

To: Deputy Leader and Members of the Resources Board

Councillors Symonds, Barnett, Chapman, Clews, Davey, Humphreys, Parsons, O Phillips, Simpson, Stuart, Taylor and Watson

For the information of other Members of the Council

For general enquiries please contact Democratic Services on 01827 719221 or via email – democraticservices@northwarks.gov.

For enquiries about specific reports please contact the Officer named in the reports.

This document can be made available in large print and electronic accessible formats if requested.

RESOURCES BOARD AGENDA

10 MARCH 2025

The Resources Board will meet on Monday 10 March 2025 at 7.00pm in the Council Chamber at The Council House, South Street, Atherstone, Warwickshire.

The day after the meeting a recording will be available to be viewed on the Council's YouTube channel at [NorthWarks - YouTube](#).

AGENDA

- 1 Evacuation Procedure.**
- 2 Apologies for Absence / Members away on official Council business.**
- 3 Disclosable Pecuniary and Non-Pecuniary Interests.**

4 **Public Participation**

Up to twenty minutes will be set aside for members of the public to put questions to elected Members.

Members of the public wishing to address the Board must register their intention to do so by 9:30am two working days prior to the meeting. Participants are restricted to five minutes each.

If you wish to put a question to the meeting, please register by email to democraticservices@northwarks.gov.uk or telephone 01827 719221 / 719226 / 719237.

Once registered to speak, the person asking the question has the option to either:

- (a) attend the meeting in person at the Council Chamber.
- (b) attend remotely via Teams; or
- (c) request that the Chair reads out their written question.

The Council Chamber has level access via a lift to assist those with limited mobility who attend in person however, it may be more convenient to attend remotely.

If attending remotely an invitation will be sent to join the Teams video conferencing for this meeting. Those registered to speak should dial the telephone number and ID number (provided on their invitation) when joining the meeting to ask their question. However, whilst waiting they will be able to hear what is being said at the meeting.

- 5 **Minutes of the Resources Board held on 27 January 2025** – copy herewith, to be approved as a correct record and signed by the Chairman.

ITEMS FOR DISCUSSION AND DECISION (WHITE PAPERS)

- 6 **Internal Audit Plan 25/26**- Report of the Interim Corporate Director – Resources (Section 151 Officer)

Summary:

The purpose of this report is to set out the proposed Internal Audit Plan for 2025/26.

The Contact Officer for this report is Alison Turner (719374).

- 7 **Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2025/26** - Report of the Interim Corporate Director – Resources (Section 151 Officer)

Summary

This report outlines the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2025/26.

The Contact Officer for this report is Alison Turner (719374).

- 8 **Write Off Policy 2025/26** - Report of the Interim Corporate Director – Resources (Section 151 Officer)

Summary

The purpose of this report is to provide details to Members on Policy for writing off irrecoverable debts for Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Former Tenant Arrears effective from 1st April 2025.

The Contact Officer for this report is Katie Hines (719234).

- 9 **Non-Domestic Rates Policies 2025/26** - Report of the Interim Corporate Director – Resources (Section 151 Officer)

Summary

The purpose of this report is to provide details to Members on Non-Domestic Rates policies for approval effective from 1 April 2025.

The Contact Officer for this report is Katie Hines (719234).

- 10 **Irrecoverable Debts** - Report of the Interim Corporate Director – Resources (Section 151 Officer)

Summary

The purpose of this report is to provide details to Members of debts which are considered to be irrecoverable.

The Contact Officer for this report is Katie Hines (719234).

- 11 **Local Council Tax Support Scheme 2025/26** - Report of the Interim Corporate Director – Resources (Section 151 Officer)

Summary

The purpose of this report is to provide details to Members on the Local Council Tax Support Scheme for 2025/26 in-line with the regulations required by Ministry of Housing, Communities & Local Government.

The Contact Officer for this report is Katie Hines (719234).

- 12 **Exclusion of the Public and Press**

To consider, in accordance with Section 100A(4) of the Local Government Act 1972, whether it is in the public interest that the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

- 13 **Exempt Extract of the Minutes of the meeting of the Resources Board held on 27 January 2025** – copy herewith to be approved as a correct record and signed by the Chairman.

STEVE MAXEY
Chief Executive

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

27 January 2025

Present: Councillor Symonds in the Chair

Councillors Barnett, Bell, Chapman, Clews, Davey, Humphreys, Parsons, H Phillips, O Phillips, Stuart and Watson

Apologies for absence were received from Councillors Simpson (Substitute Councillor Bell) and Taylor (Substitute Councillor H Phillips)

44 **Disclosable Pecuniary and Non-Pecuniary Interests**

Councillor Barnett disclosed a non-pecuniary interest in item no 50d (General Fund Revenue Resources Board Remaining – 2024/25 Forecast and 2025/26 Estimates Fees and Charges) by reason of being a Councillor on Atherstone Town Council.

45 **Minutes of the Resources Board held on 11 November 2024.**

The minutes of the Resources Board held on 11 November 2024, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

46 **Internal Audit Progress Report**

The Interim Corporate Director – Resources (Section 151 Officer) presented the internal audit activity and findings for the period 1 April to 15 January 2025.

Resolved:

That the audit activity and findings detailed in Appendix A of the report of The Interim Corporate Director – Resources (Section 151 Officer) be noted.

47 **General Fund and Housing Revenue Account Capital Programmes 2025/26 to 2027/28**

The Interim Corporate Director – Resources (Section 151 Officer) identified proposals for Resources Board capital schemes to be included within the Council's General Fund Capital programme over the next three years. Along with the Housing Revenue Account (HRA) capital programme for the same period.

Resolved:

- a That the schemes detailed in Appendix A of the report of The Interim Corporate Director – Resources (Section 151 Officer), as the Resources Board Services Three-year General Fund Capital Programme, be approved; and**
- b That the HRA Capital Programme as detailed in Appendix B of the report of The Interim Corporate Director – Resources (Section 151 Officer), for the period 2025/26 to 2027/28, be approved.**

48 Housing Revenue Account- 2024/25 Forecast and 2025/26 Estimates, 30 Year Business, Rent Review and Fees and Charges

The Interim Corporate Director – Resources (Section 151 Officer) reported the forecast budget for 2024/25 and an estimated budget for 2025/26, together with the 30 years business plan detailed in Appendix G of the report, and detailed the recommended rent increase of 2.7% in line with the Governments social rent policy and increases for service charges and fees and charges all from 1 April 2025.

Resolved:

- a That the revised forecast for 2024/25 be approved;**
- b That the 2025/26 estimates for revenue as presented with detailed figures in Appendix A as set out in the report of the Interim Corporate Director – Resources (Section 151 Officer), be approved;**
- c That the 30 year business plan detailed in Appendix G of the report of the Interim Corporate Director – Resources (Section 151 Officer), be approved;**
- d That increasing rent by 2.7% in 2025/26 in line with the social rent policy set by the government be approved;**
- e That the proposed fees and charges for 2025/26 as set out in Appendix C of the report of the Interim Corporate Director – Resources (Section 151 Officer), be approved;**
- f That the service charges for cleaning, as detailed in Appendix D of the report of the Interim Corporate Director – Resources (Section 151 Officer) be approved from April 2025; and**
- g That the service charges for window cleaning, as detailed in Appendix E of the report of the Interim Corporate Director – Resources (Section 151 Officer), be approved from April 2025.**

48 Council Tax and Non-Domestic Rates Outstanding Debts 2019 -2024

The Interim Corporate Director – Resources (Section 151 Officer) provided Members with details of outstanding debts for Council Tax and Non-Domestic Rates as requested previously by members of the Resources Board.

Resolved:

That the report be noted.

49 Irrecoverable Debts

The Interim Corporate Director – Resources (Section 151 Officer) provided details to Members of debts which were considered to be irrecoverable.

Resolved:

- a That the total Irrecoverable Non-Domestic Rates Debts totalling £11,199.86, as detailed in Appendix A to the report of the Interim Corporate Director – Resources (Section 151 Officer), be approved for write off; and**
- b That the total Irrecoverable Council Tax Debts totalling £25,912.49, as detailed in Appendix B to the report of the Interim Corporate Director – Resources (Section 151 Officer), be approved for write off.**

50 General Fund Revenue Resources Board Remaining -2024/25 Forecast and 2025/26 Estimates and Fees & Charges

The Interim Corporate Director – Resources (Section 151 Officer) reported on the outturn forecast for 2024/25 and an estimate of expenditure for 2025/26, together with forward commitments for 2026/27, 2027/28 and 2028/29. Details of a review of the fees and charges for Services recharged across all boards, with recommendations for increases, were given.

Resolved:

- a That the forecast outturn for 2024/25 be approved;**
- b That the 2025/26 estimates, as presented in this report for inclusion in the overall Tax Set 2025/26 report for the Executive Board on 10 February 2025 be approved;**
- c That the Fees & Charges as detailed in Appendix C of the report of the Interim Corporate Director – Resources (Section 151 Officer) be approved; and**

Recommendation to Council:

- d That consideration be given to a one year resource bid of £35,820 to fund 50% of CCTV costs if the UKSPF does not continue to fund in 2025/26.**

51 General Fund Revenue Budget Resources Board Recharged - 2024/25 Forecast and 2025/26 Estimates

The Interim Corporate Director – Resources (Section 151 Officer) reported on the outturn forecast for 2024/25 and an estimate of expenditure for 2025/26, together with forward commitments for 2026/27, 2027/28 and 2028/29.

Resolved:

- a That the forecast outturn position for 2024/25 be approved;**
- b That the 2025/26 estimates, as presented in the report of the Interim Corporate Director – Resources (Section 151 Officer) for inclusion in the overall Tax Set 2025/26 report for Executive Board on 19 February 2025 be approved; and**
- c That a supplementary estimate of £124,000 to increase the legal costs budget in the current year to fund commitments to date be approved. The budget would reduce to £70,000 in next year.**

52 Tenant Partnership Agreement

The Director of Housing provided the Board with the revised Tenant Partnership Agreement to consider, amend and approve.

Resolved:

That the contents of the Tenant Partnership Agreement be approved.

53 Exclusion of the Public and Press

Resolved:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by Schedule 12A to the Act.

54 Request to Purchase Land

The Director of Housing informed the Board about a request to purchase land in the Council's ownership.

Resolved:

That the request to purchase the piece of land shown at Appendix A in the Report of the Director of Housing, be approved.

55 Garage Site

The Director of Housing provided the Board with information and future options for its garage site.

Resolved:

That the future of the site be considered as part of the wider review agreed by the Resources Board, on 11 November 2024, for its land holdings and garage stock for potential development opportunities.

56 Exempt Extract of the Minutes of the meeting of the Resources Board held on 11 November 2024

The exempt extract of the minutes of the Resources Board held on 11 November 2024, copies having been previously circulated, were approved as a correct record and signed by the Chairman.

Councillor Symonds
Chair

Agenda Item No 6

Resources Board

10 March 2025

**Report of the
Interim Corporate Director – Resources
(Section 151 Officer)**

Internal Audit Plan 2025/26

1 Summary

- 1.1 The purpose of this report is to set out the proposed Internal Audit Plan for 2025/26.

Recommendation to the Board

- a That the Internal Audit Plan at Appendix A be approved; and**
- b That the Council continues to buy in fraud support for 2025/26 from Derby City Council.**

2 Background

- 2.1 In July 2023 the Section 151 Officer presented a report to members of the Staff Sub Committee with options for providing the Internal Audit function for this Council as it has been operating below capacity for some time. Members approved a six month trial with the Central Midlands Audit Partnership (CMAP) providing an audit service to supplement the in house audit function.
- 2.2 The pilot commenced at the end of October 2023 and continued during 2024/25. The arrangement was reviewed and findings reported to members in November 2024 with a recommendation due to the success of the pilot to request to join CMAP as a partner from 1 April 2025. This was accepted and North Warwickshire BC will join as a partner with a place on the officer and member board.

3 Internal Audit Plan

- 3.1 The internal Audit plan has been put together by the Head of CMAP and Interim Director of Resources (Section 151 Officer) and considered by the Extended Management Team.

3.2 The Public Sector Internal Audit Standards (PSIAS) require an annual internal audit plan to be developed using a risk-based assessment process. The assessment process at North Warwickshire Borough Council considers factors such as:-

- the extent of change and development;
- Staffing issues, e.g. potential inadequate training, high vacancy levels or extensive delegation;
- the complexity of the system;
- previous audit reports/agreed action plans and the length of time since the last review;
- frauds detected or investigated;
- the sensitivity of the system, for example the impact to the authority of something going wrong; and
- the value and volume of transactions.

3.3 Along with these factors consideration has also been given to ensuring that the audit service has full management in place with the role of Head of Internal Audit being delivered, quality review of all audits to achieve conformance with PSIAS and flexibility within the plan to respond to reactive work along with a contingency for advisory reviews. As a result of the lack of audit coverage in 2022 and 2023 the current years plan continued to cover governance and financial systems to ensure internal controls were robust and this theme will continue through into the 2025/26 plan making sure all of the core processes, controls are in place and operating effectively and actions from audits have been delivered.

...

3.4 The proposed plan at Appendix A has been developed considering risk; as part of reviewing the plan Risk, Councils Corporate Plan, Audit Needs assessment and third party requests are considered. There has to be some flexibility in this as some reviews will run over from one quarter to the next at times for various reasons. In determining the number and timing of the reviews, consideration has been given to service priorities and the audit resources available.

3.5 There are audits on the current year plan which may not be complete until early next financial year due to availability of resources to work with the auditors. The relationship needs to be fluid and the plan agile to respond to changing needs such as Devolution and Local Government Review.

3.6 Follow-up reviews are completed after the final report has been issued to ensure that all agreed actions have been addressed as planned; the timing of these reviews is dependent upon when the report was finalised, and the audit opinion given. These have been built into the plan presented.

4 Counter Fraud

- 4.1 The Counter Fraud Officer employed by the Council and shared with Nuneaton and Bedworth Borough Council (NBBC), on average 40% of his time investigating fraud allegations at NWBC and 60% at NBBC left NWBC 31 March 2024. Derby City Council fraud section have been covering this work since April 2024, as they already work closely with CMAP this has worked really well and it is recommended that this agreement continues into 2025/26 at a cost of £20,000 per annum.

5 Report Implications

5.1 Risk Management Implications

- 5.1.1 The Audit Plan for 2025/26 takes specific account of the Council's strategic and operational risks.

5.2 Links to Council's Priorities

- 5.2.1 The Audit Plan for 2025/26 is based on a risk assessment which will ensure the best use of resources to provide a high-quality service.

The Contact Officer for this report is Alison Turner (719374).

North Warwickshire Borough Council – Internal Audit Plan 2025-26 & Audit Charter

Resources Board: 10th March 2025



North Warwickshire
Borough Council



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Our Vision

To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

Contacts

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Introduction

Purpose of Report

The purpose of this report is for the Resources Board to approve the Internal Audit Charter and Annual Internal Audit Plan for 2025-26.

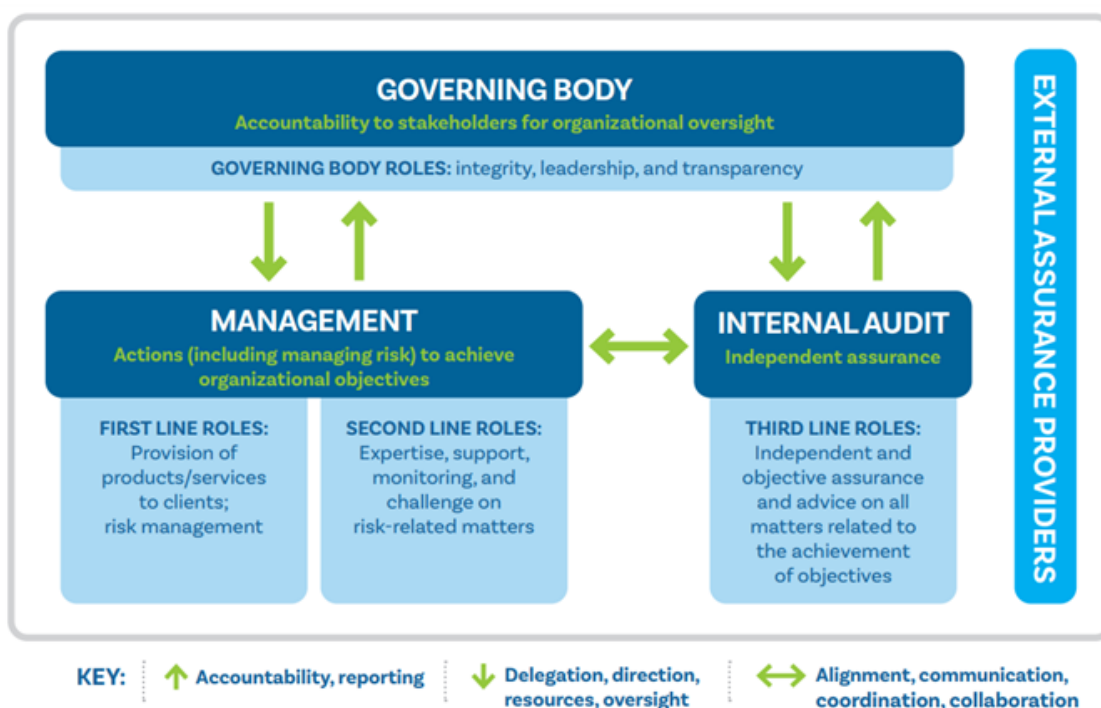
Role of Internal Audit

All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015.

The Council's Internal Audit service is provided by Central Midlands Audit Partnership (CMAP). The Partnership was formed as a Joint Board under section 101 of the Local Government Act 1972. It currently serves 7 public sector organisations and Derby City Council is the host authority. The current legal agreement between the Partners runs until 31st March 2025. From 1st April 2025 the Council will be joining the Partnership and the new partnership agreement will run until 31st March 2030.

Internal Audit provides the Resources Board and senior management with objective assurance on the Council's overall control environment, comprising the systems of governance, risk management, and internal control and highlights control weaknesses together with recommendations for improvement. This helps senior management demonstrate that they are managing the Council effectively. Internal Audit's work significantly contributes to the Council's statutory Annual Governance Statement (AGS).

Internal Audit is part of the Council's governance framework which can be summarised in the three lines model shown below.



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Internal Audit Plan

The Public Sector Internal Audit Standards (PSIAS) state that annually the Chief Audit Executive is responsible for developing a risk-based plan. In this instance, the Chief Audit Executive is Richard Boneham, Head of Audit Partnership.

The annual Audit Plan sets out proposals on how this will be achieved in the year ahead. It is a flexible Plan that allows Internal Audit to respond to emerging and changing risks during the year.

The Audit Plan must incorporate sufficient work to enable the Chief Audit Executive to give an opinion on the adequacy of the Council's overall control environment. Equally Internal Audit must be adequately resourced with the necessary level of skilled and experienced staff to deliver the Audit Plan.

Progress in completing the audit plan, will be submitted to the Resources Board as part of regular Internal Audit Progress reports.

Internal Audit Charter

An Internal Audit Charter is a formal document that defines internal audit's purpose, authority, responsibility and position within an organisation. The Internal Audit Charter describes how internal audit will provide value to the Council, the nature of the services it will provide and the specific focus or emphasis required of internal audit to help the Council achieve its objectives.

Having an Internal Audit Charter also establishes the internal audit activity's position within the Council, including reporting lines, authorising access to records, personnel, and physical properties relevant to the performance of engagements; also defining the scope of internal audit activities. A copy of the current Internal Audit Charter is attached at [Appendix B](#). It is the role of the Resources Board to review and approve the 'Internal Audit Charter' on an annual basis.

The International Professional Practices Framework (IPPF) has undergone a comprehensive restructure, resulting in new Global Internal Audit Standards. This has in turn recently resulted in the release of the New UK Application Note: Global Internal Audit Standards in the UK Public Sector which replaces UK PSIAS from 1st April 2025.

The Application Note: Global Internal Audit Standards in the UK Public Sector has been issued by the Relevant Internal Audit Standard Setters (RIASS), who between them have authority for determining standards to be applied in the various parts of the UK public sector. Taken together, the Global Internal Audit Standards and the Application Note will form the basis of UK public sector internal audit effective from 1st April 2025. The effective date aligns the new standards with requirements for annual opinions and other relevant aspects of UK public sector governance which align with the financial year. Until 1st April 2025, the existing PSIAS based on the old International Professional Practices Framework will continue to apply.

The implications of the new application note and new standards on our Internal Audit Charter are yet to be determined and actioned. An appropriately revised Audit Charter will be brought to Committee for approval later in the year.

Approach to Audit Planning

Internal Audit takes into account the Council's risk management framework, including using risk appetite levels set by management for the different activities or parts of the Council. If a framework does not exist, Internal Audit must determine its own judgment of risks following a thorough consultation process. We endeavour to consult with relevant managers to further understand the risk areas where internal audit assurance will be appropriate. Senior management are consulted on the proposed plan and their views are taken account of before producing the final internal audit plan.

With the Council joining the Partnership from 1st April 2025, there will need to be a comprehensive risk assessment of all the Council's activities. This will be undertaken during 2025/26 and will inform the 2026/27 Internal Audit Plan.

Types of Audit Work

Key Financial Systems Audit - Much of internal audit's assurance work comes from the review of the risks and controls associated with the Council's financial systems. External Audit will also review the work on the key financial systems to assist them when determining their opinion on Council's annual accounts.

Systems / Risk Based Audits - The auditor's prime role is to review the internal control systems developed by management to mitigate operational risks and report upon the adequacy of those controls (see below for control examples). A Council's overall internal control system is the product of all of those systems and processes that the Council has created to deliver its business objectives, both financial and non-financial.

Control categories with examples

Preventive Segregation of duties, access controls, authorisation		Detective Exception Reports, reconciliations, control totals, error reports		Directive Accounting manuals, documented procedures, training and supervision		Corrective Error, incident and complaint handling, virus isolation	
Segregation of Duties Division of duties between the appointment and payment of staff	Organisational Budgets, Performance targets and KPI's	Authorisation Authority Levels, spending limits, passwords and user ID	Personnel Recruitment and selection, staff appraisal procedures	Supervision Day-to-day oversight of staff and physical activities	Physical Door entry systems, restricted access to files	Accounting Control account and bank reconciliation	Management Team meetings and briefings, CRSA

Source: Chartered Institute of Internal Auditors – Resources – Control

IT Audit – Typically our IT auditing coverage focuses on the following:

- **Infrastructure** - Infrastructure audits cover perimeter defences, authentication, management and monitoring, and devices. Infrastructure audits help provide assurance that the organisation's private network is protected from internet attacks, unauthorised or inappropriate access via local or remote attacks, and also ensure the Council has the necessary monitoring and incident analysis to maintain and analyse the Network.
- **Applications** - Application audits cover thin and fat client applications, and both internal (Intranet) or external (Web) applications. Applications audits typically focus on CIAA (**C**onfidentiality, **I**ntegrity, **A**vailability and **A**ccountability risks) to ensure attackers cannot exploit vulnerabilities to gain unauthorised access to sensitive corporate data.

Governance/Ethics Reviews - The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled. Internal Audit reviews corporate systems such as Risk Management, Health & Safety, Data Quality, Anti –Fraud and should consider organisational ethics, values and culture.

Procurement/Contract Audit - Procurement involves the process of acquisition from third parties and spans the whole life cycle from the initial concept (determining the need), through buying and delivery, to the end of a service contract. The audit approach to procurement should primarily concern the Council's corporate procurement strategy and associated management structures and processes, including contract procedure rules and detailed procurement guidance.

Client Support/Consultancy Work

The scope of the consultancy service that CMAP can offer is constrained by our skills set. Accordingly, consultancy work is likely to be on areas where the control framework is in development or subject to changes. The advice offered by Internal Audit in its consultancy role may include advising on the design and implementation of new policies, processes, and systems; providing forensic/analytic services; providing training; and facilitating discussions about risks, controls and governance arrangements.

To support the Council, time has also been set aside in the Audit Plan for the following:

Audit Management – There are certain management tasks that are specific to each Partner organisation, such as, reporting to Audit Committee, Audit Risk Assessment & Planning etc. These require a contingency of time to be planned.

Advice & Emerging Issues - On an ad-hoc basis, Audit is called upon to provide risk and control advice on issues throughout the Council. This consultancy work is a very important service and requests for Audit input are considered to be a good measure of the quality of the Audit service and of the satisfaction of our clients.

Anti-Fraud/Probity/Investigations - Internal audit has an important role to play in ensuring that management has effective systems in place to detect and prevent corrupt practices within the Council. Internal audit's role includes promoting anti-

North Warwickshire Borough Council – Audit Plan 2025-26

fraud best practice, testing and monitoring systems through probity work and advising on change where it is needed. Internal Audit also may be involved, on a consultancy basis, in the investigation of suspected internal fraud, theft or major irregularity (where there is some form of alleged financial irregularity, which may have resulted in financial loss to the Council).

Follow-up Audits - Internal Audit is committed towards ensuring that control improvements are achieved and all agreed actions are acted upon. We have developed a recommendation tracking database, which allows us to monitor, follow-up and report upon the status of all management's actions in respect of agreed audit recommendations.

Brought Forward Jobs - A number of incomplete audits from the 2024-25 Audit Plan will need to be concluded in 2025-26.



Appendix A - Audit Plan Detail

Our risk assessment of the Council's activities, in consultation with senior management, has concluded that the following audits will be undertaken in 2025-26:

Audit Plan Assignments	Risk Register	Corporate Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Information Governance	2023 SO19		✓		<p>Brought forward from 2024/25</p> <p>This will be split into separate audits to provide assurance on:</p> <ul style="list-style-type: none"> • Freedom of Information • Subject Access Requests • Records Management • Data Protection
Data Quality			✓		<p>Brought forward from 2024/25</p> <p>To review the data held by the Council for both accuracy and completeness and to ensure compliance of personal data with GDPR/Data Protection legislation.</p>
Partnership Working	2023 SO7	✓			To provide assurance on the partnership governance arrangements for key partnerships.
Treasury Management			✓		To review the Council's Treasury Management principles and practices for this area of principal risk.
Procurement	2023 SO1				To assess compliance with the Procurement Act 2023 which came into force in February 2025.
Contract Management			✓		Brought forward from 2024/25

North Warwickshire Borough Council – Audit Plan 2025-26

Audit Plan Assignments	Risk Register	Corporate Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
					To provide assurance on the risks associated with the Council's contract management arrangements and to ensure that they are in line with agreed standards.
Climate Change		✓			To provide a level of assurance on the strategic aim around the Council's sustainability work and the plans to reduce carbon emissions.
Attendance Management	2023 SO4				Review of processes/procedures for monitoring sickness absence.
People Strategy and Recruitment/Retention Management			✓		To assess the effectiveness of the management of the risks associated with recruitment and retention within the Council and how it develops its current staff
Corporate Plan	2023 SO9				Assessment of the monitoring arrangements for achievement of Corporate Plan Commitments
Management of Assets	2023 S11	✓			To provide a level of assurance on the management of the security and maintenance of Council assets.
Cyber Security	2023 S22				To review the Council's resilience against cyber threats.
Income/Charging		✓			To review the charging mechanisms in use within the Council.
Transformation Programme		✓			To review progress around the transformation projects aimed at ensuring that Council services and processes are as lean as possible.

North Warwickshire Borough Council – Audit Plan 2025-26

Audit Plan Assignments	Risk Register	Corporate Plan	Audit Needs Assessment	Third Party Request	Assurance/Reason for audit
Member/Officer Protocols			✓		To review the procedures in place to ensure effective working relationships between elected members and Council staff.
Civic Assets – “Civic Silver”				✓	To ensure proper governance, security and stewardship of ceremonial silverware and regalia owned by the Council.

The detailed scopes of each audit assignment will be agreed with the relevant managers nearer the commencement of the audit. The cost of the Internal Audit Service for 2025-26 is estimated to be £128,480.

Appendix B - Audit Charter

Purpose & Mission

The purpose of the Council's internal audit service is to provide independent, objective assurance and consulting services designed to add value and improve the Council's operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. The internal audit service helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

Standards for the Professional Practice of Internal Auditing

The internal audit service will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Chief Audit Executive will report periodically to **senior management**¹ and the **Board**² regarding the internal audit service's conformance to the Code of Ethics and the Standards.

Authority

The Chief Audit Executive will report functionally to the Resources Board and administratively (i.e. day-to-day operations) to the Interim Corporate Director - Resources (Section 151 Officer). To establish, maintain, and assure that the Council's internal audit service has sufficient authority to fulfil its duties, the Resources Board will:

- Approve the internal audit service's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit service's budget and resource plan.
- Receive communications from the Chief Audit Executive on the internal audit service's performance relative to its plan and other matters.
- Make appropriate inquiries of management and the Chief Audit Executive to determine whether there is inappropriate scope or resource limitations.

¹ The PSIAS defines **senior management** as "Those responsible for the leadership and direction of the Council" which in this instance is the Council's **Senior Leadership Team**.

² The Standards require that Internal Audit report to the **Board**. CIPFA have via the Public Sector Internal Audit Standards (PSIAS) Guidelines, determined that 'Board' may refer to an audit committee to which the governing body has delegated certain functions. In this instance this would be the **Resources Board**.

- The Chief Audit Executive will have unrestricted access to, and communicate and interact directly with, the Resources Board, including in private meetings without management present.

The Resources Board authorises the internal audit service to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the Council, as well as other specialised services from within or outside the Council, in order to complete the engagement.

Independence & Objectivity

The Chief Audit Executive will ensure that the internal audit service remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Audit Executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the Council or its affiliates.
- Initiating or approving transactions external to the internal audit service.
- Directing the activities of any Council employee not employed by the internal audit service, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Chief Audit Executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.

- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Chief Audit Executive will confirm to the Resources Board, at least annually, the organisational independence of the internal audit service.

The Chief Audit Executive will disclose to the Resources Board any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Resources Board, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Council. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
- The actions of the Council's officers, directors, employees, and contractors are in compliance with the Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Council.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Chief Audit Executive will report periodically to senior management and the Resources Board regarding:

- The internal audit service's purpose, authority, and responsibility.
- The internal audit service's plan and performance relative to its plan.
- The internal audit service's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Resources Board.

- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the Council.

The Chief Audit Executive also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit service may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit service does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility

The Chief Audit Executive has the responsibility to:

- Submit, at least annually, to senior management and the Resources Board a risk-based internal audit plan for review and approval.
- Communicate to senior management and the Resources Board the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, and controls.
- Communicate to senior management and the Resources Board any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Resources Board any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit service collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact the Council are considered and communicated to senior management and the Resources Board as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.

- Establish and ensure adherence to policies and procedures designed to guide the internal audit service.
- Ensure adherence to the Council's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Resources Board.
- Ensure conformance of the internal audit service with the Standards, with the following qualifications:
 - If the internal audit service is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Audit Executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - When the Standards are used in conjunction with requirements issued by CIPFA, the Chief Audit Executive will ensure that the internal audit service conforms with the Standards, even if the internal audit service also conforms with the more restrictive requirements of CIPFA.

Quality Assurance & Improvement Programme (QAIP)

The internal audit service will maintain a quality assurance and improvement programme that covers all aspects of the internal audit service. The program will include an evaluation of the internal audit service's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit service and identify opportunities for improvement.

The Chief Audit Executive will communicate to senior management and the Resources Board on the internal audit service's quality assurance and improvement programme, including results of internal assessments (both on-going and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council.



Central Midlands
Audit Partnership

Agenda Item No 7

Resources Board

10 March 2025

**Report of the
Interim Corporate Director – Resources
(Section 151 Officer)**

**Treasury Management Strategy
Statement, Minimum Revenue
Provision Policy Statement and
Annual Investment Strategy for
2025/26**

1 Summary

- 1.1 This report outlines the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy for 2025/26.

Recommendation to the Council

- a To adopt the clauses set out in paragraph 3.5; and**
- b To approve the Treasury Management Statement (Appendix A) and the proposed strategies for 2025/26 as detailed in Appendix B Treasury Management Strategy and Appendix C Investment Strategy.**

2 Introduction and Background

- 2.1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing appropriate liquidity initially before considering investment return.
- 2.2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

- 2.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:
- “The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 2.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.
- 2.6 ‘Investments’ in the definition above covers all the financial assets of the organisation, as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework under the CIPFA code.
- 2.7 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities focus on their risk implications for the organisation, and any financial instruments entered into in order to manage these risks.
- 2.8 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management. These principles will be applied across all investment activities, including any more commercially based investments.

3 CIPFA Reporting / Other Requirements

- 3.1 The CIPFA Prudential and Treasury Management Codes require all Local Authorities to prepare a Capital Strategy report which provides:

- A high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications of future financial sustainability.

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirement, governance procedures and risk appetite. The updated Capital Strategy will be reported to members by September 2025.

3.2 The Code also sets out requirements for Treasury Management. The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals. These are:

- **Prudential and treasury indicators and treasury strategy** (this report) – to cover capital plans (including prudential indicators), a minimum revenue provision (MRP) policy, the Treasury Management Strategy (how investments and borrowings are organised) including treasury indicators and an Annual Investment Strategy
- **A mid-year treasury management report** – a progress report to update Members on the capital position, amending prudential indicators as necessary, and whether any policies require revision
- **An annual treasury report** – backward looking review of the year, which provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

3.3 The reports mentioned above are required to be scrutinised before being recommended to the Full Council for approval. This role is undertaken by the Resources Board.

3.4 In addition to the three major reports detailed above, quarterly reporting is also required. Monitoring reports on the position at the end of June and end of December will be brought to Resources Board but these two reports do not need to be reported to Full Council. The quarterly reports should include updated Treasury / Prudential Indicators.

3.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that the Council adopts the following four clauses:

3.5.1 This organisation will create and maintain, as the cornerstones for effective treasury and investment management:

- A treasury management policy statement stating the policies, objectives and approach to risk management of its treasury management activities;

- Suitable treasury management practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control these objective;
- Investment practices (IMPs) for investments that are not for treasury management purposes.

The content of the policy statement, TMPs and IMPs will follow the recommendations contained in Sections 6,7 and 8 of the Treasury Management Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the TM Code's key principles.

3.5.2 This organisation will receive reports on its treasury and investment management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after the close in the form prescribed in its TMPs and IMPs

3.5.3 This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Resources Board, and administration of treasury management to the Section 151 Officer, who will act in accordance with the organisations policy statement, TMPs and IMPs, and if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management

3.5.4 This organisation nominates the Full Council to be responsible for ensuring effective scrutiny of the treasury management strategy and practices.

3.6 The current version of the Treasury Management Policy Statement is attached at Appendix A.

4 **Treasury Management Strategy for 2025/26**

4.1 The suggested strategy for 2025/26 is attached as Appendix B.

4.2 The strategy covers:

- the current treasury position
- treasury indicators which will limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the MRP strategy
- the investment strategy
- creditworthiness policy
- policy on use of external service providers.

5 Annual Investment Strategy

- - -
- 5.1 The Council's investment policy is attached at Appendix C. It has regard to the DLUHC's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

6 Report Implications

6.1 Finance and Value for Money Implications

- 6.1.1 There are no financial implications arising directly from this report. An Annual Report on Treasury Management, including investment activity will be presented to the Resources Board and Full Council by 30 September each year.

6.2 Environment, Climate Change and Health Implications

- 6.2.1 Having appropriate financial controls through the Treasury Management Strategy, Minimum Revenue Provision Policy Statement and Investment Strategy contributes towards the sustainable provision of services.

6.3 Risk Management Implications

- 6.3.1 The stringent controls in place for the treasury management function all help to minimise any risk. Establishing the credit quality of counter-parties reduces the risk of investments. Further risks have been identified for non-specified investments and are shown in Appendix C. In making any investment decision, whether it is an overnight investment or for a period of longer than one year, the risk attached is always taken into account.

6.4 Links to Council's Priorities

- 6.4.1 Making best use of our resources through achieving a balanced budget and developing our workforce.

The Contact Officer for this report is Alison Turner (719374).

Treasury Management Policy Statement 2025-26

- 1.1 The Council defines the policies and objectives of its treasury management as the management of the Council's investments and cash flows, its banking, money market and capital market transaction; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best practice in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management. It is important, therefore, that the Council's investment framework should seek to safeguard the Council's funds rather than to maximise returns. Due consideration must, therefore, be given to:
 - Security: the creditworthiness of the counterparty;
 - Liquidity: how readily available to cash is; the term of the investment;
 - Yield or the rate of return on the investment.

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all external investment. Security and liquidity will take priority over yield, but the highest yield possible may be sought once security and liquidity have been assured.

- 1.4 The Council will receive reports on its treasury management policies, practices and activities including an annual strategy and plan in advance of the year, an annual report after its close, and an update report at other intervals, so that Members are informed of activities at each Board cycle. These reports will be in the format prescribed in the Council's Treasury Management Practices (TMP).
- 1.5 The Council delegates responsibility for the implementation of its treasury management policies and practices to the Resources Board, and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the Council's statement and TMP's and if he/she is a CIPFA member, CIPFA's "Standard of Professional Practice on Treasury Management".

TREASURY MANAGEMENT STRATEGY FOR 2025/26

The strategy for 2025/26 covers two main areas:

Capital Issues

- The capital expenditure plans and the associated prudential indicators
- The minimum revenue provision (MRP) policy

Treasury management issues

- The current treasury position
- Treasury indicators which limit the treasury risk and activities of the Authority
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy
- Creditworthiness policy; and
- The policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The code also states that “all organisations are expected to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making”.

The scale of this depends on the size and complexity of the organisation’s treasury management needs. However, consideration should be given to how to assess whether treasury management staff and board / council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, the Council will carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified
- Prepare learning plans for treasury management officers and board / council members

- Require treasury management officers and board / council members to undertake self-assessment against the required competencies
- Have regular communication with officers and board / council members, encouraging them to highlight training needs on an ongoing basis.

It is some time since Members have undertaken Treasury Management training, so training will be organised during 2025. The training needs of officers involved in treasury management activity are reviewed annually as a minimum.

A formal record of training undertaken by both Officers and Members will be maintained by the Section 151 Officer.

Treasury Management Consultants

The Council uses Link Group, Link Treasury Services Limited as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the Council and it will make decisions after taking into account advice or information given from Link, but the Council will not solely rely on this advice. It recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and are subject to regular review.

THE CAPITAL PRUDENTIAL INDICATORS 2025/26 – 2027/28

The authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans are prudent, affordable and sustainable.

Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those which were included in the recent budget cycle.

	Actual 2023/24 £'000	Revised 2024/25 £'000	Original 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000
HRA	8,286	5,695	6,066	4,981	5,561
HRA - New Build	171	2,679	1,358	1,385	1,413
General Fund	3,013	3,509	13,142	343	1,453
Total	11,470	11,883	20,566	6,709	8,427

The table below summarises the above capital expenditure plans and how these plans are being financed by revenue or capital resources. Any shortfall of resources results in a borrowing need.

Financing of Capital Expenditure £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Capital receipts	3,078	1,078	563	561	561
Capital grants	1,286	2,483	0	0	0
Capital reserves	7,476	1,182	5,503	143	1,186
Year End Creditors	0	0	0	0	0
Revenue	452	5,677	6,738	5,938	6,095
E M Revenue	0	0	0	0	0
Total	12,292	10,420	12,804	6,642	7,842

The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resources, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The Authority has approved the CFR projections below:

£000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Non-HRA	11,806	14,575	14,227	13,882	13,543
HRA	50,389	49,228	47,766	46,154	44,742
Total CFR	62,195	63,803	61,993	60,036	58,285
Movement in CFR		1,608	(1,810)	(1,957)	(1,751)

Movement in CFR represented by					
Net financing need for the year (above)		2,150	(1,150)	(1,300)	(1,100)
Less MRP/VRP and other financing movements		(542)	(660)	(657)	(651)
Movement in CFR		1,608	(1,810)	(1,957)	(1,751)

Liability Benchmark

The Authority is required to estimate and measure the LB for the forthcoming years and the following two financial years, as a minimum.

There are 4 components to the LB:

- **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years
- **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP
- **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast
- **Liability Benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Loan debt o/s	62,195	63,803	61,993	60,037	58,285
Loans CFR	62,195	63,803	61,993	60,037	58,285
Net loan Req't	29,195	30,802	28,992	27,036	25,284
Liability Benchmark	(28,000)	(28,001)	(28,001)	(28,001)	(28,001)

The liability benchmark indicates that the net loan requirement is less than the external borrowing held by the Council. This highlights the fixed term nature of the borrowing taken out for the HRA in 2014 and some further borrowing in 2024, and the expectation that the Council's treasury investments continue at similar levels in the future. This will change as reserves are used.

Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc). Detailed below are estimates of year end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £000	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Fund balances/ reserves	36,536	35,449	24,267	18,705	14,474
Capital Receipts	1,683	1,078	563	562	560
Provisions	3,121	3,121	3,121	3,121	3,121
Other	2,256	1,000	1,000	1,000	1,000
Total Core Funds	43,596	40,648	28,951	23,388	19,155
Working capital	(9,904)	(9,959)	(10,502)	(6,952)	(10,558)
Expected Investments	33,692	33,689	18,449	16,436	8,597

Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP Policy will be the 4% reducing balance (of the opening GF CFR balance less adjustment A), in accordance with the recommendations and intent of Option 1 and the discretion available under the Guidance.

From 1 April 2008 for all unsupported borrowing the MRP Policy will be the asset life method (straight line).

The Council will not charge MRP on capital expenditure incurred until the year after the scheme or asset to which it relates is completed and/or becomes operational. MRP will be spread over a period which reflects the life/beneficial use of the associated asset or item.

Estimated life periods will be taken under delegated powers. In the case of new capital expenditure in respect of land, it is considered that the recommended life period of 50 years contained within the Guidance does not adequately reflect a realistic life period, which is considered to be at least as great as would be the case if a building were to be placed upon it. The Council are aware when approving this that the Guidance

recommends only that the life period should bear some relation to that over which the asset is estimated to provide a service.

To the extent that expenditures are not on the creation of an asset and are of a type that are subject to estimated life periods that are referred to in the Guidance, these periods will generally be adopted by the Council. However, in the case of long-term debtors arising from loans or other types of capital expenditure made by the Council which will be repaid under separate arrangements (such as long-term investments), the Authority will give separate consideration as to whether a Minimum Revenue Provision will be made. The Council are satisfied that a prudent provision can be achieved after exclusion of these capital expenditures from the MRP requirements.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP. Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan. Where a loan to a third party is spread over a period, and repayment of principal will only commence once the loan is fully given, no MRP will be made in the interim.

MRP Overpayments – Under the MRP Guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

No VRP overpayments have been made to date.

BORROWING

The capital expenditure plans reported to the Executive Board on 10 February 2025 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cashflow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current Portfolio Position

The overall treasury management portfolio as at 31.03.24 and the position as at 31.1.25 are shown below for both borrowing and investments.

	Actual 31.03.24 £000	Actual 31.03.24 %	Actual 31.1.25 £000	Actual 31.1.25 %
Treasury Investments				
Banks	-	-	-	-
Money Market Funds	-	-	15,000	4.71
Certificates of Deposit	27,000	5.81	21,000	4.90
Total Managed In House	27,000	5.81	36,000	4.82
Property Funds	6,000	5.89	6,000	4.58
Total Managed Externally	6,000	5.89	6,000	4.58
Total Treasury investments	33,000	5.83	42,000	4.79
Treasury External Borrowing				
PWLB	46,229	3.47	46,229	3.47
Total External Borrowing	46,229	3.47	46,229	3.47
Net treasury investments / (borrowing)	(13,229)		(4,229)	

The authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital financing Requirement – CRF), highlighting any over or under borrowing.

	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£000	£000	£000	£000	£000
Debt at 1 April	41,979	46,229	48,379	47,229	45,929
Expected change in debt					
Repayment of Debt	(2,350)	(2,350)	(2,450)	(2,600)	(3,100)
New Debt	6,600	4,500	1,300	1,300	2,000
Actual gross debt at 31 March	46,229	48,379	47,229	45,929	44,829
The Capital financing Requirement	62,195	63,803	61,993	60,036	58,285
Under / (over) borrowing	15,966	15,424	14,764	14,107	13,456

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not exceed, except in the short-term, the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Section 151 officer reports that the Authority complied with this prudential indicator in the current financial year.

Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by any other cash resources.

Operational Boundary £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
Total	70,420	68,695	66,826	65,166

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority has approved the following authorised Limit:

Authorised Limit £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000	Estimate 2027/28 £000
Total	78,037	76,396	74,615	73,047

Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the council to formulate a view on interest rates. Link provided the following forecasts on 24 February 2025. These are forecasts for certainty rates, gilt yields plus 80 basis points.

	Mar 25	Jun 25	Sep 25	Dec 25	Mar 26	Jun 26	Sep 26	Dec 26
Bank rate	4.50%	4.25%	4.75%	4.00%	3.75%	3.75%	3.75%	3.50%
5 Yr PWLB	5.00%	4.90%	4.80%	4.70%	4.60%	4.50%	4.40%	4.40%
10 Yr PWLB	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.70%
25 Yr PWLB	5.80%	5.70%	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%
50 Yr PWLB	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%

PWLB Rates

Yield curve movements have become less volatile. PWLB 5 to 50 years Certainty rates are, generally, in the range of 5.05% to 5.79%. peaking in the year bands 25 to 31 years at 6.10%

It is considered that the markets have already priced in nearly all the effects on gilt yields of the likely movements in Bank Rate and the poor inflation outlook but markets are volatile and further movements of gilt yields across the whole spectrum of the curve is possible.

The overall balance of risks to economic growth in the UK is to the downside, with the Bank of England projecting two years of negative growth.

Downside risks include labour and supply shortages, the Bank of England acting too quickly or too heavily in changing bank rate impacting on economic growth, EU trade arrangements impact on trade flows and geopolitical risks abroad that impact on the UK. Upside risks include the Bank of England acting too slowly in changing bank rate leading to inflationary pressures, the Government acts too slowly in managing public finances, a weak pound and foreign monetary policy impacts on the investment market.

Borrowing Advice is that better value is currently found at the shorter end of the curve and longer-term borrowing is better left until rates fall, if possible.

Borrowing Strategy

The authority is currently maintaining an under borrowed position. This means that the capital borrowing need has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra funds borrowed. Any decision to borrow in advance will be within the forward Capital Financing Requirement estimates and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Resources Board at the earliest meeting following its action.

New Financial Institutions as a Source of Borrowing and / or Types of Borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities – shorter term borrowing is generally still cheaper than the Certainty Rate
- Financial institutions - primarily insurance companies and pension funds where the objective is to avoid a cost of carry.

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Approved Sources of Long and Short-term Borrowing

On Balance Sheet

	Fixed	Variable
PWLB	•	•
UK Municipal Bond Agency	•	•
Local Authorities	•	•
Banks	•	•
Pension Funds	•	•
Insurance Companies	•	•
UK Infrastructure Bank	•	•
Market (long term)	•	•
Market (temporary)	•	•
Market (LOBOs)	•	•
Stock Issues	•	•
Local Temporary	•	•
Local Bonds	•	
Local Authority Bills	•	•
Overdraft		•
Negotiable Bonds	•	•
Internal (capital receipts & revenue balances)	•	•
Commercial Paper	•	
Medium Term Notes	•	
Finance Leases	•	•

INVESTMENT STRATEGY 2025/26

Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities and CIPFA have extended the meaning of investments to include both financial and non-financial investments. This Investment Policy largely deals with treasury (financial) investments.

The Authority's investment policy has regard to the following:

- DLUHC's Guidance on Local Governments Investments
- CIPFA Treasury Management in Public services Code of Practice and Cross Sectoral Guidance Notes 2021
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cash flow needs but to also consider 'laddering' investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

The DLUHC and CIPFA guidance places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- **Other information:** ratings will not be the sole determinant of the quality of an institution, it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

This Authority has defined the list of types of investment instruments that the finance team are authorised to use. There are two lists in Appendix A under the categories of 'specified' and 'non-specified' investments.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.
- **Non-specified investments** are those with less high level of credit quality, may be for periods in excess of one year and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

Non-specified and loan investment limits. The Authority has determined that it will limit the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments.

Lending Limits, (amounts and maturity), for each counterparty will be set through applying the matrix table below:

Group Limit	Up to 30% of total investments
Other Limits	Up to 50% of investments may be invested for a period of more than 1 year
	Up to 100% of investments may be invested with UK institutions
	Up to 50% of investments may be invested in non-UK institutions
	Up to 100% of investments may be invested for a period of up to 1 year
	Up to 20% of investments portfolio in any one country outside of the UK
Ultra-Short Dated Bond Funds	As the funds are spread over a large number of institutions, these do not form part of any group limit.
Cash Funds	As the funds are spread over a large number of institutions, these do not form part of any group limit.
Property Funds	As the funds are spread over a range of properties, these do not form part of any group limit.

Transaction limits are set for each type of investment in the table below:

Fitch Ratings	Investment Duration	Investment Limit
AAA – Money Market Fund (MMF)	12 months and over	£5,000,000
AAA – Cash Fund (USDBF)	12 months and over	£3,000,000
AAA – Property Fund	12 months and over	£2,000,000
AAA – Supranational Bank	12 months and over	£2,500,000
AAA – Supranational Bank	Less than 12 months	£3,000,000
AA+	12 months and over	£2,000,000
AA+	Less than 12 months	£2,500,000
AA	12 months and over	£1,750,000
AA	Less than 12 months	£2,250,000
AA-	12 months and over	£1,500,000
AA-	Less than 12 months	£2,000,000
A+	12 months and over	£1,500,000
A+	Less than 6 months	£1,750,000
A	12 months and over	£1,000,000
A	Less than 6 months	£1,500,000
A-	12 months and over	£750,000
A-	Less than 6 months	£1,250,000
Nationalised/Part-Nationalised	12 months and over	£1,750,000
Nationalised/Part-Nationalised	Less than 12 months	£2,250,000

Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, as set out below:

Approved countries for investment
AAA Australia Denmark Germany Netherlands Norway Singapore Sweden Switzerland Canada Luxembourg AA+ Finland United States of America AA Abu Dhabi (UAE) Ireland Belgium Qatar United Kingdom AA- France

This Authority has engaged external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.

All investments will be denominated in sterling.

As a result of the change in accounting standards, some investment instruments could result in an adverse movement in the value of the amount invested, which would result in charges at the end of the year to the General Fund. Any such investments will be kept under consideration.

However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

Creditworthiness Policy

This Council uses the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's(S&P).

Typically, the minimum credit ratings criteria the Council use will be a Short-Term rating (Fitch or equivalents) of F1 and a Long-Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

The Link Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information and information on any external support for banks to help support its decision-making process.

Limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups, and sectors.

- **Non-specified treasury management investment limit.** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified investments as detailed in Appendix A.
- **Country Limit.** The Authority will only use approved counterparties from the UK and from other countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this criteria are shown in the table detailed earlier in the document. This list will be amended by officers should rating change, in accordance with the Policy.

Other limits. In addition:

- No more than 20% of investments will be place with any non-UK country at any time
- Limits in place will apply to a group of companies
- Sector limits will be monitored regularly for appropriateness.

Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (for periods up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and reducing from the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully

assessed. Cash balances and money market funds are used to ensure short term cash flow.

Investment treasury indicator and limit – total principal funds invested for greater than 365 days. These limits are set with regard to the Authority's liquidity requirements and to reduce the need of early sale of an investment and are based on the availability of funds after each year end.

Investment Performance / Risk Benchmarking

The Council will use an investment benchmark to assess the investment performance of its investment portfolio. The SONIA rate will be used. This rate is 4.45% at the end of February 2025.

The Council is also part of a Warwickshire and West Midlands Investment Benchmarking Group, and also monitors its performance against other members of that group.

End of Year Investment Report

At the end of the financial year the Authority will report on its investment activity as part of its Annual Treasury Report.

External Fund Managers

The Council makes only limited use of external fund managers. This use occurs due to the investments the Council currently holds with Money Market Funds (MMF's). all other investments are managed directly by Officers.

LOCAL GOVERNMENT INVESTMENTS (England)

SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated, with maturities up to a maximum of 1 year.

Investment	Repayable/ Redeemable within 12 months?	Security / 'High' Credit Rating criteria	Circumstance of use	Maximum period
Money Market Funds (MMF) - Including USDBFs <i>These funds do not have any maturity date- structured as Open-Ended Investment Companies (OEICs)</i>	Yes	Yes AAA rated	In-house	the period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
Debt Management Agency Deposit Facility¹	Yes	Yes AAA rated	In –house	365 days
Term Deposits- Local Authorities	Yes	N/A	In –house	365 days
Term Deposits- Banks and Building Societies	Yes	See Strategy	In –house	365 days
Banks nationalised by high credit rated countries (sovereign rating)	Yes	Sovereign rating	In -house	365 days
Government guarantee on ALL deposits by high credit rated countries (sovereign rating)	Yes	Sovereign rating	In -house	365 days
UK government support to the banking sector (implicit guarantee)	Yes	UK sovereign rating	In -house	365 days

Monitoring of credit ratings: All credit ratings will be monitored *weekly or more frequently if needed*.

Forward Deposits: Forward deposits may be made. However, the forward period plus the deal period should not exceed one year in aggregate.

Support: Banks eligible for support under the UK bail-out package and which have debt guaranteed by the Government are eligible for a continuing guarantee when debts mature and are refinanced. The banks which have used this explicit guarantee are:

Bank of Scotland; Barclays; Clydesdale; Coventry Building Society; Investec Bank; Nationwide Building Society; Rothschild Continuation Finance plc; Standard Life Bank; Royal Bank of Scotland; Tesco Personal Finance plc; West Bromwich Building Society; Yorkshire Building Society.

LOCAL GOVERNMENT INVESTMENT (England)

NON-SPECIFIED INVESTMENTS - A maximum of 50% may be held in non-specified investments

Maturities in excess of 1 year <u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating **	Circumstance of use	Max % of overall investments	Maximum maturity of investment
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	Period and amount will be dependent on credit ratings, as shown on authorised list	In-house		<i>Suggested limit :</i> <i>5 years</i>
Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	Period and amount will be dependent on credit ratings, as shown on authorised list	To be used in-house after consultation/ advice from Link		<i>Suggested limit :</i> <i>5 years</i>

Term deposits- local authorities	Going concern	No	N/A	In house		<i>Suggested limit : 5 years</i>
Property Funds	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity (average 5% yield since 1970). (ii) Reduces Portfolio Risk through a diversified portfolio (B) (i) Illiquid – Property is an illiquid asset class and it is not always possible to sell units immediately. (ii) High Cost of Dealing (iii) high market risk as the property value and performance will fluctuate based on condition of Real Estate market.	No	N/A	To be used in-house after consultation/ advice from Link		<i>Suggested limit : 10 years</i>
UK Gilt Government	A) Enhanced income – potentially higher return than using a term deposit with similar maturity B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the gilt		AAA	To be used in-house after consultation/advice from Link		<i>Suggested limit 10 years</i>
Bonds issued by a financial institution guaranteed by the UK Government	A) Enhanced income – potentially higher return than using a term deposit with similar maturity B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond		AAA	To be used in-house after consultation/advice from Link		<i>Suggested limit 10 years</i>

Bond Funds Gilt Funds (Collective Investment Schemes structured as Open-Ended Investment Companies)	<p>A) Enhanced income – potentially higher return than using a term deposit with similar maturity</p> <p>B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond</p>		AAA	To be used in-house after consultation/advice from Link		<i>Suggested limit 10 years</i>
Sovereign Bonds (i.e. other than the UK Government)	<p>A) Enhanced income – potentially higher return than using a term deposit with similar maturity</p> <p>B) Interest rate risk. However, if held to maturity, both principal and interest will be paid. Price will move throughout the life of the bond</p>		AAA	To be used in-house after consultation/advice from Link		<i>Suggested limit 10 years</i>
Bonds issued by Multilateral Development Banks	<p>(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts)</p> <p>(iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt ~ aids forward planning, enhanced return compared to gilts.</p> <p>(iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity)</p> <p>(B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss.</p> <p>(ii) Spread versus gilts could widen</p>	No	AAA or government guaranteed	Buy and hold to maturity : to be used in-house after consultation/ advice from Link		<i>Suggested limit 10 years</i>

Sub- Regional Materials Recycling Facility	<p>(A) Enhanced income - Investment opportunity to provide good returns.</p> <p>(B) (i) Limited market if there is a wish to sell shares.</p> <p>(ii) Commercial risks have been taken into account in the business case modelling.</p>		N/A	8 local authorities are in partnership to develop a wholly local authority owned/operated Materials Recycling Facility.		<i>Limit 25 years</i>
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Agenda Item No 8

Resources Board

10 March 2025

Report of the Interim Corporate Director – Write Off Policy 2025/26 Resources (Section 151 Officer)

1 Summary

- 1.1 The purpose of this report is to provide details to Members on North Warwickshire Borough Council's Policy for writing off irrecoverable debts for Council Tax, Non-Domestic Rates, Housing Benefit Overpayments and Former Tenant Arrears effective from 1st April 2025. At this stage this policy does not cover sundry debt as this is a separate process, however despite the difference in process in the future this will be added to the policy to ensure all write off procedures are included.

Recommendation to the Board

To approve the policy outlining The Council's approach to dealing with irrecoverable Council Tax debts, Non-Domestic Rates, Housing Benefit overpayments and Former Tenant arrears

2 Background and Introduction

- 2.1 Our aim is to balance the effective collection of monies owed to the Council by adopting a holistic approach to the recovery of debts.
- 2.2 Ensure a professional, consistent, and timely approach to recovery action for all the different types of debt owed to the Council.
- 2.3 The write off policy attached at Appendix A will detail the process and approach to irrecoverable debts to ensure practices are clear, transparent and robust.

3 Write Off Policy

- 3.1 The Council is committed to following these good practice principles to assist the statutory debt recovery processes:
- Accurate and prompt billing will take place.
 - A range of payment options will be available.
 - Agreement of affordable repayment arrangements for those customers experiencing financial difficulties.

- Advice on ways to reduce bills and maximise income such as applying for a Hardship Payment or Discretionary Housing Payment.
- Referral to the Citizens Advice Bureau for advice on other benefits, e.g. Universal Credit
- Access to advice and information will be provided at every stage of the collection and recovery process and will be available online.
- Appropriate and proportionate recovery action will be taken.
- There will be a regular and realistic review of doubtful debts.
- Good customer care is a minimum expectation.
- Efficiency and cost effectiveness must be demonstrated.
- Partnership arrangements and secure referral systems will be in place.
- Timely monitoring and reporting of performance will be undertaken.

3.2 If a customer fails to make contact or maintain arrangements, we have a duty to collect what is due and will use all legal means available to recover debts.

This includes:

- attachment of earnings
- deduction from benefits
- enforcement agent action
- debt collection action
- blameless tenant recovery
- possession proceedings
- county court proceedings
- charging orders
- Insolvency proceedings including bankruptcy and winding up
- committal to prison proceedings

3.3 Despite our procedures for recovering debts, there are always cases that may be deemed impossible or not cost effective to pursue. There are a variety of reasons this might happen, these include:

- The amount outstanding is below an agreed lower limit.
- The customer has left an address and we are unable to trace them.
- The customer has died and there are not sufficient funds from their estate to pay the amount owed.
- The customer is bankrupt or if the company is insolvent (however we do submit a claim in bankruptcy and any payments received from the receiver are credited to the account accordingly)
- It is uneconomical to pursue the debt due to health, or financial reasons. In determining “uneconomic”, account must be taken of the overall impact on the Council of non-pursuit of that debt including the likelihood that other customers may then also choose not to pay their outstanding debts. We will use write off as a final option where there is no realistic chance of recovery, and it is considered inappropriate to use other methods of recovery.
- Statute barred – An invoice is irrecoverable if six years have elapsed from the date of the invoice, date of service or last payment date, whichever is the later. If the debtor acknowledges the debt the six years

runs from this date. All debts, which are statute barred, will be processed through the agreed write off procedures as irrecoverable.

- Inability to pay – if after all attempts to help a customer meet their payment obligations such as through providing budgeting advice there is still an inability to pay some, or all their debt then write off may be considered. However, this will be the extreme exception and will only be made after working with the customer to find an alternative solution.

We will monitor all outstanding debts to ensure that they are recoverable and will take prompt action when irrecoverable debts are identified to write them off in accordance with our financial regulations and the Policy as detailed in Appendix A.

...

This includes an appropriate level of authority that has been delegated to officers for write off purposes and will ensure recovery action is proportionate to the level of the debt due.

4 Report Implications

4.1 Finance and Value for Money Implications

- 4.1.1 There are no financial implications arising directly from this report. It is essential that the Council has robust and proactive recovery processes and the write off policy is part of this process. Collection of outstanding debt is essential for the financial stability of the council.

4.2 Risk Management Implications

- 4.2.1 Debt recovery is important but it is important that when a debt is deemed irrecoverable it is written off in line with the policy. If the Council does not have a transparent, clear and robust write off policy it is open to challenge as its difficult to be consistent without a clear policy. Also officers need clarity on approach.

4.3 Legal Implications

- 4.3.1 Council Tax: Local Government Finance Act 1992
The Council Tax (Administration and Enforcement) Regulations 1992 (as amended)
Social Security Administration Act 1992 (Housing Benefits)
Local Authority Financial Regulations
Local Government Finance Act 1988
The Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989

4.4 **Links to Council's Priorities**

- 4.4.1 To make best use of our resources a recovery process including a write off policy is important.

The Contact Officer for this report is Katie Hines(719234).

NORTH WARWICKSHIRE BOROUGH COUNCIL - WRITE OFF POLICY

Purpose of this policy

The purpose of this policy is to prescribe the standard procedures to be followed by officers within the Community Services division when it is considered inappropriate to continue to collect and enforce the recovery of any of the following; Council Tax, Non Domestic Rates, Former Tenant Arrears and Housing Benefit Overpayments.

Write off limits

The authorisation levels for write off are:

- Up to £100.00 Revenues and Benefits Team Leaders
- Up to £1,000.00 Revenues and Benefits Managers
- Up to £7,500.00 S151 Officer
- £7,500.01 Resources Board
- Any Insolvent S151 Officer
- Deceased S151 Officer
- Statute Barred S151 Officer

Financial Implications

Before monies can be considered for write off, documentary evidence confirming actions taken to recover and trace the debt must support the request which will be proportionate with the level of debt submitted for write off.

Amounts in excess of £7500.00 will be reported to Resources Board at each board cycle and will be detailed individually stating the the Recovery year, Liability year, the amount of debt and the reason the debt is deemed irrecoverable.

Circumstances when it will be appropriate to write off monies

It may be necessary to write off irrecoverable debts in a variety of circumstances. These can be categorised as follows;

- debts where the debtor/company is insolvent (bankruptcy/liquidation), subject of a debt relief order and/or Administrative Receivership cases
- debts where the debtor has served a custodial sentence in respect of the debt
- debts where the debtor is deceased and the estate is insolvent
- debts which are remitted by the courts due to hardship
- debts where the debtor has absconded
- small value non-recurring debts

- debts deemed uneconomical to collect or where it is deemed inappropriate to continue with recovery action due to an individuals known personal/financial circumstances.
- debts where a company has ceased to trade leaving no assets
- debts which cannot be legally enforced

Write Off – Council Tax and Non Domestic Rates

It should be noted that in all cases where the debtor is jointly liable for the debt with another person(s), recovery action will continue against all liable individuals and only once and if this action fails against all persons will monies be recommended for write off.

Reasons and procedures for write off

1. Bankrupt (applies to council tax, or non-domestic rates where there is a personal liability e.g. sole traders or partnerships).

Upon notification, a proof of debt will be completed covering all charges covered within the bankruptcy period and submitted to the trustee in bankruptcy. Once a claim has been issued the total debt will submitted for write off in accordance with financial regulations.

In the event of payment being received in full or part from the bankrupts' estate, this money will be credited back to the relevant account.

In some cases, it may be deemed appropriate for the Council to pay the costs of making an individual bankrupt where it is considered this may prompt payment, prevent similar circumstances arising in the future, and also to seek to prevent the person acting as a director in future businesses. The S151 Officer will make the decision in these matters due to the costs involved in taking such action.

2. Individual Voluntary Arrangements/Administration Orders/ Debt Relief Orders

These are an alternative course of action available to an individual wishing to avoid the restrictions placed by a bankruptcy order being made. It involves the debtor making an offer to all creditors, which is less than the full amount of the debt outstanding to be repaid over a period of time in full and final settlement. If creditors agree to the offer as an alternative to proceeding for bankruptcy, an insolvency practitioner administers the Voluntary Arrangements and DRO's with Administration Orders administered by the county court.

Whilst these cases will be monitored periodically for payment, it is accepted as good accounting practice that liability should be reduced to a £5 liability indicating that the debt cannot be enforced or recovered during the life of the order and in many cases is likely to remain unpaid as a result of future default

Once the order is in force the total of the debt (less £5) will be included on a list of cases submitted for write off and authorised in accordance with financial regulations.

3. Liquidation

This applies to Limited or PLC's (Public Limited Companies).

Upon notification, a proof of debt will be completed covering all charges covered within the bankruptcy period and submitted to the trustee in bankruptcy. Once a claim has been issued, the total debt will be submitted for write off in accordance with financial regulations.

In the very unlikely event of payment being received in full or part from the bankrupts' estate, this money will be credited back to the relevant account.

In appropriate cases, it may be deemed appropriate for the Council to pay the costs of legally winding up a company where it is considered this may prevent similar circumstances arising in the future and to seek to prevent the person acting as a director in future businesses. The Assistant Chief Executive (Community Services) will make the decision in these matters due to the costs involved in taking such action.

4. Company Voluntary Arrangements

This course of action is an alternative course of action available to a company wishing to avoid the making of a winding up order. It involves the directors making an offer to all creditors, which is less than the full amount of the debt outstanding to be repaid over a period of time in full and final settlement. If 75% of creditors agree to the offer as an alternative for winding up proceedings, an insolvency practitioner administers the Voluntary Arrangements.

Whilst these cases will be monitored periodically for payment, it is accepted as good accounting practice that liability should be reduced to a £5 liability indicating that the debt cannot be enforced or recovered during the life of the order and in many cases is likely to remain unpaid as a result of future default.

Once the order is in force the total of the debt (less £5) will be included on a list of cases submitted for write off and authorised in accordance with financial regulations

5. Administrative Receivership

This involves an individual being appointed by a lender, usually a bank which holds a debenture as security over a floating charge over assets of the company, and usually takes effect where the company is in default of agreed lending terms.

It involves an insolvency practitioner taking immediate control of the company in an attempt to sell it as a going concern. Unfortunately, although remaining in occupation, no action can be taken against the receivers appointed to enforce payment of previous or on going rate charges.

In the circumstances it is prudent to treat the debt as irrecoverable, reducing the debt to a £5 liability but monitoring the case on a six monthly basis with regards to the likelihood of any sale and notifying them of any new charges they have fallen due.

The debt will then be included on a list of cases submitted for write off and authorised in accordance with financial regulations.

6. Debts where the debtor has served a custodial sentence in respect of the debt

If a case is subject of Committal Proceedings and a debtor has been imprisoned for non payment of Council Tax or Business Rates, whilst monies outstanding are not legally remitted on imprisonment, the authority cannot enforce the debt again through the court system in an event of continued non-payment.

It is accepted as good practice to write off the monies as irrecoverable.

7. Debts where the debtor is deceased and the estate is insolvent

Where a debtor has died and the estate is insolvent, the debt will be recommended for write off provided that the executor has produced a letter confirming that there are no assets from which to discharge any outstanding liability.

8. Debts which are remitted by the Courts due to hardship

Where there is an application to request the commitment of a debtor to prison, one option available to the Magistrates is to remit monies on the grounds of hardship. In order to determine this, the Magistrates must be satisfied that there is inability to pay following them undertaking a means inquiry.

These will be reported to this board for their information but will not fall under financial regulations, as the Council has no discretion to over rule the decision.

Discretionary Write Offs

In addition to the above circumstances, there will be instances where recovery cannot be enforced because either;

- the debtor cannot be traced or,
- where it is deemed inappropriate to recover monies on the grounds that it is uneconomical to collect based on the value of the debt or on the grounds of an individuals personal circumstance.

The steps to be followed in recommending write off of such debts will vary dependent on the status and amount of the debt as detailed below.

Small Balance Write off

Debts within the range of -1.00 to 1.00 will be written off weekly.

Finalised Accounts

1. Debts under £100

For any finalised account with a balance under £100 where no summons has been issued, officers will make basic checks of initial Council systems (i.e.) Housing and Revenues & Benefits and known third parties (e.g.) solicitors, letting agents; internet searches but will not undertake additional ad-hoc checks or issue further documentation.

2. Debts over £100

Before the debt can be recommended for write off, the following enquires should be undertaken by officers

- Check Council Tax database to identify if the person has re registered at another address within the borough
- Check with Housing Department
- Contact Landlord or Letting/Estate Agent
- Contact neighbouring local authorities
- Check with electricity and gas service providers where known
- Check the electoral register
- Undertake visits to property where considered appropriate
- Make Credit Reference Agency Checks (proportionate and in line with the amount of monies due)r

If after all enquires have been completed and a forwarding address has not been established, the account will be referred to the Revenues Team Leader for the debt to be written off.

1. Debts, both ongoing and finalised where it is deemed inappropriate to continue with legal or recovery action due to an individuals known personal or financial circumstances.

The authority has no powers under Council Tax legislation to write off debts because of hardship. However before cases are considered for both civil enforcement action, further county court action, or committal to prison proceedings, each will be considered on its individual merits taking into account the information available regarding the debtors age, health and financial position as well as evaluating the likely additional cost of taking such action both to the council and the customer.

In certain circumstances, it may be considered inappropriate to proceed with further enforcement action either because the cost of action would be disproportionate to the debt, it would cause considerable hardship to pursue or because the personal circumstances of the individuals concerned may result in potential negative media attention impacting on the Councils reputation. By enforcing recovery on those whose circumstances render them already vulnerable, our actions may cause unacceptable hardship and this raises moral as well as cost questions.

In NDR matters, provision does exist under Section 49, LGFA 1988 and these will be considered in line with our adopted guidelines. NDR write offs on the grounds of hardship are very rare as they have to be in the interest of the Council Taxpayer to award and they are commercial in nature.

It is important to remember that the term hardship does not purely relate to an individuals financial position, and it can also refer to their age, state of health, emotional or mental condition but obviously the circumstances of individuals vary greatly so there is no definitive list.

In these circumstances, if it is considered that where all reasonable recovery attempts have failed and write off appears the only viable option, then irrespective of the amounts involved, the case will be considered by a group of officers chaired by the Assistant Chief Executive (Community Services) and where appropriate, include representatives from the Community Services and Housing Division, Internal Audit and ideally a representative from the CAB.

Where cases involve monies due in excess of £5,350 (to be increased annually from 2017/18 onwards), these will be referred to the Resources Board in a report for a decision to be taken whether it is appropriate to write off all or part of the debt on the grounds of hardship and/or reasonableness.

Factors that should influence the decision whether Council Tax, or Business Rate debts are economical or reasonable to pursue are: -

- a) The size and age of a debt in relation to where it is in the recovery process and the costs of certain action which could be taken to try and secure recovery.
- b) Any previous action taken on the case and the outcomes. This could include;
 - Civil Enforcement Agent reports
 - Council, partner or Voluntary Sector records and information
 - Credit Rating Agency checks
 - Companies House information
- c) When was the last action taken to try and recover the monies?
- d) Are all documents in sufficient order to support the recovery of the monies if legally challenged?
- e) Other information to support action;
 - Income and Expenditure breakdown with clear justification that all non essential spending is deemed reasonable
 - A review of circumstances has been undertaken to ensure all benefit entitlement has been maximised
 - Why food bank assistance, relief in the form of Discretionary Housing Payments, or Council Tax Support or other support programmes offered by the Council cannot be used to enable the payments to be made
- f) Whether the position is down to the individual's wilful refusal or neglect to pay charges

Having regard to each individual case, officers will calculate how much it would cost the Council to proceed with certain actions and whether it is economically viable or acceptable to do so.

Where remission of all or part of the debt is proposed, it will be expected that the individual will engage fully with the Council to ensure that this action is the exception rather than the rule. They should also be taking positive action to improve their personal and financial circumstances. An evaluation report will be completed for each debt to support any decision.

The outcome of cases in terms of monies written off will be reported to the Resources Board as part of the committee report that is brought to each cycle.

2. Debts where a company has ceased to trade leaving no assets

On occasions, limited companies will cease to trade on the grounds of having no assets to pay but they will not go through the formal process of winding up proceedings which have both cost and legal implications. Where this occurs, the Council could take steps to officially put the company into compulsory liquidation to remove the company from companies register although this action is costly to, and in most cases there is no advantage gained by the Council to do this.

In these circumstances, if it is considered that in all such cases, if the civil enforcement agent has failed to recover monies due or identify assets on which to levy distress, because committal to prison proceedings are not an option, a recommendation for write off will be made in line with financial regulations.

We will monitor any future business activities of the failed directors which may influence our decision making obtained via internal and Companies House information.

3. Debts which cannot be legally enforced

Certain debts will fall outside of legal jurisdiction either because the debtor will have left the country or 6 years may have passed before recovery action has been instigated against an individual since the debt was acknowledged. Whilst cases of this type will be very rare, where contact in writing has failed to result in payment or an arrangement to pay, a recommendation for write off will be sent to S151 Officer for approval.

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Write Off of Court Costs Only (Council Tax and NDR)

Any officer from Grade 7 and above employed in the revenues team or above Grade 10 across the Community Services Division has the discretion to agree to the remission of court costs incurred on an individual case. Whilst this should be the exception rather than the rule, it may be applicable in the following type of cases

- The customer agrees to pay future charges by direct debit
- The customer would incur significant hardship by having to pay them and has made every effort to engage and/or pay
- The customers previous payment history suggests this is not common and/or a genuine error that is unlikely to be repeated and should ensure payment in a timely way is made in the future

The reason for agreeing the write off should be recorded on the on line notepad where this discretion is exercised to assist in the spot checking of such cases by the Senior Revenues Officer and it may be appropriate to only write off the costs added once full payment has been secured.

The notes will also serve as a useful aide-memoire in the event of non payment in the future and would be taken into consideration in the event of a repeat of court action being taken.

Post Write Off Procedure

Following write off, a record of each debt will be held for a period of 6 years along with all supporting papers. Should a debtor be traced or new information come to light material to the original decision, the debt will be written back and recovery action commenced as appropriate.

Write Off - Overpayments of Housing Benefit & Former Tenant Arrears

Overpayments of Housing Benefit can result for a variety of reasons as summarised below.

- | | |
|-------------------------|--|
| • Local Authority Error | The Council fails to act on a notified change of circumstances. |
| • DWP Error | DWP award benefit incorrectly. |
| • Claimant/Other Error | The claimant fails to inform the Council of a change in circumstances. |
| • Fraudulent Error | The claimant knowingly fails to report a change with the intention of receiving more benefit than they are entitled too. |

As a result, before an overpayment can be recovered, the Council must identify the reason why the overpayment occurred. If it is considered that the claimant could “reasonably have been expected to know that an overpayment would result because of their failure to notify that their benefit was being calculated on incorrect information”, the overpayment is legally recoverable.

Regulations allow the debt to be recovered in a number of ways including but not restricted to the following enforcement actions;

- Recovering it from an ongoing entitlement of benefit
- Recovering by invoice
- Direct deductions from landlords from other tenants benefit (blameless tenant recovery)
- Instigating County Court proceedings

However, because the reasons and nature of overpayments can be very complex/sensitive, the recovery of each must be considered individually having regard to the debtors’ circumstances and the level/cost of action necessary to recover the debt to determine if the overpayment is realistically recoverable.

This is because, the fact that an overpayment is recoverable does not exclude it from being written off, especially where it would be considered that to pursue it would cause undue hardship to the individual or it would be deemed uneconomical to collect. Therefore, the objective of our policy is to strike a balance between protecting the councils’ financial position and making sure that financial issues and reasonableness are addressed.

Former Tenant Arrears (FTA)

A Former Tenant Arrear will occur if following the vacation of a council house, whether voluntarily or by eviction, outstanding rent remains outstanding. Very much like Housing Benefit overpayments the recovery of this type of debt must be considered individually having regard to the debtors known circumstances and the level/cost of action necessary to recover the debt in order to determine if the arrears can realistically be recovered. The one key difference to overpayments is that if FTA debts cannot be recovered, a marker will be put on our housing records that will influence our decision making process if in the future the customer reapplies to be considered for a council property.

If either a Housing Benefit Overpayment or Former Tenant Arrear is deemed irrecoverable, the amount will be written off in accordance with the financial regulations (i.e.) with debts up to £5,350 being authorised by the Assistant Chief Executive (Community Services) and debts exceeding £5,350 reported individually to the Resources Board in line with the process followed for Council Tax and NDR.

The following would be considered mandatory reasons for write off.

1. Bankruptcy

Upon notification, a proof of debt will be completed covering all charges covered within the bankruptcy period and submitted to the trustee in bankruptcy. Once a claim has been issued, the total debt will be submitted for write off in accordance with financial regulations. In joint and severally liable cases, action will be taken against the other liable person only for any monies due during the relevant period.

In the very unlikely event of payment being received in full or part from the bankrupts' estate, this money will be credited back to the relevant account.

In appropriate cases, it may be deemed appropriate for the Council to pay the costs of making an individual bankrupt where it is considered this may prompt payment, prevent similar circumstances arising in the future, and also to seek to prevent the person acting as a director in future businesses. The Assistant Chief Executive (Community Services) will make the decision in these matters due to the costs involved in taking such action.

2. Voluntary Arrangements/Administration Orders/Debt Relief Orders

This course of action is an alternative course of action available to an individual wishing to avoid the restrictions placed by a bankruptcy order being made. It involves the debtor making an offer to all creditors, which is less than the full amount of the debt outstanding to be repaid over a period of time in full and final settlement. If creditors agree to the offer as an alternative to proceeding for bankruptcy, an insolvency practitioner administers the Voluntary Arrangements or DRO's with Administration Orders administered by the county court.

Whilst these cases will be monitored periodically for payment, it is accepted as good accounting practice that liability should be reduced to a £5 liability indicating that the debt cannot be enforced or recovered during the life of the order and in many cases is likely to remain unpaid as a result of future default.

Once the order is in force the total of the debt (less £5) will be included on a list of cases submitted for write off and authorised in accordance with financial regulations.

3. Debts which cannot be legally enforced

Certain debts will fall outside of legal jurisdiction either because the debtor will have left the country or 6 years may have passed before recovery action has been instigated against an individual since the debt was acknowledged.

Whilst cases of this type will be very rare, where contact in writing has failed to result in payment or an arrangement to pay, a recommendation for write off will be made in line with financial regulations.

Discretionary Write Offs

In addition to the above circumstances where the Council is legally prevented from taking action to pursue the recovery of monies due, there will be instances where recovery cannot be enforced because either;

- the debtor cannot be traced or,
- where it is deemed inappropriate to recover the monies on the grounds that it is uneconomical to collect based on the value of the debt or on the grounds of an individual's personal circumstance.

The steps to be followed in recommending write off of these debts will vary dependent on the status and size of the debt as detailed below.

Where an overpayment or former tenant arrears are uneconomical to pursue

Factors that should influence the decision whether an overpayment is economical to pursue are: -

- b) The size and age of a debt in relation to where it is in the recovery process and the costs of certain action which could be taken to try and secure recovery.
- b) Any previous action taken on the case and the results.
- c) Whether we know the current address of the debtor?
- d) When was the last action taken to try and recover the overpayment?
- e) Are all documents in sufficient order to support the recovery of the overpayment if challenged?
- f) Credit Rating Agency reports (as appropriate)
- g) Civil Enforcement Agents reports
- h) Internet checks

From here, council officers will calculate how much it would cost the Council to proceed with certain action and whether it is economically viable to do so.

In broad terms, the following principles would seem appropriate,

Where a forwarding address is known

Debts under £100 where a forwarding address is known for debtor

These cases where a deduction from ongoing entitlement to benefit is not possible and it is considered appropriate to collect will be pursued by the Council by issuing up to 3 written notices and where known by telephone or e mail. A letter will also be sent where sufficient Council Tax has been paid by the debtor in the past to see if they wish to transfer monies

to clear these charges to consolidate any arrears on one reference number. If refused or contact is ignored, the amount and history of the case will be reviewed and either submitted to a debt collection agency employed on a success only or for write off after a 12 month period has elapsed to give time to ascertain if the customer goes back onto an appropriate benefit from which deductions could be taken.

Debts over £100 where a forwarding address is known for debtor

These cases where a deduction from ongoing entitlement to benefit is not possible and it is considered appropriate to collect will be pursued by the Council by issuing up to 3 written notices and where known by telephone or e mail. A letter will also be sent where sufficient Council Tax has been paid by the debtor in the past to see if they wish to transfer monies to clear these charges to consolidate any arrears onto one reference number. If refused or contact is ignored, the amount and history of the case will be reviewed and these cases will be referred to either the Councils civil enforcement agent or a debt collection agency for collection work to be undertaken at pre-determined and negotiated The commission paid to collect these debts will be offset from the balance of the overpayments recovered.

These cases will remain live on the system until the debt is either collected, or is returned to the Council as uncollectable when a further decision will be taken whether to recommend monies be written off in accordance with financial regulations or passed to the legal section to commence action in the County Court.

Some cases may be progressed to the County Court as an alternative to referring to a debt collection agency where it is felt appropriate and where agreed by the Assistant Chief Executive (Community Services) in consultation with the Assistant Director (Housing) where appropriate.

In addition, some debts may be written off having regard to the customers circumstances on the grounds of hardship. These may referred by a number of parties including but not exclusively being the CAB; Warwickshire Welfare Rights, Age Concern, any other financial inclusion partner. These will be considered under the following process.

Where an overpayment or former tenant arrear is legally recoverable but the Council feels it inappropriate to pursue its recovery.

As stated previously, at all times the decision to exercise the right to recover a recoverable overpayment or Former Tenant Arrear shall be based on the individual circumstances of each case. As the power to recover monies is discretionary, unlike Council Tax and Non Domestic Rate debts, this is permitted. Therefore at any stages of the enforcement process, it may be considered appropriate to submit a debt for write off in accordance with financial regulations on the grounds of hardship having regard to the following factors ;

- The claimants age and state of health
- The claimants financial position and responsibilities
- The claimants diligence in reporting a change of circumstances (if applicable)
- The standard of advice and notification given to the claimant in respect of the overpaid amount
- Whether it is reasonable to expect the claimant or any other person affected to repay the overpayment
- Whether recovery will cause unacceptable hardship to the claimant or any other person affected

All requests will be supported by a report detailing all appropriate evidence and considered by the Assistant Chief Executive (Community Services) and where appropriate include representatives from the Community Services and Housing Division, Internal Audit and where possible, a representative from the CAB.

Where a forwarding address is not known

1. Debts up to value of £50 where the debtor has absconded.

Before the debt can be recommended for write off, the following enquires should be undertaken by officers within the Community Services division. They will make basic checks of initial Council systems (i.e.) Housing and Revenues & Benefits and known third parties (e.g.) solicitors, letting agents; internet searches but will not undertake additional ad-hoc checks or issue further documentation.

If after all enquires have been completed and a forwarding address has not been established, the amount will be recommended for write off providing it has been live for six months.

2. Debts over £50 where the debtor has absconded

Before the debt can be recommended for write off, the following enquires should be undertaken by officers within the Community Services Division;

- Check Council Tax database to identify if the person has re registered at another address within the borough
- Check with Housing Department
- Contact Landlord or Letting/Estate Agent
- Contact neighbouring local authorities
- Check with electricity and gas service providers where known
- Check the electoral register
- Undertake visits to property where considered appropriate
- Make Credit Reference Agency Checks (proportionate and in line with the amount of monies due)r

If after all enquires have been completed and a forwarding address has not been established, the amount will be recommended for write off. providing it has been live for six months.

If after enquires, a forwarding address is identified, recovery action will re-commence.

Post Write Off Procedure

Following write off, a record of each debt will be held for a period of 6 years along with all supporting papers. Should a debtor be traced or new information come to light material to the original decision, the debt will be written back and recovery action commenced as appropriate. This is particularly relevant in the event of a reapplication for Council Housing.

Agenda Item No 9

Resources Board

10 March 2025

Report of the Interim Corporate Director – Resources (Section 151 Officer) Non-Domestic Rates Policies 2025/26

1 Summary

- 1.1 The purpose of this report is to provide details to Members on North Warwickshire Borough Council's Non-Domestic Rates policies for approval effective from 1 April 2025.

Recommendation to the Board

- **To approve the changes to the Retail, Hospitality and Leisure policy (RHL) as mandated in the Autumn Budget 2024 (Appendix A).**
- **To approve the updates to the Supporting Small Businesses (SSB) policy (Appendix B).**
- **To approve the policy outlining The Council's approach to awarding discretionary rate relief (Appendix C).**

2 Background

- 2.1 Non-domestic rating has a large number of reliefs divided into two types, mandatory and discretionary. Mandatory reliefs are laid in legislation with the Council obliged to implement these in full.
- 2.2 In the case of discretionary relief, the basic provisions are laid down by Section 47 of the Local Government Finance Act 1988. The decision whether to grant relief is at the discretion of each Council. Councils are required to develop their approach to granting the relief in line with the legislative framework. Each Council has full discretion to develop its own policy if required, and relief can be awarded to any ratepayer the Council deems eligible. Discretionary relief which is wholly defined and reimbursed by the government. where Council's adopt the suggested approach, the full amount of relief is recovered through a Section 31 grant from the government.

3 Report Implications

3.1 Legal Implications

- 3.1.1 Having a policy covering the Council's approach to discretionary rate relief, hardship relief and partly occupied relief provides a clear, robust, and transparent policy. The actual approach for ratepayers applying for the relief or how decisions are made remains unchanged. The Council will continue to support key businesses within the area with a comprehensive and aligned policy.

3.2 Risk Management Implications

- 3.2.1 It is important that the policies are approved by members and in place by the start of the financial year.

The Contact Officer for this report is Katie Hines (719234).

North Warwickshire Borough Council




Retail, Hospitality and Leisure Scheme 2025/26

1. Introduction

1. At the Autumn Statement in October 2024 the Chancellor announced the extension of the business rates relief scheme for retail, hospitality, and leisure properties, worth an estimated £1.9 billion in 2025/26. This will support the businesses that make our high streets and town centres a success and help them to evolve and adapt to changing consumer demands.
- 1.1. The 2025/26 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with a 40% relief, up to a cash cap limit of £110,000 per business.
- 1.2. This document provides guidance about the operation and delivery of the policy. North Warwickshire Borough Council will include details of the relief to eligible ratepayers for 2025/26 with their annual bills for the beginning of the 2025/26 billing cycle.

2. How will the relief be provided?

- 2.1. As this is a temporary measure for 2025/26, the government is not changing the legislation relating to the reliefs available to properties. Instead, the government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It is for individual local billing authorities to adopt a local scheme and determine in each individual case when to grant relief under Section 47.
 - 2.2. North Warwickshire Borough Council will apply and grant relief to qualifying ratepayers from the start of the 2025/26 billing year.
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3. Which properties will benefit from relief?

- 3.1 Hereditaments which benefit from the relief will be those which for a chargeable day in 2025/26:
- a. meet the eligibility criteria at Paragraph 8,
 - and
 - b. the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2026. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
- 3.2 For the purposes of section 47 of the 1988 Act, where the ratepayer has refused the relief for a hereditament, it cannot be reclaimed at a later date.
- 3.3 In line with the legal restrictions in section 47(8A) of the Local Government Finance Act 1988, billing authorities may not grant the discount to themselves, certain precepting authorities (e.g. a parish or county council) or a functional body, within the meaning of the Greater London Authority Act 1999.

4. How much relief will be available?

- 4.1 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2025/26 under this scheme is:
- 4.2 For chargeable days from 1 April 2025 to 31 March 2026, 40% of the chargeable amount.
- 4.3 The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.

However, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to, at cost to themselves, offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally

funded relief under section 47, this should be applied after the Retail, Hospitality and Leisure relief. The ordering should be applied in following sequence:

- Improvement Relief
- Transitional Relief
- Other mandatory Reliefs (as determined in legislation)
- S.47 Discretionary Relief in the following order:
 - I. 2023 Supporting Small Business (SSB)
 - II. Former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable, CASC, not for profit) should be applied first in the sequence of discretionary reliefs, after SSB
 - III. Other discretionary (centrally funded) including Freeport relief
 - IV. 2025/26 Retail Hospitality and Leisure relief scheme
 - V. Other locally funded schemes

- 4.4 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The following formula will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2025/26:

Amount of relief to be granted = $V \times 0.40$ where:

V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs in line with the guidance in paragraph 4.3 above.

- 4.5 This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.
- 4.6 The total value of relief available per business, whether occupying one or more properties, is capped at £110,000. Any ratepayer who would be eligible for a sum of relief above £110,000 if there were no cap in place, should be awarded relief up to the full value of £110,000 (as has been the policy for previous years). Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, up to a total value of £110,000.

5. The Cash Cap and Subsidy Control

- 5.1 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- 5.2 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- a. where both ratepayers are companies, and
 - i. one is a subsidiary of the other, or
 - ii. both are subsidiaries of the same company; or
 - b. where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other*.
- *“company” has the meaning given by section 1(1) of the Companies Act 2006. “holding company” and “subsidiary” have the meanings given by section 1159 of the Companies Act 2006.
- 5.3 The Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by local authorities under this scheme will need to comply with the UK’s domestic and international subsidy control obligations (See the [BEIS guidance for public authorities](#) which contains guidance and information for the UK subsidy control regime).
- 5.4 To the extent that a Local Authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2025/26 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of ‘Minimal or SPEI financial assistance’. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted towards the £315,000 allowance.
- 5.5 In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap or the MFA limit then the authority should automatically withhold the relief. Otherwise, local authorities may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or MFA limit. Part 4 of this guidance contains a sample ratepayer declaration, which local authorities may wish to use to discharge this responsibility.

- 5.6 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the local authority needs to include details of the subsidy on the subsidy control database. This can be found at: <https://manageuksubsidies.beis.gov.uk>. Local authorities will need to create an account to use the Manage UK Subsidies Portal. This will enable users to upload subsidy schemes and awards. To gain access, users must email subsidydatabase@businessandtrade.gov.uk.

6. Splits, mergers, and changes to existing hereditaments

- 6.1 The relief will be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

7. Recalculations of relief

- 7.1 The amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year. Previous restrictions in law concerning backdating have been removed.

8. Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- 8.1 Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all the following conditions for the chargeable day:

a. they are wholly or mainly being used:

- i. as shops, restaurants, cafes, drinking establishments, cinemas or live music venues,
- ii. for assembly and leisure; or
- iii. as hotels, guest & boarding premises or self-catering accommodation,

- 8.2 We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

- i. **Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. **Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

iii. **Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops -Pubs
- Bars

iv. **Hereditaments which are being used as cinemas**

v. **Hereditaments that are being used as live music venues:**

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003. (The [statutory guidance can be accessed here](#))

8.3 We consider assembly and leisure to mean:

i. **Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).**

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

ii. **Hereditaments that are being used for the assembly of visiting members of the public.**

- Public halls
- Clubhouses, clubs and institutions

8.4 We consider hotels, guest & boarding premises and self-catering accommodation to mean:

i. **Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

8.5 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

8.6 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. However, it is intended to be a guide as to the types of uses that the government considers for this purpose to be eligible for relief. North Warwickshire Borough Council will determine whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

8.7 The list below sets out the types of uses that the government does not consider to be an eligible use for the purpose of this discount. Again, it is for North Warwickshire Borough Council to determine whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the discount under their local scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
- Post office sorting offices

9. Variations of a Decision

- 9.1 Variations in any decision will be notified to the ratepayer as soon as possible and will take effect:
- i. Where an amount is to be increased due to a change in rate charge or a change in the Council's decision which changes the award, will be effective from the date of the change.
 - ii. Where the amount is reduced due to a reduction in the rate charge or liability (including RV reduction, awarding another relief or exemption), this will apply from the date of decrease in rate charge.
- 9.2 The Council will cancel the relief at any time, where the ratepayer fails to meet any of the relevant criteria.

10. Policy Review

- 10.1 This is a one-off policy which will only be required for the 2025/26 financial year and as such will not require further review outside of this financial year.

11. Equalities

- 11.1 This policy has been produced in line with the Council's obligation to the Public Sector Equality Duty provided by the Equality Act 2010. No adverse impact on any protected characteristic has been identified because of this policy.

12. Reporting Changes

- 12.1 Where any changes in circumstance which may affect the relief, need to be reported by the ratepayer as soon as possible, as this can affect the date in which the relief, is revised from or cancelled.
- 12.2 Where any relief is reduced or cancelled, the Council will look to recover the amount in full.

13. Review Process

- 13.1 The Council's scheme of delegation allows for the Head of Revenues and Benefits to award, revise or revoke any applications.

- 13.2 Where the ratepayer wishes to appeal the decision of the Head of Revenues and Benefits, the case will be considered by the Council's Section 151 Officer whose decision of behalf of the Council will be final.
- 13.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will explain any decisions fully with the ratepayer.
- 13.4 Any application/awards that are refused will be reconsidered if the request for a reconsideration is made within four weeks of receipt of notification of the decision and must include additional information to support the request.
- 13.5 The Council will consider each request on its merits and will consider whether the customer has provided any additional information against the required criteria that will justify a change to its decision.

14. FRAUD

- 14.1 Where a ratepayer falsely applies for any relief, provides false information, makes false representation, or withholds information to gain relief, prosecutions will be considered under the Fraud Act 2006

North Warwickshire Borough Council



Supporting Small Business Rate Relief 2023/24 – 2025/26

1. Introduction

1.1 At the 2022 Autumn Statement the Chancellor announced that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. SSB was first introduced at the 2017 revaluation to support ratepayers facing bill increases greater than the Transitional Relief caps due to loss of Small Business Rate Relief or Rural Rate Relief.

1.2 The full Government guidance can be found: Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK (www.gov.uk)

2. How will 2023 Supporting Small Business Relief be provided?

2.1 It is for individual local authorities, which administer the 2023 Supporting Small Business relief, to adopt a local scheme and determine in each individual case when to grant relief under section 47 of the Local Government Finance Act 1988.

2.2 2023 Supporting Small Business Relief will be awarded automatically by North Warwickshire Borough Council as part of the annual billing process. The relief will show on the demand notices issued at that time.

3. Who is eligible for the 2023 Supporting Small Business Relief and how much relief will be available?

3.1 The 2023 SSBR will help those ratepayers who, because of the change in their rateable value at the revaluation, are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills.

3.2 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.

3.3 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills is limited to a cash value of £600 per year.

3.4 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement to fund small business rate relief while they are eligible for 2023 SSBR.

3.5 For those ratepayers receiving 2017 SSBR relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024. All other eligible ratepayers will remain in 2023 SSBR for either 3 years or until they reach the bill they would have paid without the scheme.

3.6 A change of ratepayer will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club (CASC).

3.7 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.

4 Sequence of reliefs

4.1 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSBR. And small business rate relief or rural rate relief will not be applied to further reduce the bill found under 2023 SSBR .

4.2 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2023 SSBR.

4.3 All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of 2023 SSBR.

5 Subsidy control

5.1 Any relief provided by North Warwickshire Borough Council under this scheme must comply with the UK's domestic and international subsidy control obligations.

Further details of subsidy control can be found: UK subsidy control statutory guidance - GOV.UK (www.gov.uk)

5.2 In cases where it is clear to North Warwickshire Borough Council that the ratepayer is likely to breach the MFA limit then North Warwickshire Borough Council will automatically withhold the relief.

5.3 In instances where it is unclear, North Warwickshire Borough Council will include the relief in bills and will ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the MFA limit.

6 Recalculations of reliefs

6.1 As with other reliefs, the amount of SSBR awarded will be recalculated in the event of a change in circumstances i.e. a change in the Rateable Value (RV) which could arise during the year in question or in later years. .

6.2 When making an award for SSBR, North Warwickshire Borough Council will ensure in the conditions of the award, that the relief is subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount will be recalculated to reflect that fact.

7 Splits and mergers

7.1 2023 SSBR will apply to hereditaments:

a. coming into existence because of the circumstances described in paragraph 1 of the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022,

b. where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for 2023 SSBR, and

c. Where for 31 March 2023 the chargeable amount has been found under section 47 other than under a scheme introduced to deliver the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties, then eligibility for 2023 SSBR does not apply for the creation day in respect of the hereditament.

7.2 After the creation day, 2023 SSBR will cease to apply in the circumstances described above.

7.3 Instead, for hereditaments meeting the criteria in paragraph 7.1 & 7.2 above, North Warwickshire Borough Council will apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:

a. that the protection offered by SSBR (that the bill will not rise by more than £600 p.a.) will continue to apply in principle to that part of the newly created hereditament, which was immediately before the creation day in SSBR, and

b. that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of SSBR.

7.4 For simple splits of hereditaments previously eligible for SSB, North Warwickshire Borough Council will apportion the chargeable amount in the SSB scheme for the hereditament before the split in line with the change in rateable value from the split (i.e. in line with the principle in the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022).

7.5 For mergers and reorganisations, North Warwickshire Borough Council will estimate the degree to which, in line with the principle of the SSB scheme, that part of the hereditament which was formerly eligible should continue to receive support under the SSB scheme. There will be no formal apportionments of the rateable value for this purpose.

8 Claiming Supporting Small Business Relief

8.1 There is no application form. Entitlement to Supporting Small Business Relief is automatically calculated and granted to eligible ratepayers.

In instances where relief has not been granted but a ratepayer believes they are eligible email:

businessrates@northwarks.gov.uk

9 Notification

9.1 A demand will be issued showing entitlement.

10 Reporting Changes

10.1 Where any changes in circumstance which may affect the relief, need to be reported by the ratepayer as soon as possible (within 28 days of the change in circumstances), as this can affect the date in which the relief, is revised from or cancelled.

10.2 Where any relief is reduced or cancelled, the Council will look to recover the amount in full.

11 Fraud

11.1 Where a ratepayer falsely applies for any relief, provides false information, makes false representation, or withholds information to gain relief, prosecutions will be considered under the Fraud Act 2006

12 Policy Review

12.1 This is a stand-alone policy relating to the 2023 Rating list only. A review schedule is not required.

North Warwickshire Borough Council



Non-Domestic Rates Discretionary Rate Relief Scheme

Introduction

The council has discretionary powers to award relief from payment of Non-Domestic Rates on a range of circumstances. This policy shall apply when considering applications for discretionary rate relief that are made in respect of the following circumstances:

- Property party occupied for a temporary period.
(Award under section 44a of the Local Government Finance Act 1988)
- Ratepayers that would otherwise suffer hardship.
(Award under section 49 of the Local Government Finance Act 1988)
- In exercise of the Council's general power to award discretionary rate relief
(Award under Section 47 of the Local Government Finance Act 1988 as amended by Section 69 of the Localism Act 2011)

This Policy shall take effect for all applications made in respect of rate liabilities incurred from 1 April 2025 onwards.

Each application for discretionary rate relief will be considered on its individual merits, but in deciding on the award, the decision maker will give due consideration to the requirements of this Policy.

General Principles

All decisions in respect of applications for discretionary rate relief must be taken in accordance with statutory requirements and give due consideration to any guidance issued by the Secretary of State.

Decisions shall be taken in accordance with the Council's Constitution.

In addition to these requirements the following shall apply in respect of all requests for rate relief under the powers set out above.

The interests of the Borough's Council Tax Payers

The objectives of any organisation granting discretionary relief must accord with the Council's corporate priorities. Applicants must demonstrate that the services they provide from the premises on which business rates are charged, benefit the residents of North Warwickshire Borough Council.

Requirements for Applications

Applications will only be considered where a written application is received from the ratepayer, or where the ratepayer is an organisation, a person duly authorised to act on behalf of an organisation.

The Council shall request such supporting evidence as it considers necessary to enable the council to properly assess the merit of the application.

Ratepayers submitting an application shall set out, as part of the application, how the awarding of any relief is of a benefit to the borough council taxpayers.

Timescale for Decisions

The Council will aim to make a decision regarding the application within four weeks of receiving the application and all supporting evidence considered necessary to enable the application to be considered.

Requirements to make payments of amounts falling due

Ratepayers must continue to pay the amount of rates that fall due whilst an application is pending. If payments are not received as due, the Council may continue with its normal procedures to secure payment.

Awards for retrospective periods

With the exception of applications on the grounds of hardship, rate relief will not normally be awarded in respect of any day prior to the day that an application is received. However, in exceptional circumstances, consideration may be given to awarding rate relief for a retrospective period where the ratepayer can demonstrate good cause for not submitting the application earlier.

The maximum retrospective period will be the beginning of the financial year in which the decision is made or when liability begins, whichever is later.

Where the application is on the grounds of hardship an award may be made for a retrospective period where it is considered that the business suffered hardship during that period.

No consideration shall be given to an award for a retrospective period where the Council is not able to verify to its satisfaction that the circumstance giving rise to the application pertained for that period.

Subsidy Control

Any relief provided by North Warwickshire Borough Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations. The guidance can be found:

[UK subsidy control regime: statutory guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/uk-subsidy-control-regime)

To the extent that North Warwickshire Borough Council is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g., a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the current financial year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'.

In those cases where North Warwickshire Borough Council believe that the ratepayer is likely to breach the MFA limit then it will automatically withhold the relief. Otherwise, North Warwickshire Borough Council will include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform them if they are in breach of the MFA limit.

Splits, mergers, and changes to existing hereditaments

The relief will be applied on a day-to-day basis. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for the relief on that day.

Recalculations of relief

The amount of relief awarded will be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.

A revocation or variation of an award will take effect from the end of the financial year in which the decision is made.

Therefore, when making an award for the discretionary scheme, North Warwickshire Borough Council will ensure in the conditions of the award that the relief is subject to the property's continuing eligibility.

Application under Section 44A (Partly Occupied Property)

The council has discretion under section 44a of Local Government Finance Act to award rate relief where part of a property is unoccupied for a temporary period. The amount of rate relief that is awarded is determined by statute and is calculated by reference to the rateable value ascribed to the unoccupied area by the Valuation Office Agency.

Applications will only be considered in respect of unoccupied parts of the property that can be clearly defined and are reasonably segregated from the occupied part of the property.

For the purpose of this policy, a period of up to 12 calendar months shall be considered to be temporary and longer periods shall not be considered to be temporary.

No award shall be made where it appears to the Council that the reason that part of the property is unoccupied, is wholly or mainly for the purpose of applying for rate relief.

A ratepayer making an application under section 44a shall provide a plan of the property showing the dimensions of the occupied and unoccupied area of suitable quality to enable the Valuation Office Agency (VOA) to apportion the rateable value of the property between the occupied and unoccupied areas. Applications will not be considered until such time as the plan is provided.

Rate relief under this section will not be awarded in respect of partly occupied property where the partial occupation of the property may be considered to arise due to the ordinary day to day nature of the business (for example the operation of a warehouse).

Termination of Awards under Section 44A

Award of rate relief shall end at the earliest occurrence of one of the following:

- The end of the statutory period for which relief may be allowed.
- All or part of the unoccupied area becoming occupied.
- The whole of the property becoming unoccupied
- The ratepayer ceasing to be liable to pay non-domestic rates in respect of the property.
- Where all or part of the unoccupied area has remained unoccupied for one year.
- The commencement of a further award in respect of the property.
- The council is unable to verify, following reasonable notice, that the area remains unoccupied.

Further applications

A further application may be submitted where there is a change to the area of the property which is unoccupied.

Verification of Unoccupied Areas

The ratepayers must allow a Council Officer access to the property by appointment during normal working hours within two weeks of the Council receiving the application to verify the occupation of the property.

Further access may be required during the award period.

Ratepayers that would otherwise suffer Hardship.

(Awarded under section 49 of the Local Government Finance Act 1988)

The principal purpose to awarding rate relief under this section of the policy, shall be to provide short-term assistance where businesses are suffering unexpected hardship. Hardship in this context, arises from circumstances beyond the business's control and outside of the normal risk associated with running a business of that type, to the extent that the viability of the business would be threatened if an award was not made.

Rate relief on the grounds of hardship shall only be awarded where it is considered that:

- The ratepayer would sustain hardship if the Council failed to grant Hardship Relief; and
- It is reasonable to grant Hardship Relief having regard to the interest of person's subject to the Council Tax.

The test of "hardship" need not be confined strictly to financial hardship and applicants should disclose all relevant factors affecting the ability of the business to meet its rate liability.

The "interest" of local Council Taxpayers may go wider than direct financial interests; for example, where employment prospects in an area would be worsened by a ratepayer going out of business, or the amenities of an area might be reduced by, for instance, the loss of a neighbourhood shop.

A business will not be considered to be suffering financial hardship in any annual accounting period during which it is profitable or has experienced a loss which is minor in comparison to the overall turnover of the business. In determining whether a business is profitable account shall be taken of reasonable drawings by the proprietor or reasonable remuneration of directors.

Where the circumstances giving rise to the hardship relate to only part of the annual accounting period the income and expenditure of the business for the whole accounting period may be used to determine whether the business is profitable.

It is expected that businesses will take prompt action to mitigate any factors giving rise to hardship. Examples of mitigating actions may include seeking business advice, discounts and promotions, reviewing pricing, extending the range of stock or services, negotiating with creditors etc. Applications may be declined in circumstances where the business is unable to demonstrate that it is taking reasonable steps to alleviate the hardship.

In order for an application to be considered, applicants must supply the last two years' accounts, current cash flow forecast and a business plan to demonstrate how granting the relief will improve the viability and financial position of the business. Where the business has traded for less than two years accounts must be provided where available, and draft accounts or budget forecasts must be provided for the period since the business commenced trading.

No award shall be made where it appears to the Council that the proprietor of the business has failed to exercise due diligence to anticipate circumstances that may give rise to hardship,

financial or otherwise, and/or to put in place measures to prevent or mitigate the circumstances.

Applications will be viewed favourably where the criteria of the policy are met, and the business provides the only goods or services of that type in the local area or where the business is a niche business supplying specialist goods or services that are not widely available and vice versa.

New Businesses

Award of hardship rate relief will not be made for the purposes of enabling a new business to become established except where the viability of the business is threatened by events that could not reasonably have been foreseen when establishing the business.

Unoccupied Properties

Rate relief on the grounds of hardship in respect of rates payable for an unoccupied property will only be awarded in the most exceptional circumstances where there are clear and tangible benefits to local Council Taxpayers in making the award.

Relationship to others forms of Rate Relief

Applications for hardship rate relief shall be regarded as a last resort and will only be considered after consideration of any other forms of rate relief to which the applicant may be eligible.

Duration of Awards

All awards shall terminate at the end of the financial year if the award has not ended at an earlier date. Where the hardship continues a further application may be made in the new financial year, however in considering repeated applications consideration should be given to the number and value of previous awards.

**In exercise of the Council's general power to award discretionary rate relief
(Award under section 47 of the local Government Finance Act 1988 as amended
by section 69 of the Localism Act 2011)**

Section 69 of the Localism Act 2011 amends the 1988 Act to allow local authorities the discretion to award rate relief to all types of businesses. The Plain English Guide to the Act addresses this as follows:

"The Localism Act gives councils more freedom to offer business rate discounts - to help attract firms, investment and jobs. Whilst councils would need to meet the cost of any discount from local resources, they may decide that the immediate cost of the discount is outweighed by the long-term benefit of attracting growth and jobs to their area."

This section sets out the Council's agreed policy for dealing with applications from such cases.

General Requirement

Applications for rate relief under this section of the Policy will normally only be considered favourably where the Council is satisfied that an award will result in tangible benefits to local residents and in particular where the award will directly result in attracting businesses, investment or jobs to the local area.

Maximum Amount of Awards

The Localism Act allows scope for the Council to award up to 100% rate relief in any one year for qualifying businesses. The maximum amount awarded shall normally be limited to no more than 50% of the rate liability for discretionary cases and 20% of the rate liability in cases where 80% mandatory relief has been applied, except where there are exceptional circumstances which justify a greater amount.

Duration of Awards

Each amount of rate relief awarded under this policy shall normally apply for no more than one financial year at a time.

Information to Support Applications

All applicants are required to complete the Council's rate relief application form. Such information and evidence as the Council requires must be provided to support an application and in the event that the requested information and evidence is not provided the application may be refused.

In submitting an application, the ratepayer must demonstrate with verifiable supporting evidence the benefits to the Borough's Council Taxpayers that will accrue from making an award.

On receipt Council officers will determine the merits of the application. Taking into consideration the economic, social and environmental benefits that may derive from granting the application.

Relationship to other forms of Rate Relief

Applications under this section will only be considered after consideration of any other forms of rate relief to which the applicant may be eligible (excluding hardship rate relief).

Guidelines for Making Awards

Each application will be considered on its individual merit but in making a decision on the award the following factors must be considered by the decision maker:

- That awards should only be made in exceptional circumstances.
- The value of any previous awards and the benefits to local Council Taxpayers realised from previous awards.
- The cost to the Council, including the loss of income or of retained rates yield, in making an award.
- The impact of the cost or loss of income in relation to the Council's overall financial situation.

The benefits to the Borough's Council Taxpayers in making an award, and whether the award will directly result in attracting businesses, investment or jobs to the local area.

- The impact on other Non-Domestic Ratepayers in the Borough.
- The Council's statutory equality duties: in respect of clubs and accessibility, membership must generally be open to all residents and not discriminate against any of the groups protected by the Equality Act 2010.
- That awards should normally only be made where the ratepayer's activities in the Borough will contribute towards the aims and objectives of the Corporate Plan.
- The extent to which an award will support the Council's aspiration to promote and encourage economic growth, and in particular growth in the Non-Domestic Rating tax base and in employment opportunities for residents of the Borough.
- The overall profitability of the business.
- Other sources of funding available i.e. through the use of grants or club subscriptions.
- Consideration will be given as to the number of properties occupied by the applicant.

The following definitions are provided for hereditaments where Discretionary Rate Relief may be awarded.

- Charities – Ratepayer is a charity or trustees for a charity, and the property is wholly or mainly used for charitable purposes. Based on above guidelines maximum award 10% discretionary rate relief.
- Not-for-profit Organisations – Not established or conducted for profit and whose aims should be charitable or otherwise philanthropic, or concerned with the promotion of social welfare, education, science, literature of the fine arts. Based on above guidelines maximum award 50% discretionary rate relief.
- Sports Clubs - Property is wholly or mainly used for the purpose of recreation and all or part of the property is occupied for the purpose of a club, society or other organisation not established or conducted for profit. Based on above

guidelines maximum award 50% discretionary rate relief. When determining applications from Sports Club we will consider: -

- a. Whether the sports club have achieved or are working towards Sport England's Club mark accreditation
- b. Whether the organisation has a licensed bar
- c. How else funds are raised.
- d. Level of reserves or savings
- e. Number of members resident in the Borough
- f. Development of the organisation including youth development, providing facilities for use by disabled people or special interest groups.

Community Amateur Sports Clubs (CASC's) – Sports Clubs that have registered with the Inland Revenue. Based on above guidelines maximum award 10% discretionary rate relief. CASC's must

- Be open to the whole community.
- Be run as an amateur club.
- Be a non-profit making organisation.
- Aim to provide facilities for and encourage people to take part in eligible sport.

Reviews and Appeals

Decisions in the award or otherwise of rate relief must accord with the Council's corporate priorities. Applications will need to demonstrate that the services provided from the premises on which business rates are being paid directly benefit our residents.

- Additional information that is relevant to the application and that was not available at the time the decision was made becomes available, or
- There are grounds to believe the application or supporting information was not interpreted correctly at the time the decision was taken.
- A request for a review must be made in writing within four weeks of notification of the decision and must set out the reasons for the requests and any supporting information.

The Council's scheme of delegation allows for the Revenues Team to revise or revoke any award of Discretionary Rate Relief.

Where the ratepayer wishes to appeal the decision, the case will be considered by the Revenues Manager or of the Head of Revenues and Benefits

Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will explain any decisions fully with the ratepayer.

This document requires the following approvals:

Agenda Item No 10

Resources Board

10 March 2025

Report of the Interim Corporate Director – Irrecoverable Debts Resources (Section 151 Officer)

1 Summary

- 1.1 The purpose of this report is to provide details to Members of debts which are considered to be irrecoverable.

Recommendation to the Board

That the debts detailed in Appendix A of this report are approved for write off:

- **Total Irrecoverable Non-Domestic Rates Debts totalling £41,656.81**

2 Background

- 2.1 From time to time, it becomes necessary to write off, as irrecoverable, certain items of income, whether the debtor is either untraceable, deceased, where legal procedures for recovery have been exhausted, or because the amount involved does not justify further action.
- 2.2 The Write-Off policy recommends a realistic approach to write offs, based on the principles of reasonableness and value for money and should ensure that the Council's resources are deployed in the most effective way to recover monies due. This is particularly relevant in respect of Council Tax debts where the Council only retains approximately 11.5% of monies collected despite being responsible for 100% of the staffing and administration costs to recover monies due.
- 2.3 Since March 2020 there have been restrictions on recovery due to the closure of Courts to escalate proceedings and also that the priority of the Revenues Team has been to award Covid Grants and Energy Rebate payments to help support our residents and businesses. As the recovery is now back to full status the team are focusing on bringing customers who owe debt to the authority up to date. We have needed to contact all our customers again with reminders of debt owed and expectation of repayments.

- 2.4 The Revenues Team make every effort to ensure monies due to the Council are recovered in line with the Authority's write off policy. Where this is not possible, individual cases are considered for write-off.
- 2.5 The types of situations mentioned later in this report where enforcement action cannot be taken by any creditors for debts are covered under the following:
- Individual Voluntary Arrangement (IVA), a dividend is paid by the debtor through an insolvency practitioner to cover all, or part of their debt. Creditors may receive a percentage of the amount owed or nothing. Any balance declared in the IVA and not covered by the dividend payment must be written off.
 - Debt Relief Order (DRO) – Once agreed, the debt under the DRO is set aside for a period of 12 months. No recovery action can be taken to recover the debt during this time. If the debtors' financial circumstances do not improve significantly during the 12 months, the debt cannot be recovered and must be written off.
 - Winding up / Insolvency / Liquidation - All recovery is held while assets are realised, usually dealt with by a Court appointed administrator. Once proof of debt is submitted, we may or may not receive any money, any money that is received will be paid off the debt.

3 Business Rates

- 3.1 The Business rate case put forward for consideration in Appendix A relates to 1 account and the reason for write off is insolvency.

4 Council Tax

- 4.1 N/A

Housing Benefit Overpayment

- 4.2 N/A

5 Report Implications

5.1 Finance and Value for money Implications

- 5.1.1 The total amount to be written off for National Non-Domestic Rates is £41,656.81, all of this is attributed to the current financial year equating to 0.054% of the debt raised in 2024/25. The loss of income will be written back to the individual service.

5.2 Legal Implications

- 5.2.1 The Council has a statutory duty to recover Council Tax and non-domestic rates and a general fiduciary duty to the inhabitants of its area to safeguard the public funds entrusted to it. Notwithstanding these duties where a debtor is subject to statutory processes such as insolvency or an IVA as referred to above, the

Council is barred from taking further action and must write off any sums which are not realised through that process. Similarly, where a debtor cannot be traced or where it is not cost effective to recover the debt, the Council may write off the debt provided it is satisfied that the steps taken to do so are reasonable in all the circumstances.

The Contact Officer for this report is Katie Hines (719234).

Appendix A

Rec Yr	Lby Yr	Tran Cd	Amount
	2024	2024 3INSOLV	£41,656.81

Total Number of Authorised Requests : 1
Total Value of Authorised Requests : £41,656.81

Agenda Item No 11

Resources Board

10 March 2025

Report of the Interim Corporate Director – Resources (Section 151 Officer)

Local Council Tax Support Scheme 2025/26

1 Summary

- 1.1 The purpose of this report is to provide details to Members on North Warwickshire Borough Council's Local Council Tax Support Scheme for 2025/26 in-line with the regulations required by Ministry of Housing, Communities & Local Government.

Recommendation to the Board

To approve the Local Council Tax Support Scheme for financial year 2025/26 (Appendix A).

2 Background

- 2.1 The Local Council Tax Support Scheme (LCTS) is applicable to both pension credit age and working age members of the public. The scheme specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2025 for a period of one financial year.
- 2.2 As in previous years, the government has amended the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension age Local Council Tax Support (LCTS) schemes are updated in line with changes in the wider benefits system.
- 2.3 Billing authorities must ensure that the requirements of the updated regulations are reflected in their LCTS schemes for 2025-26 by 11 March 2025.

3 Report Implications

3.1 Finance and Value for Money Implications

- 3.1.1 The Regulations were updated and laid out on 17th January 2025 for Local Council Tax Support (LCTS) schemes to be updated in relation to pension age changes in-line with the wider benefits system.

3.2 Legal Implications

- 3.2.1 The Regulations which were laid out on 17th January 2025 for inclusion in the 2025/26 policy outline the need for billing authorities to reflect the changes in their LCTS Scheme by 11th March 2025.
- 3.2.2 ACS Benefits Guidance & Legislation have updated our LCTS Scheme to ensure the Council is compliant and reflects the Regulations set out.

The Contact Officer for this report is Katie Hines (719234).



North Warwickshire
Borough Council

North Warwickshire Borough Council
Council Tax Reduction Scheme Policy
S13A and Schedule 1a of the Local Government Finance Act 1992

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1.0 Introduction to the Council Tax Reduction Scheme

- 1.1 The following has been adopted by the Council and details the Council Tax Reduction scheme for the period from 1st April 2025.
- 1.2 This document details how the scheme will operate for both pension credit age and working age applicants and in accordance with Section 13A of the Local Government Finance Act 1992 specifies the classes of person who are to be entitled to a reduction under the scheme and is effective from 1st April 2025 for a period of one financial year.
- 1.3 The scheme in respect of pension age applicants is defined by Central Government within the following:
- Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;
 - Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012;
 - Council Tax Reduction Schemes (Transitional Provision) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013;
 - Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016
 - The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020:
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022:
 - The Council Tax (Demand Notices and Reduction Schemes) (England) (amendment) Regulations 2022;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2024;
 - The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2025; and
 - Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012).

The scheme for pension age applicants – Central Government's scheme as defined by the Council Tax Reduction Scheme (Prescribed Requirements) (England) Regulations 2012

- 1.4 There are three main classes under the prescribed pension credit age scheme, for each of which there are a number of qualifying criteria. In all cases individuals must not be of a prescribed class exempted from reduction, such as a person subject to immigration control with limited leave to remain.

(1) 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.
- (2) For the purposes of sub-paragraphs (a)(ii)(bb) and (b)(ii)(bb) in paragraph (1) an award of universal credit is to be disregarded during:
 - (a) during the relevant period; or
 - (b) where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award the relevant period.
- (3) In this scheme—
 - "assessment period" has the same meaning as in the Universal Credit Regulations 2013;
 - "relevant period" means the period beginning with the day on which P and each partner of P has attained the qualifying age for state pension credit and ending with the day on which the last assessment period for universal credit ends

The three prescribed classes are as follows;

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

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

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; in respect of whom a maximum Council Tax Reduction amount can be calculated;
- c. who does not fall within a class of persons prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- d. whose income (if any) for the relevant week does not exceed his applicable amount calculated in accordance with paragraph 9 and Schedule 2 of the Local Government Finance Act 1992;
- e. not have capital savings above £16,000; and
- f. who has made an application for a reduction under the authority's scheme.

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

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

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

- g. not have capital savings above £16,000; and
- h. who has made an application for a reduction under the authority's scheme.

Class C: alternative maximum Council Tax Reduction

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

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

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

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

- a. is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount;
- b. is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
- c. is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and—
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or
 - (ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;
- d. is not a person who, jointly with the applicant, falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or
- e. is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Disregard of certain incomes

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

by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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

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

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

Class D

To obtain reduction the individual (or partner) must:

- have not attained the qualifying age for state pension credit¹; or
- he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- be liable to pay council tax in respect of a dwelling in which he is solely or mainly resident;
- is not deemed to be absent from the dwelling;
- not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- be somebody in respect of whom a maximum Council Tax Reduction² amount can be calculated;
- not have capital savings above £16,000³;
- be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*⁴ is **less** than their *applicable amount*⁵ or the applicant or partner is in receipt of income support, jobseekers' allowance (income based) or employment and support allowance (income related); and
- has made a valid application for reduction⁶.

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

Class E

To obtain reduction the individual (or partner) must:

- have not attained the qualifying age for state pension credit⁷; or
- he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance or on an income-related

¹ Section 5 of this scheme

² Sections 57 to 63 of this scheme

³ Sections 33 to 42 and Schedule 5 of this scheme

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

⁵ Sections 12 to 14 and Schedule 1 of this scheme

⁶ Sections 68 to 74a of this scheme

⁷ Section 5 of this scheme

- d. employment and support allowance or in receipt of an award Universal Credit;
be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- e. is not deemed to be absent from the dwelling;
- f. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- g. be somebody in respect of whom a maximum Council Tax Reduction⁸ amount can be calculated;
- h. not have capital savings above £16,000⁹;
- i. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*¹⁰ is **more** than their *applicable amount*¹¹;
- j. have made a valid application for reduction¹²;
- k. be a person in respect of whom amount A exceeds amount B where.
 - (i) amount A is the maximum Council Tax Reduction in respect of the day in the applicant's case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount.

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

⁸ Sections 57 to 63 of this scheme

⁹ Sections 33 to 42 and Schedule 5 of this scheme

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

¹¹ Sections 12 to 14 and Schedule 1 of this scheme

¹² Sections 68 to 74a of this scheme

Council Tax Reduction Scheme

Details of support to be given for **working age claimants** for the financial year 2025/26

Sections 2- 8
Definitions and interpretation

2.0 Interpretation – an explanation of the terms used within this scheme.

2.1 In this scheme:

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

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

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

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

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

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

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

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

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

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

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

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

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

'attendance allowance' means–

- a. an attendance allowance under Part 3 of the Act;
- b. an increase of disablement pension under section 104 or 105 of the Act;
- c. a payment under regulations made in exercise of the power conferred by paragraph 7(2)(b) of Part 2 of Schedule 8 to the Act;
- d. an increase of an allowance which is payable in respect of constant attendance under paragraph 4 of Part 1 of Schedule 8 to the Act;
- e. a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or
- f. any payment based on need for attendance which is paid as part of a war disablement pension;

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

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

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

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

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

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

Improvement and Regulation) (Northern Ireland) Order 2003 or a residential care home within the meaning of Article 10 of that Order;

'the Caxton Foundation' means the charitable trust of that name established on 28th March 2011 out of funds provided by the Secretary of State for the benefit of certain persons suffering from hepatitis C and other persons eligible for payment in accordance with its provisions;

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

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

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

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

'claim' means a claim for Council Tax Reduction;

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

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

'the Consequential Provisions Regulations' means the Housing Benefit and Council Tax Reduction (Consequential Provisions) Regulations 2006;

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

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

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

'Council Tax Reduction scheme' has the same meaning as **'Council Tax Reduction or reduction'**.

'Council Tax Reduction' means Council Tax Reduction as defined by S13a Local Government Finance Act 1992 (as amended);

'couple' means:

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

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

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

'designated authority' means any of the following:

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

'designated office' means the office designated by the authority for the receipt of claims for Council Tax Reduction;

- a. by notice upon or with a form approved by it for the purpose of claiming Council Tax Reduction; or

- b. by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application; or
 - c. by any combination of the provisions set out in sub-paragraphs (a) and (b) above;
- 'disability living allowance'** means a disability living allowance under section 71 of the Act;
- 'dwelling'** has the same meaning in section 3 or 72 of the 1992 Act;
- 'earnings'** has the meaning prescribed in section 25 or, as the case may be, 27;
- 'the Eileen Trust'** means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;
- 'electronic communication'** has the same meaning as in section 15(1) of the Electronic Communications Act 2000 ;
- 'employed earner'** is to be construed in accordance with section 2(1)(a) of the Act and also includes a person who is in receipt of a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay or statutory maternity pay;
- 'Employment and Support Allowance Regulations'** means the Employment and Support Allowance Regulations 2008 and the Employment and Support Regulations 2013 as appropriate;
- 'Employment and Support Allowance (Existing Awards) Regulations'** means the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) Regulations 2010;
- 'the Employment, Skills and Enterprise Scheme'** means a scheme under section 17A (schemes for assisting persons to obtain employment; 'work for your benefit' schemes etc.) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist applicants to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search). This also includes schemes covered by The Jobseekers Allowance (Employment, Skills, and Enterprise Scheme) Regulations 2011 as amended by the Jobseekers (Back to Work Schemes) Act 2013 – see **'Back to Work Schemes'**;
- 'employment zone'** means an area within Great Britain designated for the purposes of section 60 of the Welfare Reform and Pensions Act 1999 and an **'employment zone programme'** means a programme established for such an area or areas designed to assist applicants for a jobseeker's allowance to obtain sustainable employment;
- 'employment zone contractor'** means a person who is undertaking the provision of facilities in respect of an employment zone programme on behalf of the Secretary of State for Work and Pensions;
- 'enactment'** includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;
- 'extended reduction'** means a payment of Council Tax Reduction payable pursuant to section 60;
- 'extended reduction period'** means the period for which an extended reduction is payable in accordance with section 60A or 61A of this scheme;
- 'extended reduction (qualifying contributory benefits)'** means a payment of Council Tax Reduction payable pursuant to section 61;
- 'family'** has the meaning assigned to it by section 137(1) of the Act and Section 9 of this scheme;
- 'the Fund'** means moneys made available from time to time by the Secretary of State for the benefit of persons eligible for payment in accordance with the provisions of a scheme established by him on 24th April 1992 or, in Scotland, on 10th April 1992;
- 'a guaranteed income payment'** means a payment made under article 15(1)(c) (injury benefits) or 29(1)(a) (death benefits) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011;
- 'he, him, his'** also refers to the feminine within this scheme.
- 'housing benefit'** means housing benefit under Part 7 of the Act; **'the Housing Benefit Regulations'** means the Housing Benefit Regulations 2006;
- 'Immigration and Asylum Act'** means the Immigration and Asylum Act 1999;
- 'an income-based jobseeker's allowance'** and **'a joint-claim jobseeker's allowance'** have the meanings given by section 1(4) of the Jobseekers Act 1995;

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

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

'independent hospital'—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

‘net profit’ means such profit as is calculated in accordance with section 28;

‘the New Deal options’ means the employment programmes specified in regulation 75(1)(a)(ii) of the Jobseeker’s Allowance Regulations 1996 and the training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

‘new dwelling’ means, for the purposes of the definition of ‘second authority’ and sections 60C, and 61C the dwelling to which an applicant has moved, or is about to move, in which the applicant is or will be resident;

‘non-dependant’ has the meaning prescribed in section 3;

‘non-dependant deduction’ means a deduction that is to be made under section 58;

‘occasional assistance’ means any payment or provision made by a local authority, the Welsh Ministers, or the Scottish Ministers for the purposes of:

- a. meeting, or helping to meet an immediate short-term need;
 - (i) arising out of an exceptional event or exceptional circumstances, or
 - (ii) that needs to be met to avoid a risk to the well-being of an individual, and
- b. enabling qualifying individuals to establish or maintain a settled home, and—
 - (i) ‘local authority’ has the meaning given by section 270(1) of the Local Government Act 1972 ;and
 - (ii) ‘qualifying individuals’ means individuals who have been, or without the assistance might otherwise be:
 - (aa) in prison, hospital, an establishment providing residential care or other institution, or
 - (bb) homeless or otherwise living an unsettled way of life; and ‘local authority’ means a local authority in England within the meaning of the Local Government Act 1972;

‘occupational pension’ means any pension or other periodical payment under an occupational pension scheme but does not include any discretionary payment out of a fund established for relieving hardship in particular cases;

‘occupational pension scheme’ has the same meaning as in section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;

‘ordinary clothing or footwear’ means clothing or footwear for normal daily use, but does not include school uniforms, or clothing or footwear used solely for sporting activities;

‘partner’ in relation to a person, means;

- a. where that person is a member of a couple, the other member of that couple;
- b. subject to paragraph (c), where that person is polygamously married to two or more members of his household, any such member to whom he is married; or
- c. where that person is polygamously married and has an award of universal credit with the other party to the earliest marriage that still subsists, that other party to the earliest marriage;

‘paternity leave’ means a period of absence from work on leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

‘payment’ includes part of a payment;

‘pensionable age’ has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995 as amended by the Public Services Pension Act 2013 and Pensions Act 2014;

‘pension fund holder’ means with respect to a personal pension scheme or an occupational pension scheme, the trustees, managers, or scheme administrators, as the case may be, of the scheme concerned;

‘pensioner’ a person who has attained the age at which pension credit can be claimed;

‘person affected’ shall be construed as a person to whom the authority decides is affected by any decision made by the council;

‘person on income support’ means a person in receipt of income support;

‘personal independence payment’ has the meaning given by Part 4 of the Welfare Reform Act 2012 and the Social Security (Personal Independence Payments) 2013;

‘person treated as not being in Great Britain’ has the meaning given by section 7;

'personal pension scheme' means—

- a. a personal pension scheme as defined by section 1 of the Pension Schemes Act 1993 as amended by the Public Service Pension Act 2013;
- b. an annuity contractor trust scheme approved under section 620 or 621 of the Income and Corporation Taxes Act 1988 or a substituted contract within the meaning of section 622(3) or that Act which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(f) of Schedule 36 of the Finance Act 2004¹³;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004;

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

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

- a. a person is a husband or wife by virtue of a marriage entered into under a law which permits polygamy; and
- b. either party to the marriage has for the time being any spouse additional to the other party.

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

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

- a. in the case of a woman, pensionable age; or
- b. in the case of a man, the age which is pensionable age in the case of a woman born on the same day as the man;

'qualifying contributory benefit' means;

- a. severe disablement allowance;
- b. incapacity benefit;
- c. contributory employment and support allowance;

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

'qualifying income-related benefit' means;

- a. income support;
- b. income-based jobseeker's allowance;
- c. income-related employment and support allowance;

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

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

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

'relevant authority' means an authority administering Council Tax Reduction;

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

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

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

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

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

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

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

¹³ As amended by the Finance Act 2014

- a. an employment zone programme;
- b. a programme provided or other arrangements made pursuant to section 2 of the 1973 Act (functions of the Secretary of State) or section 2 of the Enterprise and New Towns (Scotland) Act 1990 (functions in relation to training for employment, etc.);
- c. the Employment, Skills, and Enterprise Scheme;
- d. a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- e. Back to Work scheme.

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

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

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

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

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

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

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

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

'student' has the meaning prescribed in section 43;

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

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

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

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

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

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

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

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

'Universal Credit' means any payment of Universal Credit payable under the Welfare Reform

Act 2012, the Universal Credit Regulations 2013, The Universal Credit (Consequential, Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013, Universal Credit (Miscellaneous Amendments) Regulations 2013 and the Universal Credit (Transitional Provisions) Regulations 2014;

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

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

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

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

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

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

'water charges' means;

- a. as respects England and Wales, any water and sewerage charges under Chapter 1 of Part 5 of the Water Industry Act 1991,
- b. as respects Scotland, any water and sewerage charges established by Scottish Water under a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002, in so far as such charges are in respect of the dwelling which a person occupies as his home;

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

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

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

2.2 In this scheme, references to an applicant occupying a dwelling or premises as his home shall be construed in accordance with regulation 7 of the Housing Benefit Regulations 2006.

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

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

- a. in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker's allowance is not payable); or
- b. which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker's Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
- c. in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker's allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;

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

- d. in respect of which an income-based jobseeker's allowance or a joint-claim jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.4A For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day:
 - a. in respect of which he satisfies the conditions for entitlement to an income- related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act disqualification; or
 - b. which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act and which falls immediately before a day in respect of which an income- related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.
- 2.5 For the purposes of this scheme, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.6 In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).
- 3.0 Definition of non-dependant**
- 3.1 In this policy, 'non-dependant' means any person, except someone to whom paragraph 4.2 applies, who normally resides with a claimant or with whom a claimant normally resides.
- 3.2 This paragraph applies to;
 - a. any member of the claimant's family;
 - b. if the claimant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
 - c. a child or young person who is living with the claimant but who is not a member of his household by virtue of section 11(membership of the same household);
 - d. subject to paragraph 3.3, any person who, with the claimant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
 - e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the claimant or the claimant's partner in respect of the occupation of the dwelling;
 - f. a person who lives with the claimant 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 claimant or his partner for the services provided by that person.
- 3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following sub-paragraphs applies shall be a non-dependant–
 - a. a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either;
 - i. that person is a close relative of his or her partner; or
 - ii. the tenancy or other agreement between them is other than on a commercial basis;
 - b. a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of the council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;
 - c. a person who becomes jointly and severally liable with the claimant for council tax in

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

4.0 Requirement to provide a National Insurance Number¹⁵

4.1 No person shall be entitled to reduction unless the criteria below in 4.2 is satisfied in relation both to the person making the claim and to any other person in respect of whom he is claiming reduction.

4.2 This subsection is satisfied in relation to a person if–

- a. the claim for reduction is accompanied by;
 - i. a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - ii. information or evidence enabling the national insurance number that has been allocated to the person to be ascertained; or
- b. the person makes an application for a national insurance number to be allocated to him which is accompanied by information or evidence enabling such a number to be so allocated and the application for reduction is accompanied by evidence of the application and information to enable it to be allocated.

4.3 Paragraph 4.2 shall not apply–

- a. in the case of a child or young person in respect of whom council tax reduction is claimed;
- b. to a person who;
 - i. is a person in respect of whom a claim for council tax reduction is made;
 - ii. is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act; and
 - iii. has not previously been allocated a national insurance number.

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

5.1 This scheme applies to a person if:

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

5.2 For the purpose of this scheme an award of universal credit shall be disregarded where regulation 60A of the Universal Credit (Transitional Provisions) Regulations 2014 applies in respect of the award.

6.0 Remunerative work

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

6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;

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

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

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

Persons treated as not being in Great Britain

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
 - (a) regulation 13 of the EEA Regulations;
 - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
 - (i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or

- (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
 - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.4A For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—
- (a) (Removed by the Council Tax Reductions Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2021
 - (b) Appendix EU to the immigration rules made under section 3(2) of that Act;
 - (c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act; or
 - (d) having arrived in the United Kingdom with an entry clearance that was granted under Appendix EU (Family Permit) to the immigration rules made under section 3(2) of that Act.
- 7.4B Paragraph (4A)(b) does not apply to a person who—
- (a) has a right to reside granted by virtue of being a family member of a relevant person of Northern Ireland; and
 - (b) would have a right to reside under the EEA Regulations if the relevant person of Northern Ireland were an EEA national, provided that the right to reside does not fall within paragraph (4)(a) or (b)
- 7.5 A person falls within this paragraph if the person is—
- (za) a person granted leave in accordance with the immigration rules made under section 3(2) of the Immigration Act 1971, where such leave is granted by virtue of—
 - (i) the Afghan Relocations and Assistance Policy; or
 - (ii) the previous scheme for locally employed staff in Afghanistan (sometimes referred to as the ex-gratia scheme);
 - (zb) a person in Great Britain not coming within sub-paragraph (za) or (e) who left Afghanistan in connection with the collapse of the Afghan government that took place on 15th August 2021;
 - (zc) a person in Great Britain who was residing in Ukraine immediately before 1st January 2022, left Ukraine in connection with the Russian invasion which took place on 24th February 2022 and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;
 - (zd) a person who was residing in Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon immediately before 7th October 2023, left Israel, the West Bank, the Gaza Strip, East Jerusalem, the Golan Heights, or Lebanon in connection with the Hamas terrorist attack in Israel on 7th October 2023 or the violence which rapidly escalated in the region following the attack and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971,
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act, or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act;

- (ze) a person who was residing in Sudan before 15th April 2023, left Sudan in connection with the violence which rapidly escalated on 15th April 2023 in Khartoum and across Sudan and—
 - (i) has been granted leave in accordance with immigration rules made under section 3(2) of the Immigration Act 1971;
 - (ii) has a right of abode in the United Kingdom within the meaning given in section 2 of that Act; or
 - (iii) does not require leave to enter or remain in the United Kingdom in accordance with section 3ZA of that Act
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
- (b) a family member of a person referred to in sub-paragraph (a);
- (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
- (ca) a family member of a relevant person of Northern Ireland, with a right to reside which falls within paragraph (4A)(b), provided that the relevant person of Northern Ireland falls within paragraph (5)(a), or would do so but for the fact that they are not an EEA national;
- (cb) a frontier worker within the meaning of regulation 3 of the Citizens' Rights (Frontier Workers) (EU Exit) Regulations 2020;
- (cc) a family member of a person referred to in sub-paragraph (cb), who has been granted limited leave to enter, or remain in, the United Kingdom by virtue of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971
- (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;
- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion, or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance; or
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4).

7.6 A person falls within this paragraph if the person is a Crown servant or member of His Majesty's forces posted overseas.

7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of His Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

7.8 In this regulation—
 "claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;
 "Crown servant" means a person holding an office or employment under the Crown;
 "EEA Regulations" means the Immigration (European Economic Area) Regulations 2006; and the Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014 and references to the EEA Regulations are to be read with Schedule 4 to the Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020 (Consequential, Saving, Transitional and Transitory Provisions) Regulations 2020
 "EEA national" has the meaning given in regulation 2(1) of the EEA Regulations;

“family member” has the meaning given in regulation 7(1)(a), (b) or (c) of the EEA Regulations, except that regulation 7(4) of the EEA Regulations does not apply for the purposes of paragraphs (4B) and (5)(ca);

“relevant person of Northern Ireland” has the meaning given in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of the Immigration Act 1971; and

“His Majesty’s forces” has the same meaning as in the Armed Forces Act 2006.

Persons subject to immigration control

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority’s scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9.

7.11 “Person subject to immigration control” has the same meaning as in section 115(9) of the Immigration and Asylum Act 1999.

7A.0 Transitional provision

7A.1 The above does not apply to a person who, on 31st March 2015—

- (a) is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority’s scheme established under section 13A(2) of the Act; and
- (b) is entitled to an income-based jobseeker’s allowance, until the first of the events in paragraph 7A.2 occurs.

7A.2 The events are—

- (a) the person makes a new application for a reduction under an authority’s scheme established under section 13A(2) of the Act; or
- (b) the person ceases to be entitled to an income-based jobseeker’s allowance.

7A.3 In this section “the Act” means the Local Government Finance Act 1992.

8.0 Temporary Absence

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

8.2 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 in Great Britain;
- (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 within Great Britain not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as:

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

	<ul style="list-style-type: none"> (ii) the part of the dwelling in which he usually resided is not let or sub-let; (iii) that period is unlikely to exceed 13 weeks; and <p>(c) a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as:</p> <ul style="list-style-type: none"> (i) the person intends to return to the dwelling; (ii) the part of the dwelling in which he usually resided is not let or sub-let; (iii) the person is a person to whom sub-paragraph (3) applies; and (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period and <p>(d) subject to sub-paragraphs (2F), (3C), (3E) and (3G) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as:</p> <ul style="list-style-type: none"> (i) the person intends to return to the dwelling; (ii) the part of the dwelling in which he usually resides is not let or sub-let; and (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.
8.2A	The period of 13 weeks referred to in sub-paragraph (2)(b) shall run or continue to run during any period of absence from Great Britain.
8.2B	<p>Where:</p> <ul style="list-style-type: none"> (a) a person returns to Great Britain after a period of absence from Great Britain (period A); (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, <p>then any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).</p>
8.2C	The period of 52 weeks referred to in sub-paragraph (2)(c) shall run or continue to run during any period of absence from Great Britain.
8.2D	<p>Where:</p> <ul style="list-style-type: none"> (a) a person returns to Great Britain after a period of absence from Great Britain (period A); (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence, <p>then, any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(c).</p>
8.2E	<p>This sub-paragraph applies where:</p> <ul style="list-style-type: none"> (a) a person is temporarily absent from Great Britain; (b) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.
8.2F	<p>If the temporary absence referred to in sub-paragraph (2)(d) is in connection with the death of:</p> <ul style="list-style-type: none"> (a) the person's partner or a child or young person for whom the person or the person's partner is responsible; (b) the person's close relative; (c) the close relative of the person's partner; or (d) the close relative of a child or young person for whom the person or the person's partner is responsible,

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

8.3 This sub-paragraph applies to a person who—

(a) is detained in custody on remand pending trial or required, as a condition of bail, to reside—

(i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or

(ii) in premises approved under section 13 of the Offender Management Act 2007, or is detained in custody pending sentence upon conviction;

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

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

(d) is following, a training course;

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

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

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

(h) is a student;

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

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

8.3A This sub-paragraph applies to a person (“P”) who is:

(a) detained in custody on remand pending trial;

(b) detained pending sentence upon conviction; or

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

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

(ii) in premises approved under section 13 of the Offender Management Act 2007(7), and who is not also detained in custody following sentence upon conviction.

8.3B This sub-paragraph applies where:

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

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

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

8.3C Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as:

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

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

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

8.3D This sub-paragraph applies where—

	<p>(a) a person is temporarily absent from Great Britain;</p> <p>(b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of sub-paragraph (3);</p> <p>(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.</p>
8.3E	<p>Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as:</p> <p>(a) the person intends to return to the dwelling;</p> <p>(b) the part of the dwelling in which he usually resided is not let or sub-let;</p> <p>(c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.</p>
8.3F	<p>This sub-paragraph applies where:</p> <p>(a) a person is temporarily absent from Great Britain;</p> <p>(b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of sub-paragraph (3);</p> <p>(c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.</p>
8.3G	<p>Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as:</p> <p>(a) the person intends to return to the dwelling;</p> <p>(b) the part of the dwelling in which he usually resided is not let or sub-let;</p> <p>(c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.”;</p>
8.4	<p>This sub-paragraph applies to a person who is—</p> <p>(a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and</p> <p>(b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989.</p>
8.5	<p>Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release—</p> <p>(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;</p> <p>(b) for the purposes of sub-paragraph (3A), he must be treated as if he remains in detention;</p> <p>(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.</p>
8.6	<p>In this paragraph—</p> <p>“continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;</p> <p>“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;</p>

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

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

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

“medically approved” means certified by a medical practitioner;

“member of His Majesty’s forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006(10)), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of His Majesty’s regular forces or reserve forces;

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

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

“residential accommodation” means accommodation which is provided in:

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

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

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

Sections 9 - 11

The family for Council Tax Reduction purposes

9.0 Membership of a family

- 9.1 Within the reduction scheme adopted by the Council 'family' means;
- a married or unmarried couple;
 - married or unmarried couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person;
 - except in prescribed circumstances, a person who is not a member of a married or unmarried couple and a member of the same household for whom that person is responsible and who is a child or a young person;

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

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

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

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

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

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him, and this includes a child or young person to whom paragraph 9.3 applies.
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- a. the person who is receiving child benefit in respect of him; or
 - b. if there is no such person;
 - i. where only one claim for child benefit has been made in respect of him, the person who made that claim; or
 - ii. in any other case the person who has the primary responsibility for him.
- 10.3 For the purposes of this policy a child or young person shall be the responsibility of only one person in any reduction week and any person other than the one treated as responsible for the child or young person under this section shall be treated as not so responsible.

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

- 11.1 Subject to paragraphs 11.2 and 11.3, the claimant and any partner and, where the claimant or his partner is treated as responsible by virtue of section 10 (circumstances in which a person is to be treated as responsible or not responsible for a child or young person) for a child or young person, that child or young person and any child of that child or young person, shall be treated as members of the same household notwithstanding that any of them is temporarily absent from that household.
- 11.2 A child or young person shall not be treated as a member of the claimant's household where he is—
- a. placed with the claimant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the claimant or his partner under a relevant enactment; or
 - b. placed, or in Scotland boarded out, with the claimant 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 2002¹⁶ or the Adoption Agencies (Scotland) Regulations 2009.
- 11.3 Subject to paragraph 11.4, paragraph 11.1 shall not apply to a child or young person who is not living with the claimant and he—
- a. is being looked after by, or in Scotland is in the care of, a local authority under a relevant enactment; or
 - b. has been placed, or in Scotland boarded out, with a person other than the claimant prior to adoption; or
 - c. has been placed for adoption in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009; or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes).
- 11.4 An authority shall treat a child or young person to whom paragraph 11.3 a) applies as being a member of the claimant's household in any reduction week where;
- a. that child or young person lives with the claimant for part or all of that reduction week; and
 - b. the authority considers that it is responsible to do so taking into account the nature and frequency of that child's or young person's visits.
- 11.5 In this paragraph 'relevant enactment' means the Army Act 1955, the Air Force Act 1955, the Naval Discipline Act 1957, the Matrimonial Proceedings (Children) Act 1958, the Social Work (Scotland) Act 1968, the Family Law Reform Act 1969, the Children and Young Persons Act 1969, the Matrimonial Causes Act 1973, the Children Act 1975, the Domestic Proceedings and Magistrates' Courts Act 1978, the Adoption and Children (Scotland) Act 1978, the Family Law Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012 as amended.

¹⁶ The Adoption and Children Act 2002 (Commencement No. 12) Order 2014

Sections 12 – 14 & Schedule 1

Applicable Amounts for Council Tax Reduction purposes

12.0 Applicable amounts

12.1 Subject to sections 13 and 14, an applicant's weekly applicable amount shall be aggregate of such of the following amounts as may apply in his case:

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

13.0 Polygamous marriages

13.1 Subject to section 14, where an applicant is a member of a polygamous marriage, his weekly applicable amount shall be the aggregate of such of the following amounts as may apply in his case:

- a. the amount applicable to him and one of his partners determined in accordance with paragraph 1 of Schedule 1 of this scheme as if he and that partner were a couple;
- b. an amount equal to the amount within paragraph 1 (3) (c) of Schedule 1 of this scheme in respect of each of his other partners;
- c. an amount determined in accordance with paragraph 2 of Schedule 1 of this scheme (applicable amounts) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of Schedule 1 (family premium). **No family premium will be awarded where an application for reduction is received on or after 1st April 2017.**
 - i) Sub paragraph (d) shall not apply to a person who, on 31st March 2017, is entitled to Council Tax Reduction and is:
 - a. a member of a family of which at least one member is a child or young person; or
 - b. a partner in a polygamous marriage, where he or she, or another partner of the

polygamous marriage, is responsible for a child or young person who is a member of the same household.

(i) above does not apply if—

(a) sub-paragraph 13.1 d (i) (a) or (b) of that paragraph ceases to apply; or

(b) the person makes a new claim for Council Tax Reduction.

(ii) For the purpose of this section “child”, “polygamous marriage” and “young person” have the same meaning as in section 2 of this scheme;

e. the amount of any premiums which may be applicable to him determined in accordance with paragraphs 4 to 16 of Schedule 1 of this scheme (premiums).

f. the amount of either the;

i. work-related activity component; or

ii. support component which may be applicable to him in accordance with paragraph 17 and 18 of Schedule 1 (the components).

g. the amount of any transitional addition which may be applicable to him in accordance with paragraphs 19 and 20 of Schedule 1 of this scheme (transitional addition).

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

14.1 In determining the applicable amount for a week of an applicant—

a. who has, or

b. who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (2).

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

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

Sections 15 – 32 & Schedules 3 & 4

Definition and the treatment of income for Council Tax Reduction purposes

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

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

is to be calculated in accordance with the following provisions.

- 15.2 The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

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

15A.0 Calculation of income and capital: persons who have an award of universal credit.

- 15A.1 In determining the income of an applicant;
- a. who has, or
 - b. who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

- 15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of
- a. Income consisting of the award of universal credit, determined in accordance with subparagraph (3);
 - b. Any sum to be disregarded under paragraphs of Schedule 4 to the scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);
 - c. Section 16 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
 - d. Such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

- 15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

- 15A.4 sections 16 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments, which fall to be made to the figure for income under sub-paragraph (2)

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

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

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

17.0 Calculation of income on a weekly basis

- 17.1 For the purposes of this policy and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of a claimant shall be calculated on a weekly basis;
- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of Part 6 of the Housing Benefit Regulations 2006;
 - b. by adding to that amount, the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
 - c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 17.2 are met, from those earnings plus whichever credit specified in sub- paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the claimant's family of whichever of the sums specified in paragraph (3) applies in his case.
- 17.2 The conditions of this paragraph are that;
- a. the claimant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
 - b. that claimant or, if he is a member of a couple either the claimant or his partner, is in receipt of either working tax credit or child tax credit.
- 17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;
- a. where the claimant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
 - b. where the claimant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.
- 17.4 For the purposes of paragraph 17.1 'income' includes capital treated as income under section 31 (capital treated as income) and income, which a claimant is treated as possessing under section 32 (notional income).

18.0 Treatment of child care charges

- 18.1 This section applies where a claimant is incurring relevant child-care charges and;
- a. is a one parent and is engaged in remunerative work;
 - b. is a member of a couple both of whom are engaged in remunerative work; or
 - c. is a member of a couple where one member is engaged in remunerative work and the other;

- i. is incapacitated;
 - ii. is an in-patient in hospital; or
 - iii. is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).
- 18.2 For the purposes of paragraph 18.1 and subject to paragraph 18.4, a person to whom paragraph 18.3 applies shall be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he—
 - a. is paid statutory sick pay;
 - b. is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the Act;
 - c. is paid an employment and support allowance;
 - d. is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support Regulations; or
 - e. is credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975.
- 18.3 This paragraph applies to a person who was engaged in remunerative work immediately before
 - a. the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
 - b. the first day of the period in respect of which earnings are credited, as the case may be.
- 18.4 In a case to which paragraph 18.2 c) or d) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.
- 18.5 Relevant child care charges are those charges for care to which paragraphs 18.6 and 18.7 apply and shall be calculated on a weekly basis in accordance with paragraph 18.10.
- 18.6 The charges are paid by the claimant for care, which is provided;
 - a. in the case of any child of the claimant'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 claimant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.
- 18.7 The charges are paid for care, which is provided by one, or more of the care providers listed in paragraph 18.8 and are not paid—
 - a. in respect of the child's compulsory education;
 - b. by a claimant to a partner in respect of any child for whom either or any of them is responsible in accordance with section 10 (circumstances in which a person is treated as responsible or not responsible for another); or
 - c. in respect of care provided by a relative of the child wholly or mainly in the child's home.
- 18.8 The care to which paragraph 18.7 refers may be provided;
 - a. out of school hours, by a school on school premises or by a local authority;
 - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
 - b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
 - c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010;

- or
- d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
- e. by;
 - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010;
 - or
 - ii. local authorities registered under section 83(1) of that Act, where the care provided is child minding or daycare within the meaning of that Act; or
- f. by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act or
- g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering, or kinship carer is looking after; or
- l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
- m. by a person who is not a relative of the child wholly or mainly in the child's home.

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

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

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

- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- b. the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulation made under section 171E of the Act;
- c. the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or Employment and Support Regulations 2013;
- d. the applicant (within the meaning of this scheme) is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose, any two or

- more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
- e. the applicant (within the meaning of this scheme) has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 20018 or Employment and Support Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
 - f. there is payable in respect of him one or more of the following pensions or allowances–
 - i. long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the Act;
 - ii. attendance allowance under section 64 of the Act;
 - iii. severe disablement allowance under section 68 of the Act;
 - iv. disability living allowance under section 71 of the Act;
 - v. personal independence payment under the Welfare Reform Act 2012;
 - vi. an AFIP;
 - vii. increase of disablement pension under section 104 of the Act;
 - viii. a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under head (ii), (iv) or (vii) above;
 - ix. main phase employment and support allowance;
 - g. a pension or allowance to which head (ii), (iv), (vi) or (viii) of sub-paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this section shall mean a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of social security (Hospital In-Patients) Regulations 2005.
 - h. an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
 - i. paragraphs (f) or (g) would apply to him if the legislative provisions referred to in those sub-paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or
 - j. he has an invalid carriage or other vehicle provided to him by the Secretary of State under section 5(2)(a) of and Schedule 2 to the National Health Service Act 1977 or under section 46 of the National Health Service (Scotland) Act 1978 or provided by the Department of Health, Social Services and Public Safety in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

18.12 For the purposes of paragraph 18.11 once paragraph 18.11c) applies to the claimant, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

18.12A For the purposes of paragraph 18.11, once paragraph 18.11d) applies to the claimant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.☐

18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person–

- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
- b. who is registered as blind in a register compiled under section 29 of the National

Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

- c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

18.14 For the purposes of paragraph 18.1 a woman on maternity leave, paternity leave or adoption leave shall be treated as if she is engaged in remunerative work for the period specified in paragraph 18.15 ('the relevant period') provided that—

- a. in the week before the period of maternity leave, paternity leave or shared parental leave effective from 5/4/2015 or adoption leave began she was in remunerative work or adoption leave began she was in remunerative work;
- b. the applicant is incurring relevant child care charges within the meaning of paragraph 18.5; and
- c. she is entitled to either statutory maternity pay under section 164 of the Act, statutory paternity pay by virtue of section 171ZA or 171ZB of the Act statutory adoption pay by of section 171ZL of the Act, maternity allowance under section 35 of the Act or qualifying support.

18.15 For the purposes of paragraph 18.14 the relevant period shall begin on the day on which the person's maternity, paternity leave or adoption leave commences and shall end on—

- a. the date that leave ends;
- b. if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- c. if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credits ends.

whichever shall occur first.

18.16 In paragraphs 18.14 and 18.15

- a. 'qualifying support' means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support Regulations; and
- b. 'child care element' of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element).

18.17 In this section 'applicant' does not include an applicant;

- a. who has, or
- b. who (jointly with his partner) has, an award of universal credit

19.0 Average weekly earnings of employed earners.

19.1 Where a claimant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—

- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
 - i. 5 weeks, if he is paid weekly; or
 - ii. 2 months, if he is paid monthly; or
- b. whether or not sub-paragraph 16.1 i) or ii) applies, where a claimant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

- 19.2 Where the claimant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)
- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
 - b. in any other case, the authority shall require the claimant's employer to furnish an estimate of the claimant's likely weekly earnings over such period as the authority may require and the claimant's average weekly earnings shall be estimated by reference to that estimate.
- 19.3 Where the amount of a claimant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.
- 19.4 For the purposes of this section the claimant's earnings shall be calculated in accordance with sections 25 and 26.
- 20.0 Average weekly earnings of self-employed earners**
- 20.1 Where a claimant's income consists of earnings from employment as a self-employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed a year.
- 20.2 For the purposes of this section the claimant's earnings shall be calculated in accordance with section 27 to 29 of this policy.
- 21.0 Average weekly income other than earnings**
- 21.1 A claimant's income which does not consist of earnings shall, except where paragraph 18.2 applies, be estimated over such period as is appropriate in order that his average weekly income may be estimated accurately but the length of the period shall not in any case exceed 52 weeks; and nothing in this paragraph shall authorise an authority to disregard any such income other than that specified in Schedule 4 of this policy.
- 21.2 The period over which any benefit under the benefit Acts is to be taken into account shall be the period in respect of which that reduction is payable.
- 21.3 For the purposes of this section income other than earnings shall be calculated in accordance with paragraphs 30 to 32 of this policy.
- 22.0 Calculation of average weekly income from tax credits**
- 22.1 This section applies where a claimant received a tax credit.
- 22.2 Where this section applies, the period over which a tax credit is to be taken into account shall be the period set out in paragraph 22.3.
- 22.3 Where the instalment in respect of which payment of a tax credit is made is;
- a. a daily instalment, the period is 1 day, being the day in respect of which the instalment is paid;
 - b. a weekly instalment, the period is 7 days, ending on the day on which the instalment is due to be paid;
 - c. a two weekly instalment, the period is 14 days, commencing 6 days before the day on which the instalment is due to be paid;

- d. a four weekly instalment, the period is 28 days, ending on the day on which the instalment is due to be paid.

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

23.0 Calculation of weekly income

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

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

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

24.0 Disregard of changes in tax, contributions etc.

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

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

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

25.0 Earnings of employed earners.

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

- a. any bonus or commission;
- b. any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- c. any payment in lieu of notice, or any lump sum payment intended as compensation for the loss of employment but only in so far as it represents loss of income;
- d. any holiday pay except any payable more than 4 weeks after termination or interruption of the employment;
- e. any payment by way of a retainer;
- f. any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of—
- g. (i) travelling expenses incurred by the applicant between his home and his place of

- employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
 - h. any award of compensation made under section 112(4) or 117(3)(a) of the Employment Rights Act 1996 (remedies and compensation for unfair dismissal);
 - i. any payment or remuneration made under section 28, 34, 64, 68 or 70 of the Employment Rights Act 1996 (right to guarantee payments, remuneration on suspension on medical or maternity grounds, complaints to employment tribunals);
 - j. any such sum as is referred to in section 112 of the Act (certain sums to be earnings for social security purposes);
 - k. any statutory sick pay, statutory maternity pay, statutory paternity pay, shared parental pay or statutory adoption pay, or a corresponding payment under any enactment having effect in Northern Ireland;
 - l. any remuneration paid by or on behalf of an employer to the applicant who for the time being is on maternity leave, paternity leave, shared parental pay or adoption leave or is absent from work because he is ill;
 - m. the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001 as amended.¹⁷
- 25.2 Earnings shall not include—
- a. subject to paragraph 25.3, any payment in kind;
 - b. any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of employment;
 - c. any occupational pension
 - d. any payment in respect of expenses arising out of an applicant participating as a service user.
- 25.3 Paragraph 25.2 a) shall not apply in respect of any non-cash voucher referred to in paragraph 25.1 m)
- 26.0 Calculation of net earnings of employed earners.**
- 26.1 For the purposes of section 19 (average weekly earnings of employed earners), the earnings of a claimant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.
- 26.2 There shall be disregarded from a claimant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.
- 26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies, be calculated by taking into account the gross earnings of the claimant from that employment over the assessment period, less;
- a. any amount deducted from those earnings by way of
 - i) income tax;
 - ii) primary Class 1 contributions under the Act;
 - b. one-half of any sum paid by the claimant by way of a contribution towards an occupational pension scheme;
 - c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the claimant; and
 - d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment

¹⁷ Social Security (Contributions)(Amendment) Regulations 2013, Social Security (Contributions)(Amendment No.2) Regulations 2013 and Social Security (Contributions)(Amendment No.2) Regulations 2013

having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

- 26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.
- 26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—
- where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
 - in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.
- 26.6 Where the earnings of a claimant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less—
- 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 claimant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
 - an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - one-half of any sum which would be payable by the claimant by way of a contribution towards an occupational or personal pension scheme if the earnings so estimated were actual earnings.

27.0 Earnings of self-employed earners

- 27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment plus any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the claimant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.
- 27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the claimant under arrangements made by a local authority or voluntary organisation and payments made to the claimant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the claimant's care) nor shall it include any sports award.
- 27.3 This paragraph applies to—
- 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
 - any payment in respect of any—
 - book registered under the Public Lending Right Scheme 1982; or
 - work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the claimant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

- 27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by:
- a. the amount of the reduction under this scheme which would be payable had the payment not been made; plus ;
 - b. an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

27A.0 Minimum Income Floor

- 27A.1 Where no start-up period (as defined within 27.2) applies to the applicant and the income from self-employment of the applicant or partner as calculated by reference to parts of this scheme is less than 30 hours multiplied by the appropriate National Living/ Minimum Wage, **the income used by the Council in the calculation of their award may be increased to that amount.** The National Living/Minimum Wage applied shall be that which applies to the relevant assessment period less as estimate for tax, national insurance and half a pension contribution (where a pension contribution is being made) as if estimating the income of an ordinary employed worker.
- 27A.2 The Council shall determine an appropriate start up period for the employment activity being conducted by the claimant or partner. This will normally be one year from the date of claim, or one year from the date of commencement of the employment activity, whichever is sooner. During this period no Minimum Income Floor shall be applied. The start-up period ends where the person is no longer in gainful self-employment.
- 27A.3 Where a claimant or partner holds a position in a company that is analogous to that of a sole owner or partner in the business of that company, he shall be treated as if he were such sole owner or partner and in such a case be subject to the Minimum Income Floor where appropriate.
- 27A.4 Ordinarily, no start-up period may be applied in relation to a claimant where a start-up period has previously been applied, whether in relation to a current or previous award of a Council Tax Relief or where one would have been applied, if not for the operation of Council Tax Benefit. The Council may allow a subsequent employment to qualify for a startup period based on the previous history of the claimant and an assessment of such evidence that would support a decision to allow for a subsequent start up period.
- 27A.5 In order to establish whether to award a start-up period, or at its discretion a subsequent start-up period, the claimant must satisfy the Council that the employment is:
- Genuine and effective. The council must be satisfied that the employment activity is being conducted;
 - Taking up the stated number of working hours;
 - Being conducted with the intention of increasing the income to the level that would be conducive with that form of employment.
- 27A.6 For the purposes of determining whether a claimant is in gainful self-employment or meets the conditions for a startup-period, the Council will require the claimant to provide such evidence or information that it reasonably requires to make that decision, the Council may also require the self-employed person to attend an interview for the purpose of establishing whether the employment is gainful or whether the conditions for a startup period are met.

28.0 Calculation of net profit of self-employed earners

- 28.1 For the purposes of section 20 (average weekly earnings of self- employed earners) the earnings

- of an applicant to be taken into account shall be;
- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
 - b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
 - i. an amount in respect of income tax and of national insurance contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.
- 28.2 There shall be disregarded from a claimant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.
- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less;
- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
 - b. an amount in respect of;
 - (i) income tax, and
 - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.
- 28.4 For the purposes of paragraph 28.1b) the net profit of the employment shall be calculated by taking into account the earnings of the employment over the assessment period less, subject to paragraphs 28.5 to 28.8, any expenses wholly and exclusively incurred in that period for the purposes of the employment.
- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of—
- a. any capital expenditure;
 - b. the depreciation of any capital asset;
 - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
 - d. any loss incurred before the beginning of the assessment period;
 - e. the repayment of capital on any loan taken out for the purposes of the employment;
 - f. any expenses incurred in providing business entertainment, and
 - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for—
- a. the replacement in the course of business of equipment or machinery; and
 - b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a) or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt—
- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;

- b. a deduction shall be made thereunder in respect of–
 - i. the excess of any value added tax paid over value added tax received in the assessment period;
 - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - iii. any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
 - a. income tax; and
 - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
 - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution.
- 28.10 For the avoidance of doubt where a claimant is engaged in employment as a self-employed earner, and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined;
 - a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
 - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.
- 28.12 In this section, ‘qualifying premium’ means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.
- 29.0 Deduction of tax and contributions of self-employed earners**
- 29.1 The amount to be deducted in respect of income tax under section 28.1b) i), 28.3 b) i) or 28.9 a) i) (calculation of net profit of self-employed earners) shall be calculated on the basis of the amount of chargeable income and as if that income were assessable to income tax at the basic rate of tax applicable to the assessment period less only the personal relief to which the claimant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988(personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.
- 29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a shall be the total of–
 - a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant’s chargeable income is less than the amount specified in section 11(4) of the Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
 - b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the

tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means—

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph (28.3)(a) or, as the case may be, (28.4) of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment.

30.0 Calculation of income other than earnings

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of a claimant which does not consist of earnings to be taken into account shall, subject to paragraphs 30.2 to 30.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There shall be disregarded from the calculation of a claimant's gross income under paragraph 30.1, any sum, where applicable, specified in Schedule 4.

30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.

30.4 Where the claimant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

30.5 Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under paragraph 27.1 shall be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

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

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

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

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

Where;

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

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

C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not

abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;
D = the number of reduction weeks in the assessment period.

- 30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—
A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5

- 30.10 In this section— ‘academic year’ and ‘student loan’ shall have the same meanings as for the purposes of sections 43 to 45, ‘assessment period’ means—
- a. in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;
 - b. in a case where the relevant payment is made by two or more instalments in a quarter, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course and ending with the reduction week which includes—
 - i. the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
 - ii. the last day of the last quarter for which an instalment of the relevant payment was payable to that person.

whichever of these date is earlier;

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

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

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

- 30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 27.1;
- a. any payment to which paragraph 25.2 (payments not earnings) applies; or
 - b. in the case of a claimant 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 claimant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

31.0 Capital treated as income.

- 31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the claimant’s capital otherwise calculated in accordance with sections 33 to 42 of this policy exceeds £16,000, be treated as income.

- 31.2 Any payment received under an annuity shall be treated as income.

- 31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.
- 31.4 Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 shall be treated as income.
- 31.5 Where an agreement or court order provides that payments shall be made to the claimant in consequence of any personal injury to the claimant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the claimant (but not a payment which is treated as capital), shall be treated as income.

32.0 Notional income

- 32.1 A claimant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of support or increasing the amount of that reduction.
- 32.2 Except in the case of–
- a. a discretionary trust;
 - b. a trust derived from a payment made in consequence of a personal injury;
 - c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the claimant has not attained the qualifying age for state pension credit;
 - d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
 - e. any sum to which paragraph 48(a) of Schedule 5 refers;
 - f. rehabilitation allowance made under section 2 of the 1973 Act;
 - g. child tax credit; or
 - h. working tax credit,
 - i. any sum to which paragraph 32.13 applies;
- any income which would become available to the claimant upon application being made, but which has not been acquired by him, shall be treated as possessed by the claimant but only from the date on which it could be expected to be acquired were an application made.

32.3 – 32.5 Not used

- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–
- a. to a third party in respect of a single claimant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single claimant or, as the case may be, by that member;
 - b. to a third party in respect of a single claimant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single claimant 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 claimant 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 claimant or member is liable;
 - c. to a single claimant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single claimant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made:
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, or the Independent Living Fund (2006);

- b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
- c. pursuant to section 2 of the 1973 Act in respect of a person's participation—
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- d. in respect of a person's participation in the Work for Your Benefit Pilot Scheme
- e. in respect of a previous participation in the Mandatory Work Activity Scheme;
- f. in respect of an applicant's participation in the Employment, Skills, and Enterprise Scheme;
- g. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where—
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
 - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

32.8 Where a claimant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the claimant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.

32.9 Subject to paragraph 32.10, where—

- a. claimant performs a service for another person; and
- b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the claimant as possessing such earnings (if any) as is reasonable for that employment unless the claimant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

32.10 Paragraph 32.9 shall not apply—

- a. to a claimant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- b. in a case where the service is performed in connection with—
 - (i) the claimant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the claimant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
 - (ii) the claimant's or the claimant'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 a claimant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

- 32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.
- 32.11 Where a claimant is treated as possessing any income under any of paragraph 32.1 to (32.8), the foregoing provisions of this policy shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.
- 32.12 Where a claimant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this policy shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (32.3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;
- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate of tax applicable to the assessment period less only the personal relief to which the claimant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the "starting rate" of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
 - b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
 - c. one-half of any sum payable by the claimant by way of a contribution towards an occupational or personal pension scheme.
- 32.13 Paragraphs (32.1), (32.2), (32.6) and (32.9) shall not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation as a service user.

Sections 33 – 42 & Schedule 5

Definition and the treatment of capital for Council Tax Reduction purposes

33.0 Capital limit

- 33.1 For the purposes of section 134(1) of the Act as it applies to council tax reduction (no entitlement to reduction if capital exceeds prescribed amount), the prescribed amount is £16,000.

34.0 Calculation of capital

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

35.0 Disregard of capital of child and young person

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

36.0 Income treated as capital.

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

37.0 Calculation of capital in the United Kingdom

- 37.1 Capital which a claimant possesses in the United Kingdom shall be calculated at its current market or surrender value less—
- a. where there would be expenses attributable to the sale, 10 per cent.; and

- b. the amount of any encumbrance secured on it;

38.0 Calculation of capital outside the United Kingdom

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

39.0 Notional capital

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

- 39.2 Except in the case of:

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

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

- 39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made;
- (a) to a third party in respect of a single claimant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single claimant or, as the case may be, by that member;
 - (b) to a third party in respect of a single claimant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph (a), be treated as possessed by that single claimant 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 claimant 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 claimant or member is liable;
 - (c) to a single claimant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single claimant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

- 39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made:

- a. under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, or the London Bombings Relief

Charitable Fund;

- b. pursuant to section 2 of the 1973 Act in respect of a person's participation:
 - i. in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
 - ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
 - v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- c. in respect of a person's participation in the Mandatory Work Activity Scheme;
- d. Enterprise Scheme;
- e. in respect of an applicant's participation in the Employment, Skills, and Enterprise Scheme or Back to Work 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 (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

39.5 Where a claimant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case;

- (a) the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- (b) he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the claimant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where a claimant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

40.0 Diminishing notional capital rule.

40.1 Where a claimant is treated as possessing capital under section 39.1 (notional capital), the amount which he is treated as possessing;

- (a) in the case of a week that is subsequent to
 - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
 - (ii) a week which follows that relevant week, and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
- (b) in the case of a week in respect of which paragraph 40.1(a) does not apply but where;
 - (i) that week is a week subsequent to the relevant week; and
 - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be reduced by the amount determined under paragraph 40.4.

- 40.2 This paragraph applies to a reduction week or part-week where the claimant satisfies the conditions that:
- (a) he is in receipt of council tax reduction; and
 - (b) but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.
- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- (a) the additional amount to which sub-paragraph 40.2 (b) refers;
 - (b) where the claimant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
 - (c) where the claimant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
 - (d) where the claimant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
 - (e) where the claimant 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 support week to which paragraph 40.2 refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).
- 40.4 Subject to paragraph 40.5, for the purposes of paragraph 40.1(b) the condition is that the claimant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- (a) the amount of council tax reduction to which the claimant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
 - (b) if the claimant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
 - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
 - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,
 and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
 - (c) if the claimant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the support week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have been so entitled

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

- (d) if the claimant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this policy, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
- (e) if the claimant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount must be determined by dividing the amount of the income-related employment and support allowance to which he would have been so entitled by the number equal to the number of days in that part-week and multiplying the quotient so obtained by 7.

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

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

40.6 The conditions are that;

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

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

40.8 For the purposes of this section

- (a) 'part-week'
 - (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
 - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
 - (iii) in paragraph 40.4 (c),(d) and (e) means—
 - (aa) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - (bb) any other period of less than a week for which it is payable;
- (b) 'relevant week' means the reduction week or part-week in which the capital in question of which the claimant has deprived himself within the meaning of section 39.1
 - (i) was first taken into account for the purpose of determining his entitlement to council

tax reduction; or

(ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;

and where more than one reduction week is identified by reference to heads (i) and (ii) of this sub-paragraph the later or latest such reduction week or, as the case may be, the later or latest such part-week;

- (c) 'relevant subsequent risk' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

41.0 Capital jointly held.

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

42.0 Calculation of tariff income from capital

42.1 Where the claimant's capital calculated in accordance with this policy exceeds £6,000 it shall be treated as equivalent to a weekly income of £1 for each complete £250 of in excess of £6,000 but not exceeding £16,000.

42.2 Notwithstanding paragraph 42.1 where any part of the excess is not a complete £250 that part shall be treated as equivalent to a weekly tariff income of £1.

42.3 For the purposes of paragraph 42.1, capital includes any income treated as capital under section 36 (income treated as capital).

Sections 43 - 56

Definition and the treatment of students for Council Tax Reduction purposes¹⁸

¹⁸ ¹⁸ Amounts shown in sections 43 to 56 will be uprated in line with the Housing Benefit Regulations 2006 (as amended)

43.0 Student related definitions

43.1 In this policy the following definitions apply;

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

'access funds' means;

- a. grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- b. grants made under section 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- c. grants made under Article 30 of the Education and Libraries (Northern Ireland) Order 1993 or grants, loans or other payments made under Article 5 of the Further Education (Northern Ireland) Order 1997 in each case being grants, or grants, loans or other payments as the case may be, for the purpose of assisting students in financial difficulties;
- d. discretionary payments, known as 'learner support funds', which are made available to students in further education by institutions out of funds provided by the Young People's Learning Agency for England under sections 61; and 62 of the Apprenticeships, Skills, Children and Learning Act 2009 or the Chief Executive of Skills Funding under section 100 and 101 of that Act; or
- e. Financial Contingency Funds made available by the Welsh Ministers;

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

'contribution' means;

- a. any contribution in respect of the income of a student or any person which the Secretary of State, the Scottish Ministers or an education authority takes into account in ascertaining the amount of a student's grant or student loan; or
 - b. any sums, which in determining the amount of a student's allowance or bursary in Scotland under the Education (Scotland) Act 1980, the Scottish Ministers or education authority takes into account being sums which the Scottish Ministers or education authority consider that it is reasonable for the following person to contribute towards the holder's expenses;
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;
- 'course of study'** means any course of study, whether or not it is a sandwich course and whether or not a grant is made for attending or undertaking it; **'covenant income'** means the gross income payable to a full-time student under a Deed of Covenant by his parent;

'education authority' means a government department, a local education authority as defined in section 12 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973 an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body of the Channel 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 Young People's Learning Agency for England, 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 Young People's Learning Agency for England, 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 Young People's Learning Agency for England 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 bodies 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 and it involves additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

'full-time student' means a person attending or undertaking a full-time course of study and includes a student on a sandwich course; **'grant'** (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 12 of Schedule 4 or paragraph 53 of Schedule 5 applies;

'grant income' means;

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

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

'last day of the course' means;

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

'period of study' means–

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

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

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

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

'sandwich course' has the meaning prescribed in regulation 2(9) of the Education (Student Support) Regulations 2008, regulation 4(2) of the Education (Student Loans), (Scotland),

Regulations 2007 or regulation 2(8) of the Education (Student Support) Regulations (Northern Ireland) 2007, as the case may be;

‘standard maintenance grant’ means–

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

‘student’ means a person, other than a person in receipt of a training allowance, who is attending or undertaking–

- (a) a course of study at an educational establishment; or
- (b) a qualifying course; ‘student’ loan’ means a loan towards a student’s maintenance pursuant to any regulations made under section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scotland) Act 1980 or Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 and shall include, in Scotland, a young student’s bursary paid under regulation 4(1)(c) of the Student’s Allowances (Scotland) Regulations 2007

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

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

43.3 For the purposes of sub-paragraph (a) of paragraph 2.8, the period referred to in that sub-paragraph shall include;

- (a) where a person has failed examinations or has failed to successfully complete a module relating to a period when he was attending or undertaking a part of the course as a full-time course of study, any period in respect of which he attends or undertakes the course for the purpose of retaking those examinations or that module;
- (b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

44.0 Treatment of students

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

45.0 Students who are excluded from entitlement to council tax reduction.

- 45.1 Students (except those specified in paragraph 45.3) are not able to claim Council Tax Reduction under Classes 1 and 2 of the Council's reduction scheme.
- 45.2 To be eligible for reduction, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992, and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this policy (persons from aboard).
- 45.3 Paragraph 45.2 shall not apply to a student;
- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
 - (b) who is a lone parent;
 - (c) whose applicable amount would, but for this section, include the disability premium or severe disability premium;
 - (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the Act;
 - (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the Act (incapacity for work) for a continuous period of not less than 196 days; and for this purpose, any two or more separate periods separated by a break of not more than 56 days shall be treated as one continuous period;
 - (ea) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
 - (f) 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;
 - (g) who is a single claimant 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;
 - (h) who is;
 - (i) aged under 21 and whose course of study is not a course of higher education, or
 - (ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);
 - (i) in respect of whom
 - i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
 - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or
 - (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986, on account of his disability by reason of deafness.

- 45.3A Paragraph 45.3 only applies to a claimant until the end of the course during which the claimant attained the age of 21
- 45.4 For the purposes of paragraph 45.3, once paragraph 45.3(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that paragraph shall, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.
- 45.5 In paragraph 45.3(h) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.
- 45.6 A full-time student to whom sub-paragraph (i) of paragraph 45.3 applies, shall be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.
- 45.7 Paragraph 45.2 shall not apply to a full-time student for the period specified in paragraph 45.8 if;
- (a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is;
 - (i) engaged in caring for another person; or
 - (ii) ill;
 - (b) he has subsequently ceased to be engaged in engaging in caring for that person or, as the case may be, he has subsequently recovered from that illness; and
 - (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.
- 45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;
- (a) the day on which he resumes attending or undertaking the course; or
 - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course, which shall first occur.
- 46.0 Calculation of grant income**
- 46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.
- 46.2 There shall be excluded from a student's grant income any payment;
- (a) intended to meet tuition fees or examination fees;
 - (b) in respect of the student's disability;
 - (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
 - (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
 - (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;
 - (f) intended to meet the cost of books and equipment;
 - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
 - (h) intended for the child care costs of a child dependant.
 - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;

- (a) the sum of £303 per academic year in respect of travel costs; and
 - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

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

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

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

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

46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor paragraph 50.2 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

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

47.0 Calculation of covenant income where a contribution is assessed.

47.1 Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following shall be the whole amount of the covenant income less, subject to paragraph 47.3, the amount of the contribution.

47.2 The weekly amount of the student's covenant shall be determined—

- (a) by dividing the amount of income which falls to be taken into account under paragraph 47.1 by 52 or 53, whichever is reasonable in the circumstances; and
- (b) by disregarding from the resulting amount, £5.

47.3 For the purposes of paragraph 47.1, the contribution shall be treated as increased by the amount (if any) by which the amount excluded under paragraph 46.2(g) (calculation of grant income)

falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

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

48.1 Where a student is not in receipt of income by way of a grant the amount of his covenant income shall be calculated as follows;

- (a) any sums intended for any expenditure specified in paragraph 48.2 (a) to (e) (calculation of grant income) necessary as a result of his attendance on the course shall be disregarded;
- (b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, shall be apportioned equally between the weeks of the period of study;
- (c) there shall be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 48.2(f) and 48.3 (calculation of grant income) had the student been in receipt of the standard maintenance grant; and
- (d) the balance, if any, shall be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 shall be disregarded.

48.2 Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income shall be calculated in accordance with sub-paragraphs (a) to (d) of paragraph 48.1, except that;

- (a) the value of the standard maintenance grant shall be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 46.2 (a) to (e); and
- (b) the amount to be disregarded under paragraph 48.1(c) shall be abated by an amount equal to the amount of any sums disregarded under paragraph 46.2(f) and (g) and 48.3.

49.0 Student Covenant Income and Grant income – non disregard

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

50.0 Other amounts to be disregarded.

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

51.0 Treatment of student loans

51.1 A student loan shall be treated as income.

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

- (a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period shall be apportioned equally between the weeks in the period beginning with;
 - (i) except in a case where head(ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;
 - (ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course, and ending with the reduction week, the last day of which coincides with, or immediately precedes with last day of the course,

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

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

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

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

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

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

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

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

51A.0 Treatment of fee loans

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

52.0 Treatment of payments from access funds

52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 52.3 (income treated as capital) applies.

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

52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4, 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 claimant or, as the case may be, of the claimant or any other member of his family and any payments from access funds which are used for any council tax or water charges for which that claimant or member is liable, shall be disregarded as income to the extent of £20 per week.

52.4 Where a payment from access funds is made—

- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
 - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

53.0 Disregard of contribution

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

54.0 Further disregard of student's income

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

55.0 Income treated as capital.

55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that claimant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

56.0 Disregard of changes occurring during summer vacation

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

Sections 57 – 63

The calculation and amount of Council Tax Reduction

57.0 Maximum council tax reduction

57.1 Subject to paragraphs 57.2 to 57.4, the amount of a person's maximum council tax reduction in respect of a day for which he is liable to pay council tax, shall be 91.5 per cent, of the amount A/B where;

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

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

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

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

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

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

58.0 Non-dependant deductions¹⁹

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

- (a) in respect of a non-dependant aged 18 or over in remunerative work, $\text{£}15.35 \times 1/7$;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, $\text{£}5.00 \times 1/7$.

58.2 In the case of a non-dependant aged 18 or over to whom paragraph 58.1(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—

- (a) less than $\text{£}266.00$, the deduction to be made under this paragraph shall be that specified in paragraph 58.1(b);
- (b) not less than $\text{£}266.00$, but less than $\text{£}463.00$, the deduction to be made under this section shall be $\text{£}10.20 \times 1/7$
- (c) not less than $\text{£}463.00$, but less than $\text{£}577.00$, the deduction to be made under this section shall be $\text{£}12.80 \times 1/7$;

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

¹⁹ The amounts shown within this section shall be uprated in line with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012

- 58.4 In applying the provisions of paragraph 58.2 in the case of a couple or, as the case may be a polygamous marriage, regard shall be had, for the purpose of that paragraph, to the couple's or, as the case may be, all members of the polygamous marriage's joint weekly gross income.
- 58.5 Where in respect of a day—
- a. a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
 - b. other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 or 77 or 77A of the 1992 Act (liability of spouses and civil partners); and
 - c. the person to whom sub-paragraph (a) refers is a non-dependant of two or more of the liable persons, the deduction in respect of that non-dependant shall be apportioned equally between those liable persons.
- 58.6 No deduction shall be made in respect of any non-dependants occupying an applicant's dwelling if the applicant or his partner is—
- a. blind or treated as blind by virtue of paragraph 9 of Schedule 1 (additional condition for the disability premium); or
 - b. receiving in respect of himself:
 - attendance allowance, or would be receiving that allowance but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. an abatement as a result of hospitalisation; or
 - the care component of the disability living allowance, or would be receiving that component but for:
 - i. a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
 - ii. an abatement as a result of hospitalisation; or
 - c. the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);
 - d. an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution;
- 58.7 No deduction shall be made in respect of a non-dependant if:
- a. although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
 - b. he is in receipt of a training allowance paid in connection with a youth training established under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
 - c. he is a full time student within the meaning of section 44.0 (Students); or
 - d. he is not residing with the applicant because he has been a patient for a period of excess of 52 weeks, and for these purposes;
 - e. 'patient' has the meaning given within this scheme, and
 - f. where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods;
 - g. he is not residing with the claimant because he is a member of the armed forces away on operations.
- 58.8 No deduction shall be made in respect of a non-dependant;
- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance;

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

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

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

58.9 In the application of paragraph 58.2 there shall be disregarded from his weekly gross income:

- a. any attendance allowance, disability living allowance or personal independence payment or an AFIP received by him;
- b. any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, or the Independent Living Fund (2006) which had his income fallen to be calculated under section 30 (calculation of income other than earnings) would have been disregarded under paragraph 24 of Schedule 4 (income in kind); and
- c. any payment which had his income fallen to be calculated under section 30 would have been disregarded under paragraph 36 of Schedule 4 (payments made under certain trusts and certain other payments).

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

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

60.0 Extended reductions

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

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

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

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

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

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

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

60A.0 Duration of extended reduction period

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

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

60B.0 Amount of extended reduction

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of—

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

60C.0 Extended reductions – movers

60C.1 This section applies;

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

60C.2 The amount of the extended reduction payable from the Monday from which this section applies until the end of the extended reduction period shall be the amount of council tax reduction which was payable to the mover for the last reduction week before the mover, or the mover's

partner, ceased to be entitled to a qualifying income-related benefit.

60C.3 Where a mover's liability to pay council tax in respect of the new dwelling is to the second authority, the extended reduction may take the form of a payment from the appropriate authority to;

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

60C.4 Where—

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

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

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

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

61.0 Extended reductions (qualifying contributory benefits)

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

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

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

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

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

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

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

61A.3 The extended reduction period ends;

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

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

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

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

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

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

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

61C.1 This section applies;

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

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

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

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

61C.4 Where

- (a) a mover, or the mover's partner, makes a claim for council tax reduction to the second authority after the mover, or the mover's partner, ceased to be entitled to a qualifying

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

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

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

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

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

61E.1 Where;

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

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

62.0 -63.0 Not used.

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

Sections 64 – 67

Changes of circumstances within Council Tax Reduction

64.0 Date on which entitlement is to begin.

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

65.0 - 66.0 Not Used

67.0 Date on which change of circumstances is to take effect.

- 67.1 A change of circumstances which affects entitlement to, or the amount of, council tax reduction ('change of circumstances'), shall take effect from the date on which the change actually occurs.

Sections 68– 74A

Claiming and the treatment of claims for Council Tax Reduction purposes

68.0 Making an application²¹

- 68.1 In the case of a couple or members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines.
- 68.2 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and;
- (a) a deputy has been appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on his behalf; or
 - (c) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,
- that deputy, judicial factor, guardian or attorney, as the case may be, may make an application on behalf of that person.
- 68.3 Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under the authority's scheme and to receive and deal on his behalf with any sums payable to him.
- 68.4 Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).
- 68.5 Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4);
- (a) it may at any time revoke the appointment;
 - (b) the person appointed may resign his office after having given 4 weeks' notice in writing to the authority of his intention to do so;
 - (c) any such appointment terminates when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).
- 68.6 Anything required by the authority's scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.
- 68.7 The authority must;
- (a) inform any person making an application of the duty imposed by paragraph 9(1)(a) of the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012;
 - (b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) set out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

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

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

69.2. An application may be made;

- (a) in writing,
- (b) by means of an electronic communication in accordance with sections 101 – 106A of this scheme, or
- (c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

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

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

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

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

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

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

69.7 (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
(2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

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

69A.0 Date on which an application is made.

69A.1 Subject to sub-paragraph (7), the date on which an application is made is;

- (a) in a case where;
 - (i) an award of state pension credit which comprises a guarantee credit has been

²² Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- made to the applicant or his partner, and
(ii) the application for a reduction 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 he occupies as his home, and
(iii) the application is received at the designated office within one month of the date of the change,
the date on which the change takes place;
(c) in a case where;
(i) an applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under the authority's scheme, and
(ii) the applicant makes an application for a reduction under that scheme within one month of the date of the death or the separation,
the date of the death or separation;
(d) except where paragraph (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 an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;
(e) Where a claim for Universal Credit is made, the date for the application of Council Tax Reduction shall be the date of the Universal Credit claim.
(f) in any other case, the date on which an application is received at the designated office.
- 69A.2 For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under;
(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or
(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),
have been entitled to that allowance.
- 69A.3 Where there is a defect in an applications by telephone;
(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;
(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide the application.
- 69A.4 The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.
- 69A.5 The conditions are that—
(a) where the authority receives the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or
(b) where an application is not on approved form or further information requested by

authority applies;

(i) the approved form sent to the applicant is received at the offices of the authority properly completed within one month of it having been sent to him; or, as the case may be;

(ii) the applicant supplies whatever information or evidence was requested within one month of the request; or,

in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its offices the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

69A.6 Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under that authority's scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority must treat the application as having been made on the day on which the liability for the tax arises.

69A.7 Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under the authority's scheme in the reduction week immediately following the date of his application, but the authority is of the opinion that unless there is a change of circumstances, he will be entitled to a reduction under its scheme for a period beginning not later than;

(a) in the case of an application made by;

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit, the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made, the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

69A.8 The authority may, at its discretion, backdate the date of claim to 1st April 2020 where the applicant has proven continuous good cause.

70.0 Submission of evidence electronically

70.1 The authority may accept such evidence, documents and certificates to support the claim electronically where it feels that this would be acceptable given the nature of the claim.

71.0 Use of telephone provided evidence

71.1 The authority may accept such evidence to support the claim by telephone where it feels that this would be acceptable given the nature of the claim.

72.0 Information and evidence²³

72.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

72.2 This sub-paragraph is satisfied in relation to a person if—

²³ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

- a. the application is accompanied by;
 - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
 - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
 - b. the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
 - (i) evidence of the application for a national insurance number to be so allocated; and
 - (ii) the information or evidence enabling it to be so allocated.
- 72.3 Sub-paragraph (2) does not apply;
 - a. in the case of a child or young person in respect of whom an application for a reduction is made;
 - b. to a person who;
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.
- 72.4 Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under the authority's scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by that authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under its scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.
- 72.5 Nothing in this paragraph requires a person who is a pensioner to furnish any certificates, documents, information, or evidence relating to a payment to which sub-paragraph (7) applies.
- 72.6 Where the authority makes a request under sub-paragraph (4), it must;
 - (a) inform the applicant or the person to whom a reduction under its scheme has been awarded of his duty under paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
 - (b) without prejudice to the extent of the duty owed under paragraph 9, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which must be notified.
- 72.7 This sub-paragraph applies to any of the following payments;
 - (a) a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under paragraph 24 of Schedule 5, other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 58.9.
- 72.8 Where an applicant or a person to whom a reduction under the authority's scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information;
 - (a) the name and address of the pension fund holder;
 - (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

73.0 Amendment and withdrawal of claim

- 73.1 A person who has made a claim may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the claim was made by telephone in accordance with paragraphs 69.4A to 69.4AE of section 69, the amendment may also be made by telephone.
- 73.3 Any claim amended in accordance with paragraph 73.1 or 73.2 shall be treated as if it had been amended in the first instance.
- 73.4 A person who has made a claim may withdraw it at any time before a decision has been made on it by notice to the designated office.
- 73.5 Where the claim was made by telephone in accordance with paragraphs 69.4AA to 69.4AE of section 69, the withdrawal may also be made by telephone to the telephone number specified by the Secretary of State.
- 73.6 Any notice of withdrawal given in accordance with paragraphs 73.4 or 73.5 shall have effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

74.0 Duty to notify changes of circumstances.

- 74.1 Subject to paragraphs 74.3, 74.5 and 74.7, if at any time between the making of a claim and a decision being made on it, or during the award of council tax reduction there is a change of circumstances which the claimant, or any person by whom or on whose behalf sums payable by way of council tax reduction are receivable, might reasonably be expected to know might affect the claimant's right to, the amount of or the receipt of council tax reduction, that person shall be under a duty to notify that change of circumstances by giving notice to the designated office.
- (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose or for the purposes of section 69 (time and manner in which claims are to be made) 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.
- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
- (a) in writing; or
 - (b) by telephone—
 - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
 - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
 - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs.

- 74.3 The duty imposed on a person by sub-paragraph (1) does not extend to notifying;
- a. changes in the amount of council tax payable to the authority;
 - b. changes in the age of the applicant or that of any member of his family;
 - c. in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under the authority's scheme to which he is entitled, other than the cessation of that entitlement to the benefit.
- 74.4 For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.
- 74.5 Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a member of his family is now no longer such a person because he has ceased to be a child or young person.
- 74.6 Not used.
- 74.7 Where—
- (a) the claimant or the claimant's partner is in receipt of income support or jobseeker's allowance or universal credit;
 - (b) the change of circumstance is that the claimant or the claimant's partner starts employment; and
 - (c) as a result of that change of circumstance either entitlement to that benefit will end or, where the claimant or claimant's partner is in receipt of a contribution-based jobseeker's allowance, the amount of that benefit will be reduced,
- the claimant may discharge the duty in paragraph 74.1 by notifying the change of circumstance by telephoning the authority.
- 74A.0 Notice of changes of circumstances given electronically.**
- 74A.1 A person may give notice of a change of circumstances required to be notified under section 74 by means of electronic communication to an email address provided by the authority.

Sections 75- 90

Decisions, decision notices and awards of Council Tax Reduction

75.0 Decisions by the authority

75.1 All decision regarding Council Tax Reduction will be made by the authority as prescribed by the Local Government Finance Act 1992 (as amended)

75.2 Accidental errors in any decision, or a revised decision, or the record of such a decision, may be corrected by the authority at any time.

76.0 Notification of decision²⁴

76.1 The authority must notify in writing any person affected by a decision made by it under its scheme:

- a. in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
- b. in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

76.2 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement:

- a. informing the person affected of the duty imposed by paragraph 9 of Schedule 8 the Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012 (duty to notify change of circumstances) to notify the authority of any change of circumstances;
- b. explaining the possible consequences (including prosecution) of failing to comply with that duty; and
- c. setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to:

- a. the applicant;
- b. in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act:
 - (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (ii) in Scotland, a judicial factor or any guardian acting or appointed under the

²⁴ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Adults with Incapacity (Scotland) Act 2000(3) who has power to apply or, as the case may be, receive benefit on the person's behalf; or
(iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985, or the Mental Capacity Act 2005 or otherwise,

(c) a person appointed by the authority to act for a person unable to act.

77.0 Time and manner of granting Council Tax Reduction²⁵

77.1 Where a person is entitled to a reduction under this authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year ("the chargeable year"), the authority must discharge his entitlement:

- a. by reducing, so far as possible, the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992 refers; or
- b. where;
 - i. such a reduction is not possible; or
 - ii. such a reduction would be insufficient to discharge the entitlement to a reduction under the authority's scheme; or
 - iii. the person entitled to the reduction is jointly and severally liable for the council tax and the authority determines that such a reduction would be inappropriate, by making payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

77.2 The authority must notify the person entitled to a reduction under this scheme of the amount of that reduction and how his entitlement is to be discharged in pursuance of paragraph (1).

77.3 In a case to which paragraph (1)(b) refers:

- a. if the amount of the council tax for which he remains liable in respect of the chargeable year, after any reduction to which sub-paragraph (1)(a) refers has been made, is insufficient to enable his entitlement to a reduction under the authority's scheme in respect thereof to be discharged, upon the final instalment of that tax becoming due any outstanding reduction;
 - i. must be paid to that person if he so requires; or
 - ii. in any other case must (as the authority determines) either be repaid or credited against any subsequent liability of the person to make a payment in respect of the authority's council tax as it has effect for any subsequent year;
- b. if that person has ceased to be liable for the authority's council tax and has discharged the liability for that tax, the outstanding balance (if any) of the reduction under the authority's scheme in respect thereof must be paid within 14 days or, if that is not reasonably practicable, as soon as practicable thereafter;
- c. in any other case, the reduction under the authority's scheme must be paid within 14 days of the receipt of the application at the offices of the authority or, if that is not reasonably practicable, as soon as practicable thereafter.

77.4 For the purposes of this paragraph "instalment" means any instalment of the authority's council tax to which regulation 19 of the Council Tax (Administration and Enforcement) Regulations 1992 refers (council tax payments).

78.0 Persons to whom reduction is to be paid.

78.1 Subject to section 80 (payment on death) and paragraph 78.2, any payment of council tax reduction under paragraph 77.1(b) shall be made to that person.

²⁵ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

78.2 Where a person other than a person who is entitled to council tax reduction made the claim and that first person is a person acting pursuant to an appointment under paragraph 68.3 (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 68.5, reduction may be paid to that person.

79.0 Shortfall in reduction²⁶

79.1 Where, on the revision of a decision allowing a reduction under the authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- a. make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- b. where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonably practicable, as soon as possible afterwards.

80.0 Payment on the death of the person entitled²⁷

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

80.2 For the purposes of paragraph 80.1, 'next of kin' means in England and Wales the persons who would take beneficially on an intestacy and in Scotland the person entitled to the moveable estate on intestacy.

80.3 A payment under paragraph 80.1 may not be made unless the personal representative or the next of kin, as the case may be, makes written application for the payment of any sum of reduction to which the deceased was entitled, and such written application is sent to or delivered to the authority at its designated office within 12 months of the deceased's death or such longer period as the authority may allow in any particular case.

80.4 The authority may dispense with strict proof of title of any person claiming under paragraph 80.3 and the receipt of such a person shall be a good discharge to the authority for any sum so paid.

81.0 Offsetting

81.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

82 – 90.0 Not used

²⁶ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

²⁷ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Sections 91 – 94

Collection, holding and forwarding of information for Council Tax Reduction purposes.

91.0 Use of information from and to the Department of Work and Pensions (DWP) and His Majesty's Revenues and Customs (HMRC)

91.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration, and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013.

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate and in accordance with Data Protections requirements²⁸.

92.0 Collection of information

92.1 The authority may receive and obtain information and evidence relating to claims for council tax reduction, the council may receive or obtain the information or evidence from—

- (a) persons making claims for council tax reduction;
- (b) other persons in connection with such claims;
- (c) other local authorities; or
- (d) central government departments including the DWP and HMRC

92.2 The authority may verify relevant information supplied to or obtained.

93.0 Recording and holding information.

93.1 The authority may

- (a) may make a record of such information; and
- (b) may hold that information, whether as supplied or obtained or recorded, for the purpose of forwarding it to the person or authority for the time being administering council tax reduction.

94.0 Forwarding of information.

94.1 The authority may forward it to the person or authority for the time being administering claims to or awards of council tax reduction to which the relevant information relates, being;

- (i) a local authority;
- (ii) a person providing services to a local authority; or
- (iii) a person authorised to exercise any function of a local authority relating to council tax reduction.

²⁸ Data Retention and Investigatory Powers Act 2014 and Data Retention Regulations 2014

Sections 95 – 98

Revisions, Written Statements, Termination of Council Tax Reduction

95.0 Persons affected by Decisions.

- 95.1 A person is to be treated as a person affected by a relevant decision of the authority here that person is;
- a. a claimant;
 - b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
 - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction on his behalf,
 - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
 - (iii) an attorney with a general power or a power to receive benefit or reduction appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
 - c. a person appointed by the authority under this policy;

96.0 Revisions of Decisions

- 96.1 Subject to the provisions in this policy, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;
- (i) one month of the date of notification of the original decision; or
 - (ii) such extended time as the authority may allow.
- 96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;
- i) one month of the date of notification of the additional information; or
 - (ii) such extended time as the authority may allow

97.0 Written Statements

- 97.1 Subject to the provisions in the policy, the authority may upon request issue a written statement to a person affected to further explain the decision of the authority in relation to Council Tax Reduction.

98.0 Terminations

- 98.1 The authority may terminate reduction in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
 - b. a decision as to an award of such a reduction should be revised or superseded.
- 98.2 The authority may terminate, in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;
- a. the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
 - b. a decision as to an award of such a reduction should be revised or superseded.
- Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax

Section 99

Appeals against the authority's decisions.

- 99.0 Procedure by which a person may make an appeal against certain decisions of the authority²⁹**
- 99.1 A person who is aggrieved by a decision of the authority, which affects;
- a. the person's entitlement to a reduction under its scheme, or
 - b. the amount of any reduction to which that person is entitled,
- may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.
- 99.2 The authority must
- a. consider the matter to which the notice relates;
 - b. notify the aggrieved person in writing;
 - i. that the ground is not well founded, giving reasons for that belief; or
 - ii. that steps have been taken to deal with the grievance, stating the steps taken.
- 99.3 Where, following notification under sub-paragraph (2)(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with sub-paragraph (2)(b) within two months of the service of his notice, he may appeal to the valuation tribunal under section 16 of the 1992 Act.

²⁹ Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

Section 100
Counter Fraud & Compliance

100.0 Counter Fraud and compliance

100.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council Tax Reduction;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases.

100.2 The authority believes that it is important to minimise the opportunity for fraud and;

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this policy;
- d. will co-operate with the Department for Work and Pensions (DWP), His Majesty's Revenues and Customs and take part in joint working including prosecutions; and
- e. will in all cases seek to recover all outstanding council tax.

100.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 100.1 and 100.2 can be carried out successfully. . In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

Schedule 1
Applicable Amounts

Personal Allowance

- 1 The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes the main scheme;

Column 1 Person or Couple	Column 2
1. A Single applicant who; a) is entitled to main phase employment and support allowance	£92.05
b) is aged not less than 25	£92.05
c) is aged not less than 18 but less than 25	£72.90
2. Lone Parent	£92.05
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£144.65
b) Where one member is aged not less than 18	£144.65
c) For each additional spouse who is a member of the same household as the claimant	£52.62

For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if;

- Paragraph 17 or 18 is satisfied in relation to the applicant; or
- The applicant is entitled to a converted employment and support allowance.

- 2 (1) The amount specified in column (2) below in respect of each person specified in column (1) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of the main scheme

Column 1 Child or Young Person	Column 2
Person in respect of the period– (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;	£84.66
(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.	£84.66

(2) In column (1) of the table in paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

Family Premiums

3. (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- where the applicant is a lone parent to whom sub-paragraph (3) of Schedule 3 of the Housing Benefit Regulations 2006 applies, £22.20;
 - in any other case, £19.48;

Premiums

4. Except as provided in paragraph 5, the premiums specified in this Schedule shall, for the purposes of this scheme, be applicable to an applicant who satisfies the condition specified in paragraphs 4 to 16 in respect of that premium.
5. Subject to paragraph 6, where an applicant satisfies the conditions in respect of more than one premium in this Schedule, only one premium shall be applicable to him and, if they are different amounts, the higher or highest amount shall apply.
- 6 (1) The following premiums, namely–
- a. severe disability premium to which paragraph 10 applies;
 - b. an enhanced disability premium to which paragraph 11 applies;
 - c. a disabled child premium to which paragraph 12 applies; and
 - d. carer premium to which paragraph 13 applies,
- may be applicable in addition to any other premium which may apply under this Schedule.
7. (1) Subject to sub-paragraph (2), for the purposes of this Schedule, once a premium is applicable to an applicant under this Part, a person shall be treated as being in receipt of any benefit for
- a. in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
 - b. any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the 1973 Act or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under or section 2 of the Enterprise and New Towns(Scotland) Act 1990 for any period during which he is in receipt of a training allowance.
- (2) For the purposes of the carer premium, a person shall be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the Act or the daily living component of the personal independence payment under the Welfare Reform Act 2012 or an AFIP.

Disability Premium

8. The condition (s) to be met is contained in Schedule 3 (12) Housing Benefit Regulations 2006

Additional Condition for the Disability Premiums

9. The condition (s) to be met is contained in Schedule 3 (13) Housing Benefit Regulations 2006

Severe Disability Premiums

10. The condition (s) to be met is contained in Schedule 3 (14) Housing Benefit Regulations 2006

Enhanced Disability Premium

11. The condition (s) to be met is contained in Schedule 3 (15) Housing Benefit Regulations 2006

Disabled Child Premium

12. The condition (s) to be met is contained in Schedule 3 (16) Housing Benefit Regulations 2006

Carer Premium

13. The condition (s) to be met is contained in Schedule 3 (17) Housing Benefit Regulations 2006

Persons in receipt of concessionary payments

14. For the purpose of determining whether a premium is applicable to a person under paragraphs 8 to 13, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs shall be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

15. For the purposes of this Schedule, a person shall be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and shall be so regarded only for any period in respect of which that benefit is paid.

Amounts of Premium

16. For the purposes of this Schedule, the following amounts shall apply;

Premium	Amount
Disability Premium	£43.20
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£61.65
Severe Disability Premium	£82.90
a. where the applicant satisfies the condition in paragraph 14(2)(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 14(2)(b) of Schedule 3 Housing Benefit Regulations 2006	£82.90
i. in a case where there is someone in receipt of carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 14(5);	
ii. in a case where there is no one in receipt of such an allowance	£165.80
Disabled Child Premium	£81.37 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Carer Premium	£46.40 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
Enhanced Disability Premium	(a) £32.75 in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied; (b) £21.20 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 15 are satisfied; (c) £30.25 where the applicant is a member of a couple or a

Premium	Amount
	polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.

The components

17. The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
18. The amount of the work-related activity component is £29.05. The amount of the support component is £48.500. The component **will not** apply where the applicant has been awarded Employment and Support Allowance on or after 1st April 2017 **and** been placed in the Work-Related Activity Group.

Transitional Addition

19. The applicant is entitled to the transitional addition calculated in accordance with paragraph 30 of Schedule 3 of the Housing Benefit Regulations 2006 where the applicant or the applicant's partner meets the conditions contained within paragraphs 27 – 29 of Schedule 3 of the Housing Benefit Regulations 2006

Amount of transitional addition

20. The amount of any transitional addition is calculated in accordance with paragraphs 30 and 31 of Schedule 3 of the Housing Benefit Regulations 2006

Schedule 2

Not Used

Schedule 3

Sums to be disregarded in the calculation of earnings.

1. In the case of a claimant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—
 - (a) where—
 - (i) the employment has been terminated because of retirement; and
 - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,
any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
 - (b) where before the first day of entitlement to council tax reduction the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except—
 - (i) any payment of the nature described in
(aa) paragraph 25.1(e), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and
 - (ii) any award, sum or payment of the nature described in
(aa) paragraph 25.1(g) or (h), or
(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),
including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;
 - (c) where before the first day of entitlement to council tax reduction—
 - (i) the employment has not been terminated, but
 - (ii) the claimant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii) (bb) or paragraph 25.1(i), or (j).
2. In the case of a claimant who, before first day of entitlement to council tax reduction;
 - (a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and
 - (b) has ceased to be engaged in that employment, whether or not that employment has been terminated,
any earnings paid or due to be paid in respect of that employment except;
 - (i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);
 - (ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (i) or (j).
- 2A. In the case of a claimant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation of his

employment any earnings derived from that employment except earnings to which paragraph 27.3 and paragraph 27.4 (earnings of self-employed earners) apply.

3. (1) In a case to which this paragraph applies and paragraph 4 does not apply, £20; but notwithstanding section 15 (calculation of income and capital of members of a claimant's family and of a polygamous marriage) if this paragraph applies to a claimant, it shall not apply to his partner except where, and to the extent that, the earnings of the claimant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the claimant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component.

(3) This paragraph applies where
 - (a) the claimant is a member of a couple, and his applicable amount includes an amount by way of the disability premium; and
 - (b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
(4)–(5) Not used.
4. In a case where the claimant is a lone parent, £25.
5. (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the claimant and, subject to sub-paragraph (2), where the claimant's applicable amount includes an amount by way of the carer premium, £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with this policy as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the claimant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £20 of the aggregated amount.
6. Where the carer premium is awarded in respect of a claimant 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 8(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 5 exceed £20;
 - (b) other than one specified in paragraph 8(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.
7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the claimant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding section 15 (calculation of income and capital of members of claimant's family and of a polygamous marriage), if this paragraph applies to a claimant it shall not apply to his partner except where, and to the extent that, the earnings of the claimant which are to be disregarded under this paragraph are less than £10.
8. (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the claimant, £20 of earnings derived from one or more employments as–
 - (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
 - (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section

- 1 of the Fire (Scotland) Act 2005(a)) 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 section 15 (calculation of income and capital of members of claimant's family and of a polygamous marriage), if this paragraph applies to a claimant, it shall not apply to his partner except to the extent specified in sub-paragraph (2).
- (2) If the claimant'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 claimant'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 claimant's earnings disregarded under this paragraph exceed £20.
9. Where the claimant is engaged in one or more employments specified in paragraph 8(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 claimant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 8 exceed £20.
10. In a case to which none of the paragraphs 3 to 9 applies, £5.
- 10A. (1) Where;
- (a) the claimant (or if the claimant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
 - (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
 - (c) paragraph 12 does not apply,
- the amount specified in sub-paragraph (7) ('the specified amount').
- (2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case, where the claimant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph.
 - (3) Notwithstanding section 15 (calculation of income and capital of members of claimant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4).
 - (4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.
 - (5) This sub-paragraph applies to a person who is;
 - (a) in receipt of a contributory employment and support allowance;
 - (b) in receipt of incapacity benefit;
 - (c) in receipt of severe disablement allowance; or
 - (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975
 - (6) 'Exempt work' means work of the kind described in;
 - (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance

Regulations; or (as the case may be)

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether a claimant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

11. Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the claimant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

12. Where a claimant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

13. Any earnings derived from employment, which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

14. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

15. Any earnings of a child or young person.

16. (1) In a case where the claimant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.

(2) The conditions of this sub-paragraph are that—

(a) the claimant, or if he is a member of a couple, either the claimant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or

(b) the claimant—

(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; 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 claimant's applicable amount includes a disability premium, the work-related activity component or the support component ;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in sub-head (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or

(c) the claimant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit Regulations (eligibility for 50 plus element) applies or would apply if an application for working tax credit were to be made in his case.

- (3) The following are the amounts referred to in sub-paragraph (1);
 - (a) the amount calculated as disregardable from the claimant's earnings under paragraphs 3 to 10A of this Schedule;
 - (b) the amount of child care charges calculated as deductible under paragraph 17(1)(c); and
 - (c) £17.10
 - (4) The provisions of section 6 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that section were a reference to 30 hours.
- 17.** In this Schedule 'part-time employment' means employment in which the person is engaged on average for less than 16 hours a week.

Schedule 4

Sums to be disregarded in the calculation of income other than earnings.

1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the claimant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme, or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by a claimant who is–
 - (a) engaged by a charitable or voluntary organisation, or
 - (b) volunteer,
 if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 32.8 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant's participation as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where a claimant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
5. Where the claimant 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 claimant's income.
6. Where the claimant, or the person who was the partner of the claimant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment or AFIP.
8. Any concessionary payment made to compensate for the non-payment of;
 - (a) any payment specified in paragraph 7 or 10;
 - (b) income support;
 - (c) an income-based jobseeker's allowance.
 - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the claimant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment–
 - (a) by way of an education maintenance allowance made pursuant to;
 - (i) regulations made under section 518 of the Education Act 1996
 - (d) (payment of school expenses; grant of scholarships etc);

- (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
 - (b) corresponding to such an education maintenance allowance, made pursuant to;
 - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
 - (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13. Any payment made to the claimant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14.
 - (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990(b) except a payment;
 - (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
 - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
 - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst a claimant 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 claimant or, where the claimant is a member of a family, any other member of his family, or any council tax or water charges for which that claimant or member is liable.
- 15.
 - (1) Subject to sub-paragraph (2), any of the following payments;
 - (a) a charitable payment;
 - (b) a voluntary payment;
 - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the claimant;
 - (d) a payment under an annuity purchased;
 - (i) pursuant to any agreement or court order to make payments to the claimant; or
 - (ii) from funds derived from a payment made, in consequence of any personal injury to the claimant; or
 - (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the claimant in consequence of any personal injury to the claimant.

- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by—
 - (a) a former partner of the claimant, or a former partner of any member of the claimant's family; or
 - (b) the parent of a child or young person where that child or young person is a member of the claimant's family.
- 16. £100% of any of the following, namely
 - (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
 - (b) a war widow's pension or war widower's pension;
 - (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of His Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
 - (d) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;
 - (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
 - (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
 - (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17. Subject to paragraph 35, £15 of any;
 - (a) widowed mother's allowance paid pursuant to section 37 of the Act;
 - (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18. (1) Any income derived from capital to which the claimant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub- paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
 (2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of—
 - (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
 - (b) any council tax or water charges which the claimant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
 (3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19. Where the claimant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—
 - (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998(c), that student's award;
 - (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
 - (c) the student's student loan,
 an amount equal to the weekly amount of that parental contribution, but only in respect of the

period for which that contribution is assessed as being payable.

- 20.** (1) Where the claimant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the claimant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to—
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single claimant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the claimant by a child or young person or a non- dependant.
- 22.** Where the claimant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the claimant 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, £20.00
- 23.** (1) Where the claimant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to—
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
 - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the claimant which is used by the third party to provide benefits in kind to the claimant.
- 25.** Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

26. (1) Any payment made to the claimant in respect of a person who is a member of his family—
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
 - (b) not used
 - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
 - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
 - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the claimant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
27. Any payment made to the claimant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under—
 - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
 - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
 - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
 - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
28. Any payment made to the claimant or his partner for a person ('the person concerned'), who is not normally a member of the claimant's household but is temporarily in his care, by—
- (a) a health authority;
 - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
 - (c) a voluntary organisation;
 - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
 - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
 - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
29. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 29A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant

financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the claimant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the claimant's care, and
 - (b) is aged 18 or over, and
 - (c) continues to live with the claimant.

- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the claimant occupies as his home; or
 - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
 - (b) meet any amount due by way of premiums on—
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the claimant as his home, and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund).
- 33.** Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 34.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 35.** The total of a claimant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of claimant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—
- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant'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 claimant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant'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 claimant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
 - (i) to that person's parent or step-parent, or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.

37. Any housing benefit or council tax benefit.

38. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

39. not used

40. not used

41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
42. Not used
43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
44. Not used
45. (1) Any payment or repayment made—
 - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
48. (1) Where a claimant's applicable amount includes an amount by way of a family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the claimant's former partner, or the claimant's partner's former partner.
(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments such be aggregated and treated as if they were a single payment.
(3) A payment made by the Secretary of State in lieu of maintenance shall, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).
- 48A. (1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the claimant's family, except where the person making the payment is the claimant or the claimant's partner.
(2) In paragraph (1)
'child maintenance' means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under;
 - (a) the Child Support Act 1991;
 - (b) the Child Support (Northern Ireland) Order 1991;
 - (c) a court order;
 - (d) a consent order;
 - (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;'liable relative' means a person listed in regulation 54 (interpretation) of the Income Support

(General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

49. Provision for all applicants: Homes for Ukraine scheme

(1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—

- (a) an applicant's entitlement to a reduction under the scheme; or
- (b) the amount of any reduction to which the applicant is entitled.

(2) In this regulation—

"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022

50. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

51. Any guardian's allowance.

52. (1) If the claimant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the claimant's family.

(2) If the claimant 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 claimant's family.

53. Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

54. In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

55 (1) Any payment which is

- (a) made under any of the Dispensing Instruments to a widow, widower or
- (b) surviving civil partner of a person;
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

55A. Any council tax reduction or council tax benefit to which the claimant is entitled.

56. Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the claimant 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

57. Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
58. (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—
 - (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
 - (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,in respect of which such assistance is or was received. (2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
59.
 - (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
 - (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the claimant or where the claimant is a member of a family, any other member of his family, or any council tax or water charges for which that claimant or member is liable.
 - (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
60. Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.
61. In the case of a claimant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the claimant, being a fee, grant, loan or otherwise.
62. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001 as amended by the Welfare Reform Act 2012 (Consequential Amendments) Regulations 2013.
63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the claimant or his partner relating to a service which is provided to develop or sustain the capacity of the claimant or his partner to live independently in his accommodation.
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council.
64. Any Bereavement Support payments made under the Bereavement Support Payment Regulations 2017
65. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)
66. Any payment of child benefit.
67. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
(a) an applicant's entitlement to a reduction under the scheme; or
(b) the amount of any reduction to which the applicant is entitled.
"The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.

Schedule 5

Capital to be disregarded.

1. The dwelling together with any garage, garden and outbuildings, normally occupied by the claimant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of claimant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the claimant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the claimant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the claimant, 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 claimant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the claimant 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 claimant to complete the purchase.
4. Any premises occupied in whole or in part—
 - (a) by a partner or relative of a single claimant 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 claimant as his home; but this provision shall not apply where the former partner is a person from whom the claimant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where a claimant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the claimant 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 claimant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the claimant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the claimant 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 claimant where—
 - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
 - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or

re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(3) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

9. (1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of;
- (a) any payment specified in paragraphs 7, 9 or 10 of Schedule 4;
 - (b) an income-related benefit under Part 7 of the Act;
 - (c) an income-based jobseeker's allowance;
 - (d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
 - (e) working tax credit and child tax credit where such payment is made as a result of a change of circumstances.
 - (f) an income-related employment and support allowance

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as 'the relevant sum') and is

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Decisions and Appeals Regulations; and
- (b) received by the claimant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

(3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means—

- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
- (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the claimant;
 - (i) is the person who received the relevant sum; or
 - (ii) is the partner of the person who received the relevant sum or was that person's partner at the date of his death.

10. Any sum

- (a) paid to the claimant 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 claimant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

11. Any sum—
 - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
 - (b) which was so deposited, and which is to be used for the purchase of another home, for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the claimant to complete the purchase.
12. Any personal possessions except those which have been acquired by the claimant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that reduction.
13. The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
14. Where the funds of a trust are derived from a payment made in consequence of any personal injury to the claimant or claimant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A. (1) Any payment made to the claimant or the claimant's partner in consequence of any personal injury to the claimant or, as the case may be, the claimant's partner.

(2) But sub-paragraph (1)
 - (a) applies only for the period of 52 weeks beginning with the day on which the claimant 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 claimant 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 claimant.
(3) For the purposes of sub-paragraph (2)(c), the circumstances in which a claimant no longer possesses a payment or a part of it include where the claimant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the claimant are to be construed as including references to his partner (where applicable).
15. The value of the right to receive any income under a life interest or from a life rent.
16. The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
17. The surrender value of any policy of life insurance.
18. Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
19. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A. (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial

assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the claimant.

(2) Sub-paragraph (1) applies only where A;

- (a) was formerly in the claimant's care, and
- (b) is aged 18 or over, and (c) continues to live with the claimant.

- 20. Any social fund payment made pursuant to Part 8 of the Act.
- 21. Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.
- 22. Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.
- 23. Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 24. (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant'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 claimant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the claimant'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 claimant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;

- (i) to that person's parent or step-parent; or
- (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,
but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either;
 - (i) to that person's parent or step-parent; or
 - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,
but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

25. (1) Where a claimant 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 claimant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.
26. Any premises where the claimant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.
27. Any premises which the claimant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.
28. Any premises which the claimant 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 claimant first takes steps to effect those repairs or alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.
29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of

entitlement to housing benefit.

30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the claimant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
 (a) to purchase premises intended for occupation as his home; or
 (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,
for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the claimant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
 (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
 (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
 (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),
but only for a period of 52 weeks from the date of receipt of the payment or repayment.
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in subparagraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.
41. Any payment made to such persons entitled to receive benefits as may be determined by or

under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.☐

- 41A. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
42. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
43. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
44. Not used
45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
46. Not used
47. (1) Any sum of capital to which sub-paragraph (2) applies and
 - (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
 - (b) which can only be disposed of by order or direction of any such court; or
 - (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.(2) This sub-paragraph applies to a sum of capital which is derived from;
 - (a) an award of damages for a personal injury to that person; or
 - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
 - (a) award of damages for a personal injury to that person; or
 - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
49. Any payment to the claimant as holder of the Victoria Cross or George Cross.
50. **Provision for all applicants: Homes for Ukraine scheme**
 - (1) Any payment made in connection with the Homes for Ukraine scheme is to be disregarded in determining—
 - (c) an applicant's entitlement to a reduction under the scheme; or
 - (d) the amount of any reduction to which the applicant is entitled.
 - (2) In this regulation—
"the Homes for Ukraine scheme" means the Homes for Ukraine sponsorship scheme which was announced in Parliament by the Secretary of State for Levelling Up, Housing and Communities on 14th March 2022
51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

52. (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).
- (2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the claimant or, where the claimant is a member of a family, any other member of his family, or any council tax or water charges for which that claimant or member is liable.
- (3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
53. (1) Any payment;
- (a) by way of an education maintenance allowance made pursuant to—
- (i) regulations made under section 518 of the Education Act 1996(a);
 - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980(b);
 - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to;
- (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
 - (ii) regulations made under section 181 of that Act; or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
 - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
 - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
54. In the case of a claimant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the claimant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.
55. Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.
56. Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of—
- (a) the claimant;
 - (b) the claimant's partner;
 - (c) the claimant's deceased spouse or deceased civil partner; or
 - (d) the claimant's partner's deceased spouse or deceased civil partner,
- by the Japanese during the Second World War, £10,000.
57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to a claimant or a member of a claimant's family who is
- (a) a diagnosed person;
 - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death;
- or

- (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
 - (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
 - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person—
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,
 whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to a claimant or a member of a claimant's family who is—
 - (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
 - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
 - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
 - (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
 - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
 - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,
 whichever is the latest.
- (5) In this paragraph, a reference to a person—
 - (a) being the diagnosed person's partner;
 - (b) being a member of a diagnosed person's family;
 - (c) acting in place of the diagnosed person's parents,
 at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.
- (6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;

'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions; 'trust payment' means a payment under a relevant trust.

58. The amount of any payment, other than a war pension, to compensate for the fact that the claimant, the claimant's partner, the claimant's deceased spouse or deceased civil partner or the claimant's partner's deceased spouse or deceased civil partner
- (a) was a slave labourer or a forced labourer;
 - (b) had suffered property loss or had suffered personal injury; or
 - (c) was a parent of a child who had died,
- during the Second World War.
- 59 (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the claimant or his partner relating to a service which is provided to develop or sustain the capacity of the claimant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.
60. Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
61. Any payment made to the claimant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
62. Any payment made to the claimant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
63. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).
64. Any Bereavement Support payments made under the Bereavement Support Payment Regulations 2017.
65. Any payment made under the Energy Rebate Scheme 2022 is to be disregarded in determining:
- (a) an applicant's entitlement to a reduction under the scheme; or
 - (b) the amount of any reduction to which the applicant is entitled.
- "The Energy Rebate Scheme 2022" means the scheme to provide financial support in respect of energy bills which was announced in Parliament by the Chancellor of the Exchequer on 3rd February 2022.

Agenda Item No 12

Resources Board

10 March 2025

**Report of the
Chief Executive**

Exclusion of the Public and Press

Recommendation to the Board

To consider, in accordance with Section 100A(4) of the Local Government Act 1972, whether it is in the public interest that the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.

Agenda Item No 13

Confidential Extracts of the Minutes of the Resources Board held on 25 January 2025.

Paragraph 1 - Information relating to any individual; and

Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

In relation to the item listed above members should only exclude the public if the public interest in doing so outweighs the public interest in disclosing the information, giving their reasons as to why that is the case.

The Contact Officer for this report is Julie Holland (719237).