(29,883)	(432)	0	0	(94,853)	(13,200)	**3,593**	0	0	0	0	**3,593**	**72,954**	**213**	**76,759**	0	0
29	2045.46	98,152	500	13,981	112,633	(36,526)	(28,888)	(30,292)	(442)	0	0	(96,149)	(13,200)	**3,284**	0	0	0	0	**3,284**	**76,759**	**232**	**80,275**	0	0
30	2046.47	98,831	511	14,273	113,615	(37,143)	(29,155)	(30,705)	(452)	0	0	(97,455)	(13,200)	**2,959**	0	0	0	0	**2,959**	**80,275**	**251**	**83,485**	0	0
		2,632,155	11,244	322,643	2,966,042	0	(878,059)	(751,702)	(743,939)	(22,967)	0	0	(2,396,668)	(402,035)										

Appendix C – Summary of modelled Business Plan Scenarios



Appendix D

Government Policy changes affecting the HRA Business Plan

There are several government policy changes that are already affecting or will affect the health of the HRA Business Plan. These are summarised below:-

Social Rent Policy

In April 2016 the government introduced a revised Social Rent Policy which saw a reduction in rents of 1% per year for four years. This will last until 2019-20. After this time the Government has now confirmed that social rents will be permitted to increase by CPI + 1% for a period of five years until 2024-25. Future Business Plan assumptions after 2019-20 are based on this formula, from 2025-26 onwards it is assumed rents will be permitted to increase at CPI. This is line with most other social housing providers' assumptions. This change in rent formula for the period 2020-21 to 2024-25 has resulted in an increase in income of £104m over the life of the business plan when compared to the previous version, a reduction in interest receivable on HRA balances of £5.2m and no longer having a shortfall of funding for the capital programme in years 7 to 19 of £12.9m.

Benefit Cap

The Welfare Reform Act was passed by Parliament in March 2012 which introduced the concept of a Benefits Cap. The amount at which the cap would be introduced was reduced as part of the Summer Budget 2015, the details of how groups are affected is below:

	£ per week	£ per week Autumn 2016	£ per annum now	£ per annum Autumn 2016
Single	350.00	257.69	18,200	13,400
Lone Parent	500.00	384.62	26,000	20,000
Couple	500.00	384.62	26,000	20,000
Couple with children	500.00	384.62	26,000	20,000

Housing benefit is the first payment to be cut if a household is affected by the benefit cap. From data provided by the DWP (Department of Work and Pensions), 142 council tenancies are currently affected in Rotherham which have an average arrears balance of £433.06 per tenancy.

Whilst the benefit cap does not directly affect the HRA, it means that a number of tenants have no immediate means to pay their rent, which may cause significant strain on bad debts over the medium term as well increase in void rates as tenants seek to move to smaller properties.

Other potential factors that will impact the HRA Business Pan include:

- Households in private rented accommodation may apply for re-housing to more affordable council accommodation.

- Affected council tenants may require money advice to assist them with budgeting.
- Rent arrears may increase from larger households in receipt of welfare benefits

Spare Room Subsidy

The Spare room subsidy (often referred to as the 'bedroom tax') commenced in April 2013. There are currently 2,983 tenancies affected of which 1,908 tenants are in arrears with an average balance of £262. Total arrears balances for tenants affected have now begun to stabilise with an increase of 4% over the past 12 months.

Universal Credit

The way in which benefits will be paid to tenants in the future presents a risk. At the current time 64% of HRA income is received via direct payment of Housing Benefit, with the remainder paid direct by tenants.

Universal Credit commenced in Rotherham on 7 December 2015, at the current time there are 295 tenants claiming Universal Credit. Throughout 2017-18 the number of UC claimants has steadily increased following the roll out of Full Service Universal Credit in the neighbouring DWP areas of Barnsley and Doncaster. This roll out means over 1,100 working age tenants will transfer to Universal Credit when they have a change in circumstances if they are claiming any of the following benefits:

- Income Support
- Job Seekers Allowance
- Employment and Support Allowance
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

The Council anticipate approximately ten tenants per week in the area will be affected based solely on Housing Benefit data we hold.

During the past year the Council has written to all tenants that will be affected by the initial roll out of Universal Credit and offered support. Alongside this there have been regular articles in Home Matters magazines to raise awareness amongst all tenants. The remaining roll out in Rotherham will take place in July 2018. It is anticipated up to 100 tenants will transfer to Universal Credit each week when this roll out takes place.

As at the end of October 2017 the arrears balance of tenants on Universal Credit stood at £212,000; an average balance of £720. This is approximately twice the average balance of tenants whose rent is paid by Housing Benefit or fully themselves.

In setting budget projections beyond the short term these changes to benefits make accurate estimation difficult. There is a lack of information to accurately assess the scale of bad debt provision required, which means over the coming years there is a need to regularly review the impact on:

- Rent payment levels
- Cost of collection
- Tenancy turnover

If tenants on Universal credit do not pay their rent, in addition to an Alternative Payment Arrangement, the landlord can also apply for a direct deduction of up to 20% for the non-housing element of their claim. This allows some degree of certainty that rent will be paid eventually so at the current time bad debt provision has been left at 1.72% up to year 10 of the plan.

Backdating of Housing Benefit

As of 1 April 2016 Housing Benefit claims commenced only being backdated by 4 weeks. This impacts on rent payments where a tenant was eligible for Housing Benefit but did not submit an earlier claim. As a result the Housing Income team now attend all tenancy sign up meetings to ensure that Housing Benefit claims are submitted at the start of a tenancy to minimise the detrimental impact this may have on income collection. Clearly this may also impact on existing tenants when there is a change in circumstances, which will be dealt with when identified through the arrears management process. Going forward this will reduce as tenants transfer gradually onto Universal Credit.

Restriction of Housing benefit for 18 to 21 year olds

From April 2018, 18-21 year olds submitting a claim for Universal Credit will not be automatically eligible for the housing cost element (equivalent of Housing Benefit). There will be some exceptions for:

- Parents whose children live with them
- Vulnerable groups
- Those who have previously been living independently and working continuously for six months

The HRA has 214 tenancies that fall into this category for which £10,592 income per week is received via Housing Benefit. Based on an average tenancy duration of 13 months for this client group it is inevitable there will be a risk that some of the £550,000 annual income would not be recovered from April 2018 onwards. This will lead to further pressure on HRA income and bad debt provision.

Local Housing Allowance

Previously announced plans to cap Housing benefit payments at the often lower Local Housing Allowance rates have now been scrapped following an announcement

by the Prime Minister to Parliament on 25 October 2017. Whilst this would not have had a direct impact on the HRA Business Plan, it would have potentially led to a considerable increase in rent arrears amongst groups affected.

Fixed term tenancies

When fully brought into force the Housing and Planning Act 2016 introduces the requirement for fixed term tenancies of up to 10 years for social housing with the aim of making best use of the stock so only people in housing need remain. Whilst this will not reduce income to the HRA, it will probably increase the turnover rate for stock so increasing housing management and void costs at a time when cost savings are required.

This policy would also apply to succession rights, with the exception of a partner or spouse inheriting the tenancy. However, there is local discretion currently and the new RMBC Tenancy Agreement extends qualifying persons beyond statutory rights.

Higher Value Property Sales

The Housing and Planning Act introduced a requirement on Local Authorities to consider the sale of higher value properties that become vacant.

This duty is a result of the introduction of Right to Buy for Housing Association tenants. Originally it was intended that this would be funded by the sale of higher value council properties when they became vacant. It is now clear that Local Authorities will receive an annual determination from the DCLG which may or may not reflect the actual turnover of higher value properties.

It will be for Rotherham MBC to consider if it wishes to sell a higher value property when it becomes vacant. No guidance has been issued yet to define what is meant by higher value. Irrespective of whether the council chooses to sell or not, it will be required to make a payment from the HRA each year to the DCLG based on the determination it receives.

Previous estimates, assuming the highest value properties by bedroom size would be subject to review and therefore captured by the levy / determination, this could cost the HRA up to £3.1m per annum.

As of November 2017 no detailed regulations have been issued. For planning purposes it has been assumed the HRA will incur a charge of £2m per annum under this policy. Once the regulations have been published a review of this assumption will take place. This is a significant risk to the HRA Business Plan.

Rent and Service Charges

Rent and service charges to tenants are detailed in a separate report, HRA Rent and Service Charges 2018-19. This should be read in conjunction with this report. The 2018-19 Business Plan assumes all recommendations contained in the accompanying report are approved.

Agenda Item 17

Rotherham Metropolitan Borough Council

Overview and Scrutiny Update

October - December 2017

Check, Challenge, Change

Our Work Programme 2017-18

Overview and Scrutiny Management Board

- Budget and Medium Term Financial Strategy
- Use of Agency and Interim Employees
- Commissioning
- Shared Services
- Approach to Commercialisation
- Revenue Budget Monitoring
- Energy
- Prevent Strategy
- Children's Commissioner's Takeover Challenge
- Pre-decision Scrutiny

Health

- Adult Care Performance Management
- Learning Disability
- Public Health
- Health & Social Care Integration - Rotherham Place Plan
- Locality Working
- Mental Health - all ages
- Urgent and Emergency Care Centre
- Carers Strategy (*with ILSC*)
- Accountable Care System and Commissioners Working Together Programme
- NHS Trust Quality Accounts

Improving Lives

- Child Sexual Exploitation - Preventative and Post Abuse Services
- Domestic Abuse
- Special Educational Needs and Disability (SEND) Sufficiency Strategy
- Safeguarding - Children and Adults
- Looked After Children
  - Sufficiency Strategy and Budget Update
  - Apprenticeships
  - Fostering Outcomes and Stability of Placements
- Children Missing from Home/Education, Exclusions and Home Education
- Progress on Early Help Service

Improving Places

- Regeneration and Environment Performance
- Enforcement Activity and Joint Contract with Doncaster
- Dignity - Bereavement Services
- Housing - Strategy and Allocations/Adaptations
- Tenant Involvement
- Implementation of Neighbourhood Working
- Housing Revenue Account - 30 year Business Plan
- Cultural Strategy
- Financial Inclusion Plan - Council Tenants
- Asset Management

Check, Challenge, Change

Introduction

Welcome to the second Overview and Scrutiny update for 2017-18

The purpose of this report is to provide a summary of the work carried out by the Overview and Scrutiny Management Board and the three Select Commissions - Health (HSC), Improving Lives (ILSC) and Improving Places (IPSC) during the last few months, which has been a busy period. Page 2 provides a reminder of the broad work programme for 2017-18.

The final reports from in-depth scrutiny reviews into Emergency Planning and Alternative Management Arrangements for Children's Service in Rotherham were recently presented at Council. We await the formal response from Cabinet and Commissioners to their recommendations but welcome the progress already made in incorporating the recommendations in the refreshed Major Incident Plan.

It is pleasing to see that Scrutiny Members have been out and about undertaking visits. HSC Members visited child and adolescent mental health services at Kimberworth Place and this has really increased their understanding of the services provided and care pathways, which will in turn facilitate effective scrutiny.

One really positive piece of work over the last 18 months has been the pilot whole school approach to mental health, which several Members were involved in. At the end of the pilot Cllrs J Elliot and Marriott represented ILSC and HSC respectively on a visit to Wales High School in October, when the six schools involved showcased their work and achievements.

The first section of this report covers pre-decision scrutiny, whether by OSMB or any of the Select Commissions, followed by a section for each committee. Where relevant for this period the update will include details of:-

- Progress monitoring of strategies and plans following past scrutiny
- Recommendations made by the committees
- Outcomes resulting from scrutiny
- Reviews - underway or due to commence
- Sub-group/Task and Finish Group activity
- Member visits
- Public involvement in scrutiny
- Key future items
- Other activity undertaken by the Scrutiny Members

I hope this will be a useful and informative update of the overview and scrutiny work undertaken since my previous report in October.

Cllr Brian Steele,
Chair of Overview and Scrutiny Management Board

Pre-Decision Scrutiny

Recommendations made in all the pre-decision reports considered by OSMB were supported by the Board. Details of any additional recommendations made by Scrutiny, plus requests for specific information and intentions for future monitoring, are outlined below.

OSMB

- Advice Services Review - The Board made additional recommendations, which were approved, that the annual review of the arrangements should consider the impact of the proposals on waiting times and level of demand, and that the annual review should also be submitted to OSMB for consideration.

- Rotherham Side by Side Housing Related Support Review - Members requested a post-implementation review, subject to further discussion with officers on timescales.

- Waste Options Appraisal Consultation - OSMB recommended that further consideration should be given to how newly arrived communities and those who did not have English as a first language are consulted on the Waste Option Appraisal. They also asked for the consultation outcomes and final proposals to go back to OSMB prior to the final decision. These recommendations were approved by Cabinet.

- Voluntary and Community Sector Infrastructure Services Review - The Board highlighted the need for greater clarity on the outcomes arising from the activity outlined to ensure value for money is achieved on the Council's investment and this additional recommendation was agreed by Cabinet.

- Review of Council Tax Support Scheme - OSMB recommended having greater clarity on how consultation responses were used to inform proposals and that if the proposals differed from a majority consultation response, having a clear rationale about how the proposals had been arrived at. A further report was requested for October 2018 on the take up of the Council Tax Support Scheme and the impact of the roll-out of Universal Credit across the borough. Both additional recommendations were agreed.

- Presentation on Shaping Rotherham's Strategy - This set the scene for OSMB to inform their future scrutiny by outlining the current position - national context, how the Council is funded and where the money is spent, challenges and savings. It articulated "The future we are working to build" and how this would be achieved, including important future milestones.

- The 'Time for Action' Initiative - See details under IPSC.

For the reports listed below no additional recommendations were made or further work requested by OSMB.

- Transport for the North
- Member Development Strategy
- District Heating Scheme Charges Review
- October Financial Monitoring Report 2017-18 and Update of the Medium Term Financial Strategy 2019-20
- Rotherham Local Plan: Main Modifications to the Local Plan Sites and Policies Document

Overview and Scrutiny Management Board

Items/Issues considered

- Day Care and Transport Charges; Regeneration and Environment Directorate Fees and Charges - Progress in Respect of Full Cost Recovery; Rotherham Construction Partnership Framework - The additional information provided in these follow up reports, requested after previous scrutiny by OSMB, was noted.

- July 2017/18 Financial Monitoring Report - The forecast overspend was noted together with the actions taken to address areas of overspend and to identify alternative and additional savings to mitigate shortfalls in achieving planned savings in 2017/18.

- Adult Social Care - Budget Update - Following scrutiny in September of the latest financial forecast for 2017/18, discussion took place between Members and officers to identify areas to scrutinise in depth for future reporting on the budget.

- Residential and Nursing Care Provision in Rotherham - This report resulted from the above discussion on the ASC budget and provided an overview of the current and projected position for all client groups. OSMB will continue to monitor the ASC budget every two months.

- Scrutiny reviews: Alternative Management Arrangements for Children's Service and Emergency Planning - OSMB approved these to go forward to Council and Cabinet.

- Alignment of the Asset Management Policy & Strategy to the Medium Term Financial Strategy (MTFS) - The Board scrutinised a report detailing key elements and objectives of the policy and strategies, how they align in delivering the Council's corporate objectives and transformation plans and also support effective budget management. Links with neighbourhood working and assets in individual wards were explored, resulting in recommendations for a list of assets within each ward to be provided for the relevant ward members by the end of February and for ward members to be apprised of any asset disposals. OSMB requested a copy of the Asset Management Plan when published and agreed to monitor capital receipts to ensure the requirements of the MTFS are met. They also asked that links between asset management and neighbourhood working be reflected in the future refresh.

- Budget 2018/19 and Medium Term Financial Strategy Progress Update - Over two sessions budget options for income generation and savings proposals for directorates were scrutinised in depth. The majority of the proposals were supported, but for a number Members requested either further information or to see the equality impact assessment, for consideration at the meeting in January:

  - Markets – future plans for 2019-20 and clarification on the split between reduced cost and increased income.
  - Transport Review Stage 2 – equality impact assessment.
  - Cenotaphs – which would be affected and which parish councils undertook their own cenotaph maintenance and cleaning.
  - School Improvement – where the saving would come from and the impact on the service, including a description of the minimum service requirement.
  - Withdrawal of £25k funding from homelessness service – impact of the reduction on the delivery of the homelessness strategy.

  With regard to the proposal for the reorganisation of the communications function, Members requested an update on the communications strategy in April 2018 from the new lead officer.

Overview and Scrutiny Management Board

Items/Issues considered

- Council Plan 2017/18 Quarter 1 Performance Report - The overall position and direction of travel was discussed at length and a further report regarding on-line transactions requested.

- Annual Report - Compliments and Complaints 2016-17 - OSMB noted the content and key messages in the report, including the proposed improvement actions for 2017/18. Members recommended that the review of the complaints procedure and policy should be submitted to the Board prior to any final decision to amend the policy. They also recommended that the relevant complaints procedure should be made available at the first point of contact with a complainant. In order to observe how issues were dealt with on the frontline the Board asked to shadow both the complaints team and frontline customer services staff. Finally, in a separate piece of work, it was agreed that ILSC would examine the Children's Social Care complaints procedure.

- Sustainability Strategy for Children's Services 2016 to 2021 - All live projects were on target to deliver or exceed original expectations, although the impact had to be seen in the light of unprecedented demand over and above the original growth and demand estimates. Members requested a further progress update in March 2018 and a Member Seminar on the impact of Universal Credit implementation. It was agreed that the work referred to on the Yorkshire and Humber Regional Agency Review would feed into the scrutiny review of agency staffing.

- The Implementation of the Revised Foster Carers Payments Scheme - Members sought to understand the lessons learned from implementation and whether examples had been reviewed from other authorities. Following discussion on training for the members of the Fostering Panel, OSMB recommended that consideration be given to reviewing the panel's training programme.

Other activity

- Petition - OSMB considered the "Save Cedar House Crisis Centre" petition (mental health crisis care setting) referred from Council. The petition included a call for action which was to stop the Council from selling Cedar House. Members heard from the lead petitioner and Rethink followed by the response from the Cabinet Member outlining the alternative provision in place to provide support. Although sympathetic to the points made by the lead petitioner, OSMB supported the original budget decision made in March 2017.

  In the light of the questions and discussion OSMB did make a wider recommendation to Cabinet to ensure future budget proposals are clear and have been subject to full public consultation, with an equality impact analysis provided so Members are clear regarding the implementation and requirements of any savings. HSC were asked to continue monitoring the impact of budget savings and reconfiguration on mental health services. The final recommendation was for the ongoing issues surrounding the building to be concluded swiftly so everyone was clear regarding future service provision.

- Call-ins - There were none in this period.

Coming up

- CYPS Budget Update - High Needs Block
- Access to On-line Services
- Meeting with Rotherham Youth Cabinet to plan Children's Commissioner's Takeover Challenge

Check, Challenge, Change

Health Select Commission

Items/Issues considered

- Scrutiny review of Child and Adolescent Mental Health Services (CAMHS) - progress update - As part of its continuing scrutiny of mental health transformation HSC scrutinised six key areas they had identified previously. These were: developing a single point of access; locality working; waiting times; training; transition; and performance. Members noted progress made since the last update and requested a further report in 2018-19.
- Evaluation of the whole school pilot and next steps - HSC recognised the good work undertaken in the pilot schools, their plans to maintain progress and willingness to share resources with other schools. In terms of wider work, the pilot fits in with the Social, Emotional and Mental Health (SEMH) agenda and a new strategy is under development that HSC requested to come back in 2018. Consideration should be given as to how all Elected Members who are school governors, can help to support SEMH as a priority in their schools.
- Drug and Alcohol Service Spotlight Review - The scope of the review is ensure the drug and alcohol service, which is operating within a reduced budget, will continue to provide a quality, safe service under the new contract from April 2018. The first evidence gathering session has taken place and a further session and visit will be scheduled.
- Quality Account Sub-groups for The Rotherham Foundation Trust and Rotherham Doncaster and South Humber Foundation Trust (RDaSH)) - The sub groups each discussed a detailed half year update on progress on the two Trusts' quality improvement priorities for 2017-18 .
- RDaSH Rotherham Care Group Transformation - Following a broad overview of the new RDaSH structure in September HSC had requested a more detailed update on the new pathway framework for November. Progress with phase two of the transformation was noted.
- Progress on Implementation of the Carers' Strategy - Members recognised that some good work is taking place but agreed the delivery plan should be updated to become "SMART" with a further detailed progress report to come back in March 2018. They recommended having a clear focus on ensuring the voice of young carers is captured and that work with schools and GPs should continue to identify and support young carers. (This was joint scrutiny with ILSC.)
- Refresh of Health and Wellbeing Strategy and Integrated Health and Social Care Place Plan - The Commission heard a presentation on the aims and priorities of the refreshed strategy and how both documents were aligned. Their feedback focused on addressing loneliness; becoming an all age friendly borough; and having more explicit links to the carers strategy. This has resulted in a new priority regarding carers being added to the refreshed strategy.
- Rotherham Clinical Commissioning Group Commissioning Plan 2018-19 - Members noted the six priority areas and will provide feedback on the draft plan in February 2018.
- NHS Commissioners Working Together Joint Health Overview and Scrutiny Committee (JHOSC) - HSC received regular updates regarding progress on the proposals for service reconfiguration for hyper acute stroke and for children's surgery and anaesthesia services. Initial information about the Hospital Services Review was also circulated.

Other activity

- Visits to Wales School (presentations from schools in mental health pilot) and to RDaSH CAMHS
- Questions to Police and Crime Commissioner on SYP response to new mental health regulations

Coming up

Carers Strategy implementation; Update on GP strategy and Urgent and Emergency Care Centre

Check, Challenge, Change

Improving Lives Select Commission

Items/Issues considered

- Outcomes of Pause Rotherham Scoping Exercise - ILSC held a dedicated session to learn about the work, aims and impact of the Pause Project and to comment on the outcomes of the scoping exercise for Rotherham commissioned by Cabinet. Pause is a voluntary programme working with women who have had, or are at risk of, repeated pregnancies that result in children needing to be removed from their care. Members were supportive of initiating the Pause Project in Rotherham, subject to budget requirements being met. If approved, ILSC recommended that partnership contributions could be explored given potential wider savings for the public purse; partner input sought on identifying the priority cohort; and proposals to include details of support for women who meet the criteria but are not part of the cohort.

- Rotherham Safeguarding Adults Board Annual Report - Members explored themes including capturing the customer voice, deprivation of liberty safeguards, learning from reviews, holding partners to account and communication with people whose first language is not English. It was recommended that the 2017-18 report shows how the customer voice is heard and includes data on repeat Section 42 referrals and how these are addressed. The 2018-19 work programme will include establishing how the two safeguarding boards work with the Safer Rotherham Partnership to prevent repeat victimisation.

- Rotherham Local Safeguarding Children Board Annual Report - The Commission received the report and discussed it in detail asking questions regarding bullying, CSE, domestic abuse, looked after children, and early help. Their main focus was on partner responses to feedback from inspections/reviews; quality and improving practice. A further update on the impact of the work of the CSE and Missing Sub-group was requested in 2018. (See also above.)

- Domestic Abuse Update - Following earlier scrutiny in 2017, ILSC explored progress made now the Domestic Abuse Strategy and delivery plan were in place. Clarification was sought on the perpetrator programme, opportunities to make every contact count, the redesigned pathway and work in schools. Members requested an update in 2018 with detail of how the voice of the victim is captured in the strategy and its implementation. They also agreed to contribute to the Peer Review, if required by the Assessment Team.

- Virtual School Headteacher Report - This highlighted factors that impact on educational attainment and progress for looked after children and showed key actions taking place to tackle these challenges, which were endorsed by ILSC. Members requested details on take up of training by maintained schools and schools in multi-academy trusts and an update on implications of the Children and Social Work Act 2017 once statutory guidance was issued. It was recommended that the role of the Designated Looked After School Governor is raised with the Virtual School Governing Body and the response reported back.

- Scrutiny Review : Alternative Management Arrangements for Children's Service in Rotherham - The formal response to the review from Cabinet and Commissioners is due in February. The review group also met again to consider the additional learning points from the review and a report will be presented for consideration in due course.

- Regional Adoption Agency - Verbal update noted with a further report to follow.

Coming up

Lifestyle Survey; Children Missing from Home, Education and Care; and an Update on the Looked After Children Sufficiency Strategy plus visits to Barnardo's and Multi Agency Safeguarding Hub

Check, Challenge, Change

Improving Places Select Commission

Items/Issues considered

- Review of Neighbourhood Working Update – IPSC discussed and noted a report providing an overview of the work undertaken by the Neighbourhood Working Group in phase one of the review from May to October 2017. Ward Plans/Profiles have been completed for all wards in the Borough and ward walks led by officers from the LGA are underway, with reports to follow. The Commission also agreed to receive a future update on phase two and recommended holding an information, learning and sharing best practice day for all Members in 2018.

- Young Tenants Scrutiny Review Action Plan - Following the review by RotherFed Tenant Scrutiny Working Group last year, IPSC noted progress against the resulting action plan. A further progress report was requested in six months and it was suggested that young tenants could be invited to attend. Information from the tenancy workshops was also requested.

- Emergency Planning Scrutiny Review Recommendations - The review had identified several issues with current arrangements and formulated recommendations covering both strategic and operational issues. Members noted the progress on implementing the recommendations, including delivery of Member awareness raising sessions, work to encourage more volunteers and revisions to Business Continuity arrangements. It was agreed to schedule regular reviews of the refreshed Major Incident Plan in IPSC's future work programmes.

- Proposed Rother Valley Country Park Caravan Site - Officer recommendations to include the project in the Capital Programme as an invest to save initiative and to bring a further report to IPSC once the preferred contractor had been selected after the tender process were noted.

- Evaluation of the "Time for Action" enhanced enforcement pilot - Following the decision to strengthen enforcement activity on environmental crime and parking, a pilot has been under-way since April 2017. The purpose was to test the effectiveness of potential contractual arrangements for a future service. IPSC scrutinised the evaluation report and proposals for a shared service with Doncaster at length, making recommendations that were all endorsed by OSMB in their pre-decision scrutiny. These are summarised below:

  - Extending the service to include issuing parking fines
  - Communication plan to promote the initiative borough wide
  - Clearly identifiable branding included as part of the communications plan
  - Members notified when Enforcement Officers are working in their wards
  - Service provision distributed equally across outlying areas and wards
  - Exploring extension of service provision to private sector areas
  - Contractors undertaking enforcement activity and issuing penalties on behalf of the Council work to RMBC's code of practice
  - When fines are issued, clear and consistent information is provided on the process and what happens next
  - Details of the contract covering shared service arrangements should be presented to IPSC
  - Six monthly monitoring and evaluation reports to IPSC including demographic information

  The subsequent recommendation from OSMB to Cabinet that these points should be used to inform negotiations was approved.

Coming up

- Housing session 17 January 2018
- Cultural Strategy

Check, Challenge, Change

AUDIT COMMITTEE
21st November, 2017

Present:- Councillor Wyatt (in the Chair); Councillors Sansome, Walsh and Bernard Coleman (Independent Person).

Debra Chamberlin, KPMG, was in attendance.

Apologies for absence were received from Councillor Cowles and Evans.

32. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

33. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

There were no members of the public or press present at the meeting.

34. MINUTES OF THE PREVIOUS MEETING HELD ON 19TH SEPTEMBER, 2017

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 19th September, 2017.

Resolved:- That the minutes of the previous meeting of the Audit Committee be approved as a correct record of proceedings.

35. UPDATE ON THE USE AND OPERATION OF SURVEILLANCE AND ACQUISITION OF COMMUNICATIONS DATA POWERS

Neil Concannon, Legal Services, presented an update on the use of covert surveillance and covert human intelligence sources (CHIS) carried out by Council officers under the Regulation of Investigatory Powers Act 2000 (RIPA).

The Council was required to notify the Office of Surveillance Commissioners (OSC) of the number of directed surveillance/CHIS authorisations granted in each financial year. The annual return was made to the OSC in April for the financial year 2016/17 to confirm there had been no such authorisations in that period. There had also been no such authorisation this financial year so far.

The Council was also required to notify the Interception of Communications Commissioner's Office of the number of authorisations for the acquisition and disclosure of communications data granted each calendar year. There had been no such authorisations this calendar year so far.

As a result of the Investigatory Powers Act 2016, with effect from September 2017, the new Investigatory Powers Commissioner's Office took over the responsibility for oversight of investigatory powers from the OSC and IOCCO.

An inspection had taken place in January, 2017 by the OSC of the Council's use of surveillance powers. In line with one of the recommendations from the OSC inspection report, there would be further corporate training for relevant officers focussing on the use of CHIS in January 2018. The training would also include the interface between RIPA and the use of social media which had been a line of enquiry during the inspection.

Since publication of the report, notification had been received that the Regulator was consulting on revised Codes of Practice. Work would take place to ascertain if any revisions would impact on the Council.

Resolved:- (1) That there had been no requirement for the Council to make use of surveillance and acquisition of communication data powers under RIPA be noted.

(2) That, in line with the recommendations of the Office for Surveillance Commissioners' latest inspection report, further corporate training focussing on the officers acting as controllers and handlers of covert human intelligence sources (CHIS), take place in January 2018.

(3) That a further update be submitted in 6 months' time.

36. EXTERNAL AUDIT AND INSPECTION RECOMMENDATIONS

Further to Minute No. 57 of the meeting of the Audit Committee held on 19th April, 2017, consideration was given to a report, presented by Bev Pepperdine, Performance Assurance Manager, stating that, in accordance with the Council's "fresh start" improvement plan (Minute No. 8 of the Council meeting held on 22nd May, 2015, refers), progress continued to be made against the recommendations from all of the key external audits and inspections. The report included detail of progress being made in respect of the following specific areas and Directorates:-

: the "Fresh Start" Improvement Plan;
: Adult Care and Housing;
: Children and Young People's Improvement Plan;
: Liberty House
: Regeneration and Environment Services.

The summary of recommendations from "Active" Inspection and Audit Action Plans was appended to the submitted report.

It was noted that Children and Young People's Services were in the third week of an Ofsted inspection which was due to be completed on 30th November, 2017. Their report was expected on 29th January, 2018.

The Audit Committee's discussion of this matter highlighted the following salient issues:-

- An Early Help Worker had won the national Youth Worker of the Year award for their work with young people

- Nomination for the Children and Young People Now Awards for the Young Inspector Programme

- Rotherham had chosen not to fill the posts of Dedicated Activity Co-ordinators at Lord Hardy Court. Would this decision have a detrimental impact on a future inspection of non-compliance with a recommendation?
  Response from Service following the meeting – A review of the service and staffing structure is currently being undertaken by a Quality Assurance Consultant within Children's Services. It was not known at the present time if Activity Co-ordinators would be introduced back into the service or if alternatives for providing activities would be considered; the review should determine this. It was likely that, unless options could be found to better provide for activities for residents, that this would be raised again at the next CQC inspection

- The January inspection had recommended, as part of any future upgrade to the heat/cooling system, a new volume meter should be installed. No future upgrades to the system, however, were currently being planned. Would this have a detrimental impact on a future inspection?
  Response from Service following the meeting - It was not necessary to install a volume meter; this was a suggestion from the Inspector rather than a requirement. There was no time based target on how often there should be an upgrade to the system; this was as required to maintain operation based on condition survey. If the Authority did not install it would not have any impact on future inspections

- It would be appreciated if the risks could be known associated with the recommendations that were outstanding and what, if any, impact they had on performance. It was noted that any recommendations associated with CYPS could not be formally signed off until the outcome of Ofsted was known

Resolved:- (1) That the report be received and its contents noted.

(2) That the governance arrangements that are currently in place for monitoring and managing the recommendations from external audits and inspections, as now reported, be noted.

(3) That the Audit Committee continue to receive regular reports in relation to external audit and inspections and the progress made in implementing recommendations.

37. RELATIONSHIP WITH OVERVIEW AND SCRUTINY MANAGEMENT BOARD

James McLaughlin, Democratic Services Manager, presented a proposed protocol to ensure that referrals between the Audit Committee and the Overview and Scrutiny Management Board (OSMB) were formally captured.

In the event of the Audit Committee being minded to refer an issue to OSMB, or vice versa, the issue, the reasons for referral and the desired outcome must be clearly understood and specified in the minutes and the reference.

If such a protocol was supported by both this Committee and OSMB, the protocol would be incorporated into the pending changes to the Overview and Scrutiny Procedure Rules and Terms of Reference for the Audit Committee. This would be reported to the Constitution Working Group and subsequently to Council for formal adoption.

Resolved:- (1) That the adoption of a concise protocol governing referrals between the Audit Committee and the Overview and Scrutiny Management Board be supported.

(2) That the report be submitted to the Overview and Scrutiny Management Board for consideration.

38. CODE OF CORPORATE GOVERNANCE

David Webster, Head of Internal Audit, submitted the refreshed Council Code of Corporate Governance for consideration.

In April 2016 CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) published revised guidance on delivering good governance in local government. The Council's Code of Corporate Governance was rewritten at that time to set out how it would comply with the new guidance. Although there had been no subsequent changes to the guidance in the last year, an annual review of the Code had been completed in order to ensure it remained up-to-date and relevant to the Council.

The 7 key principles set out in the guidance which underpinned the governance of each local government organisation had not changed. However, how each of those principles would be evidenced in Rotherham had and were set out in the report submitted.

Resolved:- (1) That the refreshed version of the Local Code of Corporate Governance be approved.

(2) That Local Code of Corporate Governance be signed off by the Chief Executive and Leader of the Council.

39. ANTI-MONEY LAUNDERING POLICY AND SUPPORTING GUIDANCE

David Webster, Head of Internal Audit, submitted a proposed update to the Council's Anti-Money Laundering Policy. This was designed to ensure that the Policy was in line with current best practice and legislation. The Policy linked with the Anti-Fraud and Corruption Policy and Strategy and would be referred to in Fraud Awareness training being rolled out to relevant staff.

The updated Policy was attached at Appendix A of the report submitted. The definition of money laundering was given along with a summary of the relevant legislation. The guidance gave examples or signs of possible money laundering and the action to be taken if there were any suspicions of attempted money laundering. A template of the form to be completed was also included.

The Council's Money Laundering Reporting Officer was the Head of Internal Audit who would be responsible for reporting any suspicious transactions to the National Crime Agency.

Fraud Awareness training was to be delivered to relevant staff and would include reference to the Policy.

It was clarified that this applied solely to cash transactions and did not include online payments.

Resolved:- That the Anti-Money Laundering Policy and Supporting Guidance, as set out in Appendix A of the submitted report, be approved.

40. AUDIT COMMITTEE FORWARD WORK PLAN

Consideration was given to a report presented by David Webster, Head of Internal Audit, which detailed the proposed forward work plan for the Audit Committee covering the period February-November, 2018.

Resolved:- That the forward work plan be supported and any amendments arising actioned in due course.

41. ANNUAL AUDIT LETTER 2016-17

Graham Saxton, Assistant Director Financial Services, reported that KPMG had now concluded their 2016/17 audit and had issued their audit certificate on 31st October, 2017. Both the audit certificate and notice of conclusion of audit had been published on the Council's website.

Debra Chamberlin, KPMG, presented the Annual Audit Letter (AAL) 2016/17 produced by KPMG summarising the external audit work in relation to the 2016/17 audit plan and highlighted the findings in relation to the following:

Value for Money Conclusion
Audit of Financial Statements
Any Other Matters the external auditor was required to communicate.

A copy of the AAL was attached to the report.

The main headlines from the AAL in relation to the accounts and other audit responsibilities were that:-

- The external auditor had issued an unqualified Value for Money conclusion. KPMG was satisfied that the Authority had appropriate arrangements in place for securing economy, efficiency and effectiveness in the use of resources

- The Council's financial statements were produced to a good standard with only one minor presentational change being made. The financial statements were given an unqualified audit opinion on 26th September. The Narrative Report published alongside the financial statements was consistent with KPMG's understanding

- The Annual Governance Statement approved September's Audit Committee (Minute No. 20 refers), was consistent with KPMG understanding an compliant with the CIPFA/SOLACE framework on good governance in local government

- The Council's consolidation pack prepared to support the production of Whole of Government Accounts by HM Treasury was consistent with the audited financial statements

- There were no high priority recommendations or other matters that needed to be brought to the attention of the Audit Committee

Resolved:- That the final Annual Audit Letter 2016/17 presented to the Council by its external auditors, KPMG LLP, be noted and approved for publication on the Council's website.

42. MID-YEAR TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING REPORT – 2017-18

Consideration was given to the report presented by the Assistant Director, Financial Services, outlining a mid-year treasury review.

The review, as set out in the Appendix submitted, highlighted the key changes to the Council's capital activity (the PIs) and the actual and proposed treasury management activity (borrowing and investment).

With regard to investments, the primary governing principle remained security over return and the criteria for selecting counterparties continued to reflect this.

Overall borrowing remained fairly constant over the period covered by the report. The Council would maintain its strategy of being significantly under-borrowed against the capital financing requirement as the most cost effective approach in the current financial climate. The Council's existing Treasury Management Strategy provided for the Council to take out £30M of new borrowing per annum over the next 4 years to reduce the amount of under-borrowing over time. The position would remain under view and an update of the Strategy would be submitted to Members within the Budget and Council Tax 2018/19 report to Council in February, 2018.

With regard to governance, strategies and monitoring were undertaken by the Audit Committee.

The report showed that the underlying economic and financial environment remained difficult for the Council, foremost being the improving but still challenging concerns over investment counterparty risk. This background encouraged the Council to continue maintaining investments short term and with high quality counterparties. The downside of such a policy was that investment returns remained low. The governing principle remained security over return and the criteria for selecting counterparties continued to reflect this.

Treasury Management and Prudential Indicators would form part of the 2018/19 budget report submitted to Council on 28th February, 2018.

Resolved:- That the report be noted.

43. ITEMS FOR REFERRAL FOR SCRUTINY

The Democratic Services Manager would submit Minute No. 37 (Relationship with Overview and Scrutiny Management Board) to Overview and Scrutiny Management Board.

44. EXCLUSION OF THE PRESS AND PUBLIC

That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006 (information relates to finance and business affairs).

45. INTERNAL AUDIT PROGRESS REPORT

Consideration was given to a report presented by David Webster, Head of Internal Audit, which provided a summary of Internal Audit work completed during 1st August to 30th October, 2017, and the key issues that had arisen therefrom.

Performance against Key Indicators had improved. Productive time, completion of reviews within planned time and the issue of draft reports had all been hit previously by sickness, annual leave and the introduction of new software during the period impacting upon the completion of the audit plan. However, the end of the sickness and recruitment of a new member of staff would enable this to be recovered.

Summary conclusions in all significant audit work concluded during August to October 2017 were set out in Appendix A of the report submitted. All the reports issued during the period gave Substantial or Reasonable Assurance (set out as part of Appendix B).

Reference was also made Appendix C which detailed significant responsive work completed since the last Audit Committee.

Appendix D listed the outstanding recommendations and their current status and, as requested at a previous Audit Committee, Appendix E showed aged recommendations that were still outstanding with an explanation of progress made for each. These had been reported to the Strategic Leadership Team on 7th November. It was proposed to expand this procedure to include all recommendations raised that were still outstanding after 6 months.

Discussion ensued on the report with the following issues raised/clarified:-

- Work was on track to complete the plan by the end of the financial year
- Development of an E-learning module on Fraud Awareness
- Work within maintained schools

Resolved:- (1) That the Internal Audit work undertaken since meetings of the Audit Committee on 1st August and 30th October, 2017, and the key issues arising therefrom be noted.

(2) That the information contained regarding the performance of Internal Audit and the actions being taken by management in respect of the performance be noted.

THE CHAIRMAN AUTHORISED CONSIDERATION OF THE FOLLOWING ITEM TO ENABLE MEMBERS TO AWARE OF THE IMPENDING SELF-ASSESSMENT.)

46. SELF-ASSESSMENT

The Chairman reported that in the New Year Committee Members, KPMG and appropriate officers would receive a self-assessment for completion on the work of the Audit Committee.

47. DATE AND TIME OF NEXT MEETING

Resolved:- That the next meeting of the Audit Committee be held on Tuesday, 6th February, 2018, commencing at 4.00 p.m.

PLANNING BOARD
7th December, 2017

Present:- Councillor Atkin (in the Chair); Councillors D. Cutts, M. Elliott, Jarvis, Taylor, John Turner, Tweed, Vjestica, Walsh and Mallinder (substitute for Councillor Bird).

Apologies for absence were received from Councillors Bird, Fenwick-Green, Price and Whysall.

43. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

44. MINUTES OF THE PREVIOUS MEETING HELD ON 26TH OCTOBER, 2017

Resolved:- That the minutes of the previous meeting of the Planning Regulatory Board held on Thursday, 26th October, 2017, be approved as a correct record for signature by the Chairman.

45. DEFERMENTS/SITE VISITS

There were no deferments or site visits recommended.

46. DEVELOPMENT PROPOSALS

Resolved:- (1) That, on the development proposals now considered, the requisite notices be issued and be made available on the Council's website and that the time limits specified in Sections 91 and 92 of the Town and Country Planning Act 1990 apply.

(2) That application RB2017/1257 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report.

(3) That application RB2017/1426 be deferred.

47. UPDATES

(1) It was noted that the date of next Board meeting had been moved from the 4th January to 11th January, 2018.

(2) The Chairman reported that Ineos had submitted an appeal against non-determination of the application for exploratory drilling at Harthill, despite the Council having worked closely with the applicants and them having submitted additional information only a couple of days earlier. There had been no indication that they were going to proceed as they had.

Due to the appeal against non-determination, the application was now automatically classed as a refusal of planning permission. The Planning Board was still required to determine the reasons for refusal in order to present the Council's position to the Public Inquiry.

It was proposed that the planning application be discussed on the 25th January, 2018; a site visit taking place in the morning and the Board formally considering the reasons for refusal in the afternoon.

Correspondence has been forwarded to Ineos and the Secretary of State expressing the Council's disappointment as to how the company has handled the situation.

(3) A formal planning application had now been received from Ineos for exploratory drilling at Woodsetts. It was proposed that a meeting of the Board be held on 1st February 2018; a site visit taking place in the morning followed by determination of the application.

48. DATE OF NEXT MEETING

Resolved:- That the next meeting of the Planning Board take place on Thursday, 11th January, 2018, at 9.00 a.m.

PLANNING BOARD
11th January, 2018

Present:- Councillor Atkin (in the Chair); Councillors Andrews, Bird, D. Cutts, M. Elliott, Fenwick-Green, Price, Taylor, John Turner, Vjestica, Walsh and Whysall.

Apologies for absence:- Apologies were received from Councillors Ireland, Jarvis and Tweed.

The webcast of the Council Meeting can be viewed at:-
https://rotherham.public-i.tv/core/portal/home

49. DECLARATIONS OF INTEREST

Councillor Walsh declared a personal interest in applications RB2017/1426 and RB2017/1717 on the grounds of being a member of the Corporate Energy Institute.

Councillor John Turner declared a personal interest in applications RB2017/1426 and RB2017/1717 on the grounds that he had an energy transformer on land owned by himself. He abstained from voting on these applications.

50. MINUTES OF THE PREVIOUS MEETING

Resolved:- That the minutes of the previous meeting of the Planning Regulatory Board held on Thursday, 7th December, 2017, be approved as a correct record for signature by the Chairman.

51. DEFERMENTS/SITE VISITS

There were no deferments or site visits recommended.

52. DEVELOPMENT PROPOSALS

Resolved:- (1) That, on the development proposals now considered, the requisite notices be issued and be made available on the Council's website and that the time limits specified in Sections 91 and 92 of the Town and Country Planning Act 1990 apply.

In accordance with the right to speak procedure, the following people attended the meeting and spoke about the following applications:-

- Demolition of existing buildings on Domine Lane, erection of 6 storey building comprising of retail unit at ground floor & 32 No. apartments above and part change of use of ground floor building on Main Street to use class A1, A2 , A3 and conversion of floors above to 29 No. apartments, including part demolition and rebuild & formation of courtyard car park to rear at Westgate Chambers Westgate

Rotherham Town Centre for HMP Bespoke Construction Ltd. (RB2017/1225)

Councillor B. Cutts (Objector)
Mr. M. McGrail (Objector)

- Small scale electricity battery storage facility consisting of 25 No. 2MW battery containers and 10 No. 2MW Inverters, plant & substation and external works at Nether Moor Field Green Lane Thurcroft for Thurcroft Energy Limited (RB2017/1426)

  Mr. M. Jones (Applicant)
  Mrs. M. Godfrey (Objector)
  Mr. P. Thirlwall (Objector)
  Mr. A. Bates (Objector)
  Councillor B. Cutts (Objector)

  An additional letter in support of the application, received after the agenda was printed, was read out at the meeting.

- Erection of an energy storage facility and associated ancillary equipment and components at land adjacent Thurcroft substation off Moat Lane Wickersley for EDF Energy Renewables (RB2017/1717)

  Mr. T. Frost (Applicant)
  Mrs. M. Godfrey (Objector)
  Mr. P. Thirlwall (Objector)

(2) That application RB2017/1225 be granted for the reasons adopted by Members at the meeting and subject to the relevant conditions listed in the submitted report.

(3) That application RB2017/1407 be granted for the reasons adopted by Members at the meeting, the relevant conditions listed in the submitted report and subject to an amendment to Condition No. 8 and deletion of Condition 9, leading to the renumbering of conditions thereafter, to now read:-

08
Prior to commencement of any excavation works a detailed landscape scheme for the reinstatement of land disturbed by the works hereby approved within the Highwall Park area shall be submitted to, and approved in writing by, the Local Planning Authority.

The landscape scheme shall be prepared to a minimum scale of 1:200 and shall clearly identify through supplementary drawings where necessary:

- The extent of existing planting, including those trees or areas of vegetation that are to be retained, and those that it is proposed to remove.
- The extent of any changes to existing ground levels, where these are proposed.
- Any constraints in the form of existing or proposed site services, or visibility requirements.
- Areas of structural and ornamental planting that are to be carried out.
- The positions, design, materials and type of any boundary treatments or gateway features to be erected were relevant.
- A planting plan and schedule detailing the proposed species, siting, quality and size specification, and planting distances.
- A written specification for ground preparation and soft landscape works.
- The programme for implementation.
- Written details of the responsibility for ongoing maintenance and a schedule of operations.

The scheme shall thereafter be implemented in accordance with the approved landscape scheme and in within a timescale agreed, in writing, by the Local Planning Authority.

(4) That application RB2017/1426 be granted for the reasons adopted by Members at the meeting, the relevant conditions listed in the submitted report and subject to amendments to Condition Nos. 2 and 11 to now read:-

(4) That application RB2017/1426 be granted for the reasons adopted by Members at the meeting, the relevant conditions listed in the submitted report and subject to amendments to Condition Nos. 3 and 11 to now read:-

03
The permission hereby granted shall relate to the area shown outlined in red on the approved site plan and the development shall only take place in accordance with the submitted details and specifications as shown on the approved plans (as set out below)

Site Layout with Temporary Access – 17111 – 006 Rev B
Container details – 17111 – 002 Rev A
Switch Room Proposed Layout & Elevations – 17111 - 004
Substation Proposed Layout & Elevations – 17111 – 005

11
Prior to its erection, detail of the type and colour of the 2.4m high security fencing to be erected around the site shall be submitted to and approved by the Local Planning Authority and the approved details shall be implemented.

(5) That the Planning Board declares that it is not in favour of application RB2017/1717 and that the application be refused on the grounds of the cumulative effect on the Green Belt for both applications which was unacceptable and the preferable scheme being RB2017/1426 as it was closer to the substation, the application did not follow a logical boundary and the low substandard access to the site and that the Chairman and the Vice-Chairman be authorised to approve the precise wording of the reasons for refusal.

(Councillor Walsh declared a personal interest in applications RB2017/1426 and RB2017/1717 on the grounds of being a member of the Corporate Energy Institute)

(Councillor John Turner declared a personal interest in applications RB2017/1426 and RB2017/1717 on the grounds that he had an energy transformer on land owned by himself. He abstained from voting on these applications)

53. UPDATES

The following update information was reported:-

(a) Details for the proposed order of proceedings for the next meeting on 25th January, 2018, which would incorporate the application for the construction of a well site and drilling on land adjacent to Common Road, Harthill.

(b) Provisional date for a standalone meeting for the application relating to drilling operations at Woodsetts.

54. DATE OF NEXT MEETING

Resolved:- That the next meeting of the Planning Board take place on Thursday, 25th January, 2018, at 9.00 a.m.

STAFFING COMMITTEE
15th January, 2018

Present:- Councillor Alam (in the Chair); Councillors Cowles and Watson.

An apology was received from Councillor Read.

2. PAY POLICY STATEMENT 2018

Consideration was given to the report presented by Sue Palfreyman, Head of Human Resources, which detailed how under the Localism Act 2011, Chapter 8 Pay Accountability, authorities were legally required to produce and publish a Pay Policy Statement by the 31st March each year. This must be agreed by full Council and detail the remuneration of its Chief Officers and must then comply with the Pay Policy Statement for the financial year in making any determination.

The format and content of this Pay Policy was in line with previous practice and in accordance with guidance previously issued by the regional Local Government Employers Association. It was, therefore, felt to reflect good practice and it had not been considered appropriate to deviate from this.

Resolved:- That the Pay Policy Statement for 2018-19 (Appendix 1) be supported and be recommended to full Council for approval.

Rotherham Metropolitan Borough Council

Public Report
Council

Summary Sheet

Committee Name and Date of Committee Meeting
Council – 24 January 2018

Report Title
Recommendation from Staffing Committee – Pay Policy Statement 2018

Is this a Key Decision and has it been included on the Forward Plan?
No

Strategic Director Approving Submission of the Report
Shokat Lal, Assistant Chief Executive

Report Author(s)
Sue Palfreyman, Head of H.R.
sue.palfreyman@rotherham.gov.uk

Ward(s) Affected
All

Summary
At its meeting on 15th January, 2018, the Staffing Committee considered a report in respect of the Pay Policy Statement for 2018-19 that the Council is obliged to publish under Chapter 8 of the Localism Act 2011. Staffing Committee accepted the Pay Policy Statement for 2018-19 and recommend approval by full Council.

The original report providing detail to the proposals is appended in order to provide Members with sufficient knowledge to agree the proposals.

In order to give effect to the recommendations from the Staffing Committee, consideration and approval by Council must be given to the recommendation set out below.

Recommendation

That Council approves the Pay Policy Statement for 2018-19.

List of Appendices Included
Appendix 1 Pay Policy Statement 2018-19

Background Papers
Local Government Association
CIPFA Best Value Accounting Code of Practice
Freedom of Information

Localism Act 2011
Hutton Review of Fair Pay in the Public Sector: Final Report March 2011
Previous Staffing Committee Reports
Local Government Transparency Code 2015

Consideration by any other Council Committee, Scrutiny or Advisory Panel
Staffing Committee – 15th January, 2018

Council Approval Required
Yes

Exempt from the Press and Public
No

Rotherham Metropolitan Borough Council

Public Report

Summary Sheet

Staffing Committee Report

Title
Pay Policy Statement 2018

Is this a Key Decision and has it been included on the Forward Plan?
No

Officer Approving Submission of the Report
Head of Human Resources – Sue Palfreyman

Ward(s) Affected
None

Executive Summary
This report provides detail of the Pay Policy Statement for 2018-19 that the Council is obliged publish under Chapter 8 of the Localism Act 2011

Recommendations
Staffing Committee is asked to accept the Pay Policy Statement for 2018-19 (Appendix 1) and recommend approval by full Council.

List of Appendices Included
Appendix 1 Pay Policy Statement 2018-19

Background Papers
Local Government Association
CIPFA Best Value Accounting Code of Practice
Freedom of Information
Localism Act 2011
Hutton Review of Fair Pay in the Public Sector: Final Report March 2011
Previous Staffing Committee Reports
Local Government Transparency Code 2015

Consideration by any other Council Committee, Scrutiny or Advisory Panel
The annual Pay Policy Statement has to be approved by full Council on recommendation of the Staffing Committee.

Council Approval Required
Yes

Exempt from the Press and Public
No

Pay Policy Statement 2016

1. Recommendations

1.1 Staffing Committee is asked to accept the Pay Policy Statement for 2018 - 19 (Appendix 1) and recommend approval by full Council

2. Background

2.1 Pay Policy Statement

2.1.1 The Localism Act 2011, Chapter 8 Pay Accountability, made it a legal requirement for authorities to produce and publish a Pay Policy Statement by the 31st March each year. This must be agreed by full Council and detail the remuneration of its Chief Officers.

2.1.2 The Council must then comply with the Pay Policy Statement for the financial year in making any determination.

2.1.3 The statement must state:

- Policies relating to remuneration of Chief Officers (definition includes Directors)
- Remuneration of its lowest paid employees
- Relationship between remuneration of Chief Officers and employees who are not Chief Officers
- The remuneration of its Chief Officers
- Remuneration of Chief Officers on appointment
- Increases and additions to remuneration for each Chief Officer
- Use of performance related pay for Chief Officers
- Use of bonuses for Chief Officers
- Benefits in kind to which the Chief Officer is entitled
- Any increase of enhancement to Chief Officer pension entitlement
- Approach to payment of Chief Officers and their ceasing to hold office
- Any amounts payable upon the Chief Officer ceasing to hold office other than that payable by virtue of any enactment
- Approach to publication and access to information relating to remuneration of Chief Officers

2.1.4 In addition full Council should be offered the opportunity to approve salary packages offered for new appointments and exit packages for leavers where the value of either is £100,000 or more.

2.1.5 The Council's Scheme of Delegation has empowered the Staffing Committee to determine conditions of service, employment policies and procedures and remuneration relating to the Chief Executive and Chief Officers, in line with the Pay Policy Statement.

2.1.6 In line with usual practice, Staffing Committee is asked to review the Pay Policy Statement for 2018/19 (Appendix 1) and make recommendation to full Council.

3. Key Issues

3.1 It is a legal requirement for the Council to publish a Pay Policy Statement each year which has been agreed by full Council.

4. Options considered and recommended proposal

4.1 The format and content of the Pay Policy is in line with previous practice and in accordance with guidance previously issued by the regional Local Government Employers Association. It is therefore felt to reflect good practice and it has not been considered appropriate to deviate from this.

5. Consultation

5.1 Consultation has taken place with the Assistant Director of legal Services.

6. Timetable and Accountability for Implementing this Decision

6.1 Approval of decisions will be taken to the meeting of full Council scheduled to take place on 28th February, 2018.

7. Financial and Procurement Implications

7.1 None

8. Legal Implications

8.1 It is a legal requirement that the Council publishes a Pay Policy Statement.

9. Human Resources Implications

9.1 An appropriately rewarded workforce motivates employees and meets standards of fairness and equality required by employment legislation.

10. Implications for Children and Young People

10.1 Employees working in Children's and Young People's Services will be covered by the Pay Policy Statement.

11 Equalities and Human Rights Implications

11.1 Fair pay structures are a requirement of employment and equalities legislation.

12. Implications for Partners and Other Directorates

12.1 The Pay Policy Statement applies to employees across the Council.

13. Risks and Mitigation

13.1 The pay policy needs to conform to requirements stipulated by Central Government. In developing the pay policy, account has been taken of advice and guidance issued by the National Local Government Employers and Regional Employers Organisation.

14 Accountable Officer(s)

14.1 Chief Executive Sharon Kemp.

Report author(s):
Ian Henderson Principal HR Officer
Directorate: Assistant Chief Executive
Tel and email contact: 01709 822467 ian.henderson@rotherham.gov.uk

Approvals Obtained from:-

Chief Executive – Sharon Kemp

Assistant Director of Legal Services:- Dermot Pearson

This report is published on the Council's website or can be found at:-

http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=

Rotherham Metropolitan Borough Council

PAY POLICY STATEMENT 2018-19

Introduction & Scope
This policy statement sets out the arrangements for the salary and related allowances paid to Chief Officers of the Council meeting the requirements of the Localism Act and also meeting the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act.

It does not cover teaching staff whose salaries and terms of conditions of employment are set by the Secretary of State. Academy schools are an entirely separate employer covered by the Academies Act 2010 and are responsible for setting salaries for their employees.

Underlying Principles
The Council is committed to and supports the principle of equal pay for all our employees.

Equal pay between men and women is a legal right under both United Kingdom and European Law. The Equality Act 2010 requires employers not to discriminate on grounds of race and disability and similar rules apply to sexual orientation, religion and age.

The authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment.

1. Determination of Pay
Chief Executive and Chief Officers conditions of service are in line with the Joint Negotiating Committees for Chief Executives and Chief Officers. Local agreements and remuneration are determined by full Council on recommendation made by the authority's Staffing Committee.

This also applies to shared management arrangements with partner organisations, where the job continues to be filled by an employee of the Council.

The Council applies a local Living Wage rate by means of a pay supplement applied to its lower paid employees whose hourly rate of pay falls below £8.75 to bring them up to this rate. This rate is reviewed on an annual basis.

2. Pay Relationship
The lowest pay rate in the authority (excluding apprentice rates) equates to a full time equivalent annual salary of £16,969 and can be expressed as an hourly rate of pay of £8.75. This pay rate and salary was determined by the authority as part of a pay scale for employees employed on Local Government Services Terms and Conditions.

The highest paid salary in this authority is £161,600 which is paid to the Chief Executive.

The ratio between the two salaries, the 'pay multiple' is 9.5 to 1. Against the median salary of £20,138 this multiple reduces to 8 to 1 and against the average salary of £23,804 to 7 to 1.

The Hutton review considered the multiple should be no greater than 20 to 1 (lower is better) and based on the current situation the Council falls well below this threshold. The authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority.

These pay rates may increase in accordance with any pay settlements which are reached through their respective national negotiating bodies.

3. Salary Packages over £100,000
The authority will ensure that before an offer of appointment is made, any salary package for any post that is in excess of £100,000 is considered by full Council following recommendation by Staffing Committee.

4. Market Supplements
In exceptional circumstances where there are recruitment difficulties; there may be a requirement to consider the payment of temporary market supplements such as 'golden hellos', retention payments or regular monthly payments.

In situations where a Market Supplement is being considered a report detailing the business case is considered by the Head of Human Resources who makes the final decision as to whether a supplement is payable, the amount and the frequency of review. For Chief Officer graded posts where this would result in a pay package in excess of £100k the case will be considered by full Council on recommendation made by the Staffing Committee.

Supplements can be reviewed at any time but a review must be undertaken on an annual basis.

5. Pay Awards
The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations.

6. Allowances
Posts covered by Chief Executive or Chief Officer terms and conditions do not attract additional allowances.

7. Bonuses
The authority does not have or intends to introduce any bonus schemes.

8. Performance Related Pay
The authority does not operate a performance related pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance. Any areas of under-performance would be addressed through the capability procedure.

9. Earn back
The authority does not operate an earn-back pay system whereby a proportion of the employee salary is held back and only paid if specific targets are achieved as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance. Any areas of under-performance would be addressed through the capability procedure.

10. Voluntary Employee Benefits
As part of its reward package the Council offers a range of salary sacrifice schemes where employees can exchange a portion of their salary for some other form of non-cash benefit. For example childcare vouchers, car parking permit, lease of a brand new car, cycles, mobile phones, home electronics and purchase of additional leave.

11. Expenses
Approved additional expenses incurred in the course of their work are reimbursed subject to appropriate evidence of expenditure being produced and in accordance with the terms of the Council Subsistence policy. Employees should not be out of pocket but situations which warrant payment of expenses are not intended to result in a profit.

Mileage expenses are reimbursed at £0.40 per mile.

12. Election Fees

The duties of Electoral Registration Officer are undertaken by the authority's Chief Executive, the remuneration for which is included in their annual salary.

The authority's Chief Executive is also the Returning Officer for elections, referendums and other polls. The Returning Officer may appoint deputies and by convention has chosen to appoint the Director of Legal Services as a Deputy Returning Officer.

For national elections, referendums or other polls which may be required by statute, fees are paid in accordance with the amounts specified for each poll by statutory order.

For local Borough and Parish elections a local scale of fees, which has not increased since 2008, is approved by full Council

13. Termination Payments

The authority's normal redundancy payment arrangements apply subject to the Public Sector exit payments cap to all staff including Chief Officers and the Chief Executive. The authority also applies the appropriate Pensions regulations in circumstances where employees qualify for release of pensions.

Full Council will also be given the opportunity to vote on any severance package with a cost in excess of £100k. The components of any such package will be clearly set out and will include pay in lieu of notice, redundancy payment, pension release costs, settlement payments, holiday pay and any fees or allowances paid.

14. Pension Enhancement

The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations.

It is not Council policy to apply the available discretions to award additional pension to members of the pension scheme (regulation 31).

15. Re-employment of Staff

The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.

If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.

The authority will apply the provisions of the Statutory Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant and appropriate. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

The authority will apply the provisions of the Recovery of Public Sector exit payments when legislation under the Small Business Enterprise and Employment bill comes into force.

16. Transparency

The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.

17. Policy Amendment

The Council may seek to change elements within the pay policy as part of any necessary efficiency review or as other circumstances dictate.

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

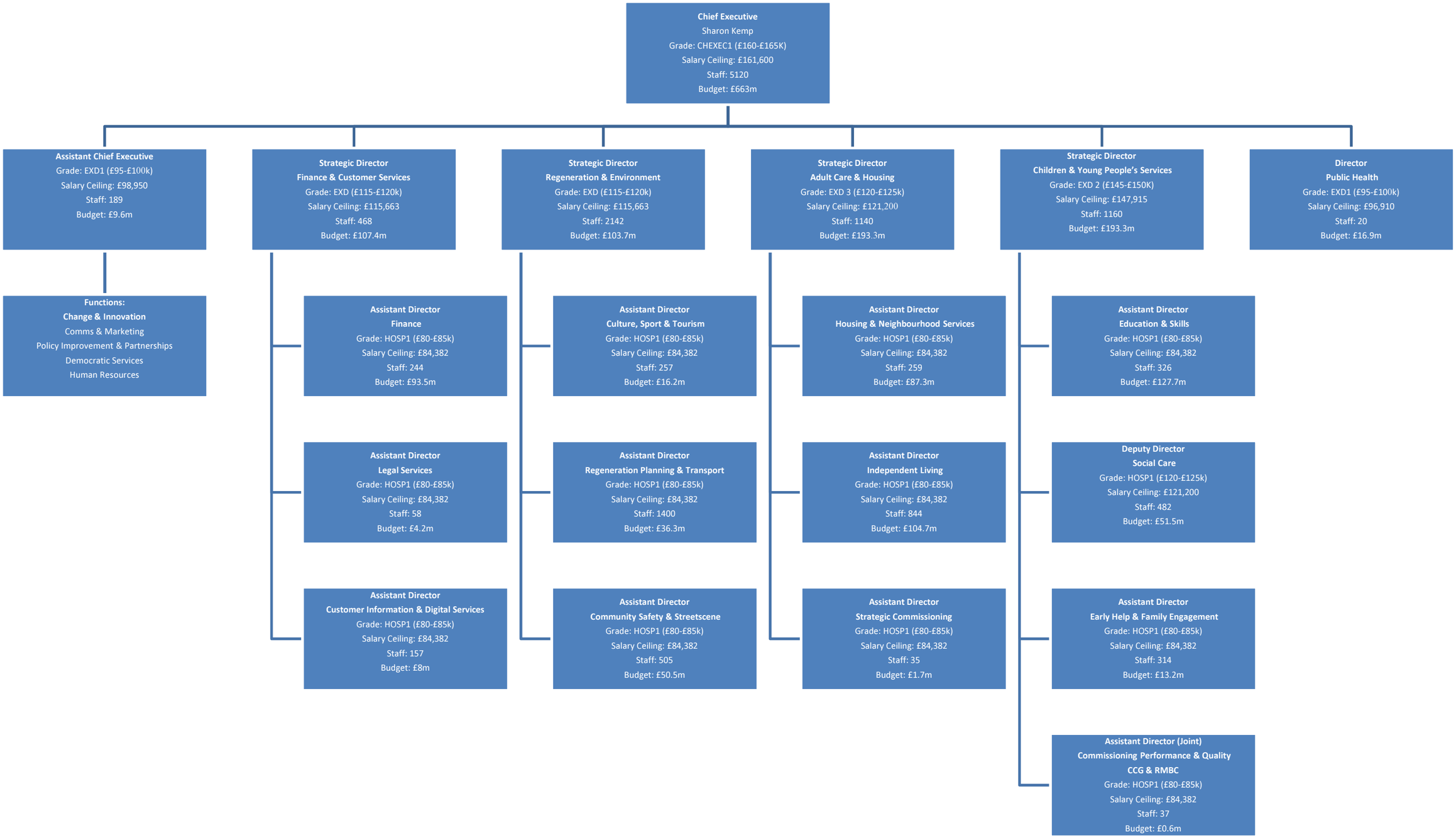
18. Pay Policy References

- Agency workers directive 2011
- Hutton Fair Pay in the Public Sector Final Report (March 2011)
- Joint Negotiating Committee for Local Authority Chief Executives
- Joint Negotiating Committee for Chief Officers of Local Authorities
- Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006
- Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations
- Localism Act 2011
- National Joint Council for Local Government Services
- Representation of the People Act 1983
- Rotherham Borough Council Scheme of Delegation
- The Accounts and Audit (England) Regulations (2011)
- The Equality Act 2010
- The Secretary of State for CLG Code of Recommended Practice for Local Authorities on Data Transparency
- Local Government Transparency Code 2015
- HM Treasury Recovery of Public Sector exit payments

Further information can be found on the Council's website:

http://www.rotherham.gov.uk/downloads/download/38/staff_salary_information

Council Structure– Senior Management 2018



Permanent contract unless indicated otherwise
Employees can be contacted through the Council switchboard 01709 382121

January 2018

LICENSING BOARD-SUB-COMMITTEE
18th December, 2017

Present:- Councillor Ellis (in the Chair); Councillors Beaumont, Clark, Hague and Sheppard.

45. HOUSE TO HOUSE COLLECTIONS

Consideration was given to a report, presented by the Licensing Manager, concerning the following applications for the grant of a promoter's permit to carry out house-to-house collections:-

Organisation	Area	Date
Child and Teenage Cancer and Leukaemia Foundation	Whole of the Rotherham Borough	Five days per month between 01 January 2018 and 31 December 2018
Cancer Support UK	Whole of the Rotherham Borough	01 October 2017 to 30 September 2018
Yorkshire Children's Trust	Whole of the Rotherham Borough	Five days per month between 01 September 2017 and 31 August 2018
Coping with Cancer North East	Whole of the Rotherham Borough	01 January 2018 to 31 December 2018
Treating Children with Cancer	Whole of the Rotherham Borough	01 December 2017 to 30 November 2018

Discussion took place on whether the Council should develop a specific policy in relation to the determination of applications for a promoter's permit to carry out house-to-house collections.

Resolved:- (1) That, in accordance with the provisions of the House to House Collections Act 1939, the following applications be approved and a promoter's permit be granted in respect of the organisations/charities shown for the dates listed above:-

Child and Teenage Cancer and Leukaemia Foundation
Treating Children with Cancer

(2) That, in accordance with the provisions of the House to House Collections Act 1939, the following applications for a promoter's permit be refused:-

Yorkshire Children's Trust
Coping with Cancer North East

(3) That consideration of the following application for a promoter's permit be deferred to a future meeting of the Licensing Board Sub-Committee, pending receipt of further information:-

Cancer Support UK

(4) That the Licensing Manager submit a report to a future meeting of the Licensing Board concerning a draft policy in relation to the determination of applications for a promoter's permit to carry out house-to-house collections.

46. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the Police Act 1997 and Paragraphs 3 and 7 of Part I of Schedule 12A to the Local Government Act 1972 (business affairs and prevention of crime).

47. APPLICATIONS FOR THE GRANT/RENEWAL/REVIEW OF HACKNEY CARRIAGE/PRIVATE HIRE DRIVERS' LICENCES

The Sub-Committee of the Licensing Board considered a report, presented by the Licensing Manager, relating to applications for the grant of hackney carriage/private hire drivers' licences in respect of Messrs. S.A.B., I.A. and W.H.

Messrs. I.A. and W.H. attended the meeting and were interviewed by the Sub-Committee.

Resolved:- (1) That, further to Minute No. 29(1) of the meeting of the Licensing Board Sub-Committee held on 6th July, 2017, it be noted that the application for the grant of a hackney carriage/private hire driver's licence in respect of Mr. S.A.B. has been withdrawn by the applicant.

(2) That, further to Minute No. C18(2) of the Commissioner's Case Hearing meeting held on 27th October, 2015, the application for the grant of a hackney carriage/private hire driver's licence in respect of Mr. I.A. be approved and he be granted a licence for a period of three years.

(3) That, further to Minute No. 22(2) of the meeting of the Licensing Board Sub-Committee held on 13th November, 2014, the application for the grant of a hackney carriage/private hire driver's licence in respect of Mr. W.H. be refused.

LICENSING SUB-COMMITTEE
Monday, 8th January, 2018

Present:- Councillor Ellis (in the Chair); Councillors Beaumont and Williams.

12. CLUB/PREMISES CERTIFICATE (LICENSING ACT 2003) - LAND OFF GUILTHWAITE COMMON LANE, UPPER WHISTON

Consideration was given to an application for the grant of a Premises Licence, under the provisions of the Licensing Act 2003, in respect of farming land adjacent to the A618 Pleasley Road and off Guilthwaite Common Lane within the Parish of Whiston, Rotherham.

The Licensing Authority received representations which were not withdrawn and the Sub-Committee considered those representations.

The applicant explained that the intention was to obtain a premises licence for a field (previously used for agricultural purposes) in order to provide regulated entertainment, as a commercial enterprise, to be entitled the “Wheat Beat Weekender”. There would be one event per year, beginning in 2019 and initially the event would last from Friday afternoon until very late in the evening of the next day (Saturday). The future years’ events may last from Thursday until Sunday.

In addition, the applicant detailed the proposed event management arrangements, car parking, traffic management, health and safety, toilet facilities, the removal and disposal of refuse/waste and also post event site restoration, including grass seeding. There would be a designated “blue route” specifically for use by emergency services’ vehicles. Persons attending the event would have to purchase tickets in advance of the selected date, via the dedicated Internet web site. There would be no permitted admission to the event by payment of cash on arrival at the site entry point.

The intention was to provide a range of regulated (public) entertainment (with live music of varied styles, including Bhangra, folk, jazz and rock music), poetry recitals, the sale of hot and cold food and the sale of alcohol. A stage for performers would be erected within the site, for the duration of the event. The aim of the event was to be family-oriented and visitors would be offered the facility of camping on an area of ground within the licensed site.

The applicant referred to his current experience within management planning, health and safety and sound recording.

The planning of the event provided for 300 hundred visitors in the first year, with a year-on-year increase to as many as 4,000 visitors in the fifth year of the event.

The Sub-Committee heard from a Borough Councillor, as representative of the electoral Ward in which the site was situated, who stated that a dozen residents had attended a Councillors' Ward surgery and had raised concerns about the licence application and the proposed event. The specific concerns related to traffic congestion caused both by vehicles servicing the site and by visitors to the event, especially along the A618 Pleasley Road, which was already subject to heavy traffic congestion particularly at the peak commuter hours. There were other concerns about the noise from the entertainment, especially loud music and the noise and public nuisance caused by persons both within and leaving the site very late in the evening, with the consumption of alcohol possibly exacerbating these problems. It was anticipated that the concerns of nearby residents would be likely to increase in future years if larger numbers of visitors were to attend the event.

The applicant responded by stating that the traffic management plan would ensure that vehicles would not be permitted to enter the site before 10.00 a.m. each day. There would be a sufficient number of stewards employed on site to ensure that the public/visitors would vacate the site in an orderly manner, especially late in the evenings, by moving from the dedicated parking area and being directed to the main A618 Pleasley Road and avoiding the smaller country lanes which led to residential areas. Visitors would be encouraged to use public transport.

The applicant confirmed that there would be substantial fencing erected around the site perimeter, which would also include material to dampen the sound from the entertainment. The noise level of the regulated entertainment would be monitored from various locations on site during the event. The applicant was confident that the stage for performances was to be located far enough away from the nearest noise sensitive premises so as to minimise any potential noise nuisance.

The Borough Ward Councillor suggested that the applicant ought to publish and provide informative details about the event, for distribution to residents in the local area. The applicant undertook to consider providing such details about the event, for the information of the general public.

The Sub-Committee noted that the representations made on behalf of the Whiston Parish Council, the three Borough Ward Councillors themselves and on behalf of the South Yorkshire Police had been responded to by the applicant, prior to commencement of this hearing and that the suggested conditions to be attached to any premises licence which may be granted had been amended accordingly with the agreement of those parties.

The Sub-Committee considered the application for this premises licence and the representations made specifically in the light of the following Licensing objectives (as defined in the 2003 Act):-

- The prevention of crime and disorder;
- The prevention of public nuisance;
- Public safety.

Resolved:- (1) That the application for a Premises Licence, under the provisions of the Licensing Act 2003 and as now submitted, in respect of farming land adjacent to the A618 Pleasley Road and off Guilthwaite Common Lane within the Parish of Whiston, Rotherham, be granted and be subject to the standard conditions and to all of the various conditions as set out within the bundle of documents submitted to this hearing (including the provision of late night refreshment until midnight).

(2) That, further to resolution (1) above, the Premises Licence shall also be subject to the following additional conditions:-

(a) a maximum of 500 persons / visitors at the organised event, which can only be varied by agreement with representatives of the appropriate responsible authorities;

(b) within a period of twenty-one days after the ending of the organised event, the applicant shall attend a meeting with representatives of the appropriate responsible authorities in order to provide a de-briefing in relation to the way in which the event had proceeded.

LICENSING SUB-COMMITTEE
Monday, 8th January, 2018

Present:- Councillor Ellis (in the Chair); Councillors Beaumont and Williams.

13. CLUB/PREMISES CERTIFICATE (LICENSING ACT 2003) - KIMBERWORTH LATE SHOPPER, 202 KIMBERWORTH ROAD, KIMBERWORTH

Consideration was given to an application for the review of a premises licence in accordance with the provisions of Section 51 of the Licensing Act 2003, in respect of the premises known as the Kimberworth Late Shopper, 202 Kimberworth Road, Kimberworth, Rotherham.

The Licensing Authority received representations made by the Borough Council's Licensing Enforcement Unit (as a responsible authority), which had not been withdrawn, and the Sub-Committee considered those representations.

No representative of the premises had attended this hearing.

The Sub-Committee heard the representations from Mr. C. Burnett (Licensing Enforcement Officer), on behalf of the Borough Council. The subject premises were a medium-sized off-licence situated within a residential area and the premises licence permitted the sale by retail of alcohol, from 0700 hours to 2200 hours daily, for consumption off the premises.

Members were informed of the details of the specific concerns in respect of the management of these premises:-

(i) The Trading Standards and Environmental Health joint investigations into the alleged illicit sales of cigarettes and rolling tobacco (reference was also made to the relevant Home Office guidance issued under Section 182 of the Licensing Act 2003);

(ii) It appeared that the Premises Licence holder no longer had any interest in the premises, nor any active involvement in the management of the premises;

(iii) Investigations had revealed that the person recorded as the Designated Premises Supervisor had ceased any active involvement in the management of the premises; it was reported that during 2013 this person had been the subject of an investigation as an alleged illegal worker, although subsequently had been granted leave to remain within the United Kingdom;

(iv) The persons currently managing the premises had been unable to produce the premises licence; neither was any copy of the premises licence on display at the premises; and

(v) The Challenge 25 scheme (relating to the sale of alcohol) was not being operated at these premises; there were no signs displayed about this scheme, no refusals log, nor maintenance of staff training records.

Members noted that there had been no notification to the Borough Council (as Licensing Authority) of any transfer of ownership of the business, nor of any transfer of the premises licence, nor of any change in the person recorded as the Designated Premises Supervisor. Consequently, it was highly unlikely that the premises could be operating correctly in accordance with the provisions of the Licensing Act 2003.

The Sub-Committee considered the application for this review of the premises licence and the representations made specifically in the light of the following Licensing objectives (as defined in the 2003 Act):-

- The prevention of crime and disorder;
- Public safety;
- The protection of children from harm.

Additionally, the Sub-Committee was made aware that the joint investigations might ultimately reveal other matters which might require consideration and decision by Elected Members of the Licensing Authority, in accordance with the provisions of the Licensing Act 2003. The appropriate officers were asked to prepare appropriate reports for consideration by the Licensing Committee and/or the Licensing Sub-Committee should any such matters eventually come to light.

Resolved:- That the premises licence for the premises known as the Kimberworth Late Shopper, 202 Kimberworth Road, Kimberworth, Rotherham, be revoked with immediate effect.