

CABINET

MONDAY 19 JANUARY 2015

10.00 AM

Bourges/Viersen Room - Town Hall

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*Any agenda item highlighted in bold and marked with an * is a 'key decision' involving the Council making expenditure or savings of over £500,000 or having a significant effect on two or more wards in Peterborough. These items have been advertised previously on the Council's Forward Plan (except where the issue is urgent in accordance with Section 15 of the Council's Access to Information rules).*

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MINUTES OF CABINET MEETING HELD 15 DECEMBER 2014

PRESENT

Cabinet Members: Councillor Cereste (Chairman), Councillor Holdich, Councillor Elsey, Councillor Fitzgerald, Councillor Hiller, Councillor North, Councillor Seaton and Councillor Serluca.

Cabinet Advisers: Councillor Casey.

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Scott and Councillor Lamb.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE CABINET MEETING HELD ON 24 NOVEMBER 2014

The minutes of the meeting held on 24 November 2014 were agreed as a true and accurate record.

STRATEGIC DECISIONS

4. INSTALLATION OF SOLAR PANELS ON ROOF TOPS

Cabinet received a report which sought its approval to enter into a strategic partnership with Empower Community Management LLP (EC), a social enterprise that would, as its primary purpose, deliver the installation of solar PVs on residential properties in the city and deliver a community benefit scheme to Peterborough.

The scheme would be the first of its type in the UK and in particular, the first of its kind involving a council.

Councillor Cereste introduced the item and commended officers for bringing forward such an innovative scheme. He further highlighted key points including there being no cost to the home owner for installation; an overview of the criteria for the scheme; the savings which could be realised by the home owner and the bonus payment received after five years; the first pilot scheme which would be rolled out to 1500 homes and if successful, would be rolled out further; the money that both the community and the Council would receive for every 1500 houses, this being in the region of £1m; and the provision of short term up front construction finance that was being provided by the Council and the profits that would be made from that for the city.

Cabinet debated the report and key points raised, along with responses to questions provided by Councillor Cereste, included:

- Councillor North commended the scheme and highlighted the positive community aspects that the scheme would bring, particularly in terms of those

individuals who were in fuel poverty in the city and also in terms of environmental issues;

- The scheme had been endorsed by local MPs and the scheme highlighted Peterborough's innovativeness;
- The first wave was very city centric and it was requested that emphasis be placed on rural communities for the second wave;
- Information on how the scheme could be applied for should be detailed on the Council's website and the process for application made as simple as possible;
- The financial benefit to the 1500 people, who would benefit from the first phase, would equate to around £6m over the period of the scheme. Going forward, the scheme could be worth in the region of £50-£60m city wide and for residents; and
- The various energy saving schemes that the Council was rolling out, could save each individual person that took part in the region of £640 to £700 per annum. Officers had been requested to put forward a simple list of all of the schemes available for publication on the Council's website.

Cabinet considered the report and **RESOLVED** to approve:

1. That the Council enters into a strategic partnership agreement with Empower Community Management LLP to enable a first project to deliver solar PV on private residential properties in Peterborough;
2. That the Council enters into a shareholder agreement to become an equal partner in a Community Interest Company with Empower Community Management LLP;
3. That the initial target area be the Green Deal Community Fund area set out in section 4.6 of the report;
4. An intention to roll out the solar PV project from the initial target area to the remainder of the city;
5. That, subject to:
 - a) Council approving the amendment to the treasury management strategy as set out within the report; and
 - b) Finalisation of the issues set out at 9.1.7 within the report to the satisfaction of the Executive Director, Resources;

the Council enters into a finance agreement with the Special Purpose Vehicle (SPV).

6. That Council enters into such further agreements with the Community Interest Company, the Special Purpose Vehicle (SPV) and any other body necessary to facilitate the terms of the strategic partnership agreement and solar PV project set out in this report;
7. That Cabinet delegates to the Executive Director, Resources and Director of Governance the ability to finalise any individual matters.

Cabinet also made the following recommendation to Council:

8. Approval of an amendment to the existing treasury management strategy to enable a Special Partnership Vehicle (SPV) between Empower Community Management LLP and Empower Community Foundation to be added to the list of external bodies that the Council is able to undertake capital investment in.

REASONS FOR THE DECISION

To enable a strategic partnership to be entered into with Empower Community to enable the delivery of area wide Solar PV for private residential owners.

ALTERNATIVE OPTIONS CONSIDERED

To do nothing, the Council would lose the significant opportunities devised by the scheme.

To procure a solution on the open market, the Council would need to establish procurement and social enterprise vehicles at significant cost. These are the benefits of partnering with EC.

5. TRANSFORMING DAY OPPORTUNITIES FOR ADULTS UNDER 65

Cabinet received a report which followed a review of current day opportunities for people with learning and physical disabilities provided by the Council, which had been commissioned to understand if the Council was meeting people's needs or if services could be offered differently and improved upon.

In the Medium Term Financial Strategy (MTFS), signed off by Council in March 2013, it had been agreed that greater emphasis should be placed on supporting adults to maintain their independence for as long as possible, including, where possible, enabling them to stay living in their own homes and for them to play a bigger part in the community in which they lived.

Cabinet had received reports on this subject in December 2013 and then again in March 2014 where it was agreed that future options should be considered in consultation with stakeholders, with a recommendation being brought back to Cabinet for future consideration and implementation. The agreed model of service and the delivery vehicle would subsequently be subject to consultation with stakeholders.

In March 2014, Cabinet had concluded that the current day service model was not compatible with personalisation and did not support individuals to maximise opportunities for independence. Cabinet had therefore requested a proposal which took a number of factors into consideration.

Ms Assunta Genovese, a service user of 49 Lincoln Road addressed Cabinet and provided an overview of the support offered to her and the activities that were available to her. Ms Genovese further advised that she had been part of the day opportunities design group and had looked at how day opportunities were provided in Thurrock. She advised that although Thurrock did well, Peterborough provided a better service.

Councillor Fitzgerald introduced the item and provided an overview of the background to the issue and an overview of the model. Further key points included the continuation of all services, but with some being provided in a slightly different manner; individual care packages being provided for those people with the most need; the challenge to make individuals strive for personal development and to give people more opportunities to be able to do so; the investments that would be made in the service and the improvements that investment would make; the move to Kingfisher at the Bretton Centre for those individuals with complex and profound needs; the continuation of Fletton Day Centre for the foreseeable future and the developments that could be made going forward.

Councillor Seaton thanked Ms Genovese for addressing Cabinet and for providing an overview of the service which she utilised, this being 49 Lincoln Road. Councillor Seaton further highlighted all of the services available at 49 Lincoln Road including bills advice, key workers, employment etc. and queried whether all of these services would still be available following implementation of a new model. The Director for Communities responded and advised that all services would still be available with further expansion, particularly in relation to employment through the micro enterprises.

Cabinet considered the report and **RESOLVED** to agree:

1. To an open tender for the delivery of day opportunities for under 65s which were currently provided by the council;
2. To provide a service for people with complex needs at Kingfisher Day Centre and have a micro enterprise situated within it;
3. Provision of community based satellite centres to provide independent living skills, employment and social opportunities;
4. For the 2015/16 budget to be amended to reflect the savings arising from the redesigned services; and
5. A further period of consultation on the new proposed model of delivery.

REASONS FOR THE DECISION

The new model would better support people to reach their full potential in life. It would look to support people to develop skills which would help them to gain employment, and/or skills which would support them to live independently. It would also support those people with complex needs with a more targeted approach to ensure that their needs were met.

People with less complex needs would be supported through a combination of employment related services, community satellite centres and where possible, with personal assistants.

Employment services would continue to offer employment related activities ranging from supported employment, voluntary work to paid employment. This would be offered to every person eligible to receive a service.

The ultimate aim of this investment would be to allow people to secure paid employment wherever possible.

ALTERNATIVE OPTIONS CONSIDERED

Other delivery vehicles and options were considered in providing an alternative to the current in house service, (excluding the option to do nothing) which was owned and staffed wholly by the Council. All options had undergone a SWOT analysis and scoring methodology, which considered price and quality of service.

Once the scoring and analysis had been completed, a risk analysis for the top three options was completed. The options were then ranked by their total weighted score. All options were ranked against the Council's need to deliver a long-term, value for money service, which could best meet the needs of people and deliver the necessary outcomes of the recommended delivery model.

The continuation of in-house services was not considered a viable option for a number of reasons. It could not achieve the level of savings desired and would be unable to take advantage of external grant funding opportunities afforded to the independent sector.

6. PHASE ONE BUDGET PROPOSALS

Cabinet received a report as part of the Council's agreed two stage budget process, as outlined in the report considered by Cabinet on 24 November 2014.

The purpose of the report was to enable Cabinet to consider the feedback from consultation undertaken to date with Scrutiny, residents, partner organisations,

businesses and other interested parties and to recommend to Council approval of phase one budget proposals.

An addendum document had been circulated prior to the meeting of Cabinet which contained revised recommendations.

Councillor Seaton introduced the item and provided an overview of the background to the issue. Further key points included the wide reaching ongoing budget conversation; the challenges faced due to the £44m cut in grant; the work which had been undertaken alongside officers and the cross party budget working group; the release of the budget proposals in two phases; full analysis of the feedback being included within the addendum to the Cabinet report; the feedback and consultation sessions which highlighted the understanding that the public had in relation to the issues faced by the Council; the consultation responses being taken into account but also being balanced with achieving the required level of savings; the cessation of Your Peterborough magazine leading to a decrease in communication opportunities with residents; the issues raised being consistent throughout; the deferral of proposals for shrub replacement and grass cutting to Phase 2 of the budget proposals to allow further discussion; the proposal to charge for blue badge parking and the bigger issue being the availability of accessible spaces rather than charging itself and the work that would be undertaken alongside the disability forum to address this issue; comments which had been received with regards to proposals for bowls clubs and the further work that would be undertaken to identify alternative ways to provide the service; comments which had been received with regards to Council Tax Support, this not being part of the proposals for Council in December; the comments which had been received relating to suggested savings and the work that was already being undertaken in relation to some of the suggestions; the second set of proposals which would have to close the remaining £8m savings gap and the feedback process which would be repeated for this second phase.

Councillor Seaton summarised by stating that the Council was committed to providing a bright future for the city and its residents and it was believed that the phase one proposals struck the right balance between tackling the financial challenges faced and maintaining focus on education, jobs creation and economic prosperity and quality of life for residents.

Cabinet debated the report and key points raised, along with responses to questions provided by the Executive Director of Resources included:

- It was still unclear as to when the grant settlement would be;
- There had been a number of concerns raised around the bowling greens. Could consideration therefore be given to postponing any decision on the bowling greens to the second phase?
- The feedback received from the bowling clubs had been positive so far and the health and wellbeing benefits were recognised. Meetings were continuing and alternatives were being explored. The proposal for bowling clubs was therefore proposed for postponement to the second phase;
- The gap in the finances were not due any form of mismanagement by the Council and each year a balanced budget had been delivered along with significant efficiency savings. Significant challenges had been met and this was down to a strong Finance Team and a focussed Cabinet;
- The Corporate Management Team worked together throughout the year to address any in year pressures within the resources available and the resource allocation. Finances had also been put into areas where it was needed, for example into children's services, due to local issues; and
- The financial resilience of the Council was good and the Council was tackling challenges head on.

Cabinet considered the report and **RESOLVED:**

1. To have regard to the consultation feedback received to date and statutory advice detailed in the report, when determining the phase one budget proposals, noting that consultation remained open and an addendum would be provided prior to the Cabinet meeting and to the Council meeting;
2. To recommend that Council:
 - i. Defer some phase one budget proposals to phase two of the budget process to enable Cabinet further time to conclude the specific issues raised on certain budget proposals. The proposals to be deferred being:

Issue	2015/16 £k	2016/17	2017/18	2018/19	2019/20
Parks, trees and open spaces	-168	-168	-168	-168	-168

Comprising of the partial deferral of the parks, trees and open spaces, this being:

- Cutting of parkway verges will be reduced by around 20 per cent, however visibility for traffic will be maintained at all times. This proposal makes a saving of £10,000.
 - Grass cutting will be reduced from ten cuts a year to eight. This proposal makes a saving on £38,500.
 - Shrubs which are ageing or have reached the end of their life will be removed. This proposal makes a saving of £83,000.
 - Four of the city's seven bowling greens will be closed. Currently there are bowling greens at Bushfield in Orton, Central Park (2), East Community Centre, Itter Park, Ringwood in Bretton, Stanground and Werrington. In addition, six grass tennis courts at Central Park and five at Itter Park will be closed. Clay tennis courts at both parks will remain open. This proposal makes a saving of £36,000.
- ii. Approve the phase one budget proposals, as summarised in appendix 1 to the Cabinet report, subject to the deferral of the proposals as outlined in recommendation (2i), to enable implementation of these budget proposals to commence; and

3. To note the timetable for the phase two consultation and formal approval of the 2015/16 to 2024/25 Medium Term Financial Strategy as detailed at section 6. Furthermore, budget proposals approved by Council on the 17 December will form part of the medium term financial strategy but will not form part of the second stage of consultation or Council debate on 4 March 2015.

REASONS FOR THE DECISION

Under statutory requirements the Council must set a lawful and balanced budget. The approach outlined within the report worked towards fulfilling this requirement.

ALTERNATIVE OPTIONS CONSIDERED

Cabinet considered releasing all budget proposals in the New Year after the provisional finance settlement announcement, as Cabinet had done so over previous financial years. The cross party Budget Working Group expressed a desire to release

budget proposals earlier than in previous years. Cabinet considered the cross party Budget Working Group's view and recognised that as work was continuing to identify and propose further budget proposals, and given the unprecedented scale of the savings to find, Cabinet agreed to publish their budget proposals in two stages. This would enable the remaining phase one budget proposals to be approved by Council on 17 December to allow the implementation process to commence depending on whether the proposals were required to be implemented under Director delegation, Cabinet Member Decision Notice or a further report to Cabinet.

MONITORING ITEMS

7. CHILDREN'S SERVICES DIRECTOR'S UPDATE

Cabinet received a quarterly Director's update report which provided an overview of Children's Services Improvement.

Cabinet considered the report and **RESOLVED**:

To note the contents of the report and the key points as of October 2014, these being:

- Continued increase in early intervention assessments (CAFs);
- Conversion rate from contact to referral 20% lower than same time two years ago;
- Majority of referrals had a single assessment completed and in timescale;
- Re-referral rate staying low;
- Continuing high number of Child Protection enquiries;
- High number of children subject to a Child Protection Plan; and
- Continued increase in Looked After Children (383).

REASONS FOR THE DECISION

The reason for the report was to provide Cabinet with an overview of Children's Services improvement.

ALTERNATIVE OPTIONS CONSIDERED

There were no alternative options considered.

Chairman
9.00am - 9.37am

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CABINET	AGENDA ITEM No. 4
19 JANUARY 2015	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Lucia Serluca; Cabinet Member for City Centre Management, Culture and Tourism	
Contact Officer(s):	John Harrison, Executive Director of Resources	Tel: 01733 452520

NEW DELIVERY MODEL FOR PETERBOROUGH LIBRARY SERVICE

R E C O M M E N D A T I O N S	
FROM : Councillor Lucia Serluca	Deadline date : n/a
<p>For Cabinet:</p> <ol style="list-style-type: none"> 1) To consider the responses received to the first consultation as set out in the report; and 2) To approve the basis for the second public consultation on the future delivery model of library services in Peterborough. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet from the Cabinet Member for City Centre Management, Culture and Tourism.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to allow Cabinet to consider the consultation responses received from the first consultation process, and subsequent approval for the next steps on libraries including a second, eight week public consultation on possible, affordable delivery approaches, to libraries which would meet the Council's statutory obligations.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1 'To take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services'.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	YES	If Yes, date for relevant Cabinet Meeting	23 rd March 2015
Strong and Supportive Communities Scrutiny Committee	19 th March 2015		
Date for relevant Council meeting	N/A	Date for submission to Government Dept (please specify which Government Dept)	N/A

4. LIBRARIES

- 4.1.1 Under section 7 of the Public Libraries and Museums Act 1964 the Council is under a statutory duty to:
- a. provide a comprehensive and efficient library service for all persons in the area that want to make use of it;
 - b. promote the service; and
 - c. Lend books and other printed material free of charge for those who live, work or study in that area.
- 4.1.2 The Council is required to consult on any changes recommended for service delivery and it is essential that the public are consulted before any service changes are adopted.
- 4.1.3 The way customers use the library service is changing. Technology means that customers are doing a lot more things for themselves. According to management information held by Vivacity, 90% of book loans in Peterborough's libraries are now done through self-service kiosks. 51% of library members currently borrow books on a regular basis and 49% of members are using the libraries for a range of other activities. Staff now spend more time supporting customers to use computers, or supporting groups meeting in libraries, than they do dealing with 'traditional' library enquiries. The challenge the library service faces is how to provide an excellent, accessible, modern library service, with declining resources.
- 4.1.4 The Peterborough library service currently operates through 10 fixed buildings, a mobile library and an at-home service run by a team of volunteers who take books to those with mobility problems. In the city centre, Central Library is open 40 hours per week. Bretton, Werrington, Orton and Dogsthorpe are open 29 hours a week. Eye, Stanground, Thorney and Woodston are open 21 hours per week. The new Hampton library is open for 75 hours a week (21 hours with Library staff and 54 hours through self-service).
- 4.1.5 The mobile library makes 103 stops across Peterborough, covering villages out as far as Burghley House. It also supports nine 'micro-libraries' in a variety of places, from the Stagecoach bus garage to the Perkins' canteen. Libraries offer a range of services including books, newspapers and magazines; DVDs; free access to the internet via public computers and events and activities for children, families and adults. A request service is also offered for any book that is either still in print or likely to be held in a library in England.
- 4.1.6 In addition to the buildings-based and home delivery services, there is also 24/7 access to online digital services such as e-books, e-audio and information databases.
- 4.1.7 An initial consultation of eight weeks took place between 4th August and 26th September 2014 to understand which libraries and communities centres people use around Peterborough, when and how often they use them and what they use them for. In total, 5,110 responses were received during the consultation period.
- 4.1.8 A weekly email update was sent by Councillor Lucia Serluca, Cabinet Member for City Centre Management, Culture and Tourism, to all 57 councillors asking them to encourage residents in their ward to complete the consultation questionnaire. In addition, Councillor Serluca and council officers attended a number of meetings to talk about the consultation including Peterborough Youth Council (16 Sept), Parish Council Liaison Group (24 Sept) and Community Action Peterborough (26 Sept).
- 4.1.9 The Council also consulted with all parish councils and clerks, registered community and resident groups, faith and community groups, voluntary sector partners such as the disability forum, Age UK and Peterborough Citizens' Advice Bureau and MPs.

4.2 LIBRARIES – FINDINGS FROM THE CONSULTATION

- 4.2.1 The consultation ran for eight weeks and was available online via both the Council and Vivacity websites. Paper copies were also available from the Town Hall and Bayard Place receptions and every library and community centre. A large amount of work was undertaken to reach a wider audience so that we could consider the views of as many residents as possible.
- 4.2.2 All 20,000 library card users who Vivacity hold email addresses for were sent an email about the consultation on two separate occasions. In addition, all 1,500 members of the Citizens' Panel were asked to complete the questionnaire and an email was sent to the head teachers of all schools in the city to cascade throughout their schools.
- 4.2.3 In total, 5,110 responses were received to the consultation (the highest response rate to a consultation exercise received in recent years).
- 4.2.4 The question 'what is most important to you about a library service?' received three strikingly significant responses:
- The books on the shelves (87.2% said extremely important)
 - The location (70.4% said extremely important) and
 - Access to information (55.6% said extremely important)
- 4.2.5 The consultation has shown that libraries are overwhelmingly a local service, with 75% of library users travelling less than 2 miles to use a library, and 43% of library users walking to the library (rising to 90% for the users of Eye and Thorney library).
- 4.2.6 The public were also asked what factors would encourage more use of the library service, with accessing the library building outside normal hours receiving the highest response: 35.4% of respondents said this would be extremely important and 39.1% said it was quite important.
- 4.2.7 The council received a petition from the friends of Bretton library on the 16th December with 531 signatures attached with a short survey on user requirements. These findings have been taken into consideration when developing the new model of library services.
- The main findings from the friends of Bretton library survey are as follows:
- The location (47 responses)
 - The books on the shelves (41 responses)
 - Use of Computers (9 responses)
 - Social activities (8 responses)

4.3 THE COST OF THE LIBRARY SERVICE

- 4.3.1 The Council is reviewing how it delivers every aspect of its business – both statutory and discretionary services – in the lead-up to agreeing a budget for 2015/16. This is against the backdrop of significant reductions in funding from Central Government, meaning the Council needs to secure savings totalling £25.3 million.
- 4.3.2 The library service as managed by Vivacity cost **£1,518,549** to deliver during 1 April 2013 to 31 March 2014. This is made up of:

	Cost
People	-£1,013,526
Materials / book fund	-£271,218
Buildings	-£233,805
Total	-£1,518,549

4.4 LIBRARIES – NEXT STEPS

4.4.1 Taking into account local and national information on use of libraries and the costs that are associated with libraries (as detailed above), the Council has explored how different delivery models can be designed for libraries that would secure a financially sustainable offer, meet the needs of the public and fulfil the Council's statutory obligations.

4.4.2 The following responses received from the initial consultation process have been considered in exploring possible models:

- Libraries are important to users and non-users;
- Users want books on shelves;
- The location of libraries is very important;
- Users want access to information;
- Users want access to libraries outside of normal hours.

4.4.3 Our vision: Libraries in Peterborough will be

- A place to find reading for pleasure and learning; both in a physical and virtual space;
- A community collaboration space;
- Somewhere to break down a sense of disconnect and isolation;
- Promoters of democracy by providing access to information and multiple points of view so that people can make knowledgeable decisions on public policy throughout their lives;
- Supporter of families through offering an alternate venue for parents and their children to enhance activities traditionally conducted at home by providing homework support, parenting collections, and early literacy programs;
- A place to learn new things;
- A quiet space- with increasing multiple occupancy housing there is need for quiet space to think and study.

4.5 THE PROPOSED WAY FORWARD FOR PETERBOROUGH LIBRARIES

4.5.1 The preferred way forward is for all library buildings to remain open with reduced hours with staff present **but library facilities will be available for further hours** with no staff available- made possible through technology called Open+, which will enable visitors to access the libraries through self-service functions. Through this model libraries will be accessible for a further **126** hours per week.

4.5.2 In summary terms, a reduced staffing complement would be deployed in each of the current libraries. We believe an annual staff cost saving of **£320,000** can be achieved if we staff all the existing libraries but for reduced hours, together with scope to make a further saving from the Book Fund of **£30,000**, equating to a full year saving of **£350,000**. It will take time to introduce these changes, which will reduce the total saving in 2015/16 by £30,000. We would aim to implement the new arrangements from May 2015. The one month shortfall in saving will be met from the council's capacity fund.

How this could look:

4.5.3

		Our preferred option		
LIBRARY	Current opening hours	Staffed Hours	Self-service hours	Total Staffed and self service hours
Central	40	33	22.75	55.75
Bretton	29	16	21.25	37.25
Dogsthorpe	29	14	19	33
Eye	21	10	14.5	24.5
Hampton	21	14	61	75
Orton	29	16	22.25	38.25
Stanground	21	10	21.5	31.5
Thorney	21	10	15.25	25.25
Werrington	29	16	25	41
Woodston	21	10	15.25	25.25
TOTAL	261	149	237.75	386.75
Available weekly hours	261	386.75		

Our preferred option will result in a reduction of staffed hours from 261 to 149, however the overall hours the buildings will be available will increased by **126** hours from the current available hours.

4.5.4

The precise hours for each library building are subject to change as we refine the model with Vivacity.

4.5.5

If, as a result of the trials at Central and Dogsthorpe libraries and / or the site visits, **Open+ does not appear to represent a viable way forward for either some or all libraries** we will seek to protect the overall approach by asking volunteers to staff some additional hours on top of a continuing Vivacity presence.

4.5.6

Libraries have committed user groups and Vivacity has an excellent track record in recruiting, training and deploying volunteers. If that is not possible then only more limited (staffed) opening hours would be possible if we are to keep all our libraries open.

The existing mobile library and the (volunteer-run) books at home services will not be affected.

4.5.7

4.6 INVESTMENT IN TECHNOLOGY

- 4.6.1 There are a number of references in this report to enabling increased public access and opening hours through technology. The system is known as Open+. This system allows library services to maintain or extend library opening hours, providing customers and communities with more choice and flexibility as to when and how they engage with the library service. The Open+ model is currently operational in selected libraries in Leeds and London, with best practice shared between organisations.
- 4.6.2 The fully functional Open+ solution can automatically control and monitor building access, self-service kiosks, public access computers, lighting, alarms, public announcements and customer safety. The system links through to the current library management system, utilising membership cards and pin number and is compatible with current library self-service kiosks. It is anticipated that the Open + model will enable Peterborough library buildings to be open from 9-5pm with variances from library to library, Central library will be opened from 9-7pm.
- 4.6.3 The Open+ system does not restrict the times for which any libraries can assessable, the project team with Vivacity will review the opening hours after one year of operating to evaluate if the opening hours could be extended further.
- 4.6.4 Customers will be invited to opt-in days where they will be asked to read and sign that they understand the terms and conditions of using Open+ and will then be enrolled on to the system. Customers will also be able to enrol during normal staffed hours. This method will enable the library service to monitor who had access during Open+ hours. Open+ will not be available for children under the age of 16, unless accompanied by an adult and customers with temporary library membership or who have specific notices on their profile. These customers will be able to access the library service during staffed hours.
- 4.6.5 Children attending the libraries through schools will be supervised by school staff and the teachers will be required to enrol as Open+ members. The capital investment for the technology required for all libraries equates to **£170,000** with support costs of **£10,000** a year for all libraries, this will ensure that no libraries have to close. The capital costs are budgeted within the culture and leisure capital budget. The revenue cost of the capital equates to **£24,600** over 8.5 years. The support costs for Open+ are covered within the existing Book fund which supports digital subscriptions and user support.
- 4.6.6 The Open+ technology will first be piloted in Central Library and Dogsthorpe library. The pilot will then pave the way for wider roll-out, if that is desired within the current proposals presented. The pilots will be evaluated during March to enable the project team to understand the day to day running of Open+ with staff and target groups, who will be invited to test the system.

4.7 NEXT STEPS

- 4.7.1 Subject to the recommendations of Cabinet, a further 8 week consultation process is planned seeking views on the preferred approach described in this report, to run from 23 January to 20 March 2015.
- 4.7.2 The consultation would be made available through online links from the Council and Vivacity websites and promoted on social media together with hard copies would be made available in the Town Hall, at Bayard Place and in all of our libraries. We would propose facilitating public meetings in libraries.
- The consultation paper is attached under Appendix 1.
- 4.7.3 The results of the second consultation process will be presented at the Strong and Supportive Communities Scrutiny Committee on 19 March 2015 and then to Cabinet on 23 March 2015 for a decision on the future operating model for library services.

4.7.4 The timeline is outlined below:

Item	Dates 2015
Cabinet discussion on the new delivery model (and permission for second consultation)	19/01/15
2 nd Consultation starts	23/01/15
Strong and Supportive Communities Scrutiny Committee	19/03/15
2 nd Consultation ends	Noon 20/03/15
Final consultation analysis	20/03/15
Cabinet supplementary paper of final consultation results, and cabinet decision on the way forward	23/03/15

4.8 RISKS AND ISSUES

- 4.8.1 The timetable is tight. If Cabinet confirms the new proposals as set out in this paper, we would recommend moving rapidly to pilot and then to deploy the Open+ technology in the two pilot libraries. Detailed risk assessments will be completed for each building where the system is operating.
- 4.8.2 Customers will not be automatically enrolled into the Open+ system and will have to opt-in, agreeing to the terms and conditions of being an Open+ member and the requirements for access which will include personal security and acceptance of the terms and conditions of using the technology.
- 4.8.3 An equality impact assessment will be published alongside the consultation document. We will use the consultation to test whether there are any equality issues that we have not considered associated with the proposals described.

5. CONSULTATION

- 5.1 An initial eight week consultation took place between 4th August and 26th September 2014 to understand which libraries and communities centres people use around Peterborough, when and how often they use them and what they use them for. In total, 5,110 responses were received during the consultation period.
- 5.2 A weekly email update was sent by Councillor Lucia Serluca, Cabinet Member for City Centre Management, Culture and Tourism, to all 57 councillors asking them to encourage residents in their ward to complete the consultation questionnaire. In addition, Councillor Serluca and council officers attended a number of meetings to talk about the consultation including Peterborough Youth Council (16 Sept), Parish Council Liaison Group (24 Sept) and Community Action Peterborough (26 Sept).
- 5.3 The Council also consulted with all parish councils and clerks, registered community and resident groups, faith and community groups, voluntary sector partners such as the disability forum, Age UK and Peterborough Citizens' Advice Bureau and MPs.
- 5.4 An equalities impact assessment has been produced for the proposed new library service model and is attached to this paper under Appendix 2.

6. ANTICIPATED OUTCOMES

- 6.1 For Cabinet's consideration and approval: the next steps on libraries include a second, eight week consultation on possible, affordable delivery approaches, which would meet the Council's statutory obligations.

7. REASONS FOR RECOMMENDATIONS

- a. To approve the proposed new approach to delivering Peterborough's library services in the future; and
- b. For approval to conduct a second consultation as detailed in 4.7.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 We have explored, but for now discounted two other options further delivery of library services in Peterborough that would achieve a similar level of saving:

- 1) The option of putting all of the available staffing resource into Central Library to create an enhanced 7 day city centre offer, supplemented by the library mobile service;
- 2) Central, Bretton, Orton, Werrington and Dogsthorpe libraries remain open with reduced staff hours, but will be available for further hours with no staff. Hampton remains as a purely self-service library.
- 3) Eye, Dogsthorpe, Stanground, Thorney and Woodston libraries will close. However if community groups come forward any of these can remain open by being run by volunteers at no additional cost to the Council.

9. IMPLICATIONS

- 9.1 Financial implications

The consultation will help inform the options for the council on the future of library services. It is anticipated that implementation of a new delivery approach would enable the Council to achieve budget reductions. The costs of any future consultations will be met from existing budgets. The proposed re-modelling of Library services is expected to deliver savings of £350,000 in a full year.

- 9.2 Legal implications

These are set out within the report the proposal and the attached impact assessment sets out the potential impacts of the proposals.

10. BACKGROUND DOCUMENTS

- 10.1 Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985):
Existing Council strategies, the Funding and Management Agreement dated 1 May 2010 between the Council and Vivacity, and published documents by the Arts Council and Cities outlook 2014.

11. APPENDICES

There are two appendices to this report:

Appendix 1: Public consultation paper

Appendix 2: Equalities impact assessment

Peterborough City Council
Future options for our libraries
January - March 2015

Consultation on the future options for Peterborough's library service

Introduction

Welcome to the second phase of the Peterborough library service review. This consultation runs from **Friday 23rd January to Sunday 22 March 2015** and seeks to gather your views on the proposed option for the future of Peterborough's library service.

We know people value the city's library services but we also know that the way people are using them is changing. In addition, the council is having to make some very difficult decisions in order to balance its budget for 2015/16.

In August 2014 it was agreed that a review of the library service would take place which would include a public consultation seeking to understand how residents use, or would like to use, libraries. That consultation has concluded and the results are included in this document.

This second consultation will now look to gather people's views on our preferred option for delivering library services in the future, in a way that meets people's needs and within the funding that we have available.

Why review our library services?

The way we use libraries is changing. Technology means we're doing a lot more things for ourselves. Ninety per cent of book loans are now done through self-service kiosks. Library staff now spend much more time supporting people to use computers, or supporting groups meeting in libraries, than they do dealing with 'traditional' library enquiries. The challenge we face is how to provide an excellent, modern library service, with less money.

Our continued vision for Peterborough's library services

Vivacity, which runs the city's libraries on the council's behalf, will continue to serve the whole community through reading, education, digital information and access to information; responding to the city's needs and adapting to new technology. Libraries in Peterborough will be:

- Welcome to everyone
- A place to find reading for pleasure and learning; both in a physical and virtual space
- A place for the community to get together
- Somewhere to break down a sense of disconnect and isolation
- Promoters of democracy by providing access to information and multiple points of view so that people can make knowledgeable decisions on public policy
- A place for parents and their children by providing homework support, parenting collections, and early literacy programs
- A place to learn new things
- A quiet space.

What you told us in the first consultation

The city council and Vivacity asked people how they use the city's libraries and how they want them to develop during the first consultation which ran during August and September 2014.

The full report is available on the council website. The first consultation can be reviewed from here: [Main findings report.docx](#). The Equality Impact Assessment can be reviewed from here: [EIA Libraries.doc](#)

A total of 5,110 responses were received from local residents. The main findings included:

- Libraries are important
- You want books on shelves
- You want some staff support
- You want access to information
- You want access to libraries outside of normal hours
- 82% of respondents indicated they currently use a Peterborough library
- 87% of respondents said they visit libraries to borrow books
- 75% of respondents stated that 'accessing the library building outside normal hours' would be either 'extremely important' (35%) or quite important (39%) in encouraging them to make more use of library services.

What are we asking for your views on now?

From your feedback, we know that libraries are an important and valued service. The city council will have to reduce its budget by a further £25.3 million next year and some of these reductions will come from the library service. It currently costs £1.5 million to provide library services in Peterborough which it is proposed will be reduced by £350,000. We simply can't afford to continue to offer the same service we provide currently.

As a result of these financial pressures, and informed by your views, we have developed an option that protects as much as possible of what you value about our library services.

The option we are asking you to consider addresses the immediate, short-term financial pressures we are facing. It should also create a library service that continues to work well for Peterborough now and in the future.

Options the council considered but discounted

- 1) The council explored the option of putting all of the available staffing resource into Central Library to create an enhanced 7 day city centre service supplemented by the mobile library. We believe this would offer a high-quality city centre offer, but would leave too many people who use their local library disadvantaged.
- 2) The council also explored option of staffing the busiest libraries (Central, Werrington, Bretton, Orton and Dogsthorpe) only and to extend the opening hours in the five remaining libraries through the use of technology. In addition, Hampton library would have become wholly self-service and the four remaining libraries (Eye, Stanground, Thorney and Woodston) would have closed. Again, whilst there are advantages in this approach for the users of some libraries, we felt it was important to offer something for the users of all libraries.

The option for consideration:

The preferred option, which is the one we are asking for your views on, is for all the city's libraries to remain open, through a combination of staffed and self-service hours, including Saturday opening hours. The city's libraries are Central, Bretton, Dogsthorpe, Eye, Hampton, Orton, Stanground,

Thorney, Werrington and Woodston. The existing mobile library and the (volunteer-run) books at home services will not be affected.

		The preferred option		
LIBRARY	Current opening hours	Staffed Hours	Self-service hours	Total Staffed and Self-service hours
Central	40	33	22.75	55.75
Bretton	29	16	21.25	37.25
Dogsthorpe	29	14	19	33
Eye	21	10	14.5	24.5
Hampton	21	14	61	75
Orton	29	16	22.25	38.25
Stanground	21	10	21.5	31.5
Thorney	21	10	15.25	25.25
Werrington	29	16	25	41
Woodston	21	10	15.25	25.25
TOTAL	261	149	237.75	386.75
Available weekly hours	261	386.75		

With the preferred option there will be a total increase of 125.75 hours of opening in all libraries with the introduction of self-service hours.

If, as a result of the trials at Central and Dogsthorpe libraries **self-service does not appear to represent a viable way forward for either some or all libraries** we will seek to protect the overall approach by asking volunteers to staff some additional hours on top of a continuing Vivacity presence. Libraries have committed user groups and Vivacity has an excellent track record in recruiting, training and deploying volunteers. If that is not possible then only more limited (staffed) opening hours would be possible if we are to keep all our libraries open.

The existing mobile library and the (volunteer-run) books at home services will not be affected.

1. Have you read the consultation information link before taking this survey? (Please circle your preferred choice below). If No, please exit the survey and read the consultation information before completing the survey.

YES	NO
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2. Do you agree with the preferred option? (Please circle your preferred choice below)

YES	NO
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3. If you have an alternative option on how the service could be delivered, please tell us in the space provided below. Please show how your approach would reflect the need to make efficiencies to provide, wherever possible, an extended, but still local offer.

Please include in your response reference to the following from the priorities from the first consultation carried out:

- **Budget priorities**
- **Location**
- **Books**
- **Access**

Please indicate if you would be willing to volunteer in a library during staffed or self-service hours. If so, please include your name and contact details below.

Name:	
Email:	
Phone:	

Next steps

As well as taking account of the findings of this consultation, we will also be meeting with library users, staff, community groups, councillors and the general public about the preferred option. These discussions will help us understand if our vision and proposal for the future library service is right. The council’s Cabinet will make a decision on the recommended option at their meeting on 23rd March 2015, with the option implemented from May 2015.

About you

So we can check this survey is representative of Peterborough overall, can you please complete the following questions.

Q.4 Are you: Male.....£1 Female..... £2

Q.5 Which of these age groups do you fall into?

16 to 24 years.....£1 55 to 64 years£5
25 to 34 years.....£2 65 to 74 years£6
35 to 44 years.....£3 75 years or over.....£7
45 to 54 years.....£4 Prefer not to say£8

Q.6 What is your ethnic group?

A White

1. English/ Welsh/ Scottish/ Northern Irish/ British.....£1
2. Gypsy or Irish Traveller£3
3. Any other white background.....£4

B Mixed/ multiple ethnic groups

4. White and Black Caribbean.....£5
5. White and Black African£6
6. White and Asian£7
7. Any other mixed/ multiple ethnic background£8

C Asian / Asian British

8. Indian£9
9. Pakistani.....£10
10. Bangladeshi£11
11. Chinese£12
12. Any other Asian background, write in.....£13

D Black/ African/ Caribbean/ Black British

13. African£14
14. Caribbean.....£15
15. Any other Black/ African/ Caribbean background£16

E Other ethnic group

16. Any other ethnic group£18

F Disability

Do you consider to have a disability?

17. Yes.....£19
18. No£20

Everything you say in this questionnaire is confidential. However the responses to this questionnaire may be reported as statistics and mapped geographically so that specific issues emerging within neighbourhoods can be targeted more efficiently. If you agree to your postcode being given for this process, please write in your postcode below.

Postcode:.....
.....

Thank you for taking the time to complete this questionnaire. If you require any further information please do not hesitate to contact consult@peterborough.gov.uk or telephone 01733 747474

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Equality Impact Assessment Form

Part 1 – Initial Screening

1. Officer(s) & Unit responsible for completing the assessment:

Paul Stevenette, Programme Manager / Clare Pavitt Business Intelligence Manager

2. Name of the policy, strategy or project:

Strategic Review of Libraries and Community Assets

3. What is the main purpose or aims of the policy, strategy or project?

The key drivers for the strategic review of libraries is to assess whether the facilities and services currently provided are still fit for purpose and relevant to modern local community needs, whilst taking account of the budget pressures due to a significant reductions in funding from Central Government.

The outcomes of initial reviews and consultation have led to the design of a new service delivery models. This model ultimately meet changing community needs and budget pressures whilst fulfilling the council's statutory obligations as Libraries are a statutory service under the Public Libraries and Museums Act 1964.

As a result of a 12 week consultation period it is proposed to retain all libraries and extend the number of hours service users can access the facility. However this will be achieved through a self-serve system and therefore the number of hours libraries will be staffed will be reduced but not eliminated.

4. Who will be the beneficiaries of the policy/strategy/project?

Current service users of libraries.

Wider community through extended hours of access to libraries in particular those who are unable to use the facilities during normal working hours.

Users/potential users who do not have internet access at home.

5. Has the policy/strategy/project been explained to those it might affect directly or indirectly?

Phase two of the library consultation puts the preferred option (delivery model, based on the outcome of the first stage) to service users. This stage of the consultations will be disseminated through focus groups, surveys and public meetings. The preferred option being consulted on outlines the new opening times and structure for libraries.

6. Have you consulted on this policy/strategy/project?

An initial 12 week consultation was carried out to establish usage of facilities covering aspects such as location, travel, frequency, purpose and importance of services.

The outcomes of this consultation have contributed to the identifying the requirements of future operating models and have informed the shape of the future operating models. However it is worth noting for the purpose of the EIA that 85.9 % of responses were white British, 65.5% were women and only 4.3% were aged between 16-24

The second phase of the consultation will seek community opinion of the future operating model. This phase will also provide the platform for further consultation on equality issues and engage community groups with a relevant protected characteristic for representation and views not already captured.

7. Please complete the following table and give reasons/comments for where:

(a) The policy/strategy/project could have a positive impact on any of the equality target groups or contributes to promoting equality, equal opportunities and improving relations within equality target groups.

(b) The policy/strategy/project could have a negative impact on any of the equality target groups, i.e. disadvantage them in any way. **If the impact is high, a full EIA should be completed.**

Equality Target Group	(a) Positive Impact		(b) Negative Impact		Reason/Comment
	High	Low	High	Low	
Gender					There are no positive or negative impacts as a result of a person's gender, however there may be an impact under socio economics that may be affected by gender.
Race					There is no positive or negative impact as a result of a person's race or ethnic origin.
Travelling Communities					There are no positive or negative impacts as a result of persons living as part of a travelling community
Disabled					The reduction in staffed hours could pose a low negative impact on some disabled groups who may need assistance with access or use of facilities.

		✓		✓	<p>Retaining all libraries in all locations enables disabled people to continue accessing the service in their preferred location. This is particular positive for those who are unable to travel.</p> <p>Retaining Bretton library in its current location poses a low negative impact as a result of a person's disability. The building is on 3 levels and the disabled access is out of date and does not cover the whole facility.</p>
Gay, Lesbian and Bisexual					There are no positive or negative impacts as a result of a person's sexual orientation.

Transgender/sexual					There are no positive or negative impacts as a result of a person's gender identity
Age		✓			Retaining all libraries in all locations enables older people to continue accessing the service in their preferred location. This is particular positive for those older people who are unable to travel.
Children and Young People				✓	<p>Lack of young people's response to consultation.</p> <p>Risk of decrease usage or restricted access to library services for teenage groups due to the nature and process of obtaining a vivacity card.</p> <p>During Open+ hours libraries will not be accessible for those under 16 years of age who are not accompanied by a parent or guardian. As the facilities are not staffed during Open+ times access for unaccompanied young persons may pose a child protection risk.</p>
Religious/Faith groups (please specify)					There are no positive or negative impacts as a result of a person's religion or beliefs
Socio economic background		✓			Volunteering creating workplace experience, preventing isolation, Providing services with a positive social impact, access to information and guidance where travel may be an issue.

8. Please give a brief description of how this policy benefits the equality target groups identified in the above table, i.e. promotes equality?

The extended hours of the service allows for access to service for groups who may not normally be able to access the services, it also give a greater opportunity and increased access to public internet facilities.

9. If there is a negative impact on any equality target group, is the impact intended or legal?

The potential low negative impact on older people, younger people and disabled groups is not intended, however further consultation will identify the reality of the impact and any mitigations.

With regards to young persons of teenage years, current usage is being analysed to assess the level of proportionality. Access to those under 16 years of age to none supervised facilities has the potential to poses a child protection risk which has to be taken into consideration when assessing impact.

If the negative impact is not intended, discriminatory and/or high in impact, complete part 1 and move on to the full assessment.

10. What actions could be taken to amend the policy/strategy/project to minimise the low negative impact?

Further consultation will identify any actions to mitigate or minimise the potential for low negative impact.

With regards to young persons of teenage years, current usage is being analysed in conjunction with access to school research, IT and learning facilities.

11. If there is no evidence that the policy/strategy/project promotes equality, equal opportunities or improves relations within equality target groups, what amendments could be made to achieve this?

N/A the project does promote equality of opportunity.

12. How will the policy, strategy or project be implemented including any necessary training?

This section will be dependent on the outcome of the second phase consultation.

Full Assessment necessary: No

Date completed: 15th December 2014

Signed by: Lisa Roberts, Client Manager: Culture and leisure

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CABINET	AGENDA ITEM No. 5
19 JANUARY 2015	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton – Cabinet Member for Resources Cllr Marco Cereste - Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement Cllr Diane Lamb – Cabinet Advisor for Health	
Contact Officer(s):	Jonathan Lewis – Ad Education, Resources and Corporate Property Dr Henrietta Ewart – Director of Public Health	Tel. 01733 863912

THE ERECTION OF BARRIERS AT NORTHMINSTER MULTI STOREY CAR PARK TO REDUCE THE RISK OF SUICIDE

RECOMMENDATIONS	
FROM : Cllr David Seaton – Cabinet Member for Resources	Deadline date : 19 th January 2015
<p>That Cabinet is recommended to:</p> <ol style="list-style-type: none"> Note the content of the Senior Coroner’s report dated 30th July 2014 titled “Regulation 28: Report to Prevent Future Deaths” received by the Council (Appendix 1). Consider how the findings of the Senior Coroner’s Regulation 28 : Report to Prevent Future Deaths relate to the Council owned Multi Storey Car Park known as Northminster Car Park, Peterborough (Northminster MSCP). Note that the Council is aware that Peterborough has a higher suicide rate than the England average and is committed to taking action to address this through the Cambridgeshire and Peterborough Suicide Prevention Strategy and the Stop Suicide Pledge. Note that the Cambridgeshire and Peterborough Suicide Prevention Strategy Three Year Action Plan includes a recommendation to reduce the risk of suicide from multi-storey car parks through a multi-faceted approach including suicide awareness training for car park staff, signage to direct people to sources of support and promotion of the use of barriers to restrict access to jumping points. Consider the budget implications of undertaking the works set out in feasibility study to install infill panels and fencing on the upper car park deck, the budget implications and the proposed review processes to determine future decision making. Confirm that the Head of Corporate Property and Children’s Resources, in consultation with the Director of Public Health and Cabinet Member Resources, will determine whether the works to install preventative measures on the Northminster MSCP are carried out in whole or part together with the decision making process and timetable associated with these options, subject to sufficient budget allocation. Approve an addition to the capital programme to include an unbudgeted provisional sum of £250,000 in the event that the Assistant Director – Education, Resources and Corporate Property in consultation with the Cabinet Member for Resources concludes that the intervention works are required and barriers and fencing are erected as set out in this report. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet from the Cabinet Member for Resources following the receipt of the coroner's Regulation 28 report dated 30 July 2014.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The suicide rate in Peterborough has increased in recent years and for 2010-2012 is significantly above both the England and East of England rates. Consistent with national data, the most common method of suicide in Peterborough is by hanging. Other recorded methods include drowning, use of firearms, multiple injuries – including those sustained by jumping from a height, and drug overdose.
- 2.2 The Council is committed to reducing the rate of suicide in Peterborough and on 11th December 2014, through the Health and Wellbeing Board, signed off the Cambridgeshire and Peterborough Suicide Prevention Strategy and three year action plan. The 2014-17 Action Plan includes a specific recommendation to reduce the risk of suicide from multi-storey car parks. This advocates a multi-faceted approach including training in suicide awareness for car park staff, assessing risk of suicide at individual car parks, displaying posters at car parks to direct individuals to sources of support and promoting the use of barriers to restrict access to jumping spots.
- 2.3 The Council has also signed the STOP Suicide Pledge which is an organisational commitment to encouraging openness and honesty when life gets difficult, reaching out to others who are struggling and may be contemplating suicide and directing them to sources of help.
- 2.4 On 30 July 2014, the Coroner issued a Regulation 28 report in respect of a suicide by jumping from one of the Queensgate car parks. Under the Coroners' Regulations 2013, a coroner has both the power and a duty to raise concerns where the coroner considers that actions could be taken to prevent future deaths. A Regulation 28 report is addressed to the organisations the coroner believes can take action to prevent further deaths. Such organisations have a duty to respond to the Regulation 28 report giving details of action taken or proposed to be taken, with a timetable for action. Alternatively, the organisation(s) must explain why no action will be taken.
- 2.5 All Regulation 28 reports are copied to the Chief Coroner and included on a public website. Responses from named organisations are also made public on the website. In this case, the Regulation 28 report was addressed to Peterborough City Council and the Queensgate management company, since both of these organisations own and are responsible for multi-storey car parks in the city.
- 2.6 The death which occasioned the Regulation 28 report occurred in December 2014 from one of the Queensgate car parks. The coroner noted that there had been a number of suicides from city car parks dating back at least to 2006. The coroner was concerned that the design of the car parks was not effective in preventing access to jumping sites. The coroner had submitted a published evidence review (Cox et al, BMC Public Health, 2013, 13:214) which reported that barriers to prevent access to suicide hot spots were effective in averting suicides without a substitution effect.
- 2.7 The Public Health team have reviewed the paper submitted by the Coroner and confirm that it is methodologically sound. The paper included nine studies examining the effectiveness of restricting access to jumping sites (including bridges, cliffs and railway platforms) by use of barriers. All these studies showed that suicide rates at these sites fell when restriction measures were put in place and rose when they were removed. Eight of the studies looked for evidence that restricting access to means of suicide at one site might cause an increase in suicide by other means (including at alternative sites). No evidence for a substitution effect was found.

- 2.8 The review paper also looked for evidence of effectiveness of other interventions to reduce suicide at ‘hot spots’ – including encouraging help-seeking through placement of signs or telephones; increasing the likelihood of intervention by a third party (including camera surveillance and staff training); and encouraging responsible media reporting of suicide. The evidence for the effectiveness of these interventions was weaker although they were not shown to be ineffective and are worth further study.
- 2.9 The Public Health team checked the literature for any papers published subsequent to the systematic review but did not find any. The Public Health team therefore advise that the systematic review represents the best currently available evidence for the effectiveness of interventions to reduce suicides at jumping points.
- 2.10 Between 1 February 2012 and 30 September 2014 there were a total of 70 recorded threats and fatalities from Peterborough car parks (58 ‘threat only’, 9 fatalities and 3 serious injuries). Eight deaths occurred at the four Queensgate car parks and one at Northminster; 16 of the 58 threats occurred at Northminster (data provided by Safer Peterborough Partnership).
- 2.11 The Council understands that it was included within the report as it owns and manages the Northminster car park, which is a multi-storey car park in the city centre. The Council has no ownership or interest in the Queensgate car parks and therefore makes no comments in relation to those car parks. The Council understands that the Queensgate Management Company have agreed a programme of works to install barriers at the Queensgate car parks.
- 2.12 The Council has now formally responded to the Senior Coroner’s Report date 30th July 2014 setting out the Council’s response, details of which are covered in this report to Cabinet.
- 2.13 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3 ‘to take a leading role in promoting the economic, environmental and social well-being of the area’.

3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. **PROPOSED RESPONSE TO CORONORS REPORT**

- 4.1 The Northminster Multi Storey Car Park (MSCP) is owned by Peterborough City Council and managed by the Council’s Parking Services Team. The Northminster MSCP forms part of a major city centre regeneration proposal set out in a report to Cabinet titled “Progressing Funding for Peterborough’s Future Growth”. This decision was made effective on the 13th December.
- 4.2 The Northminster MSCP consists of a ground floor with 6 floors of parking above. The car park has infill panels at ground and first floors but open sides above the parapets on the 5 upper floors. Following receipt of the Coroner’s report feasibility work has been carried out to look at options for providing infill panels at each level and fencing on the top deck, all with tamper resistant fittings.
- 4.3 Budget estimates have been prepared and the costs associated with this are significant, potentially up to £250,000 for the optimum solution of infill panels and fencing of the upper most deck. The exact cost will not be known until detailed surveys on matters such as structural integrity and fixing points are completed as well as programme for works determined together with the methods of working particularly as this is currently an operational and busy car park. At this level of expenditure the works will need to be formally tendered.

- 4.4 This is an unexpected cost to the public at a time when the Council is seeking to identify significant revenue savings, including reducing capital expenditure. As custodians of the public purse, the Council has to take a proportionate response to the level of expenditure.
- 4.5 A report taken to Cabinet on the 24 February 2014 identified key sites for regeneration and began the process of establishing a Joint Venture (“JV”) to regenerate key city centre assets. These plans were further refined in December. The Council are currently working up specific proposals to redevelop the car park with a private sector growth delivery partner. The scope of and timetable for redevelopment of the car park is as yet undetermined. Work required to determine this is about to commence and includes a detailed assessment of the remaining life of the building as an operational car park to inform a range of decisions. The assessment will include what investment is needed to maintain the car park in operation during the period until it is redeveloped including the technical solutions for discouraging suicides from the car park.
- 4.6 With these longer term plans in mind the Council takes a cautious approach taking into account:
- The likely limited future life of the car park
 - The risk and probability of future deaths
 - The cost of mitigation measures
 - Other mitigation measures which can be effected immediately
- 4.7 Given that at this stage the Council has not determined how the Northminster MSCP would be redeveloped and the timeframe for this and, therefore a point at which it would cease being a car park or close for redevelopment, to make an investment decision now would be premature.
- 4.8 If the decision were to continue to maintain and use this public car park for the longer term, which is unlikely, there would still need to be an assessment of the level of spend to prevent future deaths by suicide given that this car park has a low likelihood of suicide based upon recent history. The Council has to weigh up the likelihood of future harm against the level of public expenditure. It is a delicate balancing exercise to weigh one need against another and unfortunately cost is often a deciding factor in such matters.
- 4.9 The Council proposes to take such immediate mitigation measures as are available in line with the Suicide Prevention Strategy. These action are to place additional and more prominent signage directing people to sources of support at higher floors of the car park, lifts and lobby areas. The Council is also exploring how to make better use of the CCTV available at this site to identify any potential suicide risks. The CCTV control room is based on the top floor of the Northminster car park and is manned 24 hours a day, 7 days a week.
- 4.10 As regards the commitment of significant public expenditure on the erection of barriers, the Council proposes to monitor the situation to see if the erection of barriers at the Queensgate car parks results in an increase in suicides or suicide threats at the Northminster car park. The Queensgate barriers have yet to be erected. Once they are, the Council would propose to monitor the impact on suicide related behaviours at Northminster for six months before reviewing the decision on barriers. During this time we will seek to progress the development proposals for the site to provide a timetable for any redevelopment. If early redevelopment of the site is not to proceed we will reassess the need to erect barriers in the interim period.

5. CONSULTATION

- 5.1 Only internal Council officers at this stage including Director for Public Health, Head of Operations, Director of Growth and Regeneration, Head of Growth and Regeneration, Assistant Director Corporate Property and Children’s Resources and the Solicitor to the Council. This response is based upon the view of this group.

6. ANTICIPATED OUTCOMES

- 6.1 Cabinet is made aware of the Council's proposals to deal with the matters raised in the Senior Coroner's Report included as Appendix 1 and the potential provision of funding if further actions are required.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The Council is not required by the Senior Coroner to carry out suicide prevention works to the Northminster MSCP. However the Council takes very seriously the issues set out in that report and is considering a range of options including the erection of fencing and infill panels within the Northminster Car Park having regard to the operational life of the car park, redevelopment proposals and associated budget implications.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 **Option 1** - Do nothing. This is the least cost option but does not address the points made in the Senior Coroner's Recommendation.
- 8.2 **Option 2** – Monitor what impact the works at Queensgate Car Parks have in terms of on the numbers of suicides and suicide threat incidents at Northminster MSCP. For reasons set out in Section 4 of this Report this is the approach the Council is taking although making budgetary provision in the event that the ongoing review determines that the investment is to be made into the car park.
- 8.3 **Option 3** – Undertake interventions requiring significantly less investment such as additional signage and increased monitoring one site despite the evidence base for the effectiveness of these being weaker than for barriers. The situation would be reviewed once proposals for the medium to longer term future of the car park have been developed. The Council has already undertaken to implement these interventions.

9. IMPLICATIONS

- 9.1 The proposed decision to consider allocating budget, if required will have an impact on the Council's Budget.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Senior Coroner's Report dated 30 July 2014. This needs a proper reference to ensure it could be found again subsequently. Should be: Senior Coroner for Peterborough, Regulation 28: Report to Prevent Future Deaths, 30 July 2014.

BMC Public Health Research. This needs to be set out as a proper reference (no one could find this paper again from what you have put here). The reference should be: Cox Gr, Owen C, Robinson J et al, 'Interventions to reduce suicides at suicide hotspots: a systematic review', *BMC Public Health*, 2013, 13:214.

Cabinet Member Decision notice titled "Progressing Funding for Peterborough's Future Growth" December 2014.

Joint Cambridgeshire and Peterborough Suicide Prevention Strategy, 2014-17 (Signed off by Peterborough Health and Wellbeing Board on 11 December 2014).

Joint Cambridgeshire and Peterborough Suicide Prevention Three Year Action Plan, 2014-17 (Signed off by Peterborough Health and Wellbeing Board on 11 December 2014).

Information on the STOP Suicide Pledge is available at:

<http://www.stopsuicidepledge.org/pledge/> [accessed on 9 January 2015].

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David C Heming
 Senior Coroner for Peterborough

REGULATION 28: REPORT TO PREVENT FUTURE DEATHS (2)

	<p>REGULATION 28 REPORT TO PREVENT FUTURE DEATHS</p> <p>THIS REPORT IS BEING SENT TO:</p> <ol style="list-style-type: none"> 1. Hammerson PLC 2. Peterborough City Council 3. Pelican Partners (Peterborough) Ltd
1	<p>CORONER</p> <p>I am DAVID HEMING, Senior Coroner, for the coroner area of Peterborough.</p>
2	<p>CORONER'S LEGAL POWERS</p> <p>I make this report under paragraph 7, Schedule 5, of the Coroners and Justice Act 2009 and regulations 28 and 29 of the Coroners (Investigations) Regulations 2013.</p>
3	<p>INVESTIGATION</p> <p>On 23 December 2013 I commenced an investigation into the death of LYNN MARGARET GRAHAM GORMLY then aged 50 years. The investigation has not yet concluded and the inquest has not yet been heard.</p>
4	<p>CIRCUMSTANCES OF THE DEATH</p> <p>At approximately 12:20 on 23 December 2013, the deceased jumped from level 11 of Queensgate Car Park. She died of multiple injuries.</p>
5	<p><u>CORONER'S CONCERNS</u></p> <p>During the course of the investigation my inquiries revealed matters giving rise to concern. In my opinion there is a risk that future deaths will occur unless action is taken. In the circumstances it is my statutory duty to report to you.</p> <p>The MATTERS OF CONCERN are as follows. –</p> <p>(1) There have been a number of suicides from 2006 onwards, where individuals have taken their own lives by jumping from the Queensgate Car Parks. The current design of the car park is not effective in preventing jumps and the recent refurbishment of the car parks did not lead to the erection of barriers/increasing the height of the walls. Of note is the paper (attached) by ██████████ and others (BMC Public Health 2013, 13:214) which concluded that notwithstanding certain limitations of the review undertaken, reducing access to means through the installation of barriers can be effective in averting suicides at hotspots and does not lead to substitution effects.</p>

	<p>(2) The car park at Peterborough City Hospital which was opened in 2010 and is therefore of modern design, was constructed in such a way as to provide a significant obstacle to jumping as the wall on the top floor is approximately 3 meters high. By contrast, the walls at the upper floors of the Queensgate Car Parks and other City Centre car parks, are at a low level and do not operate as an effective barrier to jumping.</p> <p>(3) Falls from the car parks have been into areas where the public use pavements and there is clearly a risk of death to pedestrians also.</p> <p>(4) There is evidence in the medical notes and records of some of those who have taken their own lives, that car parks are seen as a means of effecting death by jumping.</p>
6	<p>ACTION SHOULD BE TAKEN</p> <p>In my opinion urgent action should be taken to prevent future deaths and I believe your organisation has the power to take such action.</p>
7	<p>YOUR RESPONSE</p> <p>You are under a duty to respond to this report within 56 days of the date of this report, namely by 24 September 2014. I, the coroner, may extend the period.</p> <p>Your response must contain details of action taken or proposed to be taken, setting out the timetable for action. Otherwise you must explain why no action is proposed.</p>
8	<p>COPIES and PUBLICATION</p> <p>I have sent a copy of my report to the Chief Coroner and to the following Interested Persons:-</p> <ol style="list-style-type: none"> 1. [REDACTED] – Father of the deceased 2. [REDACTED] – Mother of the deceased <p>I am also under a duty to send the Chief Coroner a copy of your response.</p> <p>The Chief Coroner may publish either or both in a complete or redacted or summary form. He may send a copy of this report to any person who he believes may find it useful or of interest. You may make representations to me, the coroner, at the time of your response, about the release or the publication of your response by the Chief Coroner.</p>
9	<p>30 July 2014</p> <p style="text-align: right;"><i>David Heming</i></p> <p style="text-align: right;">..... David Heming – Senior Coroner (Peterborough)</p>

CABINET	AGENDA ITEM No. 6
19 JANUARY 2015	PUBLIC REPORT

Cabinet responsible:	Member(s)	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	John Harrison, Executive Director Resources		Tel. 452398

LOCAL COUNCIL TAX SUPPORT SCHEME

R E C O M M E N D A T I O N S	
FROM : Executive Director Resources	Deadline date : 19 January 2015
<p>1. That Cabinet considers the feedback received to date on the consultation on proposed changes to the council tax support scheme, including the updates to be tabled at the meeting.</p> <p>2. That Cabinet determines the recommendation to the meeting of Full Council on 28th January 2015 on the Local Council Tax Support scheme for Peterborough, including the level of reduction in benefit for working age claimants being either:</p> <ul style="list-style-type: none"> • Keeping the reduction at 30% • A reduction of 35% • A reduction of 40% 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following the consultation on proposals for Council Tax Support for 2015/16 launched by CMDN on 2nd December 2014, including discussion at the Joint Budget Scrutiny on 3rd December 2014, prior to Cabinet on 19th January 2015 making a recommendation to the Council meeting of January 28th 2015.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to make a recommendation to Full Council on the Council Tax Support Scheme to be implemented in Peterborough from April 2015.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1 which states to take collective responsibility for the delivery of all strategic executive functions within the council's major policy and budget framework and lead the council's overall improvement programme to deliver excellent services.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	Yes	If Yes, date for relevant Cabinet Meeting	19 th January 2015
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Deadline for relevant Council Meeting	28 th January 2015	Date when these changes will apply from	1 April 2015
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4. BACKGROUND AND CURRENT SCHEME

Background

- 4.1 Council Tax Benefit (CTB) was the means tested way of reducing the Council Tax Bill for those on low incomes. Effectively the household paid less council tax (sometimes none) and the Government paid grant to the council to cover it.
- 4.2 CTB expenditure increased nationally from £2bn in 1997/98 to £4.3bn in 2010/11. The Government announced in the Spending Review 2010 that it would localise support for council tax making Councils responsible for local schemes and reducing the grant by 10%, saving £410m nationally in England. Councils would be responsible for determining, through their local scheme, how these savings are made. If councils do not make savings through the scheme, they will need to meet the cost of this elsewhere in their budgets. Schemes must fully protect pensioners and so the impact is met by 'working age' claimants.
- 4.3 Council Tax Benefit (CTB) became Council Tax Support (CTS) from April 2013. The Council implemented a local scheme that came into effect on 1st April 2013.

Financial Impact in 2013/14 and approach to developing new scheme

- 4.4 In Peterborough there were almost 18,000 Council Tax Benefit claimants (24% of households) which cost around £12m in 2010/11. The Medium Term Financial Strategy (MTFS) approved by Council in February 2012 was based on a local scheme being adopted in 2013/14 and there being no additional pressure on the council's budget i.e. any reduction in grant would be fully met through changes in the benefit scheme, rather than cuts being made in services elsewhere across the Council.
- 4.5 The Government claimed that the reduction in funding should be around 10% of the benefit bill. However this assumed that the number of people claiming this benefit, and hence the cost of it, reduced by 2013/14. Many parts of the country, including Peterborough, were seeing costs of benefit increasing. The Council estimated that the grant reduction would see a shortfall of nearer 20%. The gap between grant and the benefit bill for 2013/14 was estimated to be £2.4m.
- 4.6 Failure to devise and implement a local scheme by 31 January 2013 would result in the Department for Communities and Local Government (DCLG) 'default scheme' being used by the Council. This scheme mirrored the current CTB scheme i.e. there was no reduction in benefit. If this were to happen the Council and Police and Fire would have had to find the £2.4m of savings from elsewhere in their budgets.
- 4.7 In Peterborough 40% of claimants and 38% of the bill relates to pensioners. As Government legislation protects this group, the 20% loss in CTB funding has to be met by the remaining 60% of claimants. In order to achieve the strategy approved in the MTFS, this would require a reduction in benefit of 30%.
- 4.8 Cabinet approved this approach as the basis for consultation at their meeting of 24 September 2012 (the reduction was initially estimated at 35% and was consulted at this level, but changes to the grant meant this was finally 30%). The consultation also included options to fully protect groups, such as the disabled. Such protection would

mean higher reductions for working age claimants to keep the scheme self-funding in line with the MTFs strategy. The consultation also included options for lesser reductions (or no reduction), but recognised the impact this would have in terms of the need to find savings (as outlined in section 4.6 above)

- 4.9 Following Cabinet, an intensive period of public and stakeholder consultations ran for six weeks from 25 September to 5 November 2012, along with further engagement leading up to approval by Full Council on January 30th 2013.
- 4.10 The feedback was generally inconclusive. Whilst respondents felt that Peterborough City Council should continue to support people on low income by reducing their council tax bill, there was no clear indication of any preference as to how the new scheme should be designed.

New scheme implemented for 2013/14 and 2014/15

- 4.11 Given the unacceptable impact that cuts of £2.4m would have, it was agreed that a 30% reduction would be applied from 2013/14. The published scheme can be seen at the following link:

<http://www.peterborough.gov.uk/pdf/Housing-HousingBenefit-WelfareReform-ChangesToBenefit-CouncilTaxSupportSchemeSummary.pdf>

- 4.12 Analysis showed that under the new council tax support scheme there would be the following impact:
- 8,437 households who previously received 100% council tax benefit would now have something to pay
 - 2,458 households will be paying more council tax than before

Examples of how this would impact during 2013/14 are outlined below

- Currently Band A council tax in the city (including Police and Fire) is £908. A household in receipt of 100% benefit would currently pay no council tax. In future they would pay 30%, or £272 per year (£5.24 per week). They would still receive £636 in council tax benefit
 - Currently Band B council tax in the city (including Police and Fire) is £1,059. A household in receipt of 50% benefit would currently pay council tax of £530, and receive benefit of £530. In future they would pay an extra £159 per year (£3.05 per week), taking their total payment to £689 per year They would still receive £371 in council tax benefit
 - The average amount paid in benefit is currently £730 per year. This would reduce by £219 to £512 per year. As such the average household in receipt of benefit would pay £4.21 per week extra
 - Pensioner households are protected and hence unaffected by the proposals
- 4.13 The original Cabinet report outlined a range of measures that the Council intended to undertake to mitigate the impact on households. The Council works in a number of areas to support people in Peterborough, covering two main areas:
- Helping people get back into work and off benefit
 - Helping alleviate the impacts of poverty on individuals and households

The majority of these activities are led by the Neighbourhoods service, linking in with a number of partners across the city.

- 4.14 For 2014/15 the level of CTS reduction remained at 30%.

5. IMPACT OF THE NEW SCHEME IMPLEMENTED FOR 2013/14 AND 2014/15

5.1 The Council has closely monitored the impact of the new scheme. As we are only 20 months into the new scheme, we should remain cautious in drawing definitive conclusions. The scheme is likely to need to be monitored over several years to fully assess the impact.

5.2 The scheme received media coverage during the first year, especially when individuals were summoned to court. However it should be noted that whilst the scheme has seen an overall increase in summons, the majority have been issued for those not affected by the changes, as can be seen by the level of summons during the first five months of 2013/14:

Summons – non-CTS	6,427
Summons – CTS	5,266
total	11,693

5.3 Collection rates are being impacted, but overall not by a significant amount. Collection rates for 2013/14 can be seen in the table below (this is the collection rate as at 31st March 2014, further collection will have happened since then). The collection rate is currently lower for household paying for the first time, many of these households are now paying through instalments during the year, and the lower collection rate in part reflects issues earlier in the year when some of these households did not fully appreciate the impact of the new arrangements and the need to start paying council tax.

	2013/14
Overall	95.3%
Non CTSS	96.1%
CTSS - partial	90.0%
CTSS - Full	72.0%
CTSS Overall	80.0%

5.4 The process of collecting council tax from these households (and indeed all households) continues. The Council continues to encourage those who may encounter difficulty in paying to get in touch as soon as possible. Where households have ignored reminders and not been in touch, then further recovery action will be taken.

5.5 The comments above focus more on the collection process, and it recognised that there may be an impact on individual households. Measures that the Council would undertake to support households were outlined in the Cabinet reports last year (and are summarised in 4.13 above). Currently it does not appear that there is evidence of households presenting themselves elsewhere in the council and requiring services or support as a result of the local scheme. The Council will continue to monitor this, especially in light of wider changes to welfare benefits. Anecdotal evidence from partners is suggesting that council tax debt is becoming an issue of concern for affected households. This will need to be tested further during consultation.

Mitigations and Citizens Advice Bureau protocol

- 5.6 In implementing the new CTSS, although Pensioners will not be affected, the Council recognised the impact the changes will have on working age claimants in Peterborough.
- 5.7 As well as the measures outlined in the original reports (and summarised in para 4.13 above), the Council also adopted the CAB/LGA protocol in council tax collections for the 2014/15 year. A copy of the protocol, along with updates as to the work the Council is undertaking to meet the protocol, is included in appendix 1.
- 5.8 Feedback from partners has been sought when considering the scheme in previous years, and this would be a key part of any consultation. Partners have also fed back on how the scheme has been implemented. For example, despite efforts being made to communicate to affected households as part of the original implementation in April 2013, it was clear that many households did not pick up these messages. This will be borne in mind if there are any changes to the scheme when planning implementation.

6. OPTIONS AVAILABLE TO THE COUNCIL FOR 2015/16

- 6.1 The Council needs to consider whether to revise its scheme or to replace it with another scheme every year. In doing so the council needs to consider several key issues:
- What is the number of households claiming CTSS, and how has it changed ?
 - Is the level of funding available still the same as expected ?
 - Should the principle of the scheme being cost neutral still be maintained ?
- 6.2 Current figures indicate that the numbers of working age households claiming council tax support has remained broadly the same. It should be noted that this number indicates whether a household is receiving support, it does not indicate the level of that support. Council tax Support is graduated, in that as income rises, the level of support reduces. It does not simply cease if, for example, the person responsible for paying gets a job. The level received depends on the levels of income and other factors.
- 6.3 The grant that the Council receives for council tax support is now subsumed into Council's main revenue support grant. Further reductions in that revenue support grant for 2015/16 are being implemented by the Government. The Council will see a grant reduction of £12.8m for 2015/16. Part of this reduction effectively relates to the money provided for council tax support. Best estimates of this are that this reduction is nearly £1m.
- 6.4 On 14th November 2014, Cabinet released their phase 1 budget proposals for 2015/16. At that stage, given the grant reductions outlined in para 5.3 above and the additional financial pressures the Council faces, the Council is forecasting that it will have a budget gap of at nearly £25m for 2015/16. These proposals can be viewed at the link below:
- http://www.peterborough.gov.uk/council_and_democracy/budget_conversation.aspx
- 6.5 Part of this gap is because the cost of council tax support will exceed the funding provided for it. The Council Tax support scheme is no longer cost neutral at a 30% reduction. The scheme would need further redesign or savings would need to be made elsewhere.
- 6.6 On 9th January 2015, Cabinet release their phase 2 budget proposals for 2015/16. Since the phase 1 proposals were released, the Council has received its financial settlement from Government for 2015/16. This is around £0.5m worse than had been expected. As such the phase 2 proposals have to include £0.5m more savings than expected.

6.7 The original Cabinet and Council reports for 2013/14 and 2014/15 outlined the impact of the following options:

- Having no scheme and meeting the full cost by finding savings elsewhere in the Councils budget
- Other options to amend the scheme to find the necessary savings e.g introducing a maximum or minimum level of support
- Implementing a cost neutral scheme with a 30% reduction in council tax support

6.8 It was not intended that the consultation revisited the original changes implemented in April 2013. The financial implications of doing so (potentially having to find additional savings of nearly £2.4m) are too significant to be able to do so. Rather this consultation covered how the Council should deal with the additional grant reduction for Council Tax Support.

6.9 The options available to the council are:

1. No change and keep council tax support at a 30% reduction

For Peterborough this would result in an additional pressure of around £1m and savings to be made from elsewhere in its budget. This could also affect the services provided by our Fire and Police Authorities as over 17% of the council tax that is collected is distributed to these preceptors.

If the Council were to absorb the deficit, it would then have to find savings elsewhere in the budget due to the limited amount of resources available to run all Council services. Given the reductions in grant the Council is facing, further reductions of £1m would have a significant impact.

The Council has released its first phase of budget proposals for 2015/16. Respondents to the CTSS consultation would be encouraged to review the budget proposals to determine whether they would prefer changes to CTSS, or additional savings to be found elsewhere in the Council budget.

2. Design a local scheme to deliver £1m savings – a 50% reduction

To reduce all CTB equally - as the Government has made clear that pensioners must be protected, the whole of this shortfall would need to be met by working age claimants. As a result, to meet the £1m funding shortfall, the reduction would need to increase from 30% to around 50%.

3. Somewhere in between

As with the option of 'no change', absorbing any deficit from a shortfall in funding will impact on the services that the Council currently delivers, but would mean a lesser impact on benefit recipients. Options to be considered could include further reducing council tax support:

- From 30% to 35% to save £0.25m (and £0.75m being found elsewhere in the council's budget)
- From 30% to 40% to save £0.50m (and £0.5m being found elsewhere in the council's budget)

The Council has previously considered other changes to the e.g introducing a maximum or minimum level of support. These have been rejected as they make the scheme more

complex and generate little saving. As such the straightforward overall reduction is maintained for any changes.

6.10 Having reviewed the alternative options outlined above, the Cabinet Member considered:

- That a 50% reduction in benefit would have too great an impact on households in receipt of benefit and should not be considered
- That the draft 2015/16 Council Tax Support Scheme for consultation is one with an overall reduction of 40% (compared to the current level of 30%). At this level the Council would save £0.5m, but still need to find £0.5m of savings elsewhere in its budget. This means the scheme would be that included in the link below, but with a 40% reduction (and with annual values uprated):

<http://www.peterborough.gov.uk/pdf/Housing-HousingBenefit-WelfareReform-ChangesToBenefit-CouncilTaxSupportSchemeSummary.pdf>

- That consultation should be undertaken on the draft scheme, and that the consultation also includes the following options:
 - Increasing the top-slice From 30% to 35% to save £0.25m (and £0.75m being found elsewhere in the council's budget)
 - keeping the scheme as it is, and finding savings elsewhere, will also be an option

6.11 The impact of these three options would be as follows for recipients:

	30%	35%	40%
Full benefit originally (Band A)			
council tax paid	£275	£321	£366
increase in council tax paid		£46	£92
Benefit received	£641	£595	£549
Half benefit originally (Band B)			
council tax paid	£694	£721	£748
increase in council tax paid		£27	£53
Benefit received	£374	£347	£321
Average impact			
increase in council tax paid		£37	£73
Benefit received	£512	£475	£439

For example, a household in a Band A property on full benefit i.e. they have 70% of their council tax bill paid, would currently pay £275 towards their council tax, and the benefit would cover £641. This could change as follows:

- Under a 35% reduction, the household would pay £46 a year more, increasing their total payment to £321, and reducing benefit to £595.
- Under a 40% reduction, the household would pay £92 a year more, increasing their total payment to £366, and reducing benefit to £549.

6.12 How Peterborough's current 30% reduction compares with other councils can be seen below:

- Mid Sussex 39.0% reduction

- Sutton 35.5% reduction
- South Ribble 35.0% reduction
- North Herts 33.1% reduction
- Peterborough, Castle Point, Harrow , South Tyneside, Stoke-on-Trent, Surrey Heath, Wakefield and York all at 30% reduction
- 105 Councils 20-29.9% reduction
- 60 Councils 10-19.9% reduction
- 67 Councils less than 10% reduction
- 82 Councils no reduction in benefit

7. CONSULTATION APPROACH AND FEEDBACK

7.1 Following approval by the Cabinet Member, public and stakeholder consultations began. Given that there is a link to the Councils' overall budget, the proposal was also included in the documentation for the budget consultation that was released on November 14th. Respondents were encouraged to review both consultation proposals to understand the impact of alternative options. Consultation with the general public will be available through an online questionnaire available on the website to ensure everyone in the city has the opportunity to respond and have their say on the proposed changes. Copies of material will also be made available at council offices and libraries.

7.2 The scheme (whether it remains the same or there are any changes) requires approval by Full Council by the end of January 2015. Key dates leading up to that are as follows:

Key dates	Events
2 nd December 2014	Public Consultation starts after call-in
3 rd December 2014	Joint Budget Scrutiny CTSS proposals to be included alongside overall scrutiny of phase 1 budget proposals
19 th January 2015	Cabinet make recommendation to Council on proposed new scheme
26 th January 2015	Public Consultation closes
28 th January 2015	Council approve scheme for 2015/16 (<i>whether it remains the same or there are any changes</i>) and avoid the default scheme
February & March	Staff and public awareness campaigns if there are any changes
1 April 2015	Council Tax Support scheme for 2015/16 goes live

7.3 It is proposed that the Consultation would remain open right through to Monday 26th January to allow as much time as possible for comment. The final feedback will be reported to Full Council.

7.4 This report includes feedback received up to the point of writing the report. Cabinet will be provided with an update of any further responses received at their meeting on 19th January. Cabinet will need to have regard to any further feedback when making their decision.

7.5 There was also targeted engagement with stakeholders, including the Peterborough Community Assistance Scheme Board (including CAB Peterborough) and Disability Forum. This consultation feedback is included in appendix 2. The proposals were discussed by the Joint Budget Scrutiny on 3rd December 2014. Their recommendation is included along with all consultation feedback in appendix 2.

7.6 Benefit notification letters were also amended during the period of consultation to include an additional sheet advising customers of the changes and how they can have their say. Using this approach 3,809 separate notifications have been issued to benefit customers alerting them to the changes and giving them the opportunity to comment.

7.7 **Survey Results:**

Residents have been encouraged to 'have their say' by completing an on-line survey, copies of which were made available in hard format from The Town Hall, Bayard Place and the Libraries.

There have been 49 responses completed to date. A breakdown of the results is shown below (with detailed comments in appendix 2):

1. Do you think that Peterborough City Council should continue to help people on low income by reducing their council tax bill?

- Yes – 38 (78%)
- No – 11 (22%)

Any comments:

2. Do you think that to achieve the savings required there should be an across the board 40% reduction in council tax support ?

- Yes – 18 (37%)
- No – 31 (63%)

If no, please state why:

3. If you do not think the reduction should be 40%, what should it be ?

- 35% - 3 (10%)
- 30% - as now, so no further reduction – 28 (90%)

Any comments:

4. If you think there should be no further reduction in Council Tax Support, how do you think this should be funded? In particular, should the Council:

- increase Council Tax – 13 (38%)
- cut other Council services – 15 (44%)
- a combination of the two – 6 (18%)

5. If the Council were to change the reduction in Council Tax Support, do you think there should be transitional relief to help implement the changes gradually ?

- Yes – 33 (70%)
- No – 14 (30%)

Any comments:

6. Do you have any other comments about the new Council Tax Support scheme?

- Yes
- No

Any comments:

About you:

7. Are you or any partner a pensioner?

- Yes – 3 (6%)
- No – 43 (88%)
- Prefer not to say – 3 (6%)

8. Do you currently claim Council Tax Benefit?

- Yes – 9 (18%)
- No – 37 (76%)
- Prefer not to say – 3 (6%)

7.8 The clearest response was to question 1; 78% think that Peterborough City Council should continue to support people on low income by reducing their council tax bill.

- 7.9 Given that any alternative approach would need to be funded from making reductions in services elsewhere, it was important that the consultation was open to all residents in Peterborough, not just those in receipt of benefit. This does seem to have helped contribute towards the split of responses (although twice as many people think the reduction should be 40% than then claim to be recipient of council tax support, so the number saying they claim may be understated).
- 7.10 The consultation remains open. An update will be provided to Cabinet at their meeting, and the final picture will be reported to Council.

8. OPTIONS AND THE PROPOSED NEW SCHEME

- 8.1 Section 6 of this report outlines the significant pressure facing the Council from the grant reductions it faces. At the time the consultation started, it was estimated that the Council's grant reduction for 2015/16 would be £12.3m
- 8.2 Of this reduction, around £1m was estimated to relate to the funding passed to the Council for council tax support. Cabinet felt that it would have too great an impact on households to pass on the impact of the £1m reduction, as this would require a 50% reduction in council tax support. However it did consider that consultation should be undertaken on a further level of reduction on the current level of 30%, potentially up to 40%.
- 8.3 Since consultation started, the Council has received its financial settlement from Government for 2015/16. This is around £0.5m worse than had been expected.
- 8.4 At the same time as this report is released, Cabinet are releasing the phase 2 budget proposals for consultation. It has been necessary to find £0.5m more savings than expected due to the settlement being worse than expected, and savings in phase 2 now total £8.2m. Given that the phase 2 proposals are released prior to the recommendation on the Council Tax Support Scheme, those proposals have to assume that the draft Scheme for consultation i.e. one with an overall reduction of 40% is recommended. This does not pre-empt Cabinet's decision in any way.
- 8.5 In order to keep the council tax support reduction at 30%, the Council would need to do either of the following:
- Increase council tax by 2% - given that the Council would lose the council tax freeze grant if it did this, all households would need to pay an extra £1.2m to gain £0.5m of income. Council tax support recipients would also pay the increase.
 - Find further savings of £0.5m –The council has already had to find further savings of £0.5m due to the settlement being worse than expected. This would mean finding resources or savings of another £0.5m on top of this
- 8.6 It must be made clear that the consultation remains open through to January 26th. Cabinet and Council must give consideration to any additional feedback received between the release of this report, and the consultation closing.
- 8.7 Cabinet must also consider options regarding transitional relief if the scheme is changed. In considering this, Cabinet will need to consider issues such as whether phasing in changes over two or more years could be confusing to recipients and what the would be a cost of doing so.

8.8 A summary of the proposed scheme is included in appendix 4, with the detailed scheme documentation in appendix 5. At this stage the document refers to all three options. Once the decision is made, the scheme documentation will be redrafted with that reduction in benefit. Also, the Scheme is based on the published regulations. If there are any changes to the regulations, including up-rating of amounts, the local scheme will be updated to reflect these.

8.9 The local discretion to disregard war widows pensions income from the calculations will continue.

9. IMPACT OF ANY NEW SCHEME & MITIGATING ACTIONS

Impact of the new scheme

9.1 Analysis of our existing council tax benefit records shows that under the new council tax support scheme there will be approximately 11,000 households affected.

9.2 Examples of how the consultation options would impact was outlined in para 6.11 above. Pensioner households are protected and hence remain unaffected by any options.

Mitigating Actions

9.3 Although Pensioners will not be affected, the Council recognises the significant impact the changes will have on working age claimants of CTB in Peterborough.

9.4 The Council currently works in a number of locations to support people in Peterborough, covering two main areas:

- Helping people get back into work and off benefit
- Helping alleviate the impacts of poverty on individuals and households

The majority of these activities are led by the Neighbourhoods teams within Communities, through work including the Peterborough Community Assistance Scheme. This will continue.

9.5 The Council will continue to adhere to the LGA/CAB protocol outlined in appendix 1.

10. IMPLEMENTATION AND COMMUNICATIONS PLAN

10.1 If any changes are approved in January, whilst the scheme will not take effect until 1st April 2015, it is essential that the period prior to this is used to raise awareness of the changes to the scheme, and what support is available to households.

If any changes are approved, there will remain a need to communicate effectively and directly with all affected households ahead of any implementation from 1 April 2015 (building on comments in para 5.8 above).

10.2 A press release and other communications will be issued announcing the changed scheme.

10.3 Each of the estimated 11,000 working age council tax benefit claimants directly affected by this new scheme will be written to advising them of this change and where help and advice can be found.

- 10.4 Liaison will be undertaken to ensure that the 2015/16 council tax bills are issued with this updated information and that the customer services and back office staff have received sufficient training on this change.

11. REASONS FOR RECOMMENDATIONS

- 11.1 The Constitution requires the Cabinet Member to approve the draft Council Tax Support scheme for consultation.

12. IMPLICATIONS

12.1 Elected Members

Following consultation and discussion at the joint budget Scrutiny on 3rd December, all Elected Members will be asked to approve the local scheme at their meeting of 28th January 2015 (Council must approve the scheme whether changes are made or not).

Members must have regard to the advice of the Section 151 Officer. The Council may take decisions which are at variance with this advice, providing there are reasonable grounds to do so.

12.2 Financial

The grant that the Council receives for council tax support is now subsumed into Council's main revenue support grant. Further reductions in that revenue support grant for 2015/16 are being implemented by the Government. The Council will see a grant reduction of around £12.8m for 2015/16. Part of this reduction effectively relates to the money provided for council tax support. Best estimates of this are that this reduction is nearly £1m.

Part of the Council's budget gap for 2015/16 is because the cost of council tax support will exceed the funding provided for it. The Council Tax support scheme is no longer cost neutral at a 30% reduction. The scheme would need further redesign or savings would need to be made elsewhere.

12.3 Legal Implications

A new Section 13A of the Local Government Finance Act 1992 set out the requirements of a council tax reduction scheme, taking effect as of the financial year beginning on 1st April 2013. If the Council had not introduced its localised Council Tax Support Scheme by 31st January 2013, it would have resulted in the Government's default scheme taking effect instead. The Government's default scheme had no reduction in support, so would cost the council and partners around £3.4m extra compared to the currently adopted Support Scheme.

The Council is required to consider whether to revise its scheme or to replace it with another scheme for each consecutive financial year. Where a change is proposed, the draft revised scheme must be published and statutory provisions are made concerning consultation on that draft scheme. These requirements have effect in addition to the six general principles of fairness in respect of consultation undertaken by the Council.

Any revision to the existing scheme, or any replacement scheme, must then be made by the Authority no later than 31st January in order to take effect in the next financial year.

Where any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of persons is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the Authority thinks fit.

12.4 Equality and Diversity

The original Government policy had an Equalities Impact Assessment (EIA) undertaken at national level. For the Council, an initial and full Equalities Impact Assessment (EIA) was completed as part of developing the original scheme. This was reviewed and refreshed for the draft scheme for consultation. It has been finalised following those consultation discussions, and is included at appendix 3.

The EIA outlines how additional protection for people with disabilities has been considered in previous years.

13. BACKGROUND DOCUMENTS

13.1 Link to supporting documents

Council Tax Benefit Regulations:

<http://www.legislation.gov.uk/ukxi/2006/215/contents/made>

DCLG – Localising Council Tax Support:

DCLG – Localising Council Tax Support - Equality Impact Assessment:

<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/counciltax/counciltaxsupport/>

Appendix 1 – CAB/LGA council tax protocol

Appendix 2 – Consultation feedback

Appendix 3 – EIA

Appendix 4 – Summary of proposed scheme for 2015/16

Appendix 5 – detailed scheme documentation

Collection of Council tax arrears

good practice protocol

Council tax payers will receive a better level of service if local authorities and debt advice agencies work together.

This good practice protocol makes a number of suggestions on how relations can be strengthened. It has been developed through partnership work between the national bodies representing advice agencies and local government throughout England and Wales. It reflects best practice at local level and is intended to facilitate regular liaison on practices and policy concerning council tax debt collection. In setting down clear procedures and keeping them regularly under review all parties can ensure that cases of arrears are dealt with quickly and realistically whilst complaints are handled efficiently.

By signing up to the protocol you can help ensure that taxpayers pay their council tax bills on time while accessing timely debt advice when needed.

In its report of June 2013 the Government endorses the Citizens Advice Local Government Association Good Practice Protocol and recommends local authorities who have not done so already to commit to it.

Use the section below to sign up to the protocol as a public commitment to its principles of fairness, partnership working and transparency in local authority debt collection;

Signature

Signature

..... Local

.....

Authority representative

CAB/advice agency representative

Partnership

The following items cover effective liaison between local authorities and advice agencies.

- Local authorities and advice agencies should meet regularly to discuss practical and policy issues with a recommendation to meet quarterly at officer level and annually with elected members.
In place. Last meeting held in Apr / May 14 (further meeting now due). Welfare Reform Action Group meetings ongoing.
- All parties should have dedicated contacts accessible on direct lines and electronically so that issues can be taken up quickly.
Designated telephone number in place within the Council Tax team (working well and feedback has been positive). The Council Tax team are currently receiving on average 5 calls per week.
- All parties should promote mutual understanding by providing training workshops and/ Or exchange visits.
Both parties open to this, especially in terms of cross-team shadowing. To be discussed further.
- Advice agencies and local authorities should work together to develop a fair collection and enforcement policy highlighting examples of vulnerable people and specifying clear procedures in dealing with them. Contractual arrangement with bailiffs should specify procedures for the council to take back cases involving vulnerable people.
Processes exist in the Council Tax team for identifying vulnerable customers and tracking them. A data matching exercise was conducted last year with the council's Adult Social Care team. All cases looked at on their own merits. Both bailiff companies have an agreed approach to dealing with vulnerable persons. The Council Tax team to liaise with the bailiff companies to discuss and ensure both have a formal policy in place.
- Local authorities should consider informal complaints as evidence of problems with collection or enforcement with bailiffs. Debtors may be afraid to complain formally where bailiff activity is ongoing. Informal complaints received from advice agencies can indicate problems worthy of further investigation.
The Council Tax team take all informal complaints seriously, they work very closely with the enforcement agents (bailiffs) and do raise any issues / feedback with them at the earliest opportunity. All stage 1 complaints go through the relevant bailiff company.

Information

Literature should be reviewed as part of liaison work between local authorities and advice agencies.

- Publicise debt advice contact details on literature and notices. Local Authorities can provide council tax payment plans to help people budget. Advice agencies can help by promoting the need for debtors to contact their local authority promptly in order to agree payment plans. Both parties can work together to ensure the tone of letters is not intimidating but encouraging of engagement.
In place generally across the different correspondence issued. Debt advice contact details being added to the insert that goes with the summons. A process is in place to ensure this happens ongoing via document control. CAB to be engaged re their input in the future.
- Local authorities should consider providing literature about concerns council tax debtors may have on bailiffs and enforcement. Information could cover charges bailiffs are allowed to make by law, how to complain about bailiff behaviour or check bailiff certification and further help available from the local authority or advice agencies.

In place via the Council's corporate complaints procedure. All stage 1 complaints go through the relevant bailiff company.

- All parties should work together to promote engagement by council tax payers. Include information on how bills can be reduced through reliefs, exemptions and council tax support schemes, how tax payers should contact the local authority if they experience financial hardship and the consequences of allowing debts to accumulate. Information should be made available on local authority and advice agency websites, via social media and available at offices of relevant agencies. This is an opportunity for joint campaign work. *Staff trained to promote entitlement to discount / exemptions (refresher training delivered via team meetings). Financial assessments undertaken by the Council Tax team where appropriate. No joint-campaigns undertaken to date, but to be reviewed / discussed.*
- Promote different payment dates within the month as options available to council tax payers. This can allow people to budget more effectively. *In place. There are 4 Direct Debit dates offered and other cash instalment dates offered as appropriate.*

Recovery

If a council tax bill is not paid then the recovery process comes into play. The first stage of the recovery process will involve the billing authority obtaining a liability order from the courts. While authorities strive to make contact with a debtor the first point of contact often occurs only when a bailiff visits the premises. The following items should be considered to ensure an appropriate response.

- Local Authorities should work in partnership with advice agencies on the content of all documents produced by the billing authority and agents acting on its behalf which are part of the enforcement process. This should ensure that the rights and responsibilities of all parties are clearly set out. *CAB to be asked for feedback / comments where forms updated / changed. Not yet in place*
- Bailiffs should provide the debtor with a contact number should they wish to speak to the local authority. *Currently in place with both bailiff companies.*
- All charges associated with recovery should be kept regularly under review to ensure they are reasonable. Bailiffs should only make changes in accordance with council tax collection and enforcement regulations. *Bailiff reform regulations now in place (set fee structure).*
- The level of debt (inclusive of liability order fees) should be considered before bailiff action is taken. *In place. All cases considered on their individual merits, i.e. size of the debt, payments history.*
- Local authorities may have different definitions of a vulnerable person/household. Recovery action will be referred to the local authority where these criteria are found to have been met. *In place and vulnerable cases dealt with accordingly. Both bailiff companies aware of what is required of them in terms of these customers.*
- The debtor may have outstanding claims for council tax support or housing benefit which are contributing to arrears. Recovery can be suspended once it is established that a legitimate claim is pending. *In place. Close working between the Council Tax team and the Benefits team is in place.*

- Local authorities should prioritise direct deduction from benefits or attachment of earnings in preference to using bailiffs. This avoids extra debts being incurred by people who may already have substantial liabilities.
In place. All cases considered on their individual merits, i.e. size of the debt, payments history.
- Procedures should exist for debt advisors to negotiate payments on behalf of the taxpayer at any point in the process including when the debt has been passed to the bailiff. In some cases the debtor may only, contact an advice agency following a visit from the bailiff.
In place, see earlier re comment around a designated CAB number. Council Tax staff trained in debt recovery / negotiating skills.
- Set down, as part of contractual arrangements, a clear procedure for people to report complaints about recovery action. Local authorities will regularly monitor the performance of those recovering debts on their behalf and ensure that contractual and legal arrangements are met.
Council's complaints process meets this
- A key part of the recovery is treating each case on its merits. Arrangements need to be affordable and sustainable while ensuring that the debt is paid off within a reasonable period.
In place

Approved by



Local Government Association

APPENDIX 2 - COUNCIL TAX SUPPORT SCHEME 2015/16 CONSULTATION RESPONSES

Recommendations from Joint Meeting of the Scrutiny Committees and Commissions meeting held on 3 December 2014.

The Joint Meeting of the Scrutiny Committees and Commissions have made the following recommendations to Cabinet with regard to Phase 1 of the Budget 2015/16 and Medium Term Financial Strategy to 2024/25 and Council Tax Support Scheme 2015/16.

RECOMMENDATIONS TO CABINET AND CABINET RESPONSE

Section of Budget (Phase one)	Scrutiny recommendation	Cabinet Response
Council Tax Support Scheme	a. The Committee recommends to Cabinet that they fully consider the impact that the proposed Council Tax Support Scheme proposals on which they are consulting will have on low income residents in Peterborough before making a decision	<p>There is a separate consultation underway on the Council Tax Support Scheme.</p> <p>As well as the consultation being open to all resident, it also specifically includes discussing with partners who are likely to come into contact with low income residents e.g. Peterborough Community Assistance Board, Citizen’s Advice Bureau etc.</p> <p>It should be noted that this is not part of the proposals for Council on 17th December. Cabinet will need to recommend a scheme for 2015/16 at their meeting on 19th January, which will be considered by Full Council at their meeting on 28th January 2015.</p> <p>If the proposed scheme is not approved, then savings elsewhere in the budget will need to be found.</p>

DISABILITY FORUM

Cabinet Phase 1 - Budget Proposals 2015/16

Held in the Reception Room, Town Hall
Thursday, 4 December 2014

QUESTIONS AND ANSWERS

Q11. If the Council Tax Support is reduced by 35% or 40%, which people will this effect?

A11. Any reduction in the Council Tax Support will affect those people who receive Council Tax Support. It does not affect the single person discount on council tax.

Q12. Rather than reduce the Council Tax Support, would it not be better/fairer to increase the Council Tax so that everyone pays extra in order meet the £1 million gap in funding?

A12. The Council, by law, can only increase its constituents Council Tax bill by 1.9%. Any increase larger than this would have to be put out to an expensive public referendum (including rebilling costs if the referendum was not successful).

Connect Group Comments surrounding Phase 1 Budget Proposals Document

Following the meeting of Connect Group of Friday 5th December 2014, Members would like to make the following comments to be included in the feedback:

Council Tax Support Scheme – Option 1 and Option 2 (p38-39)

Proposals to reduce the amount of council tax support the council provides working age claimants to 35 per cent and further to this option, a second option to increase the reduction in council tax support provided to working age claimants to 40 per cent.

Connect Group Comments: From the Churches' point of view, they see a number of vulnerable people who are struggling to pay the current Council Tax rate set at 30 per cent. These proposals would put a further strain on those most vulnerable and least able to pay.

Peterborough Community Assistance Scheme (PCAS) Board

Feedback was mostly on two areas, Council Tax and outsourcing council contracts.

Regarding the first point, partners felt that there is little point increasing the council tax contribution unless the council is willing to enforce non payment through the Courts. The group felt it would be better to fully enforce payments at the current rate, rather than seeking to ask some people to pay more. Whilst the group are not aware of the data, they hoped that the council tax outstanding would at least meet the savings sought. Other views included the introduction of Universal Credit imminently which will see benefit payments reduce for many people therefore affecting the ability for residents on benefits to pay more.

The Board also commented on the timings of announcements if there are to be any increases, and expressed a clear desire that people are informed early in order to avoid the problems that were caused previously. CAB felt that an increase in council tax would result in an increase in clients to their services.

Phase 1 budget consultation

Do you have any comments to make about the first round budget proposals?	If you have any specific ideas about how the council can save money and protect services, please state these here:
Proposal to reduce council tax subsidy will result in many, many problems for those living on disability allowances. 30 % last year and a further 40% next will be an impossible increase to afford. This is potentially a contemptible & discriminatory decision against the least able to either afford or protest for change such a despicable decision.	Where is the 'Help for the elderly & infirm'?

DETAILED COMMENTS RECEIVED IN PUBLIC CONSULTATION

Do you think that Peterborough City Council should continue to help people on low income by reducing their council tax bill?
But consider moving the threshold so the current upper end of income no longer qualify.
But only if they are gainfully employed, disabled or pensioners. OR they are temporarily unemployed through no fault of their own. Of course, PCC could reduce its own staff expenses and that would solve the problem anyway.
Disabled people don't have the same options and opportunities in finding work. Peterborough council is already charging one of the highest amounts for council tax support in the UK. To increase it further will cause incredibly hardship to those on benefits.
If they are on low income they get other benefits from the council like housing benefit etc.
It is extremely important that the most vulnerable in society are protected
Many of the people who are now having to pay towards the council tax are already struggling.A further increase may be the final straw.Ihave been there,have you?
more stringent checks need to be done to ensure only those in real need receive benefit
people on a low income just cannot afford to pay any higher council tax- a lot cannot afford current amount
Should help people who work more instead of those on benefits
The same service should be charged the same price for everyone. The council should give the option to opt out from services they don't use.
These are generally the most vulnerable people in our society
we should protect the vulnerable members of our society
Why should I pay more for people to sit on benefits! At least up their discount from 30% to 50%, so you don't have to raise council tax for hard working people. I go to work and get no help with council tax yet I'm only on £700 a month I can't afford £120ish on council tax and certainly not anymore than that for benefit bums to pay a messily £37 a month!!
Why shouldnt you?
yes we do not get much money left at the end of the week
You have already caned the existing tenants with the bedroom tax and not having any anything else to offer. Pay in Peterborough is lower than most places. The job market is disgraceful being part time plus zero hours. You can't take anymore away.

Do you think that to achieve the savings required there should be an across the board 40 per cent reduction in council tax support ?
A 40 per cent reduction will hit people who are already strapped for cash hard.
As above the people can't afford it.
Because the money isnt being used properly so why should people on low incomes who work pay more when people who have more money could pay a lot more
I struggle already to survive on employment support allowance, increasing the reduction to 40% would be the final nail in the coffin. You will be putting many people into real poverty. The poor are being unfairly targeted.
It is too much all at once, it should be phased in.
It will cause untold hardship to those who are unable to work through no fault of their own. Those pensioner with funds should contribute more.
more people will get into debt - more court action - more expense
Most of these ppl get free housing, so why not let them pay towards council servoces
most people will struggle to pay
Of course they should have to pay more on benefits. It's not going to effect single parents or disabled people but those who are couples etc. Do it by all means! I'm not paying more so they can sit on their bums and get all the help!!
People on esa and jsa cant afford the extra 10% increase, i should know im on esa due to bowel cancer and after losin major organs, i struggle to pay it n have to miss meals, cut

bonuses and councillor wage increase
some people will not be able to pay this and not value for money to take them all to court, send baliffs or put in prison
Struggling already to pay bills and put food on the table
the council should look at there own funding and make savings,
The government recommended that people on benefits should pay 15%, you are already charging double this
The initial savings that you think you have made,may look good on paper.But how do you calculate the negative effect it may have on peoples overall wellbeing,and the resulting demand on health services.
The people affected have no control over their income which has not risen proportionately
There are currently o lot of money wasted on thing that not necessary: consultants, premium gyms, school cosmetics and road features that exaggerated and not strictly necessary. Council must do a priority list and remove the frivolous and superfluous first.
There should be a 70%-100% support for those paying council who are on low incomes.
These people are already at the bottom of their luck. Let's not kick them further down.
This is just the thin end of the wedge. The government won't be satisfied until Council Tax Support is 0%
we did not create the mess this city is in
We need to encourage more council tax to be paid and any further reduction in support could lead to less people being able to afford to pay.
Why should you punish people on low incomes by giving them less council tax support? Why not stop these road works by queensgate or leave the parkway as it is (why do we need three lanes anyway?).
you are penalising the poor

If you do not think the reduction should be 40 per cent, what should it be?
40% as stated above.
I think that support should be available for people who are out of work or on low incomes, which Council Tax Benefit was originally designed for. The government wants us to think that all benefits are bad. In reality without them there would be millions of homeless people.
Increase it to 40% the following year or the year after that.
no reduction
people cant afford it
The council tax should be kept as low as possible... Asking tax payers, many of whom are on low wages, to further subsidise people who choose not to provide for themselves is morally repugnant...
The reduction should be 20%, the current rate of 30% is too high, and 40% is unaffordable to the disabled and those on low benefits. There is no clear yes or no
This is a figure that many of our more vulnerable citizens are already struggling to meet.Those proposing an increase should hold there heads in shame.
This is for question 4 start getting the taxes of the corporations like tesco and Amazon and force them into paying a living wage!

If the council was to change the reduction in council tax support, do you think there should be transitional relief to help implement the changes gradually?
I believe the working people pay far to much tax to cover those who don't. I think long term non workers should pay the same as those who work as a incentive to get a job.
If you suddenly do it, a lot of people will end up in debt if you don't do it gradually! I still don't get why you're doing it anyway?
N/a
Otherwise people would just default and then all of us would be worse off. People should be

taught how to manage their budgets.
Shame on you,you obviously live on another planet.
Shouldnt be any changes
The benefits already in place will counteract this change.
The reduction should be 20%, there is no clear yes or no
They get enough help, long as you give them notice I.e in the two months people don't pay council tax that's enough time for them!
We should get the money from the big corporations like amazon, Starbucks etc make them pay their taxes!

Do you have any other comments about the new council tax support scheme?
Council tax support should not remain the same as it's unfair to people who pay full council tax to have to pay a 1.9% increase. And to makes cuts on council services just to fund people's council tax support who refuse/cannot work.
Don't do it.
dont make people living on the bread line pay anything,
Don't support it so much. Lt ppl pay it.
Double check the circumstances of those claiming to make sure they are entitled.
go strongly after the people who do not pay and collect the arrears people have built up no second chances
I am totally disgusted that people on ESA or JSA have to make any payments , they receive little enough as it is. There are pensioners who receive more every week who are exempt and furthermore pensioners don't have to pay the 'bedroom tax' either, I would like people on ESA and JSA to be exempt from paying council tax.
If you increase council tax across the board by default the amount people given support will also pay extra. There should not be any support given to non British nationals.
It is extremely confusing to people reading the proposed changes and should be explained in terms of examples.
Its not going to save the amount that you say its going to.
Last years reduction has hit very hard.
PCC should stop spending money on what they want meaning their own private interests and listen to Peterborough people. That will never happen until the PCC change their councillors, you know the ones?
people cannot pay it now , so how will they do it if goes up
Peterborough city council have their heads in the clouds, when i asked for help with council tax rate i was told its the lowest u can pay and i live in one bed flat
Please do not raise my council tax bill, I'm already struggling. I have a disabled son and I work my bum off in a terrible job just so in 5 years or so I can become a nurse, I can't afford to pay more on top. Keep raising the costs of council tax and soon there will be no point in me working! Raise the bills of those on benefits, instead of 30 percent at least make them pay 50 percent.. Fair is fair!
Repay the £3million pound spent of the Solar farm that NO ONE in Peterborough voted for thus NO cuts would be required.
The low income people will again be worse off causing more hardship. I think council tax benefit should be reintroduced and council tax should be raised to cover any shortfall.
The support scheme document runs to 162 pages. Admin costs must be absurd. Will the council take any notice of this (they totally disregarded the Bridge St cycling survey, when it came up with the "wrong" answer? This type of question should not even be surveyed. We elect (and pay) a council to construct a balanced budget considering all areas of expenditure. This type of UKIP style populism needs to be resisted.
There is a lot of mis-allocation and mis-distribution, poor strategy, poor decision making. On one hand many projects run by the council are not cost effective, too frivolous, too show-off and not sober. One the other hand some services are completely cut-off or have insufficient support. First the council has to balance things better because the management is currently too bias to

some projects and not too others.
This benefit is so important, it is too important to allow the government to abolish it by stealth. If we allow this to happen the consequences on the population would be catastrophic.
Upping council tax will lead to more prison stays, courts and non payments. Long term costing more. We already pay to much.
we already have one of the least generous schemes in England, we are showing ourselves not to care about the poor and vulnerable in our city if we expect them to pay more while richer people do not have to pay more council tax.
We are treating this disadvantaged disgracefully in this country, and on course to reverting back to Chadwicks 10th c poor laws. Its becoming a disgrace.

Equality Impact Assessment:

Full assessment

Name/title of the policy area/strand or programme with which this assessment is concerned

Further potential changes to Council Tax Support (formerly Council Tax Benefit) in Peterborough in 2015/16

Description/summary of the policy area/strand or programme

Previously CTB was a means tested benefit which compared the claimant's income and capital against needs assessment of how much they need to live on with 100% of any benefit awarded reimbursed to Peterborough City Council by the Government (individual households paying less or no council tax).

In the 2010 spending review the Government announced its plans to abolish Council Tax Benefit (CTB) and localise support for council tax from 2013-14, reducing expenditure by 10%. This meant Peterborough City Council had around £2.4m less to help low income households with their council tax. The Welfare Reform Act 2012 contained provision for the abolition of CTB and the Local Government Finance Act 2012 enabled billing authorities to construct Local Council Tax Support (CTS) schemes by 31 January 2013 for implementation by 1 April 2013.

The Department for Communities and Local Government produced an impact assessment on the original policy of localising support for council tax which can be found through the following link: <http://www.communities.gov.uk/publications/localgovernment/lgfblocalisingcounciltax>

During the second half of 2012, PCC consulted and developed a scheme that would see a reduction in council tax support of 30% for working age claimants (originally consulted at 35%, but improved funding enabled this to be reduced).

As part of this project, and initial and Full EIA (EIA-12-0048) were developed and can be found at the link below:

http://www.peterborough.gov.uk/council_and_democracy/equalities/equality_impact_assessment.aspx?&EIA=59

The original consultation proposals included an option to protect recipients of disability premiums, in the same manner as pensioners, so that these households had no reduction in benefit. Such protection would have meant higher reductions for working age claimants to keep the scheme self-funding in line with the MTFs strategy. Rather than the 30% reduction proposed, the reduction in benefit for working age claimants would have been 7.5% higher at 37.5%. If the protection were not covered by working age claimants, it would have cost the Council around £0.5m to protect all.

Given the additional impact on working age claimants, or the costs to the Council if funded directly, it was not recommended that the protection is included. It should be noted that when the means testing is undertaken to assess whether the claimant is eligible for benefit the applicable amount is increased by the amount of any disability premium that the disability benefit attracts. As such the system does already have an element of protection built in for such claimants.

Further details can be found in the Cabinet report from January 2013:

<http://democracy.peterborough.gov.uk/ieListDocuments.aspx?CIId=116&MIId=2856&Ver=4>

The original EIA and decision remain relevant to the proposed draft scheme for consultation. The proposed draft scheme is for the reduction in CTSS to increase from 30% to 40%. The consultation also includes options for 35%, and keeping it at 30%.

The impact will be broadly the same i.e. working age households paying more council tax. For the average household, this is estimated to be:

- At 40%, an extra £73 per year
- At 35%, an extra £37 per year

The evidence base (list the principal sources of relevant evidence, both quantitative and qualitative)

Quantitative evidence:

Currently 10,913 working age households receive council tax support.

Information relating to equalities groups are not held on the council tax system as a matter of course. There is some proxy information in the case of disabilities.

The number of households receiving disability premiums as part of their council tax benefit is outlined below. As outlined above, it should be stressed this can only be a proxy for whether there is a disabled resident for the following reasons:

- It should be noted that households can claim more than one of these benefits, so the numbers do not necessarily relate to individual households (one household could be in receipt of disability premium and Enhanced Disability premium).
- Some households may not claim a premium – this can potentially happen if the case has been ‘passported’ through by DWP

The current position is as follows:

- 435 claim the Disability premium
- 96 claim the Disabled Child premium
- 735 claim the Enhanced Disability premium
- 643 claim the Severe Disability premium

What the evidence shows – keys facts

Particular Age Groups:

- Up to 10,913 working age claimants will be disadvantaged by the new CTS scheme
- Under Council Tax Law the following groups are not included or treated differently in the council tax calculation:
 - Children under 18 years old
 - Apprentices
 - 18 and 19 year olds in full-time education
 - Full-time college and university students
 - People under 25 years old receiving funding from the Skills Funding Agency or Young Peoples Learning Agency
- People who have reached pension credit age are protected and not affected by the new scheme

Disabled people:

- The initial consultation included options for additional protection of households in receipt of disability premia – ultimately this was not recommended
- Current levels claiming premia are outlined in the evidence section above
- Under Council Tax Law the following groups are not included or are treated differently in the council tax calculation:
 - People who have a severe mental impairment
 - Live-in carers who look after someone (not a partner, spouse or child)
- The consultation process will include the disability forum

Married couples or those entered into a civil partnership:

- Not affected; Marriage, civil partnerships and polygamous marriages will continue to be recognised by the new CTS scheme as they currently are under CTB

Pregnant women or women on maternity leave:

- Not affected; will continue to be recognised by the new CTS scheme as they currently are under CTB

Particular Ethnic Groups:

- May be affected by these changes if the communications are not clear and available in a format that is easily understood and presented

Those of a particular religion or who hold a particular belief:

- Not affected; will continue to be recognised by the new CTS scheme as they currently are under CTB – for example, members of religious communities are not included or treated differently in the council tax calculation

Male/Female:

- Not affected; will continue to be recognised by the new CTS scheme as they currently are under CTB

Gender reassignment:

- Not affected; will continue to be recognised by the new CTS scheme as they currently are under CTB

Sexual orientation:

- Not affected; will continue to be recognised by the new CTS scheme as they currently are under CTB

Challenges and opportunities

(indicate the policy's potential to reduce and remove existing inequalities)

- Public and direct consultation will take place until 26th January
- The negative impact is to increase the reduction in support to up to 40% for council tax for around 10,913 working claimants
- It is considered that these proposed changes are preferable to cutting services by £0.5m, which could have a greater impact on residents
- If there are changes to the scheme, a comprehensive plan for roll-out and communication will be essential.

Summary of Equality Impact Assessment

Adverse impact for those in receipt of council tax support but consulting on the draft scheme as a whole can be justified. Cabinet will need to consider all feedback in making their recommendation,

including revisiting the EIA as necessary.

Next steps

This Equality Impact Assessment as a whole is a living document that will be revised and updated as appropriate in the light of further evidence, discussions and representations.

This will include the consultation, which will specifically include discussions with the Peterborough Community Assistance Scheme Board, Disability Forum, Citizens Advice Bureau and other partners.

The feedback from these partners, and the public consultation to date, is included in the Cabinet report. Based on the feedback received, it is considered that the EIA captures all issues, and does not require further updating.

Public consultation remains open, and Cabinet and Council will need to have regard to the full consultation feedback.

Policy review date	
Assessment completed by	Steven Pilsworth
Date Full EqIA completed	Original scheme - 10 September 2012 Revised EIA to support consultation published – 26th November 2014 EIA update post consultation – 9th January 2015
Signed by Head of Service	

SUMMARY - Council Tax Support Scheme

Peterborough City Council's Council Tax Support Scheme is based on the original Council Tax Reduction Default Scheme (as amended by SI 2012/3085 & SI 2013/3181 & SI 2014/3312):

STATUTORY INSTRUMENTS 2012 No. 2886 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012

Made: 16th November 2012

Laid before Parliament: 22nd November 2012

Coming into force: 18th December 2012

IN ADDITION STATUTORY INSTRUMENTS 2013 No. 3181 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013

Made: 16th December 2013

Laid before Parliament: 20th December 2013

Coming into force: 13th January 2014

IN ADDITION STATUTORY INSTRUMENTS 2014 No. 3312 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014

Made: 16th December 2014

Laid before Parliament: 18th December 2014

Coming into force: 12th January 2015

Peterborough City Council's Council Tax Support Scheme contains the following two local components:

1. An overall reduction in entitlement of 30%/35%/40% from all working age claimants

Part 2, section 3 of this legislation defines a person is a '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 –
 - (a) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or
 - (b) a person with an award of Universal Credit

Part 4 of this legislation details 'Classes of persons entitled to a reduction under this scheme.' The following classes of persons will have an overall reduction in entitlement of 30%/35%/40%:

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

NB: The State Pension age for women is gradually increasing to 65, to match the State Pension age for men. The Pension Credit qualifying age for men and women is rising in line with this.

Details of when a woman will reach her State Pension age or a man or women will reach their Pension Credit qualifying age can be found at: <https://www.gov.uk/calculate-state-pension>

2. Income from War Pensions/Armed Forces Compensation Scheme

Peterborough City Council's Local Council Tax Support Scheme will also maintain the existing local policy of disregarding 100% of any income received from the following from the benefit calculation of all classes of claimant as defined by the default scheme regulations:

- Armed Forces Compensation Scheme
- War Disablement Pension
- War Widows Disablement Pension
- War Widows Pension

Peterborough City Council Detailed Council Tax Support Scheme

Peterborough City Council's Council Tax Support Scheme is based on the original Council Tax Reduction Default Scheme (as amended by SI 2012/3085 & SI 2013/3181) :

STATUTORY INSTRUMENTS 2012 No. 2886 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012

Made: 16th November 2012

Laid before Parliament: 22nd November 2012

Coming into force: 18th December 2012

IN ADDITION STATUTORY INSTRUMENTS 2013 No. 3181 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013

Made: 16th December 2013

Laid before Parliament: 20th December 2013

Coming into force: 13th January 2014

Citation, commencement and application

1.—(1) These Regulations may be cited as the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 and come into force on 18th December 2012.

(2) These Regulations apply in relation to billing authorities in England.

IN ADDITION STATUTORY INSTRUMENTS 2013 No. 3181 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013

Made: 16th December 2013

Laid before Parliament: 20th December 2013

Coming into force: 13th January 2014

IN ADDITION STATUTORY INSTRUMENTS 2014 No. 3312 COUNCIL TAX, ENGLAND

The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014

Made: 16th December 2014

Laid before Parliament: 18th December 2014

Coming into force: 12th January 2015

Citation, commencement and application

1.—(1) These Regulations may be cited as the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014 and come into force on 12th January 2015.

(2) These Regulations apply in relation to council tax reduction schemes(b) made by billing authorities for financial years beginning on or after 1st April 2015.

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 113(1) and (2) of, and paragraph 2 of Schedule 1A to, the Local Government Finance Act 1992(a):

Default scheme

2. The scheme set out in the Schedule to these Regulations is the scheme prescribed for the purposes of paragraph 4 of Schedule 1A to the Local Government Finance Act 1992.

Signed by authority of the Secretary of State for Communities and Local Government

(a) 1992 c.14. Section 113(1) was amended by paragraphs 2 and 9(a) of Schedule 1 to the Local Government Act 1999 (c.27); paragraphs 40 and 52 of Schedule 7 to the Local Government Act 2003 (c.26) and section 80 of the Localism Act 2011 (c.20); Schedule 1A was inserted by Schedule 4 to the Local Government Finance Act 2012 (c.17).

(b) See section 13A(9) of the Local Government Finance Act 1992 for the definition of “council tax reduction scheme”.

(c) S.I. 2012/2885, amended by S.I. 2012/3085, 2013/3181, 2014/107, 2014/448, 2014/513.

(d) 2007 c. 5.

(e) 2012 c. 5.

SCHEDULE Regulation 2 Council Tax Reduction Scheme (Default Scheme) 2013

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PART 1

Introduction

Introduction

1. This scheme relates to the financial year beginning with 1st April 2013 and may be cited as the Council Tax Reduction Scheme (Default Scheme) 2013.

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(**a**);

“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(**b**);

“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;

“assessment period” means—

(a) 1996 c.18. Sections 75A and 75B were inserted by section 3 of the Employment Act 2002 (c.22) and amended by the Work and Families Act 2006 (c.18), Schedule 1, paragraphs 33 and 34.

(b) 2004 c.32.

(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(**a**);

(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(**b**) 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(**c**);

“the benefit Acts” means the SSCBA, the Jobseekers Act 1995(**d**), the State Pension Credit Act 2002(**e**) and the Welfare Reform Act 2007(**f**);

“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(**g**) and in Scotland means a care home service within the meaning given by section 2(3) of the Regulation of Care (Scotland) Act 2001(**h**) 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(**i**) 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(j);

“child tax credit” means a child tax credit under section 8 of the Tax Credits Act 2002(k);

(a) 1992 c.4. See sections 64 to 67 of that Act in relation to attendance allowance; relevant amendments are referenced elsewhere in these Regulations.

(b) S.I. 1983/686; relevant amending instruments are S.I. 1984/1675, 2001/420.

(c) 2007 c.3. Section 989 defines basic rate by reference to section 6(2) of that Act. Section 6(2) was amended by section 5 of the Finance Act 2008 (c.9) and section 6 of, and paragraphs 1 and 2 of Schedule 2 to, the Finance Act 2009 (c.10).

(d) 1995 c.18.

(e) 2002 c.16.

(f) 2007 c.5.

(g) 2000 c.14. Section 3 was amended by paragraphs 1 and 4 of Schedule 5 to the Health and Social Care Act 2008 (c.14).

(h) 2001 asp 8.

(i) S.I. 2003/431 (N.I. 9).

(j) Section 141 was amended by section 1 of the Child Benefit Act 2005 (c.6).

(k) 2002 c.21; section 8 is repealed by the Welfare Reform Act 2012 (c.5), Schedule 14, Part 1 (not yet in force).

“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(a) 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 Schedule 14, to the Welfare Reform Act 2012(e) that remove references to an income-related allowance and a contributory allowance under Part 1 of the Welfare Reform Act 2007 as that Part has effect apart from those provisions;”;

“council tax benefit” means council tax benefit under Part 7 of the SSCBA;

“couple” has the meaning given by paragraph 4;

“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(c);

“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(d);

“employed earner” is to be construed in accordance with section 2(1)(a) of the SSCBA(e) 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(f) 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(g) and an “employment zone programme” means a programme established for such an area or areas designed to assist claimants for a jobseeker’s allowance to obtain sustainable employment;

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

(a) 2002 c.21.

(b) 2007 c.5. Part 1 concerns employment and support allowance; relevant amendments are referenced elsewhere in these Regulations.

(c) 1992 c.4. Section 71 was amended by section 67(1) of the Welfare Reform and Pensions Act 1999 (c.30) and repealed by section 90 of the Welfare Reform Act 2012 (not yet in force).

(d) 2002 c.7; that definition was amended by the Communications Act 2003 (c.21), Schedule 17, paragraph 158.

(e) Section 2(1)(a) was amended by the Income Tax (Earnings and Pensions) Act 2003, Schedule 6, paragraphs 169 and 171 (c.1).

(f) Section 17A was inserted by the Welfare Reform Act 2009 (c.24), section 1 and amended by the Welfare Reform Act 2012 (c.5), Schedule 7, paragraphs 1 and 4, and Schedule 14, Parts 1 and 3 (not yet in force). The section is repealed by Part 4 of Schedule 14 to that Act (not yet in force).

(g) 1999 c.30.

“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(a);

“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(b);

“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(c) 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(d); and

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

“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;

“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;

(a) S.I. 2011/517.

(b) 1995 c.18. Section 1(4) was amended by the Welfare Reform and Pensions Act 1999, Schedule 7, paragraphs 1 and 2(1) and (4); the Civil Partnership Act 2004 (c33); section 4 of the Welfare Reform Act 2009 (c.24), and is repealed by the Welfare Reform Act 2012, Schedule 14, Part 1 (not yet in force).

(c) 2006 c.41. The definition of “health service hospital” has been amended by the Health and Social Care Act 2012 (c.7), Schedule 4, paragraph 138 (not yet in force).

(d) 2000 c.14; section 2 was amended by the Health and Social Care Act 2008 (c.14), Schedule 5, paragraphs 1 and 3.

(e) 1978 c.29; section 10F was inserted by section 108 of the Public Services Reform (Scotland) Act 2010 (asp 8).

“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(a) 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(b);

“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(c); and

(a) Section 2(1)(b) is amended by the Welfare Reform Act 2012, Schedule 23, paragraph 24 (not yet in force); section 4 is repealed by Part 1 of Schedule 14 to that Act (not yet in force).

(b) 1996 c.18.

(c) 1972 c. 70. The definition of local authority was amended by section 102 of, and paragraph 8 of Schedule 16 and Schedule 17 to, the Local Government Act 1985. Other amendments have been made to that definition but they are not relevant to these Regulations.

(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(a);

“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(b);

“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(c);
 “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(d);
 “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(e);
 “personal pension scheme” means—
 (a) a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993(f);
 (b) an annuity contract or trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988(g) or a substituted contract within the meaning of section

(a) 1972 c.70. See section 270(1) of that Act for the definition of “local authority”; a relevant amendment was made to that definition by the Local Government Act 1985 (c.51), Schedule 17.

(b) 1993 c.48. The definition of “occupational pension scheme” was substituted by section 239 of the Pensions Act 2004 (c.35) and amended by S.I. 2007/3014.

(c) 1996 c. 18; sections 80A and 80B were inserted by section 1 of the Employment Act 2002 (c. 22) and sections 80AA and 80BB were inserted by section 3 of the Work and Families Act 2006 (c. 18). Relevant regulations made under these sections are S.I. 2002/2788 and S.I. 2003/921 (made under sections 80A and 80B) and S.I. 2010/1055 and S.I. 2010/1059 (made under sections 80AA and 80BB).

(d) 1995 c.26; paragraph 1 has been amended by the State Pension Credit Act 2002 (c.16), Schedule 2, paragraph 39; the Welfare Reform Act 2007, Schedule 3, paragraph 13; the Pensions Act 2007 (c.22), Schedule 3, paragraph 4; and section 1 of the Pensions Act 2011 (c.19).

(e) 2012 c.5.

(f) 1993 c.48; the definition of “personal pension scheme” was substituted by section 239 of the Pensions Act 2004 (c.35) and amended by the Finance Act 2007 (c.11), Schedule 20, paragraph 23 and Schedule 27, Part 3.

(g) 1988 c.1.

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(a);
 (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(b))—
 (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 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(c) refer, less any deductions in respect of non-dependants which fall to be made under paragraph 30 (nondependent deductions);

“savings credit” is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002(d);

“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) 2004 c.12.

(b) 2002 c.16.

(c) S.I. 2006/214; amended by S.I. 2007/1356, 2007/2869.

(d) 2002 c.16. Section 3 was amended by the Civil Partnership Act 2004 (c.33), Schedule 24, paragraph 140 and S.I. 2002/1792.

(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(a) (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990(b) (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;

(a) 1973 c.50. Section 2 was substituted by section 25(1) of the Employment Act 1988 (c.19) and repealed in part by the Employment Act 1989 (c.38), Schedule 7, Part 1.

(b) 1990 c.35.

(c) 1978 c.29.

(d) 1985 c.68; section 105 was amended by S.I. 1996/2325; the Government of Wales Act 1998 (c.38), Schedule 8, paragraph 5 and Schedule 16, paragraph 5, and S.I. 2010/866.

(e) 1995 c.50; section 49A was inserted in respect of Northern Ireland by S.I. 2006/312 (N.I. 1).

(f) 2010 c.15.

(g) 1999 c.27; section 3 was amended by the Local Government and Public Involvement in Health Act 2007 (c.28), section 137.

(h) 2001 asp 10.

(i) 2006 c.41.

(j) 2006 c.42.

(k) 2008 c.14; section 4 has been amended by section 189 of the Health and Social Care Act 2012 (c.7) but those amendments are not yet in force.

(l) 2008 c.17; section 193 was amended by the Localism Act 2011 (c.20), Schedule 17, paragraphs 1 and 4 and Schedule 25, Part 27.

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

“the SSCBA” means the Social Security Contributions and Benefits Act 1992(b);

“state pension credit” means state pension credit under the State Pension Credit Act 2002(c);

“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(d), or is training as a teacher;

“the Trusts” (except where the context otherwise requires) means the Macfarlane Trust, the Macfarlane (Special Payments) Trust and the Macfarlane (Special Payments) (No. 2) Trust and “Trustees” is to be construed accordingly;

“universal credit” has the meaning given by section 1 of the Welfare Reform Act 2012(e);

“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(f);

“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(g),

(a) 1993 c.39; subsection (2) was amended by S.I. 1996/3095, 1999/1663.

(b) 1992 c.4.

(c) 2002 c.16.

(d) 1973 c.50; section 2 was substituted by the Employment Act 1988 (c.19), section 25 and amended by the Employment Act 1989 (c.38), Schedule 7, Part 1.

(e) 2012 c.5.

(f) 2003 c.1; subsection (2) was inserted by the Finance Act 2005 (c.7), section 19.

(g) 1991 c.56.

(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(a), in so far as such charges are in respect of the dwelling which a person occupies as his home;

“working tax credit” means a working tax credit under section 10 of the Tax Credits Act 2002(b);

“young person” means a person who falls within the definition of qualifying young person in section 142 of the SSCBA(c).

(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(d) (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(e) (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(f) (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

(a) 2002 asp 3; section 29A was substituted together with sections 29B to 29G for section 29 as originally enacted by section 21 of the Water Services etc. (Scotland) Act 2005 (asp 3).

(b) 2002 c.21.

(c) Section 142 was amended by section 1 of the Child Benefit Act 2005 (c.6).

(d) 1995 c.18; section 19 (together with sections 19A to 19C), has been substituted by section 46 of the Welfare Reform Act 2012 (c.5) but that amendment is not yet in force (sections 19A to 19C are however); section 17A has been repealed by Part 4 of Schedule 14 to that Act although that provision is not yet in force. In the meantime amendments have been made to section 17A by sections 48 and 59 of, and Schedules 7 and 14 to, the 2012 Act.

(e) 2001 c.11; section 6B was amended by sections 9, 24 and 58 of, and paragraphs 9 and 10 of Schedule 2 and Part 1 of Schedule 7 to, the Welfare Reform Act 2009 (c.24); sections 31, 113, 118, 119, 121 and 147 of, paragraphs 56 and 58 of Schedule 2, paragraphs 15 and 16 of Schedule 3, Parts 1 and 12 of Schedule 14, to the Welfare Reform Act 2012 (c.5), of which only those made by section 113 (to subsection (1)(b)) are in force. Section 7 was amended by section 14 of, and Part 3 of Schedule 3 to, the State Pension Credit Act 2002 (c.16); sections 28 and 49 of, and paragraph 23 of Schedule 3 to, the Welfare Reform Act 2007 (c.5); sections 9, 24 and 58 of, and paragraphs 9 and 11 of Schedule 2, Part 1 of Schedule 4 and Part 1 of Schedule 7 to, the Welfare Reform Act 2009 (of which those made by sections 9, 31 and Schedule 7 are not yet in force); S.I. 2011/2298; sections 31, 118, 119 and 147 of, and paragraphs 56 and 59 of Schedule 2, paragraphs 15 and 17 of Schedule 3 and Part 1 of Schedule 14 to, the Welfare Reform Act 2012, none of which are yet in force. Section 8 has been repealed by section 147 of, and Part 1 of Schedule 14, to the Welfare Reform Act 2012, but that repeal is not yet in force. Amendments have also been made by sections 1, 24, and 58 of, and Part 1 of Schedule 4 and Part 3 of Schedule 7 to, the Welfare Reform Act 2009; sections 31, 48, 113 and 147 of, and paragraphs 56 and 60 of Schedule 2, paragraph 12 of Schedule 7 and Part 12 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by section 113 are in force. Section 9 was amended by section 14 of, and Part 3 of Schedule 2 to, the State Pension Credit Act 2002; sections 28 of, and paragraph 23 of Schedule 3 to, the Welfare Reform Act 2007; sections 9 and 58 of, and Part 1 of Schedule 7 to, the Welfare Reform Act 2009, none of which are in force; sections 31, 113 and 147 of, and paragraphs 56 and 61 of Schedule 2 and Part 1 of Schedule 14 to, the Welfare Reform Act 2012, of which only those made by section 113 are in force. (f) 2007 c.5.

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(a) (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

(b) the carer of a person consulted as described in sub-paragraph (a) where the carer is not being consulted as described in that sub-paragraph.

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(b); and

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

(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) S.I. 2002/1792.
- (b) See paragraphs 13 to 15 of this scheme.
- (c) See paragraphs 16 to 18 of this scheme.

- (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(a) 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(b) (exclusion from benefits) applies; or
 - (c) entitled to an award of universal credit.”.

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

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

(2) Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person must be treated for the purposes of sub-paragraph (1) as normally living with—

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

(b) if there is no such person—

(i) where only one claim for child benefit has been made in respect of him, the person who made that claim, or (ii) in any other case the person who has the primary responsibility for him.

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

Households

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

(a) Section 145A inserted by the Tax Credits Act 2002 (c.21), section 55(1).

(b) 2000 c.35.

(2) A child or young person is not to 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(a) or by a voluntary organisation under section 59(1)(a) of that Act, 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(b) or the Adoption Agencies (Scotland) Regulations 2009(c) or the Adoption (Northern Ireland) Order 1987(d).

(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(e);

(b) the Air Force Act 1955(f);

(c) the Naval Discipline Act 1957(g);

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

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

(f) the Family Law Reform Act 1969(a);

(g) the Children and Young Persons Act 1969(b);

(h) the Matrimonial Causes Act 1973(c);

(i) the Children Act 1975(d);

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

(a) 1989 c.41; section 23 was substituted by sections 22A to 22F by section 8(1) of the Children and Young Persons Act 2008 (c.23). Section 22C is in force in England but not yet in force in Wales. Section 59(1)(a) was amended by section 49 of the Children Act 2004 (c.31) and paragraph 2 of Schedule 1 to the Children and Young Persons Act 2008.

(b) 2002 c.38.

- (c) S.I. 2009/154.
- (d) S.I. 1987/2203 (N.I. 22).
- (e) 1955 c.18.
- (f) 1955 c.19.
- (g) 1957 c.53.
- (h) 1958 c.40.
- (i) 1968 c.49.
- (j) 1969 c.46.
- (k) 1969 c.54.
- (l) 1973 c.18.
- (m) 1975 c.72; this Act was repealed in respect of England and Wales by Schedule 15 to the Children Act 1989 (c.41). It continues to have effect in Scotland.
- (n) 1978 c.22.
- (k) the Adoption and Children (Scotland) Act 2007(f);
- (l) the Family Law Act 1986(g);
- (m) the Children Act 1989(h);
- (n) the Children (Scotland) Act 1995(i);
- (na) the Children’s Hearings (Scotland) Act 2011 (c); and
- (o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012(j).

Non-dependants

- 9.—**(1) In this scheme, “non-dependant” means any person, except someone to whom subparagraph
- (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 18 are entitled to a reduction under this scheme.

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

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

13. On any day class A consists of any person who is a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income (if any) for the relevant week does not exceed his applicable amount, and
- (f) who has made an application.

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

14. On any day class B consists of any person who is a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income for the relevant week is greater than his applicable amount;
- (f) in respect of whom amount A exceeds amount B where—
 - (i) amount A is the maximum council tax reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount, and
- (g) who has made an application.

Class C: alternative maximum council tax reduction – pensioners

15.—(1) On any day class C consists of any person who is a pensioner—

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(a) See section 6(5) of the Local Government Finance Act 1992 for the meaning of "resident" in relation to a dwelling.

- (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 less than the applicable amount

16. On any day class D consists of any person who is not a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

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

(f) who has made an application.

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

17. On any day class E consists of any person who is not a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

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

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

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

(ii) amount B is $2\frac{6}{7}$ per cent of the difference between his income for the relevant week and his applicable amount, and

(g) who has made an application.

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

18.—(1) On any day class F consists of any person who is not a pensioner—

(a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;

(b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;

(c) in respect of whom a maximum council tax reduction amount can be calculated;

(d) who does not fall within a class of person not entitled to a reduction under this scheme;

(e) who has made an application; and

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

(2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the person in question in respect of the dwelling and there is an alternative maximum council tax reduction in respect of the day in the case of that person which is derived from the income, or aggregate incomes, of one or more residents to whom this sub-paragraph applies.

(3) Sub-paragraph (2) applies to any other resident of the dwelling who—

(a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; and

(b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);

- (c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant for the reduction is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- (d) is not a person who jointly with the applicant for reduction falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- (e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Periods of absence from a dwelling

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 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(a),
- 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 subparagraph (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) 2007 c.21.

(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(a), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003(b) or the Criminal Procedure (Scotland) Act 1995(c) or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986(d)); and

(b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952(e) or the Prisons (Scotland) Act 1989(f).

(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.

(a) 1983 c.20.

(b) 2003 asp 13.

(c) 1995 c.46.

(d) S.I. 1986/595 (N.I. 4).

(e) 1952 c.52.

(f) 1989 c.45.

(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(a);
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of “qualified person” in regulation 6(1) of those Regulations, or
 - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (ab) Article 45 of the Treaty on the functioning of the European Union (a) (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
 - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen)(b).
- (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) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
 - (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971(b) where that leave is—
 - (i) discretionary leave to enter or remain in the United Kingdom,
 - (ii) leave to remain under the Destitution Domestic Violence concession(c) which came into effect on 1st April 2012, or
 - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005(d);
 - (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(d) and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom.
 - (h) in receipt of income support or on an income-related employment and support allowance;
 - (ha) in receipt of an income-based jobseeker’s allowance and has a right to reside other than a right to reside falling within paragraph (4); or
 - (i) a person who is treated as a worker for the purpose of the definition of “qualified person” in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013(e) (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(e);

“EEA Regulations” means the Immigration (European Economic Area) Regulations 2006(f).

Transitional provision

The amendment in paragraph 21 (5)(ha) does not apply to a person who, on 31st March 2015—

(a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Act; and

(b) is entitled to an income-based jobseeker's allowance, until the first of the events in paragraph (2) occurs.

(2) The events are—

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

(b) the person ceases to be entitled to an income-based jobseeker's allowance.

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

(a) OJ No L 158, 30.4.04, p 77.

(b) A consolidated version of this Treaty was published in the Official Journal on 30.3.2010 C 83.

(c) 1971 c.77.

(d) 1999 c.33.

(e) Relevant amendments to section 94(1) have been made by section 44 of the Nationality, Immigration and Asylum Act 2002 (c.41) but those provisions are not in force. Other amendments have been made but they are not relevant to these Regulations.

(f) S.I. 2006/1003; relevant amending instruments are S.I. 2011/544, 2012/1547, 2012/2560.

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(f) (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 1999.

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(a).

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

Class of person excluded from this scheme: students

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

PART 6

Applicable amounts

Applicable amounts: pensioners

25.—(1) The applicable amount for a pensioner(b) 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 in respect of any child or young person who is a member of his family,

determined in accordance with paragraph 2 of that Schedule (child or young person amounts);

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

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

(2) In Schedule 2—

“additional spouse” means a spouse of either party who is additional to the 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(c)

(a) See Part 10, Chapters 1 and 7, of this scheme in relation to the capital of an applicant and the calculation of tariff income from capital.

(b) Including pensioners in polygamous marriages, by virtue of paragraph 5 of the scheme.

(c) S.I. 2005/3360.

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(a));

(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 by the party to the marriage who is additional to the 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(b);

“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(c).

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;

(a) The amount of the components is set out in Part 6 of that Schedule.

(b) S.I. 2008/794.

(c) S.I. 2005/3360.

(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(a).

PART 7

Maximum council tax reduction for the purposes of calculating eligibility for a reduction under this scheme and amount of reduction

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

29.—(1) Subject to sub-paragraphs (2) to (4), a person’s maximum council tax reduction amount in respect of a day is 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 (nondependent deductions: pensioners and persons who are not pensioners).

(a) 2012 c.5.

(2) In calculating a person's maximum council tax reduction under this scheme any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act (other than a reduction under this scheme), is to be taken into account.

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

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

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

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

Non-dependant deductions: pensioners and persons who are not 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, £11.36 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £3.74 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 £189.00, the deduction to be made under this paragraph is that specified in subparagraph (1)(b);

(b) not less than £189.00 but less than £328.00, the deduction to be made under this paragraph is £7.52 x 1/7;

(c) not less than £328.00 but less than £408.00, the deduction to be made under this paragraph is £9.49 x 1/7.

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

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

(5) Where in respect of a day—

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

(b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and

(c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant must be apportioned equally between those liable persons.

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

(a) 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(a)) who is absent, while on operations, from the dwelling usually occupied as their home.
- (8) No deduction is to be made in respect of a non-dependant—
- (a) who is on income support, state pension credit, an income-based jobseeker’s allowance or an income-related employment and support allowance;
- (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers, **or**
- (c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.**
- (9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant’s weekly gross income—
- (a) any attendance allowance, 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).
- (10) For the purposes of sub-paragraph (8), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013(a).**

PART 8

Alternative maximum council tax reduction for the purposes of calculating eligibility

for a reduction under this scheme and amount of reduction

Alternative maximum council tax reduction under this scheme: pensioners and persons who are not pensioners

31.—(1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council tax reduction: pensioners) or 18 (alternative maximum council tax reduction: persons who are not pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).

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

(3) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9 of the 1992 Act (liability of spouses and civil partners), sub-paragraph (2) does not apply in his case.

PART 9

Amount of reduction under this scheme

Amount of reduction under this scheme: Classes A to F

32.—(1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.

(2) Where the person is within class A or D(a), that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.

(3) Where the person is within class B or E(b), that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 14(f) or 17(f), as the case may be.

(4) Where the person is within class C or F(c), 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) As to which, see paragraphs 13 and 16 respectively.

(b) As to which, see paragraphs 14 and 17 respectively.

(c) As to which, see paragraphs 15 and 18 respectively.

(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).

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 nondependent 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 nondependent 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(a).

(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^(b) (power of billing authority to reduce amount of council tax payable);
 - (h) any amount to be disregarded by virtue of paragraph 6 of Schedule 5 (exempt work).
- (3) Paragraphs 39 to 46 (calculation of income: pensioners) and 57 to 61 (calculation of income: pensioners and persons who are not pensioners) do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).
- (4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 63, 65 to 68 and 70 (calculation of capital: pensioners).
- (5) This sub-paragraph applies if—

(a) See paragraph 22A for the capital limit for eligibility of £16,000.

(b) Section 13A is substituted by section 10 of the Local Government Finance Act 2012 (c.17).

(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 subparagraph (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 subparagraph (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 subparagraph (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(a), in any case where article 31(2)(c) applies;
 - (i) income from capital(b) 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(c);
 - (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);
- (a) S.I. 2011/517.
(b) See paragraph 71 for the calculation of income from capital so far as relating to pensioners.
(c) Part 12ZA was inserted by section 2 and Part 12ZB was inserted by section 4 of the Employment Act 2002 (c.22).

(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^(a) (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 under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria;
 - (n) payments under a scheme made under the Pneumoconiosis etc. (Worker's Compensation) Act 1979^(b);
 - (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^(c),
 - (ii) the Civil List Act 1937^(d),
 - (iii) the Civil List Act 1952^(e),
 - (iv) the Civil List Act 1972^(f), or
 - (v) the Civil List Act 1975^(g);
 - (u) any income in lieu of that specified in paragraphs (a) to (r);
 - (v) any payment of rent made to an applicant who—
 - (a) S.I. 2006/606.
 - (b) 1979 c.41.
 - (c) 1837 c.2.
 - (d) 1937 c.32.
 - (e) 1952 c.37.
 - (f) 1972 c.7.
 - (g) 1975 c.82.
 - (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 2002.
- (2) Where the payment of any social security benefit referred to in sub-paragraph (1) 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(a);

(b) the Social Security (Hospital In-Patients) Regulations 1975;

(c) section 30DD or section 30E of the SSCBA(b) (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.

(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) or (4), 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.

(a) S.I.1979/597.

(b) Section 30DD was inserted by the Welfare Reform and Pensions Act 1999 (c.30), section 63; section 30E was inserted by the Social Security (Incapacity for Work) Act 1994 (c.18), section 3. Both sections are repealed by the Welfare Reform Act 2007 (c.5), Schedule 8 (not yet in force).

(2) Sub-paragraph (3) applies where—

(a) the applicant's regular pattern of work is such that he does not work the same hours every week; or

(b) the amount of the applicant's income fluctuates and has changed more than once.

(3) The weekly amount of that applicant's income is to be determined—

(a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or

(b) in any other case, on the basis of—

(i) the last two payments if those payments are one month or more apart;

(ii) the last four payments if the last two payments are less than one month apart; or

(iii) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.

(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.

(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(a);
 - (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^(b) 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 subparagraph (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 of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 the Income Tax Act 2007^(a) (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 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.

^(a) 2007 c.3: the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) (“2012 Act”); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009.

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-employed 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(a) or, as the case may be, section 26(1) of the Children (Scotland) Act 1995(b); or

(ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009(c) 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(d);

(iv) the National Health Service Commissioning Board or a clinical commissioning group established under section 14D of the National Health Service Act 2006(e); or

(v) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006(f);

(a) 1989 c.41; section 23 was substituted by sections 22A to 22F by section 8(1) of the Children and Young Persons Act 2008 (c.23). Section 22C is in force in England but is not yet in force in Wales.

(b) 1995 c.36; section 26 was amended by paragraph 1 of Schedule 3 to the Adoption and Children (Scotland) Act 2007 (asp 4). (c) S.I. 2009/210.

(d) 1948 c.29; section 26(3A) was inserted by section 42(4) of the National Health Service and Community Care Act 1990 (c.19).

(e) 2006 c.41. The Commissioning Board is established under section 1H of that Act (inserted by section 9 of the Health and Social Care Act 2012 (c.7)); section 14D was inserted by section 25 of the 2012 Act.

(f) 2006 c.42.

(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(a).

(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 1965.

(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 maximum amount of income which may be withdrawn from the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-paragraph (6).

(8) In sub-paragraph (4), “money purchase benefits” has the same meaning as in the Pension Schemes Act 1993.

(a) 1965 c.51.

(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(a), changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.

(11) In sub-paragraph (10), “lump sum” means a lump sum under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005.

(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**(b)**.
- (16) In sub-paragraph (15), "registered pension scheme" has the meaning given in section 150(2) of the Finance Act 2004.

Income paid to third parties: pensioners

46.—(1) Any payment of income, other than a payment specified in sub-paragraph (2) or (3), to a third party in respect of an applicant who is a pensioner is to be treated as possessed by the applicant.

(2) Sub-paragraph (1) does not apply in respect of a payment of income made under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—

(a) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to

(a) S.I. 2005/454.
(b) 2004 c.12.

sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980**(a)**;

(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 subparagraph (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^(b).

(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).

(a) 1980 c.46.

(b) Powers in section 14A of the LGFA 1992 may be used to confer power to require employers to provide information for these purposes.

Average weekly income other than earnings: persons who are not pensioners

49.—(1) The income of an applicant who is not a pensioner which does not consist of earnings must, except where sub-paragraph (2) applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period must not in any case exceed 52 weeks; and nothing in this paragraph authorises an authority to disregard any such income other than that specified in Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners).

(2) The period over which any benefit under the benefit Acts is to be taken into account is to be the period in respect of which that benefit is payable.

(3) For the purposes of this paragraph income other than earnings is to be calculated in accordance with paragraph 54 (calculation of income other than earnings: persons who are not pensioners).

Calculation of weekly income of employed earners: persons who are not pensioners

50.—(1) For the purposes of paragraphs 47 (average weekly earnings of employed earners), 49 (average weekly income other than earnings) and 59 (calculation of average weekly income from tax credits), where the period in respect of which a payment is made—

(a) does not exceed a week, the weekly amount is to be the amount of that payment;

(b) exceeds a week, the weekly amount is to be determined—

(i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;

(ii) in any other case, by dividing the amount of the payment by the number equal to the number of days in the period to which it relates and multiplying the product by 7.

(2) For the purposes of paragraph 48 (average weekly earnings of self-employed earners) the weekly amount of earnings of an applicant is to be determined by dividing his earnings over the assessment period by the number equal to the number of days in that period and multiplying the product by 7.

Earnings of employed earners: persons who are not pensioners

51.—(1) Subject to sub-paragraph (2), “earnings”, in the case of employment as an employed earner of a person who is not a pensioner, means any remuneration or profit derived from that employment and includes—

- (a) any bonus or commission;
- (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- (c) any payment in lieu of notice or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- (d) any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant’s employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant’s employer in respect of—(i) travelling expenses incurred by the applicant between his home and place of employment; (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant’s absence from home;
- (g) any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);

(h) any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);

(i) any such sum as is referred to in section 112 of the SSCBA (certain sums to be earnings for social security purposes);

(j) any statutory sick pay, statutory maternity pay, statutory paternity pay 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 2001.

(2) Earnings does not include—

(a) subject to sub-paragraph (3), any payment in kind;

(b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;

(c) any occupational pension;

(d) any payment in respect of expenses arising out of the applicant’s participation in a service user group.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in subparagraph (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 F), his net earnings is to be calculated by taking into account those earnings over the assessment period, less

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate 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(a) (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 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

(a) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) (“2012 Act”); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009.

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 subparagraph (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 subparagraph (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(a), 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 subparagraph (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 subparagraph (1) in respect of a person to whom subparagraph (7) applies, is to be calculated by applying the formula—

$$(A - (B \times C)) / D$$

where—

(a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);

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

(c) C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 81(2)

(a) S.I. 2008/794.

(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 subparagraph (1) in respect of a person to whom subparagraph (7) applies, is to be calculated by applying the formula in subparagraph (8) but as if—

A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 81(5).

(9) In this paragraph—

“academic year” and “student loan” have the same meanings as in Part 11 (students);

“assessment period” means—

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

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

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

(ii) the last day of the last quarter for which an instalment of the relevant payment was payable to that person, whichever of those dates is earlier;

“quarter” in relation to an assessment period means a period in that year beginning on—

(c) 1st January and ending on 31st March;

(d) 1st April and ending on 30th June;

(e) 1st July and ending on 31st August; or

(f) 1st September and ending on 31st December;

“relevant payment” means either a student loan or an amount intended for the maintenance of dependants referred to in paragraph 76(7) or both.

(10) For the avoidance of doubt there must be included as income to be taken into account under sub-paragraph (1)—

(a) any payment to which paragraph 41(2) or 51(2) (payments not earnings) applies; or

(b) in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

Capital treated as income: persons who are not pensioners

55.—(1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £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 s2 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(a) (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(b);

(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(c);

- (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
- (a) 1994 c.21.
- (b) S.I. 1996/207.
- (c) 1980 c.46.
- (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(a) (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's participation in a service user group.

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) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) ("2012 Act"); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009.

(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 subparagraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.

(2) The conditions of this paragraph are that—

(a) the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in sub-paragraph (3) otherwise applies in his case; and

(b) that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

(3) The maximum deduction to which sub-paragraph (1)(c) above refers is to be—

(a) where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week;

(b) where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300 per week.

Treatment of child care charges

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(a); or

(a) S.I. 1987/1967.

(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(a).

(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, shortterm 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(b); or (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010(c); 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(d); or

(e) by—

(a) S.I. 1975/556.

(b) S.I. 1999/3110.

(c) 2010 c.1.

(d) S.I. 2010/2574 (W.214).

(i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010(a); 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(b); 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(c), the Fostering Services (Wales) Regulations 2003(d) or the Looked After Children (Scotland) Regulations 2009(e) 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(f) 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;

(a) 2001 asp 8.

(b) 2006 c.21.

(c) S.I. 2011/581.

(d) S.I. 2003/237.

(e) S.I. 2009/210.

(f) S.I. 2010/781; amended by S.I. 2012/1513.

(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 Allowance 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 Allowance 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 (v), (vii) or (viii)** of paragraph (h) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;
- (j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for— (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or (ii) an abatement as a consequence of hospitalisation;
- (k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
- (l) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- (m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
- (n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006(a) or under section 46 of the National Health Service (Scotland) Act 1978(b) 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(c).
- (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 to be payable by virtue of** a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
 - (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 (16) ("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

(a) 2006 c.41; paragraph 9 has been amended by sections 17(10) of the Health and Social Care Act 2012 (c.7) (to replace references to the Secretary of State with references to clinical commissioning groups), but those provisions are not yet fully in force.

(b) 1978 c.29.

(c) S.I. 1972/1265 (N.I. 14).

(c) he is entitled to either statutory maternity pay under section 164 of the SSCBA(a), 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(b); 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) 1992 c.4; section 164 was amended by paragraph 12 of the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2) and section 20 of, and paragraph 6 of Schedule 7 and paragraph 1 of Schedule 8 to, the Employment Act 2002 (c.22).

(b) S.I. 1987/1967; Schedule 1B was inserted by S.I. 1996/206.

(a) in the basic or other rates of income tax;

(b) in the amount of any personal tax relief;

(c) in the rates of **national insurance contributions** payable under the 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 earnings 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(a), 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,

(a) S.I. 1975/529.

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 subparagraph (3)(a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- (8) For the avoidance of doubt—
- (a) a deduction must not be made under sub-paragraph (3)(a) or (4) in respect of any sum unless it has been expended for the purposes of the business;
 - (b) a deduction must be made thereunder in respect of—
 - (i) the excess of any value added tax paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment.
- (9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less—
- (a) an amount in respect of—
 - (i) income tax; and
 - (ii) **national insurance contributions** payable under the SSCBA, calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and
 - (b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.
- (10) For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments must not be offset against his earnings in any other of his employments.
- (11) The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium must be determined—
- (a) where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and dividing the product by 365;
 - (b) in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- (12) In this paragraph, “qualifying premium” means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of application.

Calculation of deduction of tax and contributions of self-employed earners

- 62.**—(1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or (9)(a)(i) (calculation of net profit of self-employed earners) must be calculated—
- (a) on the basis of the amount of chargeable income, and

(b) as if that income were assessable to income tax at the basic rate 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(a) (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 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(1) or, as the case may be, 11(3) 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 earnings exception) 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.

(a) 2007 c.3; the heading and subsection (1) of section 35 were amended by section 4 of the Finance Act 2012 (c.14) ("2012 Act"); subsections (2) and (4) were inserted by section 4 of the Finance Act 2009 (c.10). In section 36, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009. In section 37, the heading and subsection (2) were amended by, subsection (1) substituted by, and subsection (2A) inserted by section 4 of the 2012 Act; subsection (2) has also been amended by S.I. 2011/2926 and section 4 of the Finance Act 2009.

CHAPTER 7 Capital

Calculation of capital

63.—(1) The capital of an applicant(a) to be taken into account must be, subject to subparagraph (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.
- (a) See paragraph 22A for the capital limit for eligibility of £16,000.
- (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) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(iii) the person referred to in sub-paragraph (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

(7) Where an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case— (a) the value of his holding in that company must, notwithstanding

paragraph 63 (calculation of capital) be disregarded; and (b) he must, subject to sub-paragraph (8), be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Chapter apply for the purposes of calculating that amount as if it were actual capital which he does possess.

(8) For so long as the applicant undertakes activities in the course of the business of the company, the amount which he is treated as possessing under sub-paragraph (7) is to be disregarded.

(9) Where an applicant is treated as possessing capital under any of sub-paragraphs (1), (4) or (5) the foregoing provisions of this Chapter apply for the purposes of calculating its amount as if it were actual capital which he does possess.

Diminishing notional capital rule: pensioners

68.—(1) Where an applicant who is a pensioner is treated as possessing capital under paragraph 67(1) (notional capital), the amount which he is treated as possessing—

(a) in the case of a week that is subsequent to—

(i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or

(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—

(i) that week is a week subsequent to the relevant week; and

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied, is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week where the applicant satisfies the conditions that—

(a) he is in receipt of a reduction under this scheme; and

(b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) must be equal to the aggregate of—

(a) an amount equal to the additional amount of the reduction in council tax to which subparagraph (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 partweek, 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 subparagraph 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 subparagraph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or

(iii) the date on which he last ceased to be entitled to a reduction under this scheme, whichever last occurred; and (b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (7) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

(10) For the purposes of this paragraph—"part-week"—

(a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction in council tax under this scheme is allowed;

(b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;

(c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means—

(i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and

(ii) any other period of less than a week for which it is payable;

"relevant week" means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of paragraph 67(1)—

(a) was first taken into account for the purpose of determining his entitlement to a reduction; or

(b) was taken into account on a subsequent occasion for the purpose of determining or redetermining his entitlement to a reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, a reduction; and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week; “relevant subsequent week” means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Diminishing notional capital rule: persons who are not pensioners

69.—(1) Where an applicant who is not a pensioner is treated as possessing capital under paragraph 67(1) (notional capital), the amount which he is treated as possessing—

(a) in the case of a week that is subsequent to—

(i) the relevant week in respect of which the conditions set out in sub-paragraph (2) are satisfied; or
(ii) a week which follows that relevant week and which satisfies those conditions,

is to be reduced by an amount determined under sub-paragraph (3);

(b) in the case of a week in respect of which sub-paragraph (1)(a) does not apply but where—

(i) that week is a week subsequent to the relevant week; and

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied, is to be reduced by the amount determined under sub-paragraph (5).

(2) This sub-paragraph applies to a reduction week (or, in the case of persons who are not pensioners, part-week) where the applicant satisfies the conditions that—

(a) he is in receipt of a reduction in council tax under this scheme; and

(b) but for paragraph 67(1), he would have received a greater reduction in council tax under this scheme in that week.

(3) In a case to which sub-paragraph (2) applies, the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(a) is equal to the aggregate of—

(a) an amount equal to the additional amount of the reduction in council tax to which subparagraph (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 incomebased 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 partweek, 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 subparagraph (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 redetermining his entitlement to a reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, a reduction, and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;
“relevant subsequent week” means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

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(a), is to be treated as if it were a weekly income(b) 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(c), is to be treated as if it were a weekly income(d) 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 £250.
(a) See Chapters 1 and 7 of Part 10 in particular, and the capital to be disregarded in accordance with Schedule 9.
(b) Income from capital is taken into account in calculating the income of an applicant who is a pensioner; see paragraph 39(1)(i).
(c) See Chapters 1 and 7 of Part 10 in particular, and the capital to be disregarded in accordance with Schedule 10.
(d) Income from capital is taken into account in calculating the income of an applicant who is not a pensioner; see paragraph 57(1)(b)(ii).

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(a) 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(b);
 - (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(c); 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;

(a) 1992 c.13.

(b) 1980 c.44.

(c) 2009 c.22.

“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) in any other case, the day before the start of the normal summer vacation appropriate to his course;

(c) in the final year of a course of study of more than one year, the period beginning with that year’s start and ending with the last day of the course;

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

“qualifying course” means a qualifying course as defined for the purposes of Parts 2 and 4 of the Jobseeker’s Allowance Regulations 1996;

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

“standard maintenance grant” means—

(a) except where paragraph (b) or (c) applies, in the case of a student attending or undertaking a course of study at the University of London or an establishment within the area comprising the City of London and the Metropolitan Police District, the amount specified for the time being in paragraph 2(2)(a) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003(a) (“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;

(a) S.I. 2003/1994; relevant amending instrument is S.I. 2008/1477.

“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(a), section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and includes, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Students’ Allowances (Scotland) Regulations 2007.

(2) For the purposes of the definition of “full-time student” in sub-paragraph (1), a person must be regarded as attending or, as the case may be, undertaking a full-time course of study or as being on a sandwich course—

(a) subject to sub-paragraph (3), in the case of a person attending or undertaking a part of a modular course which would be a full-time course of study for the purposes of this Part, for the period beginning on the day on which that part of the course starts and ending—

(i) on the last day on which he is registered with the educational establishment as attending or undertaking that part as a full-time course of study; or

(ii) on such earlier date (if any) as he finally abandons the course or is dismissed from it;

(b) in any other case, throughout the period beginning on the date on which he starts attending or undertaking the course and ending on the last day of the course or on such earlier date (if any) as he finally abandons it or is dismissed from it.

(3) For the purposes of paragraph (a) of sub-paragraph (2), the period referred to in that paragraph includes—

(a) where a person has failed examinations or has failed successfully to complete a module relating to a period when he was attending or undertaking a part of the course as a fulltime 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(b).

(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;

(a) 1998 c.30.

(b) See paragraph 21 as to persons treated as not being in Great Britain.

(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(a).

(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 subparagraph (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 subparagraph (8).

(8) The period specified for the purposes of sub-paragraph (7) is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before—

(a) the day on which he resumes attending or undertaking the course; or

(b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course, whichever first occurs.

CHAPTER 2

Income

Calculation of grant income

76.—(1) The amount of a student's grant income to be taken into account in assessing his income must, subject to sub-paragraphs (2) and (3), be the whole of his grant income.

(2) There must be excluded from a student's grant income any payment—

(a) intended to meet tuition fees or examination fees;

(b) in respect of the student's disability;

(c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;

(d) on account of the student maintaining a home at a place other than that at which he resides during his course;

(e) on account of any other person but only if that person is residing outside the United Kingdom and there is no applicable amount in respect of him;

(f) intended to meet the cost of books and equipment;

(g) intended to meet travel expenses incurred as a result of his attendance on the course;

(h) intended for the child care costs of a child dependant;

(i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.

(3) Where a student does not have a student loan and is not treated as possessing such a loan, there must be excluded from the student's grant income—

(a) the sum of £303 per academic year in respect of travel costs; and

(a) 1988 c.40.

(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(a).

(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 subparagraph (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).

(a) 1998 c.30.

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(a); 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).

(a) See also paragraph 103 in relation to persons moving into the area of the authority from another authority's area.

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, if his entitlement to income-based jobseeker's allowance or income-related employment and support allowance continued beyond that age, has attained the age of 65; 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 or the age of 65; and
 - (b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.
- (3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.
- (4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.
- (5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)—
- (a) the whole of the income and capital of the applicant is to be disregarded;
 - (b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.
- (6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated—
- (a) the applicant's council tax liability has increased; or
 - (b) a change in the deduction under paragraph 30 falls to be made.

CHAPTER 2

Extended reductions: persons who are not pensioners

Extended reductions: persons who are not pensioners

94. Paragraphs 95 to 104 apply in relation to applicants who are not pensioners.

Extended reductions: persons who are not pensioners

95.—(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is entitled to an extended reduction where—

- (a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;
 - (b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner—
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,
 and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more; and
 - (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying income-related benefit, jobseeker's allowance or a combination of those benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying income-related benefit ceased.
- (2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the

applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

(3) For the purpose of this paragraph, where an applicant or an applicant's partner is entitled to and in receipt of joint-claim jobseeker's allowance they must be treated as being entitled to and in receipt of jobseeker's allowance.

(4) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where—

(a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;

(b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying income-related benefit ceased, or in the preceding week; and

(c) entitlement to the qualifying income-related benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

(5) This paragraph does not apply where, on the day before an applicant's entitlement to income support ceased, regulation 6(5) of the Income Support (General) Regulations 1987(a) (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.

(a) S.I. 1987/1967.

(2) For the purpose of sub-paragraph (1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

(3) The extended reduction period ends—

(a) at the end of a period of four weeks; or

(b) on the date on which the applicant to whom the extended reduction is payable has no liability for council tax, if that occurs first.

Amount of extended reduction: persons who are not pensioners

97.—(1) For any week during the extended reduction period the amount of the extended reduction to which an applicant is entitled is to be the higher of—

(a) the amount of the reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;

(b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 95 (extended reductions: persons who are not pensioners) did not apply to the applicant; or

(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 95 did not apply to the applicant.

(2) Sub-paragraph (1) does not apply in the case of a mover.

(3) Where an applicant is in receipt of an extended reduction under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction under this scheme is to be awarded by the authority during the extended reduction period.

Extended reductions—movers: persons who are not pensioners

98.—(1) This paragraph applies—

(a) to a mover; and

(b) from the Monday following the day of the move.

(2) The amount of the extended reduction awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme to which the mover would have been entitled had they, or their partner, not ceased to be entitled to a qualifying income-related benefit.

- (3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to—
- (a) the second authority; or
 - (b) the mover directly.

Relationship between extended reduction and entitlement to a reduction by virtue of classes D to F

99.—(1) Where an applicant's entitlement to a reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying income-related benefit in the circumstances listed in paragraph 95(1)(b), that entitlement does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 do not apply to any extended reduction payable in accordance with paragraph 95(1)(a) or 98(2) (amount of extended reduction—movers: persons who are not pensioners).

Extended reductions (qualifying contributory benefits): persons who are not pensioners

100.—(1) An applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes D to F is entitled to an extended reduction (qualifying contributory benefits) where—

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner—

- (i) commenced employment as an employed or self-employed earner;

- (ii) increased their earnings from such employment; or

- (iii) increased the number of hours worked in such employment,

and that employment is or, as the case may be, those increased earnings or increased number of hours are expected to last five weeks or more;

- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and

- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

(2) An applicant must be treated as entitled to a reduction under this scheme by virtue of falling within any of classes D to F where—

- (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;

- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and

- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): persons who are not pensioners

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

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

(3) The extended reduction period ends—

- (a) at the end of a period of four weeks; or

- (b) on the date on which the applicant entitled to the extended reduction (qualifying

contributory benefits) has no liability for council tax, if that occurs first.

Amount of extended reduction (qualifying contributory benefits): persons who are not pensioners

102.—(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of—
(a) the amount of reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
(b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 100 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or
(c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 100 did not apply to the applicant.
(2) Sub-paragraph (1) does not apply in the case of a mover.
(3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, no amount of reduction may be allowed by the appropriate authority during the extended reduction period.

Extended reductions (qualifying contributory benefits)—movers: persons who are not pensioners

103.—(1) This paragraph applies—
(a) to a mover; and
(b) from the Monday following the day of the move.
(2) The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.
(3) Where a mover's liability to pay council tax in respect of the new dwelling is to a second authority, the extended reduction (qualifying contributory benefits) may take the form of a payment from this authority to—
(a) the second authority; or
(b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to F

104.—(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 100(1)(b), that reduction does not cease until the end of the extended reduction period.
(2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction—movers: persons who are 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

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(a) (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.

(a) Section 11A was inserted by section 75(1) of the Local Government Act 2003 (c.26).

(6) Where the change of circumstances is the death of an applicant’s partner or their separation, it takes effect on the day the death or separation occurs.

(7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

(8) Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the SSCBA, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances takes effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect

from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(10) Sub-paragraph (11) applies if—

(a) the applicant or his partner has attained the age of 65; and

(b) either—

(i) a non-dependant took up residence in the applicant's dwelling; or

(ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 30 increased.

(11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.

(12) In sub-paragraph (11), but subject to sub-paragraph (13), "the effective date" means—

(a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since—

(i) the date on which the applicant's entitlement to a reduction under this scheme first began; or

(ii) the date which was the last effective date in respect of such a change, whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;

(b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.

(13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.

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(a) 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(b), the Enduring Powers of Attorney Act 1985(c) 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.

(a) 2000 asp 4.

(b) 1971 c.27.

(c) 1985 c.29.

(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) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received, the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

(d) in a case where—

- (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application to the authority is received at the designated office within one month of the date of the change, the date on which the change takes place;

(e) in a case where—

- (i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and
- (ii) 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^(a);

(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.

^(a) As to which, see paragraph 21.

(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 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^(a);
 - (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.

^(a) For provisions requiring a pension fund holder to provide information to the billing authority see regulations under section 14A of the Local Government Finance Act 1992.

- (7) Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

Duty to notify changes of circumstances

- 115.**—(1) Subject to sub-paragraphs (3) and (9), the applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time—
- (a) between the making of an application and a decision being made on it, or
 - (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under this scheme) including at any time while the applicant is in receipt of such a reduction.
- (2) The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under this scheme (a “relevant change of circumstances”) by giving notice to the authority—
- (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose or for the purposes of Part 1 of Schedule 1 unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

- (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
- (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- (3) The duty imposed on a person by sub-paragraph (1) does not extend to notifying—
- (a) changes in the amount of council tax payable to the authority;
- (b) changes in the age of the applicant or that of any member of his family;
- (c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- (4) For the purposes of sub-paragraph (3)(c) “relevant benefit” means income support, an income-based jobseeker’s allowance or an income-related employment and support allowance or universal credit.
- (5) Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- (6) The duty imposed on a person by sub-paragraph (1) includes—
- (a) in the case of a person falling within class C (pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs;
- (b) in the case of a person falling within class F (persons who are not pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of income support, an income-based jobseeker’s allowance or an income-related employment and support allowance, the date when this occurs.
- (7) A person who has been awarded a reduction under this scheme who is also on state pension credit must report—
- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;
- (b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.
- (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(a).

(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(b) 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.

(a) See paragraphs 8 to 10 of Schedule 1.

(b) 2000 asp 4.

SCHEDULE 1 Paragraph 11 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) that the ground is not well founded, giving reasons for that belief; or
 - (ii) that steps have been taken to deal with the grievance, stating the steps taken.

10. Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

PART 3

Procedure for applying for a discretionary reduction

Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

11.—(1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made—

- (a) in writing;
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule; or
- (c) where the authority has published a telephone number for the purposes of receiving such applications, by telephone.

(2) Where—

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
- (b) a person in that class would otherwise be entitled to a reduction under this scheme, that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A(1)(c).

PART 4

Electronic communication

Interpretation

12. In this Part—

“information” includes an application, certificate, notice or other evidence;

“official computer system” means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13.—(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

(2) A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

(3) The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

(4) The second condition is that the person uses an approved method of—

- (a) authenticating the identity of the sender of the communication;
 - (b) electronic communication;
 - (c) authenticating any application or notice delivered by means of an electronic communication; and
 - (d) subject to sub-paragraph (7), submitting to the authority any information.
- (5) The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this Part of this Schedule.
- (6) The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.
- (7) Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.
- (8) In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this Part of this Schedule.

Use of intermediaries

14. The authority may use intermediaries in connection with—

- (a) the delivery of any information by means of an electronic communication; and
 - (b) the authentication or security of anything transmitted by such means,
- and may require other persons to use intermediaries in connection with those matters.

Effect of delivering information by means of electronic communication

15.—(1) Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of this scheme, on the day the conditions imposed—

- (a) by this Part; and
- (b) by or under an enactment, are satisfied.

(2) The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

(3) Information must not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

Proof of identity of sender or recipient of information

16. If it is necessary to prove, for the purpose of any legal proceedings, the identity of—

- (a) the sender of any information delivered by means of an electronic communication to an official computer system; or
 - (b) the recipient of any such information delivered by means of an electronic communication from an official computer system,
- the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

Proof of delivery of information

17.—(1) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this must be presumed to have been the case where—

- (a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
- (b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

(2) If it is necessary to prove, for the purpose of any legal proceedings, that the use of 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 Paragraph 25
Applicable amounts: pensioners

PART 1
Personal allowances

Personal allowance

1. The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 25(1)(a).

Column (1)

Person, couple or polygamous marriage

Column (2)

Amount

(1) Single applicant or lone parent—

- (a) aged under 65;
- (b) aged 65 or over.

(1)

(a) **£151.20**;

(b) **£166.05**.

(2) Couple—

- (a) both members aged under 65;
- (b) one or both members aged 65 or over.

(2)

(a) **£230.85**;

(b) **£248.28**.

(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—

- (a) for the applicant and the other party to the marriage;
- (b) for each additional spouse who is a member of the same household as the applicant.

(3)

(a) **£230.85**;

(b) **£79.65**.

(4) If the applicant is a member of a polygamous marriage and one or more members of the marriage are aged 65 or over—

- (a) for the applicant and the other party to the marriage;
- (b) for each additional spouse who is a member of the same household as the applicant.

(4)

(a) **£248.28**;

(b) **£82.26**.

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;

(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.

(a) £66.90;

(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. 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 is £17.45.

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 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 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 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 1994.

(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 thereunder;

(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 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.

(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 include reference 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(a) (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

(a) 2001 c.11.

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) **£61.85**;

(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 if he or any partner satisfies that condition only by virtue of paragraph 6(7);

(i) **£61.85**;

(ii) in a case where there is no-one in receipt of such an allowance.

(ii) **£123.70**.

(2) Enhanced disability premium. (2) **£24.43** 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) **£60.06** in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied

(4) Carer Premium. (4) **£34.60** in respect of each person who satisfies the condition specified in paragraph 9.

SCHEDULE 3 Paragraph 26
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) where the applicant is a lone parent to whom sub-paragraph (2) applies, £22.20;

(b) in any other case, £17.45.

(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.

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(a) applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and

(a) S.I. 1979/597.

(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 2012.

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(a), 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

(a) S.I. 2002/2005.

(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(a) or under section 46 of the National Health Service (Scotland) Act 1978(b) 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(c); 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

(a) 2006 c.41; paragraph 9 has been amended by sections 17(10) of the Health and Social Care Act 2012 (c.7) (to replace references to the Secretary of State with references to clinical commissioning groups), but those provisions are not yet fully in force.

(b) 1978 c.29.

(c) S.I. 1972/1265 (N.I. 14).

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 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 in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any partner of a polygamous marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of paragraph 10(1)(a)(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(a) (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

(a) 2001 c.11.

- (ii) is a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges) and has been for a period of more than 52 weeks; or
- (b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11)(i) and has been for a period of more than 52 weeks.

Disabled child premium

13. The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household—

- (a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or
- (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) **£32.25**;

(b) where the applicant satisfies the condition in paragraph 9(b).

(b) **£45.95**.

(2) Severe Disability Premium— (2)

(a) where the applicant satisfies the condition in paragraph 11(2)(a);

(a) **£61.85**;

(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) £61.85;
- (ii) in a case where there is no-one in receipt of such an allowance.
- (b)(ii) £123.70.
- (3) Disabled Child Premium. (3) £60.06 in respect of each child or young person in respect of whom the condition specified in paragraph 13 is satisfied.
- (4) Carer Premium. (4) £34.60 in respect of each person who satisfies the condition specified in paragraph 14.
- (5) Enhanced disability premium (5)
- (a) £24.43 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied;
- (b) £15.75 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) £22.60 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 **£36.20**.

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 Paragraph 31

Amount of alternative maximum council tax reduction: pensioners and persons who are not 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 and persons who are not 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) or 18(2) (class F) (as the case may be) applies; and

(b) “persons to whom paragraph 75(1) of this scheme applies” includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule “council tax due in respect of that day” means the council tax payable under section 10 of the 1992 Act less—

(a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under this scheme); and

(b) in a case to which sub-paragraph (c) in column (1) of 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 (b) 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—

(i) is less than **£187.00** per week; (i) 15 per cent of the council tax due in respect of that day;

(ii) is not less than **£187.00** per week but less than **£243.00** 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 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.

(c) 100 per cent of the council tax due in respect of that day.

- 2.** In determining a second adult's gross income for the purposes of this Schedule, 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 Paragraph 40

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 2001.
- (3) If—
- (a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and
 - (b) either of them has, or both of them have, other earnings, so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.
- 4.—**(1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.
- (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.
- (3) In this paragraph the applicant or his partner is a carer if paragraph 14 of Part 3 of Schedule 3 (amount applicable for carers) is satisfied in respect of him.

- 5.—**(1) £20 is disregarded if the applicant or, if he has a partner, his partner—
- (a) is in receipt of—
 - (i) long-term incapacity benefit under section 30A of the SSCBA;
 - (ii) severe disablement allowance under section 68 of that Act;
 - (iii) attendance allowance under sections 64 of that Act;
 - (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

(a) 2005 asp 5.

- (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 earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.

(6) “Exempt work” means work of the kind described in—

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or **regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013** or (as the case may be); or

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995, and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

7. Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 6 had the applicant’s income which does not consist of earnings been sufficient to entitle him to the full amount disregarded thereunder.

8. Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule—

(a) £5 is to be disregarded if an applicant who has no partner has earnings;

(b) £10 is to be disregarded if an applicant who has a partner has earnings.

9. Any earnings, other than earnings referred to in paragraph 40(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.

10.—(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

(2) The conditions of this sub-paragraph are that—

(a) the applicant, or if he has a partner, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant—

(i) is, or any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or
(ii) if he is a member of a couple—
(aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and
(bb) his applicable amount includes a family premium under paragraph 3 of Schedule 2; 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 Paragraph 40

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, £10 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(a), 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 to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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.

(a) S.I. 2011/517.

- 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 subparagraph
- (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 applicable amount includes an amount by way of a family premium, £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 Paragraph 53

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 a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004^(a) or a scheme to which section 4 of that Act applies;

(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;

(a) 2004 c.21.

(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 (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 applicable amount includes a family premium under paragraph 4 of Schedule 3; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and—

(aa) the applicant's applicable amount includes a disability premium under paragraph 9, the 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 Paragraph 54

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's participation in a service user group.
- 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(a) 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.
- 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).
- (a) S.I. 1999/2734.

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(a) 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, £10 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;

(a) 1990 c.35.

- (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 to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

21. Subject to paragraph 40, £15 of any—

- (a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;
- (b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

22.—(1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 10.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 but only to the extent of—

- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
- (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of "water charges" in paragraph 2(1) (interpretation) applies to sub-paragraph (2) of this paragraph with the omission of the words "in so far as such charges are in respect of the dwelling which a person occupies as his home".

23. Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—

- (a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
- (c) the student's student loan, an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

24.—(1) Where the applicant is the parent of a student aged under 25 in advanced education who either—

- (a) is not in receipt of any award, grant or student loan in respect of that education; or
- (b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980, and the applicant makes payments by way of a contribution towards the student's maintenance, other than

a parental contribution falling within paragraph 23, an amount specified in subparagraph (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(a) (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);

(a) 2008 c.28.

(d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services); (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

31. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made—

(a) by a local authority under—

(i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),

(ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
(iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
(b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

32. Any payment made to the applicant or his partner for a person (“the person concerned”), who is not normally a member of the applicant’s household but is temporarily in his care, by—

- (a) a health authority;
- (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
- (c) a voluntary organisation;
- (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
- (f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

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(a) or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.

(2) A payment referred to in sub-paragraph (1) is only to be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—

- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (1)(b); and
- (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

36. Any payment of income which by virtue of paragraph 64 (income treated as capital: persons who are not pensioners) is to be treated as capital.

37. Any—

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

38. Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).

39. Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

40. The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 33(3) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 77(2)(b) and paragraph 78(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.

41.—(1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

(a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of

(a) 1974 c.39.

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 subparagraph

(1) refers, where—

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either—

- (i) to that person's parent or step-parent, or
- (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian, but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose benefit a payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts is to be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

42. Any housing benefit.

43. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

44. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

45. Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).

46.—(1) Any payment or repayment made—

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).

47. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

48. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

49.—(1) Where an applicant's applicable amount includes an amount by way of family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments 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 subparagraph (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(a);

(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**(b)** to assist disabled persons to obtain or retain employment despite their disability.

52. Any guardian’s allowance.

(a) 1991 c.48.

(b) 1944 c.10.

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).

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(a).

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 Paragraph 63 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;

(a) S.I. 2001/1167.

(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 reengaged, 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, 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.

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(a) under a scheme known as "Supporting People" or section 91 of the Housing (Scotland) Act 2001.

(f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in this paragraph "occasional assistance" has the same meaning as in paragraph 16 of Schedule 1);

(2) In sub-paragraph (1), "benefit" means—

(a) attendance allowance under section 64 of the Act;

(b) disability living allowance;

(c) personal independence payment;

(d) an AFIP;

(e) income support;

(f) income-based jobseeker's allowance;

(g) state pension credit;

(h) housing benefit;

(i) council tax benefit;

(j) child tax credit;

(k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the Act (increase for exceptionally severe disablement);

(l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;

(m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

- (n) working tax credit;
- (o) income-related employment and support allowance.
- (p) social fund payments under Part 8 of the SSCBA or
- (q) universal credit

(a) 2000 c.22.

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 2008 (b) Regulations 2008, 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.

(f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013(b);

(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(a); 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.

(a) S.I. 2001/1002.

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(a) (general social welfare); or

(e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002(b) (direct payments).

29A. A payment made under the Age-Related Payments Regulations 2013(c).

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.

(a) S.I. 1972/12656 (N.I. 14).

(b) 2002 c.6.

SCHEDULE 10 Paragraph 63

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 reengaged

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 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 subparagraph
- (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, and the London Bombings Relief Charitable Fund.
- 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(a) or section 66 of the Housing (Scotland) Act 1988(b) (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.
- (a) 1988 c.50.
(b) 1988 c.43.
- (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(a) 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(b) to homeworkers assisted under the Blind Homeworkers' Scheme.
- 49.—**(1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.
- (2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F.
- 50.—**(1) Any sum of capital to which sub-paragraph (2) applies and—
- (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
 - (b) which can only be disposed of by order or direction of any such court; or
 - (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
- (2) This sub-paragraph applies to a sum of capital which is derived from—
- (a) an award of damages for a personal injury to that person; or
 - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

51. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from—

- (a) award of damages for a personal injury to that person; or
- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

52. Any payment to the applicant as holder of the Victoria Cross or George Cross.

53. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on

(a) 1944 c.10.

(b) 1958 c.3.

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).

CABINET	AGENDA ITEM No. 7
19 JANUARY 2015	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr David Seaton, Cabinet Member for Resources	
Contact Officer(s):	John Harrison, Executive Director Resources Steven Pilsworth, Head of Strategic Finance	Tel. 452520 Tel. 384564

COUNCIL TAX BASE, BUSINESS RATES, AND COLLECTION FUND DECLARATION 2015/16

RECOMMENDATIONS					
FROM : Executive Director Resources	Deadline date : 9 January 2015				
Cabinet is requested to:					
<ol style="list-style-type: none"> 1. Propose the calculation of the Council Tax Base for 2015/16 set at a level of 52,748.5 Band D equivalent properties based on a council tax support scheme of 40%, delegating authority of final confirmation of the Band D equivalent properties to Executive Director Resources following approval of the council tax support scheme by Council on 28 January; 2. Note the estimated position on the Collection Fund in respect of Council Tax as at 31 March 2015 being: <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">Council Tax</td> <td>£0</td> </tr> </table> 3. Note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2015 being a deficit position from increasing the appeals provision for the power station: <table style="margin-left: 40px; border: none;"> <tr> <td style="padding-right: 20px;">Business Rates</td> <td>£3.106m deficit</td> </tr> </table> 4. Delegate to the Executive Director Resources authority for approving and returning the final NNDR1 return to the Secretary of State by 31 January 2015 to include any further revision to the business rates position 2014/15 and Business Rate income 2015/16. 		Council Tax	£0	Business Rates	£3.106m deficit
Council Tax	£0				
Business Rates	£3.106m deficit				

1. ORIGIN OF REPORT

- 1.1 This report forms part of the preparation for setting the council's budget. It needs to be considered so that figures for the tax base, the Collection Fund and the amount of business rates to be collected can be used in setting the Council Tax and business rate income and can be notified to other affected authorities.

2. PURPOSE AND REASON FOR REPORT

- 2.1 This report is before Cabinet to consider under its delegated function No 3.2.7. 'to be responsible for the council's overall budget and determine action required to ensure that the overall budget remains within the total cash limit'.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	Yes (Part of budget setting)	If Yes, date for relevant Cabinet Meeting	19 January 2015
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Date for relevant Council Meeting	4 March 2015	Date for submission to Government department	10 March 2015
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4. INFORMATION RELEVANT TO DECISIONS REQUIRED

Council Tax Base Calculation 2014/15 (Annex A)

- 4.1 The Council Tax Base calculation is part of the budget process. The gross tax base for 2014/15 is estimated at 60,903.5 Band D equivalents. This is reduced by 1.5% to allow any in year variation from the estimates e.g. for properties not being built or occupied, additional discounts being available or for losses on collection, to give a net council tax base of 59,989.9 which is 2.1% more than the equivalent taxbase for 2014/15 of 58,740.3.
- 4.2 A further reduction to the taxbase to reflect the changes to the funding of council tax benefits which came into effect for the first time in 2013/14 is necessary. The proposed taxbase for 2015/16 has therefore reduced to 52,748.5 which compares to 51,054.0 for 2014/15 and is based upon the draft scheme being consulted upon with a reduction of 40% by Council on 28 January 2015.
- 4.3 The figure of 52,748.5 Band D equivalents reflects the best estimate, based on the latest factual position on a proposed council tax support scheme of 40%. The regulations provide for the Billing Authority's records to be calculated on data as at 30 November 2014, together with a forecast of any changes arising after that date until the end of the relevant financial year, in this case, 31 March 2016.
- 4.4 The council tax support scheme is under consultation with three options. Council will approve the local scheme on 28 January 2015. The tax base calculation would be different dependent on the option approved by Council. The Band D equivalents for each option are as follows:

Reduction in Council Tax Benefit to working age claimants within the Council Tax Support Scheme	Band D Equivalent
No change to current scheme set at 30%	52,305.2
Increase reduction to 35%	52,526.8
Increase reduction to 40%	52,748.5

- 4.5 Cabinet have a separate report on council tax support scheme being considered during Cabinet's meeting on 19 January which will recommend to Council a scheme to be approved. The Police Authority, Fire Authority and Parish Council's will be notified of the provisional Band D equivalent properties and that this will be confirmed after the Council decision on 28 January and will therefore meet the statutory deadline.
- 4.6 Cabinet's report on 23 February 2015 to recommend a budget to Council on 4 March will confirm the Band D equivalent used to set council tax following Council's decision made on 28 January 2015.

Collection Fund

- 4.7 For 2014/15 the collection fund is effectively split into two sections; in respect of council tax and business rates and needs to have separate calculations of the surplus/deficit at the year end. This is because prior to 2013/14 the total amount of business rates was transferred to the government whereas under the new system it is shared between the Council, the Fire Authority and the Government.
- 4.8 The collection fund as at 31 March 2015 in respect of council tax has been estimated to be in balance and therefore there is no amount to be shared between the Council, the Police and the Fire authority.
- 4.9 The actual position of the collection fund in respect of business rates brought forward from 2013/14 is a deficit of £4.417m which was calculated and processed into the council's

accounts in accordance with relevant accounting regulations. The deficit is due to the setting up an appeals provision for all appeals including the appeals that were outstanding prior to 1 April 2013 when the localisation of business rates was introduced. Businesses could have their appeal back dated dependent on their circumstances to 1 April 2010.

- 4.10 However prior to the commencement of the new system the Government committed to allow authorities to spread the cost of backdated appeals over a five year period and legislation was brought in just prior to the end of the 2013/14 year to cover various scenarios regarding this issue. Specific legislation applies to those authorities, of which Peterborough was one, who opted for the five year spreading adjustment in their NNDR1 submission for 2013/14. For 2013/14 the effect of this legislation was to turn the £4.417m deficit into a surplus of £0.547m and the council will receive its share of this over the two years 2014/15 and 2015/16. The effect of this is that the council did not have to accommodate the full impact of these costs in the first year and will effectively repay them in future years as further, but reducing, adjustments are made as these entries are processed. All things being equal the actual collection fund position and the notional position will be balanced and in line in 2017/18.
- 4.11 The actual collection fund deficit for 2014/15 in respect of business rates has been estimated at £6.415m but after the legislative adjustments the deficit reduces to £3.106m which is in line with the draft National Non-Domestic Rates (NNDR1) form to be submitted to government by 31 January 2015 included in Annex B. The deficit has not arisen due to non-collection of business rates.
- 4.12 The increased actual deficit is due to increasing the appeals provision in respect of the outstanding Power Station appeal. This issue was outlined in the current Medium Term Financial Strategy and was expected to conclude during the financial year 2014/15, however, the council has not yet been informed of the outcome. Below, the issue is explained further.
- 4.13 The power station has an appeal outstanding against the 2010 RV listing of £3.1m and had previously won an appeal in respect of the 2005 RV listing which reduced its 2005 RV to £1 from £1.12million. The valuation office is contesting this earlier decision through the land tribunal which has recently been concluded however it may still be some months until the judgement is issued. This will be a key decision nationally as all other power station appeal decisions are pending the outcome of this case. If the valuation office are not successful it is likely to have significant implications on the council's business rate income. The council has therefore taken a prudent approach and increased the appeals provision.
- 4.14 Following the introduction of the new business rates system in April 2013 the Police Authority does not receive any business rates income but receives alternative funding directly from government.
- 4.15 The relevant share of both elements of the collection fund surplus/deficit calculation is used by each of the relevant bodies in setting its budget for the following year. The figures in this report are provided for information as the Executive Director of Resources will make the formal calculation for council tax on 15 January 2015 and notify the relevant bodies at that time and will return the final NNDR1 by 31 January 2015.

Calculation of Non-domestic rate income, relevant shares and notification (NNDR1) 2015/16

- 4.16 The new system of local government finance which allows local authorities to retain locally 50% of the total non domestic rates collected nationally requires by virtue of the Non-Domestic Rating (Rates Retention) Regulations 2013, regulation 3(1-3) a billing authority to make certain calculations and notify relevant bodies by 31 January each year.
- 4.17 The calculations in question are the total non domestic rate income for the year, the central share and the shares attributable to precepting authorities.
- 4.18 The NNDR1 form is completed on the basis of regulations and guidance and it is a requirement that it is signed by the Council's chief financial officer. The form includes all the

relevant information required by the regulations and effectively provides the calculations and notification to the Secretary of State. The form will be completed using the data as at 31 December 2014 with an update to forecast to the end of the financial year and will be used to determine the business rate income within the council's budget for 2015/16.

- 4.19 Any required update to the council's budget forecast on business rates will be updated accordingly as part of setting the formal budget for 2015/16.

5. CONSULTATION

- 5.1 Consultation is not required in making the calculations referred to in this report, however the council are in contact with the Police and Fire authority during the budget setting process.

6. ANTICIPATED OUTCOMES

- 6.1 That Cabinet proposes the draft calculation of the Council Tax Base and will be confirmed immediately after the Council approval of the council tax support scheme for 2015/16, notes the position on the collection fund for both the Council Tax and Business Rates and delegates the approval and notification requirements for the final NNDR1 for 2015/16 to the Executive Director of Resources.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The Council Tax Base could be set at a higher or lower level. However, this could have the effect of either inflating unnecessarily the amount of Council Tax to be set or setting the tax at a level insufficient to meet the Council's budget requirements. A similar position could arise if the surplus or deficit were set at a higher or lower level.
- 7.2 The calculation and return of the information included in the NNDR1 is a statutory requirement which can be formally delegated to an officer. As with council tax if the amount of business rates estimated to be collected is increased or reduced or the surplus or deficit is set at a higher or lower level then the amount of income available to the council will change with the consequent effect on service provision or council tax levels.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 This report covers calculations that are all prescribed by regulations with the effect that no other options need to be considered. Furthermore, alternative tax base calculations have been prepared dependent on the option Council approve on the council tax support scheme for 2015/16.

9. IMPLICATIONS

- 9.1 This report does not have any legal implications or those affecting crime and disorder, equalities, human rights act or human resource issues.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985):

Local Government Finance Act 1992

Local Government Act 2003

The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003

The Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003.

Council Tax Banding List

The Non-Domestic Rating (Rates Retention) Regulations 2013

The Non-Domestic Rating (Rates Retention) Amendment Regulations 2014

PETERBOROUGH CITY COUNCIL
COUNCIL TAX BASE FOR TAX SETTING PURPOSES 2015/16

Annex A

40% 35% 30%

Parish Council	Number of Properties on Valuation List in Bands								
	A	B	C	D	E	F	G	H	TOTAL
Ailsworth	11	21	97	41	53	30	7	0	260
Bainton	8	7	9	28	22	18	37	1	130
Barnack	76	105	28	90	75	41	42	1	458
Bretton	3,862	639	296	287	195	138	19	1	5,437
Castor	52	106	31	59	48	46	36	18	396
City (non-parished)	23,583	13,837	9,190	3,859	1,513	576	253	15	52,826
Deeping Gate	1	22	32	48	45	40	16	0	204
Etton	4	18	8	13	2	8	5	0	58
Eye	785	416	552	232	115	31	13	0	2,144
Glington	130	147	112	99	103	63	32	1	687
Hampton	434	1,054	816	1,289	793	92	11	1	4,490
Helpston	23	111	89	71	111	27	23	0	455
Marholm	1	20	9	12	13	10	10	1	76
Maxey	29	46	39	43	52	57	40	0	306
Newborough & Borough Fen	145	157	255	120	42	26	9	0	754
Northborough	39	177	153	84	73	42	11	1	580
Orton Longueville	2,337	1,297	517	348	225	103	74	3	4,904
Orton Waterville	1,599	801	709	567	602	244	78	2	4,602
Peakirk	17	22	34	42	22	32	9	0	178
Southorpe	1	0	6	9	15	13	15	1	60
St Martins Without	1	3	2	4	0	3	2	2	17
Sutton	0	0	0	7	6	23	12	2	50
Thorney	266	393	166	123	56	46	27	0	1,077
Thornhaugh	3	21	15	9	17	10	12	2	89
Ufford	17	3	7	8	19	31	20	3	108
Upton	0	14	0	4	2	3	2	0	25
Wansford	7	28	25	23	36	56	41	0	216
Wittering	784	248	66	32	7	3	3	4	1,147
Wothorpe	2	4	18	21	18	20	47	8	138
Totals	34,217	19,717	13,281	7,572	4,280	1,832	906	67	81,872

TAXBASE		FINAL	FINAL	FINAL
GROSS	NET	TAXBASE	TAXBASE	TAXBASE
248.6	244.9	232.6	232.3	231.9
153.6	151.3	147.2	147.0	146.9
447.9	441.1	406.6	405.5	404.4
3,699.5	3,644.0	3,056.1	3,038.1	3,020.1
394.3	388.4	365.5	364.8	364.1
37,664.2	37,099.2	32,064.1	31,910.0	31,756.0
220.7	217.4	209.0	208.8	208.5
56.2	55.3	51.7	51.6	51.5
1,617.5	1,593.2	1,411.7	1,406.1	1,400.6
622.8	613.4	582.1	581.1	580.2
3,877.5	3,819.3	3,527.1	3,518.2	3,509.2
439.9	433.3	419.2	418.8	418.4
75.2	74.1	71.0	70.9	70.8
329.0	324.1	313.1	312.7	312.4
618.5	609.2	571.4	570.2	569.1
519.3	511.5	486.2	485.4	484.7
3,541.1	3,488.0	3,029.7	3,015.7	3,001.6
3,732.5	3,676.6	3,326.0	3,315.3	3,304.5
175.8	173.2	168.3	168.2	168.0
75.5	74.4	74.1	74.1	74.1
19.4	19.1	19.1	19.1	19.1
69.0	68.0	67.4	67.4	67.4
863.2	850.3	774.4	772.1	769.7
95.9	94.4	91.3	91.2	91.1
127.2	125.3	122.1	122.0	121.9
24.1	23.7	22.5	22.4	22.4
248.1	244.3	237.8	237.6	237.4
770.1	758.6	729.7	728.8	727.9
176.9	174.3	171.5	171.4	171.3
60,903.5	59,989.9	52,748.5	52,526.8	52,305.2

2013/2014	33,877	19,284	12,933	7,318	4,206	1,818	897	68	80,402
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59,634.8	58,740.3	51,054.0
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PROVISIONAL NATIONAL NON-DOMESTIC RATES RETURN - NNDR1
2015-16

All figures must be entered in whole £

Please check the Validation tab and answer the validation queries that need to be answered

Ver 1.0

Local Authority : Peterborough

PART 4: ESTIMATED COLLECTION FUND BALANCE

OPENING BALANCE

	£	£
1. Opening Balance (From Collection Fund Statement)		-4,416,741

CREDITS

2. Total amount credited, or to be credited, to the Collection Fund in 2014-15	94,241,000	
3. Transitional protection payments received, or to be received in 2014-15	358,000	
4. Transfers/payments to the Collection Fund for end-year reconciliations	0	
5. Transfers/payments into the Collection Fund in 2014-15 in respect of a previous year's deficit	0	
6. Total Credits		94,599,000

CHARGES

7. Total amount charged, or to be charged, to the Collection fund in 2014-15	-2,682,000	
8. Transitional protection payments made, or to be made, in 2014-15	0	
9. Payments made, or to be made, to the Secretary of State in respect of the central share in 2014-15	-46,156,809	
10. Payments made, or to be made to, major precepting authorities in respect of business rates income in 2014-15	-923,136	
11. Transfers made, or to be made, to the billing authority's General Fund in respect of business rates income in 2014-15	-45,233,672	
12. Transfers made, or to be made, to the billing authority's General Fund; and payments made, or to be made, to a precepting authority in respect of disregarded amounts in 2014-15	0	
13. Transfers/payments from the Collection Fund for end-year reconciliations	-276,677	
14. Transfers/payments made from the Collection Fund in 2014-15 in respect of a previous year's s	-1,325,011	
15. Total Charges		-96,597,305
16. Adjustment for 5-Year Spread		3,309,376

ESTIMATED SURPLUS/(DEFICIT) ON COLLECTION FUND IN RESPECT OF FINANCIAL YEAR 2014-15

	£
17. Opening balance plus total credits, less total charges, plus adjustment for 5-year spread	-3,105,670

Checked by Chief Financial / Section 151 Officer :

CABINET	AGENDA ITEM No. 9
19 JANUARY 2015	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Marco Cereste, Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement	
Contact Officer(s):	John Harrison Executive Director, Resources	Tel. 452520

CREATION OF A PETERBOROUGH DOMESTIC ENERGY SUPPLY TARIFFS

R E C O M M E N D A T I O N S	
FROM : John Harrison, Executive Director, Resources	Deadline date :
That Cabinet approves:	
<ol style="list-style-type: none"> 1. That Council enters into a strategic partnership agreement for the development of an energy partnership in Peterborough with OVO Energy Limited (“OVO”); and 2. That Council enters into a tariff agreement for the provision of domestic energy and supply tariffs in Peterborough with OVO. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet to further the Council’s strategic aim of becoming an environment capital.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to seek approval to enter into a strategic partnership agreement with OVO for the development of an energy partnership in Peterborough and as part of the first project under that strategic partnership, to enter into a tariff agreement with OVO for the provision of domestic energy supply tariffs in Peterborough.

2.2 This report is for Cabinet to consider under its Terms of Reference ‘to take a leading role in promoting the economic, environmental and social well-being of the area and the promote the Council’s corporate and key strategies’ (paragraph 3.2 Part 3 section 3 Council Constitution).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
Date for relevant Council meeting	

4. BACKGROUND INFORMATION

4.1 FUEL POVERTY – what is it?

4.1.1 Fuel poverty in England is measured by the Low Income High Costs definition, which considers a household to be in fuel poverty if:

- they have required fuel costs that are above average (the national median level)
- were they to spend that amount they would be left with a residual income below the official poverty line

4.1.2 The key drivers behind fuel poverty are:

- The energy efficiency of the property (and therefore, the energy required to heat and power the home)
- The cost of energy
- Household income

4.1.3 The simple definition of fuel poverty has always been where the household bill for energy is in excess of 10% of household income. The average household dual fuel bill (gas plus electricity) in the UK is approximately £1264.

4.1.4 In Peterborough it is estimated that some 7749 households are living in fuel poverty.

4.2 FUEL POVERTY – What actions has the Council already taken?

4.2.1 In Peterborough the Council has undertaken the following initiatives:

- Using informal action and powers under the Housing Act 2004 to **tackle excess cold in private rented** accommodation
- **Tackling excess cold in low income**, owner occupied properties by providing Repairs Assistance grant funding delivered by the Care & Repair Home Improvement Agency.
- **Collective Switching**
- Offering **Peterborough Energy Packages**, with Green Deal, ECO & Smart Metering
- Access to energy efficiency improvements via the **Green Deal Community Fund**
- Offering free **Private Residential Solar PV** generation on roofs

Attached at Appendix 1 is the analysis of current benefits and impacts of the individual programmes.

4.2.2 Summary of Interventions

The average dual fuel bill nationally is £1264 per annum. The actions taken and in progress can reduce this bill by between 27% to 42%. The savings opportunities are demonstrated in the following table.

Summary of Possible Interventions per annum:-

	Green Deal Area (Collective Switching)	Green Deal Area (PEP)	Other City Areas (Collective Switching)	Other City Areas (PEP)
Collective Switching	£207	N/A	£207	N/A
Peterborough Energy Package	N/A	*£137 to £237 depending on tariff	N/A	*£137 to £237 depending on tariff
Free Residential Solar PV	£200	£200	**£200 subject to city wide roll out	**£200 subject to city wide roll out
Green Deal Community Fund	£100	£100	N/A	N/A
Total	£507	£437 to £537	£407	£337 to £437
Percentage Saving	40%	35% to 42%	32%	27% to 35%

*The savings on the Peterborough Energy Package will vary according to the tariff available at the time.

**The savings stated for Free Residential Solar PV are subject to the success of a pilot scheme being implemented in the Green Deal Area

4.3 WHO IS OVO?

4.3.1 OVO is a 'recent' entry into the energy supply market having been founded in 2009. OVO holds an electricity supply licence and a gas supply licence and carries out the business of supplying electricity and gas to domestic and non-domestic customers.

4.3.2 Recently OVO has started engaging with councils and communities with the intention of creating localised, community tariffs. This follows on from OVO's announcement in April 2014, which revealed a plan to democratise the energy market. It called this proposal "OVO Communities". The idea was to literally put "power" back into people's hands by giving councils, community groups and social housing providers the tools and support they need to set up their own local energy company. Further details are attached at Appendix 2.

4.3.3 The tables below show the position of existing OVO tariffs compared to the marketplace. These prices are national averages for a medium user (3,200 kWh of electricity and 13,500 kWh of gas per year).

(A) Price

(I) Dual Fuel Tariff

	5 th December 2014	5 th January 2015
Extra	£958	£937
First Utility	£961	£952
Co-operative	£1008	£960
N Power	£963	£963
Scottish Power	£970	£970
OVO	£973	£973
	5th lowest	6th lowest

(II) Single Fuel Tariff

	5th December 2014	5th January 2015
I Supply	£434	£432
OVO	£453	£453
Extra	£449	£432
Scottish Power	£444	£444
Npower	£448	£448
First utility	£454	£452
	5th lowest	6th lowest

(III) Prepay

OVO have consistently been the cheapest in the market place - £1130 per annum

(B) Quality

OVO consistently scores highly on customer satisfaction. Some of the awards OVO collected over the course of 2014 OVO are:

- Highest marks for overall customer satisfaction, 2014 USwitch awards
 - OVO also placed first for ten out of twelve USwitch awards: Supplier of the Year, Most Likely to Recommend, Value for Money, Best Deal for You, Customer Service, Billing Services, Meter Services, Online Services, Green Services, Transfer Process
- Number one for customer service, MoneySavingExpert.com 2014
- First for overall satisfaction in Energy Helpline's customer satisfaction awards 2014
- 73% overall customer score from the Which? customer satisfaction survey 2014
 - Five stars for customer service, value for money and bills (accuracy and clarity)

(C) Summary

As can be seen from the above table OVO consistently has one of the lowest tariffs in the UK and one of the highest quality levels.

4.4 STRATEGIC PARTNERSHIP AGREEMENT

4.4.1 Under the Strategic Partnership Agreement (SPA), it is proposed that the Council and OVO will work together to investigate the development of various energy supply related projects within and outside the Peterborough area. This will be in keeping with the Council's overall energy strategy, which includes the provision of energy services to Peterborough's residents and ultimately the supply of electricity and gas to domestic and non-domestic customers within the area.

4.4.2 The SPA will establish the partnership between OVO and the Council under which the parties will seek to jointly identify and develop energy projects that aim to contribute to making a measureable difference to the cost and availability of energy supply to residents of the Peterborough area. Over the course of the partnership, this may include:

- (a) the development of cheaper energy tariffs for private residents and SMEs;
- (b) the roll-out of smart meters to residents;
- (c) the deployment of OVO's ECO funding obligations within the city; and
- (d) agreeing Power Purchase Agreements for energy generated by the Council.

4.4.3 The first project on which the parties wish to collaborate is the provision of domestic energy supply tariffs in Peterborough.

4.5 CREATION OF A BESPOKE LOCAL PETERBOROUGH TARIFF.

- 4.5.1 Based on the OVO tariff schedules in the market place, OVO has agreed to create, in Peterborough, one of the UK's first bespoke local government tariffs. The tariff will be limited to Peterborough postcodes so will only be available to Peterborough residents. The Peterborough Tariff should instantly become the lowest tariff in the UK for pre payment meters. For dual fuel and single fuel (electricity only), because the market is slightly different, it should be the cheapest among the larger energy providers, and will also be among the cheapest in the market overall.
- 4.5.2 The actual tariff to be put in place will be dependant on the prevailing market prices at the time of launch which is anticipated to be April 2015.

The following sets out the position for a Peterborough Tariff:-

Dual Fuel

For Dual Fuel the Peterborough Tariff would have been the cheapest nationally from July 2014 through to December 2014.

Based on the 5th January 2015 data our tariff would have been second lowest at £950 - £13 higher than the lowest.

Single Fuel

In December 2014 the Peterborough Tariff would have been the lowest tariff and in January 2015 the second lowest at £441 - £12 higher than the lowest.

Prepay

The tariff would have been £55 cheaper than any other in the marketplace. In addition, smart meters would be installed (see 4.5.4 below).

- 4.5.3 The tariff will be jointly branded between OVO and the Council. OVO will perform all operational and functional activities of the tariff, while the Council will support the tariff through promotional and marketing activities within the city. It is the Council's involvement in promoting the tariff and its localised nature which makes the tariff more efficient and cost-effective than OVO's standard UK tariffs, therefore allowing OVO to offer Peterborough's residents a cheaper price under an exclusivity arrangement.
- 4.5.4 As part of the tariff, OVO will provide smart meters free of charge to replace existing prepayment meters. These will enable customers to top up using cards as well as online, by text message, using an app and over the phone. They will also provide customers with detailed real-time account information to enable them to track their usage and ensure they stay in credit. Smart meters typically save a household £65 per annum.

5. CONSULTATION

- 5.1 There is no requirement for statutory consultation on this scheme and whilst ordinarily it would have been preferable to have consulted with Scrutiny prior to the Cabinet decision, the nature of the agreement with OVO requires the Council to move swiftly in order to secure the most advantageous deal for Peterborough residents.

6. ANTICIPATED OUTCOMES

- 6.1 The Council will enter into a strategic partnership agreement and tariff agreement with OVO.

- 6.2 OVO will create a bespoke Peterborough tariff which if implemented today would be the cheapest in the UK. The tariff will not be available for residents outside of Peterborough.
- 6.3 The Peterborough tariff will significantly contribute to the existing fuel poverty actions that the Council has already put in place.

7. REASONS FOR RECOMMENDATIONS

- 7.1 To enable the Council to offer what is anticipated to be the UK's lowest-priced energy tariff for dual fuel and prepayment metering to be implemented in Peterborough area; as well as introducing a highly competitive single-fuel offering.
- 7.2 The opportunity to enter into a partnership with OVO as an established regulated energy company within the market reduces the cost and regulatory burden to the Council in fulfilling its strategic objectives.
- 7.3 The strategic partnership agreement will allow the Council and OVO to explore and develop other energy supply opportunities which could assist the Council in reducing fuel poverty in the Peterborough area and contribute to the Council's wider strategic goal of becoming the UK's Environment Capital.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The Council could determine not to pursue the Peterborough Tariff and simply continued with the existing schemes as outlined in section 4.2. However, it would then lose the opportunity to make a significant impact on local fuel poverty through a direct reduction in residents' fuel bills.
- 8.2 The Council could pursue a local tariff by becoming a utility and creating its own tariff. This has been ruled out on the basis of the significant additional regulatory and other administrative set up and running costs which would be incurred.

9. IMPLICATIONS

9.1 Financial:

The Council will not pay OVO any money for it to create and offer the tariff since the services performed by OVO will be directly for the benefit of residents, rather than the Council. Equally, the Council will promote the Peterborough tariff through existing channels and resources and will not receive any income from OVO. As such, the Council will be acting as a facilitator for the tariff.

Any future developments under the partnership, such as a power purchase agreement, may be subject to separate decisions if the financial implications require it in line with the constitution.

9.2 Legal and procurement implications:

This section considers:

- Procurement
- State aid

9.2.1 Procurement

The Council must act in accordance with the Public Contract Regulations 2006 (Rules) which require there to be an element of competition in the award of public contract works, services or supplies require competition. Because the Council is not receiving a service from OVO and is not paying OVO for any services, the nature of the proposed arrangements with OVO do not fall within the scope of the Rules. Both agreements are therefore excluded from application of the Rules.

9.2.2 State aid

Unlawful State aid occurs where a benefit is granted from a public resource for free or on favourable terms which distort competition. The Council has obtained advice from Pinsent Masons, its external legal advisers, on the terms of the proposed tariff agreement

Potential for State aid

The tariff agreement will not provide for any direct payment to OVO by the Council nor a profit guarantee, both of which would be likely to give rise to State aid

However, under the terms of the tariff agreement, the Council will perform marketing and promotion at a cost to the Council and a cost saving to OVO. These activities are expected to be of only nominal value and the Council should be able to rely on the €200,000 "de minimis" threshold below which a private enterprise can receive aid aggregated from all public bodies over a three-year period without triggering State aid. As necessary, OVO will be required to monitor the State aid received by it from all sources to ensure that the de minimis threshold is not met during the first three years of the partnership. OVO has confirmed that it has not received state aid benefit to date and will keep the position under review.

As a result of the Council providing promotional and marketing activities, OVO will make a cost saving (since it does not need to pay its typical marketing costs), which then allows OVO to reduce the tariff accordingly to a cheaper price than normal. The value of this cost saving could potentially be considered to be part of the value of the Council's marketing and promotional activities, which may therefore increase the nominal value of the Council's contribution to OVO. This will be taken into account when calculating the level of State aid which OVO has received.

There is no state aid issue for the overall Strategic Partnership Agreement.

Conclusion

While certain terms of the proposed tariff agreement may give rise to State aid issues in principle, commercial terms can be agreed between the parties to mitigate or remove the risks. Nonetheless, the situation will continue to be monitored as the terms are agreed and the tariff evolves

10. **BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

None.

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Analysis of current benefits and impacts of the individual programmes

Tackling Excess Cold in the Private Rented Sector

The Housing Enforcement Team works with local private landlords to increase energy efficiency activity in all areas through education and increased awareness at landlord forums and via landlord communications and through the Accreditation Scheme run in conjunction with the National Landlords Association. Landlords are encouraged to take measures funded through ECO and Green Deal to improve the energy efficiency of their properties, reducing energy use, saving residents money, reducing greenhouse gas emissions and improving the health, well-being and comfort of the occupiers whilst potentially maintaining or increasing the value of the property through appropriate maintenance and improvements.

Where necessary, Housing Enforcement Officers utilise enforcement powers under the Housing Act 2004 where excess cold hazards are identified following a Housing Health & Safety Rating System (HHSRS) assessment, to require landlords to remedy the excess cold hazard in their properties.

Officers are raising tenant awareness that from April 2016 landlords of residential properties will not be able to unreasonably refuse requests from their tenants for consent to energy efficiency improvements, where financial support, such as the Green Deal or ECO is available.

Tackling Excess Cold in Privately Owned property occupied by low income households

The Care & Repair Home Improvement Agency deliver Repairs Assistance grants to elderly and low income vulnerable households where excess cold is identified following a HHSRS assessment and the household meets the eligibility criteria for assistance. The Council's capital programme for heating in 2014/2015 is £300,000.

As part of the screening process for eligibility Agency Caseworkers carry out a benefit entitlement check in order to maximise household income for elderly, disabled and low income clients.

Following two successful bids to the Department of Health's Warm Home: Healthy People Funding in 2011/12 and 2012/13 the Winter Warmth Partnership was formed which aims to tackle excess winter deaths due to vulnerable residents living in cold, energy inefficient homes. The Partnership involves the Peterborough Care & Repair Home Improvement Agency, Peterborough Environment City Trust, Public Health – Healthy Lifestyles Team, the Salvation Army and Age UK. The Partnership delivered a citywide campaign raising awareness of the impact of cold homes on health and wellbeing, energy efficiency audits and advice in the home, free boiler and gas fire servicing and repairs and referrals into energy efficiency funding streams. Although the funding has now been withdrawn the partnership still exists and cross referrals for assistance and advice are continued to be made

Park Home Project – The Care & Repair Agency are delivering external wall insulation to park homes within the City funded through the Councils capital programme for Repairs Assistance. Park homes are predominantly occupied by households on low, fixed incomes who are likely to be in fuel poverty due to the high costs of heating their park home.

Effective Targeting of Fuel Poor Households

The Housing Programmes Team have recently commissioned the Building Research Establishment (BRE) to conduct a Private Sector Stock Modelling Report. The stock modelling will inform future housing strategies and policies and will ensure that investment and resources are targeted to the most appropriate areas by the utilisation of data on tenure, the prevalence of Category 1 hazards (particularly excess cold) identified under HHSRS, the energy efficiency of dwellings and vulnerable households living in fuel poverty. A Quantitative Health Impact Assessment of the private housing stock has also been commissioned which will quantify the health costs to the NHS and the wider society of people living in poor quality, energy inefficient housing and will demonstrate the health cost benefit of enforcement and financial assistance to reduce health and safety hazards in the home. Both reports will be available by the end of this financial year.

Collective Switching

Collective switching is when consumers combine together to negotiate a group deal with their gas and electricity suppliers with the aim of reducing their energy bills. The Council appointed a third party provider, iChoosr to undertake this on behalf of the residents of Peterborough and residents of other local authorities as well.

So far the Council has entered into 8 rounds of collective switching amounting to £752K in energy savings. 6062 residents across all participating authorities have successfully switched resulting in an annual average saving of £207 per household.

Peterborough Energy Package

The Peterborough Energy Package (PEP) is a unique set of benefits which is an alternative to collective switching and is more focussed on energy efficiency rather than a straight reduction in cost of an energy tariff. The Council negotiated an arrangement whereby residents can benefit from a package of the following:-

- The latest promotional British Gas Tariff (these vary quarterly)
- Dual Fuel discount
- Free ECO Assessment or reimbursed Green Deal Assessment
- A 'Smart Meter Assessment' / Installation
- Nectar Points

The cost benefits of the PEP vary according to which promotional tariff British Gas is offering at the time of joining, however some elements of it are fixed. These are typically:-

- Dual Fuel discount worth £15
- Free ECO Assessment or Green Deal Assessment worth between £129 and £140
- A 'Smart Meter' Installation worth on average £65 per annum in savings
- Nectar Points worth £7

The first two promotional tariffs were: (a) 'Fix and Control' (with the "Hive" heating control system that allows customers to better manage their energy usage) and (b) 'Fix and Reward' (with the issuing of a Gift Card). These packages gave overall average annual savings to the customer of £150 and £50 respectively.

In addition, the PEP has led to over 50 customers enquiring about free home energy efficiency measures through Energy Company Obligation (ECO) Funding. These are typically loft and cavity wall insulation.

Green Deal Community Fund

Promoted under the 'Heataborough' initiative, the GDCF was a successful Council bid for £3.9 million from the Department of Energy & Climate Change (DECC). The bid was focused on 11,000 of the City's most "hard to treat" domestic properties (in its Gladstone, Millfield, New England and Eastfield wards areas); collectively known as the "Target Area" because of the particularly poor construction of homes there. The main focus is on private landlords, as the Target Area has a very high proportion of rented homes, although the scheme is available to all households in the Target Area, and will eventually be offered to other parts of the City. It is intended that under the programme, households will be offered a holistic package of home energy efficiency improvements with a primary focus on external solid wall insulation (EWI) but including other secondary measures such as loft insulation, energy efficient boilers, double glazing and draught proofing. In addition, the Council has received ECO funding from EON which combined with the GDCF funding is worth up to £6000 per household. This funding together with a Green Deal Finance Plan will help to create an average net saving of £100 per household per annum, with some homes achieving considerably more.

Private Residential Solar PV

In December 2014, Cabinet approved the decision to enter into a strategic partnership with Empower Community LLP to deliver a city wide free private residential solar PV scheme. The characteristics of the scheme are:-

- No cost to the owner for installation
- Free energy generated to the occupier
- A fee for installation paid to the owner
- Creation of a local community fund out of profits
- A fee to the Council out of profits generated
- Investment returns generated by the Council

It is anticipated that for those homes that take up the offer, this will generate savings of around £200 per household per annum. Initially, the scheme will focus on the Target Area, where fuel poverty is higher, but it will also be made available to the whole City as quickly as possible.

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Back in April, OVO revealed a plan to democratise the energy market: **OVO Communities**. The idea was to literally put power back into people's hands by giving councils, community groups and social housing providers the tools and support they need to set up their own local energy company.

Now, less than eight months on, we are very proud to announce that we are preparing to launch three OVO communities partnerships which should begin supplying energy to local residents and businesses in Spring 2015.

A quick recap

The big idea? If the energy sector's controlled by communities, it will work better for communities. It appears many of you agree, with over 300 organisations getting in touch to talk about working together. We've also got the support of the Government, with Energy Secretary Ed Davey MP and Energy Minister Amber Rudd MP, kindly attending launch events for two of our community partnerships.

Our aim is to establish 100 OVO Communities partnerships across the country that drive forward innovation in the energy sector and ultimately serve 1,000,000 customers.

What does OVO Communities offer our partners?



Local tariffs

Take control of the prices your residents and businesses pay for their energy to ensure their bills are low and fairly priced.



Energy efficiency

Get priority access to OVO's energy efficiency funding, which will be available via the Energy Company Obligation (ECO) scheme from next year.



Smart meters

Help the most needy residents by replacing prepayment meters with Government backed smart technology.



Local generation

Sell locally generated power to local people and pass on any cost savings to customers.

OVO aims to launch local supply offerings with the following community organisations by Spring 2015:



Plymouth Energy Community (PEC)

PEC is a multi-award winning, 700-member strong co-operative, set up by Plymouth Council, which aims to give local residents the power to transform how they buy, use and generate energy. We believe our partnership with PEC could deliver in excess of £1 million in bill savings for the local community with a particular focus on savings for the fuel poor.

Cheshire East Council (CEC)

CEC is a local authority in the North West of England, covering 169,000 households. The alleviation of fuel poverty is a key priority for CEC and they'll work with a number of major social housing providers in the area to deliver substantial bills savings. Our research shows that households



in Cheshire East could save up to £300 a year by switching from a Big 6 energy company to their new local energy supplier.

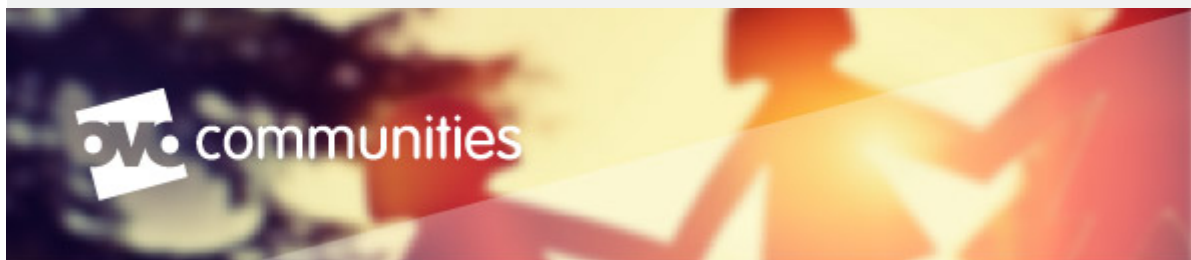


Community Energy South (CES)

CES is a network of community energy groups, spanning East and West Sussex and Brighton whose ambition is to supply an affordable energy tariff to its local residents which also supports local investment in renewable technologies. We estimate the planned scheme could deliver bills savings of £2 million for the local community.

What's next?

If you're ready to join our first community partners or want to find out more contact us on communities@OVOenergy.com.



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CABINET	AGENDA ITEM No. 10
19 JANUARY 2015	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Marco Cereste, Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement	
Contact Officer(s):	John Harrison Executive Director, Resources	Tel. 452520

STRATEGIC PARTNERSHIP BETWEEN PETERBOROUGH CITY COUNCIL AND AVIC INTERNATIONAL

R E C O M M E N D A T I O N S	
FROM : John Harrison, Executive Director, Resources	Deadline date :
That Cabinet approves:	
1. That Council enters into a memorandum of understanding regarding a strategic partnership arrangement with AVIC International Corporation (UK) Limited.	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet from the Executive Director, Resources.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to seek approval to enter into a memorandum of understanding (MoU) regarding a strategic partnership arrangement (SPA) between Peterborough City Council and AVIC International Corporation (UK) Limited (AVIC).

2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.1 'to take collective responsibility for the delivery of all strategic Executive functions within the Council's Major Policy and Budget Framework and lead the Council's overall improvement programmes to deliver excellent services'.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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4. BACKGROUND INFORMATION

4.1 Overview

4.1.1 The Council has made significant progress in delivering its ambitious growth agenda through physical regeneration, investment in infrastructure and improvement in education skills. Peterborough is the fastest growing city by population, has the fastest digital network, the second fastest private sector jobs growth and is predicted by McKinsey to have the fastest growing economy from 2010 to 2025. Unemployment is at its lowest rate since 2002, with the JSA claimant count at 1.9%.

4.1.2 In support of its established priorities, the Council has been pursuing a range of innovative delivery solutions including the establishment of a new growth delivery vehicle, the Peterborough Investment Partnership LLP, and a range of energy initiatives including: collective switching, renewable energy generation, energy efficiency (both domestic and commercial) and the provision of domestic energy supply tariffs in Peterborough which it is anticipated will be one of the lowest in the UK.

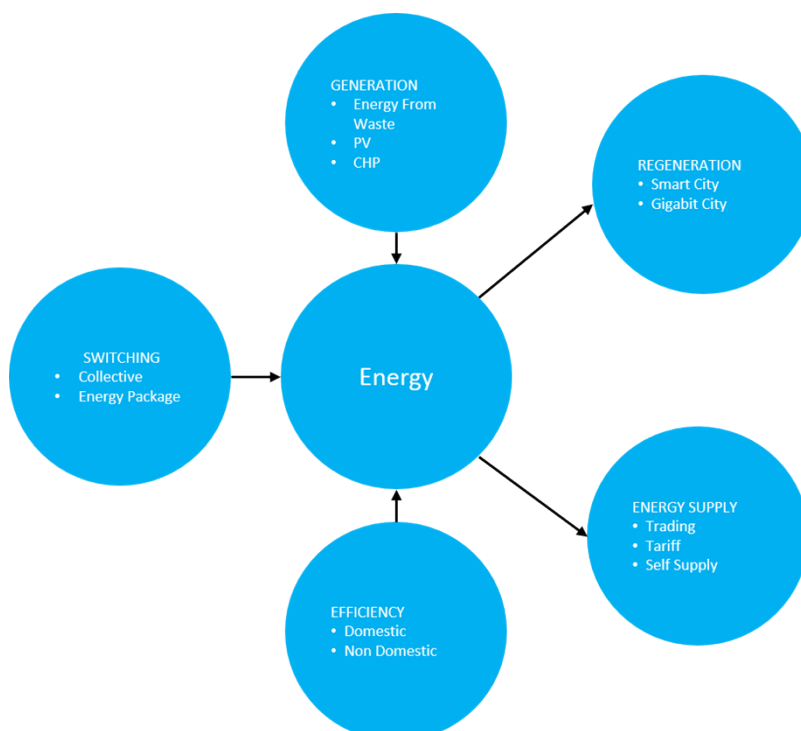
4.1.3 These initiatives aim to further the following strategic priorities which the Council has determined:

- Growth, regeneration and economic development of the city to bring new investment and jobs. Supporting people into work and off benefits is vital to the city's economy and to the wellbeing of the people concerned;
- Improving educational attainment and skills for all children and young people, allowing them to seize the opportunities offered by new jobs and our university provision, thereby keeping their talent and skills in the city;
- Pursuing the Environment Capital agenda to position Peterborough as a leading city in environmental matters, including reducing the city's carbon footprint.

4.1.4 Energy has a strong part to play in advancing these priorities and the Council's approach can be summarised as follows:

- Generation of renewable energy
- Reduction of energy consumption
- Enablement of regeneration
- Reduction of carbon
- Give financial benefits to the city
- Generate income and save money

This approach is set out in the diagram below:



4.1.5 This report seeks approval for the creation of a strategic partnership that will seek to add further value and accelerate the delivery of financial benefits to Peterborough.

4.2. AVIC INTERNATIONAL CORPORATION (UK) LTD

4.2.1 AVIC is a subsidiary of the Chinese State-owned company, AVIC International Corporation Holding Limited. The 2013 global turnover of AVIC International Corporation Holding Limited was £14.8 billion (¥146.5 billion (RMB))¹The main business of AVIC is development, investment and construction in the renewable energy and energy efficiency industries in the UK. AVIC anticipates that 5% of its global turnover will come from the UK over the next 5 years.

4.2.2 AVIC also represents the interests of a number of the state-owned companies of China in the UK. These include, but are not limited to the following:

- Shanghai Electric
- Huawei
- China Telecom
- Bank of China

4.2.3 As can be seen from the list, the organisations that AVIC represent cover significant areas of expertise that could bring tremendous benefits to the city.

4.3 WIDER CHINA AND UK COLLABORATION

4.3.1 On 17 June 2014 the Governments of the UK and the People's Republic of China issued a joint statement. This stated, at paragraph XII, that the UK and China both:

"Welcomed their strong cooperation on people-centred and holistic urbanisation. In particular, both sides agreed to increase policy exchange and technological collaboration on low carbon urban planning, air and water pollution control...Both sides welcomed the signing of the MOU on Strengthening Cooperation on Green and Low Carbon Urbanisation".

4.3.2 On 17 June 2014 the Governments of the UK and the People's Republic of China also issued the UK-China Joint Statement on Climate Change. A UK Government information note which explains the background to that statement, and outlines some of the specific areas of collaboration, states that new opportunities for collaboration between the People's Republic of China and the UK exist in renewable (and specifically solar) energy, and low carbon urbanisation.

4.3.3 The proposed strategic partnership between PCC and AVIC is aligned to the wider collaboration between the UK and the People's Republic of China that these statements envisage.

4.4 PRINCIPLES AND BENEFITS OF THE STRATEGIC PARTNERSHIP

4.4.1 The proposed Strategic Partnership Agreement (SPA) will be founded on the following principles:

- *Proven Delivery*: based on the transparent monitoring and measurement of performance. Performance will be evaluated by the number of megawatt-hours generated, the number of megawatt-hours saved, and the return generated on investment in relation to each project undertaken by the parties.
- *Commitment*: to the strategic partnership, achieved through strong leadership, enthusiasm and a determination to succeed.
- *Openness and Trust*: in relation to the parties' dealings with each other.

¹ <http://www.avic-intl.cn/category.aspx?NodeID=138>

4.4.2 The Council anticipates that the SPA will bring the following benefits to Peterborough:

- job creation;
- education and training in the latest renewable energy technology;
- supporting the development of an enhanced university/higher education offer in Peterborough through AVIC introducing its partners and other Chinese state owned companies and investors;
- a “one-stop” solution around regeneration and development towards a Smart City also once AVIC has an established market in the UK this will include providing a final fabrication facility for smart meters, solar panels and street lighting;
- access to a diversified business network at state and government level with China.

4.4.3 The Council understands that AVIC requires the following benefits to be achieved from the SPA:

- a pipeline of projects for which AVIC can supply to, provide investment in or act as developer;
- access to the wider public sector and local authority market in the UK;
- access to the acquisition of various developments across the UK;
- access to various major regeneration projects across Peterborough;
- a case study, in that Peterborough could be a reference point that AVIC could use to launch a major national campaign for renewable energy, energy efficiency and Smart City technology;
- a platform for income generation.

4.5 OBJECTIVES OF THE STRATEGIC PARTNERSHIP

4.5.1 The Council’s overarching objective of the SPA is to develop and implement a vision of the UK’s first truly Smart City and the continuing regeneration and growth of Peterborough. This will include, but not be limited to the following:

- improving the efficiency and performance of the Council’s services through investment into Peterborough’s energy, transport and information infrastructure for the benefit of the city’s businesses, residents and visitors;
- supporting the development of an enhanced university/higher education offer in Peterborough through AVIC introducing its partners and other Chinese state owned companies and investors; and
- contributing to the regeneration and growth of Peterborough.

4.5.2 In addition, the SPA will support the Council’s strategic priorities set out in 4.1 above and the approach to tackling the financial gap set out in the MTFP, including:

- Building a strong and healthy economy which provides jobs for our residents, helps to reduce dependency on welfare benefits, and enabling the Council to benefit financially from business rates and New Homes Bonus and reinvesting this to support the needs of our residents;
- Focusing on educational attainment in schools and developing university provision to give our young people and residents the skills to take up the new job opportunities;
- Income generating in new ways to make the Council less dependent on taxing its residents and on government funding and giving us the independence to support our residents and their needs.

4.5.3 AVIC’S overarching objective of the SPA is to invest in a pipeline of opportunities (first in Peterborough, and then more widely in the UK) that further its goal of acquiring 100 megawatts of renewable supply in the UK and achieving 5% of its global turnover from the UK over the next 5 years.

4.6 ACHIEVING THE OBJECTIVES

4.6.1 In order to achieve the objectives of the SPA the Council and AVIC intend to jointly investigate and, where such opportunities are of mutual benefit pursue the following commercial opportunities:

- the installation of solar PV canopies in certain car parks in Peterborough;
- the installation of light emitting diode (LED) street lighting technology in Peterborough;
- the installation of municipal Wi-Fi in Peterborough;
- the development of an integrated, technology enabled transport platform in Peterborough linking services such as CCTV, intelligent transport information and real time passenger information, for example;
- the development of ground and roof-mounted solar and other renewable generation opportunities; and
- the development of an infrastructure platform to enable future regeneration and growth in Peterborough.

4.6.2 The Council and AVIC acknowledge that the list of commercial opportunities identified in paragraph above is indicative only and is not exhaustive and that further commercial opportunities may be jointly investigated and pursued. It should be noted that none of the items will be pursued unless the appropriate business case and necessary approvals are put in place.

4.7 TIMESCALES FOR INITIAL ACTIONS

4.7.1 It is anticipated that the first two items listed in 4.6.1 will be the subject of additional reports to Cabinet in this municipal year:

- the installation of solar PV canopies in certain car parks in Peterborough;
- the installation of comprehensive light emitting diode ("LED") street lighting technology in Peterborough, complementing investment the Council has already made in phase one of its street light replacement programme.

4.7.2 In addition a report on the Smart city concept for the city will be brought forward to Cabinet.

5. CONSULTATION

5.1 Internal only at this stage. Individual projects will be subject to appropriate consultation. There is a need to continue close working with existing partners to ensure existing initiatives are integrated.

6. ANTICIPATED OUTCOMES

6.1 That Council enters into a memorandum of understanding regarding a strategic partnership arrangement with AVIC International Corporation (UK) Limited.

6.2 That the strategic partnership will support key Council strategic priorities set out in 4.1 above.

7. REASONS FOR RECOMMENDATIONS

7.1 To enable a memorandum of understanding regarding a strategic partnership arrangement to be entered into.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 To continue pursuing existing priorities without have an international partner in place. This would mean that the Council would not benefit from the expertise, experience and supply chain benefits of an international partner.
- 8.2 Pursue the additional projects anticipated by the strategic partnership separately. The Council would then incur additional expense in treating each project individually and in procuring individual solutions.

9. IMPLICATIONS

9.1 Financial:

- 9.1.1 There are no immediate financial implications arising from the MoU. The financial implications of the strategic partnership and its associated objectives will be considered on a case by case basis as the proposals develop.
- 9.1.2 In particular the first two schemes outlined in para 4.6.3 will require business cases, and for the financial implications to be included in the Cabinet reports. Similar arrangements will apply if further schemes, including those outlined in para 4.6.1, are brought forward.

9.2 Legal/ Procurement

- 9.2.1 There are no adverse procurement implications connected with the Council entering into the memorandum of understanding. As specific commercial opportunities are developed between the Council and Avic the Council will consider whether these raise any procurement risks on an individual basis.
- 9.2.2 The Council will enter into this partnership under the general power of competence under section 1 of the Localism Act 2011.

9.3 ICT/digital

- 9.3.1 ICT implications arising from the MoU and the strategic partnership and its associated objectives will be considered on a case by case basis as the proposals develop.

9.4 Property

- 9.4.1 The property implications of the strategic partnership and its associated objectives will be considered on a case by case basis as the proposals develop.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Joint Statement from the Governments of The People's Republic of China and The United Kingdom of Great Britain and Northern Ireland dated 17 June 2014

UK-China Joint Statement on Climate Change dated 17 June 2014

Information Note in Relation to The UK-China Joint Statement on Climate Change

CABINET	AGENDA ITEM No. 11
19 JANUARY 2015	PUBLIC REPORT

Contact Officer:	Gemma George, Senior Governance Officer, Democratic Services	Tel. 01733 452268
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OUTCOME OF PETITIONS

R E C O M M E N D A T I O N S	
FROM : Directors	Deadline date : N/A
It is recommended that Cabinet notes the action taken in respect of petitions presented to Council.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Cabinet following the presentation of petitions to Council.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to update Cabinet on the progress being made in response to petitions.
- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3 – ‘To take a leading role in promoting the economic, environmental and social well-being of the area’.
- 2.3 The present petitions scheme is currently under review and a report will be presented to Council in due course.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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4. OUTCOME OF PETITIONS

4.1 Petition relating to Bushfield Bowls Club

This petition was presented to Council on 17 December 2014 by a member of the public, Mr Bernard Barker, and requested:

1. That Councillors regard senior sport as an important priority because it safeguards the health and welfare of older people;
2. That Council budget decisions should take account of lost capital assets and future NHS costs, rather than focus on immediate savings;
3. That Council continues to support the unique role of Bushfield Bowls Club as the only lawn bowling green in the whole of the Ortons; and
4. That the Council not force the closure of a thriving club that plays an invaluable part in the life of the community.

Amey's Partnership Manager responded stating that "I would like to confirm we have now met with all affected Bowls clubs to look at jointly working together on solutions to retain the current Bowls provision whilst still making the necessary savings that Council requires to achieve a balanced budget as required by law.

I can confirm that these meetings have been extremely productive and all clubs have offered some constructive ideas.

We are looking to gather all the information early in the New Year and arrange to re-meet with all clubs to establish the best way forwards".

4.2 **Petition relating to Bretton Library**

This petition was presented to Council on 17 December 2014 by Councillor Ann Sylvester which opposed any further cuts in library opening hours and staff, or the closure of Bretton Library.

The Council's Client Manager, Culture and Leisure responded stating that "Full Council received a petition with 537 signatures opposing further cuts in library opening hours and staff or the closure of Bretton Library on the 17th December, the petition was accompanied by 47 surveys from users of Bretton. As lead on the review of Peterborough library services, I have taken into account the request made within the petition and I have also added the friends of Bretton library survey results into the consultation survey the council carried out which ended in October.

In total, 5,110 responses were received to the consultation (the highest response rate to a consultation exercise received in recent years). The question 'what is most important to you about a library service?' received three strikingly significant responses:

- *The books on the shelves (87.2% said extremely important)*
- *The location (70.4% said extremely important) and*
- *Access to information (55.6% said extremely important)*

The consultation has shown that libraries are an overwhelmingly a local service, with 75% of library users travelling less than 2 miles to use a library, and 43% of library users walking to the library (rising to 90% for the users of Eye and Thorney library).

The public were also asked what factors would encourage more use of the library service, with accessing the library building outside normal hours receiving the highest response: 35.4% of respondents said this would be extremely important and 39.1% said it was quite important.

The results from the friends of Bretton library survey show that most people value books and the location of their library. These findings have been taken into consideration when developing the new model of library servicers.

The main findings from the friends of Bretton library survey are as follows:

- *The location of the library (47 responses)*
- *The books on the shelves (41 responses)*
- *Use of Computers (9 responses)*
- *Social activities (8 responses)*

We believe there is a different, delivery model for Peterborough library services that will secure a financially sustainable offer, meet the needs of the public and that can be configured to fulfil the councils obligation under the 1964 Act. This approach is detailed in

the report to Cabinet (for its meeting on 19th January 2015) and will form the basis of a second public consultation leading to a decision by Cabinet on 23rd March 2015”.

5. REASONS FOR RECOMMENDATIONS

- 5.1 As the petitions presented in this report have been dealt with by Cabinet Members or officers, it is appropriate that the action taken is reported to Cabinet, prior to it being included within the Executive's report to full Council.
- 5.2 Cabinet will be aware that the proposals in respect of bowling greens have been deferred for phase 2 of the Budget consultation. Phase 2 of the budget also covers our proposals for the library service. The petitions received will be considered alongside the Council's analysis of all further consultation responses received in respect of phase 2 budget proposals.

6. ALTERNATIVE OPTIONS CONSIDERED

- 6.1 There have been no alternative options considered.

7. LEGAL IMPLICATIONS

- 7.1 There are no legal implications.

8. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- 8.1 Petitions presented to Council and responses from officers.

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