

# Public Document Pack



## South Somerset District Council - Thursday 21st January 2016

Please find attached the Appendices to the Council Tax Reduction report.

Agenda No	Item
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7.	<b><u>Setting the Council Tax Support Scheme (CTS) for 2016/17 (Pages 2 - 197)</u></b>
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Appendix 1 – Council Tax Support Scheme for 2016/17 (pages 2 – 141)

Appendix 2 – Equality Analysis for the Council Tax Support Scheme (pages 142 – 159)

Appendix 3 – Public Consultation Responses (pages 160 – 174)

Appendix 4 - Monitoring the SSDC Council Tax Support Scheme – Report of the Scrutiny Task and Finish Group (pages 175 - 197)



**South Somerset District Council**  
**Council Tax Reduction Scheme Policy**  
S13A and Schedule 1a of the Local Government Finance Act 1992

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South Somerset District Council - Council Tax Reduction Scheme Policy.....	1
1.0 Introduction to the Council Tax Reduction Scheme .....	7
2.0 Interpretation – an explanation of the terms used within this policy .....	13
3.0 Definition of non-dependant .....	20
4.0 Requirement to provide a National Insurance Number .....	21
5.0 Persons who have attained the qualifying age for state pension credit or who are of working age and who have a partner who has attained the qualifying age for state pension credit.....	22
6.0 Remunerative work .....	22
7.0 Persons treated as not being in Great Britain and Persons Subject to Immigration Control .....	23
Persons subject to immigration control.....	24
7A.0 Transitional provision .....	24
8.0 Temporary Absence (period of absence).....	25
Sections 9 - 11 .....	27
The family for Council Tax Reduction purposes .....	27
9.0 Membership of a family.....	28
10.0 Circumstances in which a person is to be treated as responsible (or not responsible) for a child or young person. ....	28
11.0 Circumstances in which a child or young person is to be treated as being or not being a member of the household .....	29
Sections 12 – 14 & Schedule 1.....	31
Applicable Amounts for Council Tax Reduction purposes.....	31
12.0 Applicable amounts.....	32
13.0 Polygamous marriages .....	32
14.0 Applicable amount: persons who are not pensioners who have an award of universal credit	32
Sections 15 – 32 & Schedules 3 & 4.....	34
Definition and the treatment of income for Council Tax Reduction purposes.....	34
15.0 Calculation of income and capital of members of applicant’s family and of a polygamous marriage .....	35
16.0 Circumstances in which capital and income of non-dependant is to be treated as applicant’s	36
17.0 Calculation of income on a weekly basis.....	36
18.0 Treatment of child care charges.....	37
19.0 Average weekly earnings of employed earners .....	41
20.0 Average weekly earnings of self-employed earners .....	41
21.0 Average weekly income other than earnings.....	41
22.0 Calculation of average weekly income from tax credits .....	42
23.0 Calculation of weekly income .....	42
24.0 Disregard of changes in tax, contributions etc.....	42
25.0 Earnings of employed earners.....	43
26.0 Calculation of net earnings of employed earners .....	43
27.0 Earnings of self-employed earners.....	44



28.0	Calculation of net profit of self-employed earners .....	45
29.0	Deduction of tax and contributions of self-employed earners .....	47
30.0	Calculation of income other than earnings .....	47
31.0	Capital treated as income .....	49
32.0	Notional income .....	49
	Sections 33 – 42 & Schedule 5 .....	53
	Definition and the treatment of capital for Council Tax Reduction purposes .....	53
33.0	<b>Capital limit</b> .....	54
34.0	Calculation of capital .....	54
35.0	Disregard of capital of child and young person .....	54
36.0	Income treated as capital .....	54
37.0	Calculation of capital in the United Kingdom .....	54
38.0	Calculation of capital outside the United Kingdom .....	55
39.0	Notional capital .....	55
40.0	Diminishing notional capital rule .....	56
41.0	Capital jointly held .....	59
42.0	Not used .....	59
	Sections 43 - 56 .....	60
	Definition and the treatment of students for Council Tax Reduction purposes .....	60
43.0	Student related definitions .....	61
44.0	Treatment of students .....	64
45.0	Students who are excluded from entitlement to council tax reduction .....	64
46.0	Calculation of grant income .....	65
47.0	Calculation of covenant income where a contribution is assessed .....	67
48.0	Covenant income where no grant income or no contribution is assessed .....	67
49.0	Student Covenant Income and Grant income – non disregard .....	67
50.0	Other amounts to be disregarded .....	67
51.0	Treatment of student loans .....	68
51A.0	Treatment of fee loans .....	69
52.0	Treatment of payments from access funds .....	69
53.0	Disregard of contribution .....	69
54.0	Further disregard of student’s income .....	70
55.0	Income treated as capital .....	70
56.0	Disregard of changes occurring during summer vacation .....	70
	Sections 57 – 63 .....	71
	The calculation and amount of Council Tax Reduction .....	71
57.0	Maximum council tax reduction .....	72
58.0	Non-dependant deductions .....	72



59.0 Council tax reduction taper (applies to persons defined within Class E) .....	74
60.0 Extended reductions .....	74
60A.0 Duration of extended reduction period .....	75
60B.0 Amount of extended reduction.....	75
60C Extended reductions – movers.....	75
60D.0 Relationship between extended reduction and entitlement to council tax reduction under the general conditions of entitlement.....	76
61.0 Extended reductions (qualifying contributory benefits) .....	76
61A.0 Duration of extended reduction period (qualifying contributory benefits).....	76
61B.0 Amount of extended reduction (qualifying contributory benefits).....	77
61C.0 Extended reductions (qualifying contributory benefits) – movers .....	77
61D.0 Relationship between extended reduction (qualifying contributory benefits) and entitlement to council tax reduction under the general conditions of entitlement .....	78
62.0 – 63.0 Not used .....	78
Sections 64 – 67.....	79
Dates on which entitlement and changes of circumstances are to take effect .....	79
64.0 Date on which entitlement is to begin .....	80
65.0 - 66.0 Not Used .....	80
67.0 Date on which change of circumstances is to take effect .....	80
Sections 68– 74A .....	81
Claiming and the treatment of claims for Council Tax Reduction purposes .....	81
69.0 Procedure by which a person may apply for a reduction under the authority’s scheme.....	83
70.0 Submission of evidence electronically .....	86
71.0 Use of telephone provided evidence .....	86
72.0 Information and evidence .....	86
73.0 Amendment and withdrawal of application.....	87
74.0 Duty to notify changes of circumstances .....	88
Sections 75- 90 .....	90
Decisions, decision notices and awards of Council Tax Reduction .....	90
75.0 Decisions by the authority.....	91
76.0 Notification of decision .....	91
77.0 Time and manner of granting council tax reduction .....	92
78.0 Persons to whom reduction is to be paid .....	92
79.0 Shortfall in reduction.....	93
80.0 Payment on the death of the person entitled.....	93
81.0 Offsetting .....	93
82.0 Payment where there is joint and several liability .....	93
83 - 90.0 Not used .....	93
Sections 91 – 94.....	94
Collection, holding and forwarding of information for Council Tax Reduction purposes .....	94



91.0	Use of information from and to the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC).....	95
92.0	Collection and verification of information .....	95
93.0	Recording and holding information .....	95
94.0	Forwarding of information .....	95
	Sections 95 – 98.....	96
	Revisions, Written Statements, Termination of Council Tax Reduction.....	96
95.0	Persons affected by Decisions.....	97
96.0	Revisions of Decisions .....	97
97.0	Written Statements.....	97
98.0	Terminations .....	97
	Section 99 .....	98
	Appeals against the authority's decisions .....	98
99.0	Procedure by which a person may make an appeal against certain decisions of the authority .....	99
	Section 100 .....	100
	Procedure for applying for a discretionary reduction .....	100
100.0	Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act.....	101
	Section 101 – 106A.....	102
	Electronic Communication .....	102
101.0	Interpretation.....	103
102.0	Conditions for the use of electronic communication.....	103
103.0	Use of intermediaries.....	103
104.0	Effect of delivering information by means of electronic communication.....	103
105.0	Proof of identity of sender or recipient of information .....	104
106.0	Proof of delivery of information.....	104
106A.0	Proof of content of information.....	104
	Section 107.....	105
	Counter Fraud and Compliance.....	105
107.0	Counter Fraud and compliance .....	106
	Schedule 1 .....	107
	Applicable Amounts .....	107
	Personal Allowance .....	108
	Family Premiums .....	108
	Premiums .....	109
	Disability Premium .....	109
	Additional Condition for the Disability Premiums.....	109
	Severe Disability Premiums .....	109
	Enhanced Disability Premium.....	109



Disabled Child Premium .....	109
Carer Premium .....	109
Persons in receipt of concessionary payments .....	109
Persons in receipt of benefit for another .....	110
Amounts of Premium .....	110
The components.....	111
Transitional Addition .....	111
Amount of transitional addition .....	111
Schedule 2 .....	112
Not Used.....	112
Schedule 3 .....	113
Sums to be disregarded in the calculation of earnings .....	113
Schedule 4 .....	119
Sums to be disregarded in the calculation of income other than earnings.....	119
Schedule 5 .....	130
Capital to be disregarded .....	130

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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 1<sup>st</sup> April 2016 until 31<sup>st</sup> March 2017.

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 1<sup>st</sup> April 2016 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** and
- Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012)

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

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

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

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

The three prescribed classes are as follows;

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

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

- a. who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- b. who, subject to paragraph 5 of Schedule 1 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, is not absent from the dwelling throughout the day; 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 Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
  - d. a guaranteed income payment;
  - e. a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
  - f. a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
  - g. pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

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

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

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

#### **Class D**

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit<sup>1</sup>; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly

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<sup>1</sup> Section 5 of this scheme



- resident;
- d. is not deemed to be absent from the dwelling;
- e. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- f. be somebody in respect of whom a maximum Council Tax Reduction<sup>2</sup> amount can be calculated;
- g. **not have capital savings above £6,000<sup>3</sup>**;
- h. be a person in respect of whom a day in which s/he is liable to pay council tax falls within a week in respect of which the person's *income*<sup>4</sup> is **less** than their *applicable amount*<sup>5</sup> or the applicant or partner is in receipt of income support, jobseekers allowance (income based) or employment and support allowance (income related); and
- i. has made a valid application for reduction<sup>6</sup>.

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

### Class E

To obtain reduction the individual (or partner) must:

- a. have not attained the qualifying age for state pension credit<sup>7</sup>; or
- b. he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is a person on income support, on income-based jobseeker's allowance or an income-related employment and support allowance; or a person with an award of universal credit.
- c. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance or in receipt of an award Universal Credit;
- d. be liable to pay council tax in respect of a dwelling in which they are solely or mainly resident;
- e. is not deemed to be absent from the dwelling;
- f. not fall within a class of person prescribed for the purposes of paragraph 2(9) of Schedule 1A to the Local Government Finance Act 1992 and excluded from the authority's scheme;
- g. be somebody in respect of whom a maximum Council Tax Reduction<sup>8</sup> amount can be calculated;
- h. **not have capital savings above £6,000<sup>9</sup>**;
- 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*<sup>10</sup> is **more** than their *applicable amount*<sup>11</sup>;
- j. have made a valid application for reduction<sup>12</sup>;
- 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

<sup>2</sup> Sections 57 to 63 of this scheme

<sup>3</sup> Sections 33 to 42 and Schedule 5 of this scheme

<sup>4</sup> Sections 15 to 32 and Schedules 3 and 4 of this scheme

<sup>5</sup> Sections 12 to 14 and Schedule 1 of this scheme

<sup>6</sup> Sections 68 to 74a of this scheme

<sup>7</sup> Section 5 of this scheme

<sup>8</sup> Sections 57 to 63 of this scheme

<sup>9</sup> Sections 33 to 42 and Schedule 5 of this scheme

<sup>10</sup> Sections 15 to 32 and Schedules 3 and 4 of this scheme

<sup>11</sup> Sections 12 to 14 and Schedule 1 of this scheme

<sup>12</sup> Sections 68 to 74a of this scheme



## **Council Tax Reduction Scheme**

Details of reduction to be given for **working age applicants** for the financial year 2016/17

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**Sections 2- 8**  
**Definitions and interpretation**



## 2.0 Interpretation – an explanation of the terms used within this policy

### 2.1 In this policy–

**‘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

**‘applicant’** means a person who the authority designates as able to claim Council Tax Reduction – for the purposes of this policy 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 and the, 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 repaired meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises;

**‘care home’** in England and Wales has the meaning assigned to it by section 3 of the Care Standards Act 2000 and in Scotland means a care home service within the meaning assigned to it by section 2(3) of the Regulation of Care (Scotland) Act 2001;

**‘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;

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

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

**'claim'** means a claim for council tax reduction; **'applicant'** means a person claiming 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 Benefit (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;

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

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

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

**'couple'** means;

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

and for the purposes of sub-paragraph (d) 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 claim is made, or treated as made, for the purposes of this policy

**'designated authority'** means any of the following;

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

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

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





- 'disability living allowance'** means a disability living allowance under section 71 of the Act;
- 'dwelling'** has the same meaning in section 3 or 72 of the 1992 Act;
- 'earnings'** has the meaning prescribed in section 25 or, as the case may be, 27;
- 'the Eileen Trust'** means the charitable trust of that name established on 29th March 1993 out of funds provided by the Secretary of State for the benefit of persons eligible for payment in accordance with its provisions;
- 'electronic communication'** has the same meaning as in section 15(1) of the 2000 Act;
- '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;
- '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 payment (or reduction)'** means a payment of council tax reduction payable pursuant to section 60;
- 'extended payment (or reduction) period'** means the period for which an extended reduction is payable in accordance with section 60A or 61A of this policy;
- 'extended payment or 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 14(1)(b) or article 21(1)(a) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005**(b)**;
- 'he, him, his'** also refers to the feminine within this policy
- '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 same meaning as they have in the Jobseekers Act by virtue of section 1(4) of that Act;
- '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 in section 2(5)(a) and (b) of the Regulation of Care (Scotland) Act 2001;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**'net profit'** means such profit as is calculated in accordance with section 28;



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

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

**'non-dependant'** has the meaning prescribed in section 3;

**'non-dependant deduction'** means a deduction that is to be made under section 58;

**'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'** means—

- (a) where an applicant is a member of a couple, the other member of that couple; or
- (b) where an applicant is polygamously married to two or more members of his household, any such member to whom he is married;

**'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;

**'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;

**'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;

**'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;

**'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 20 or 21 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 2004;
- c. a personal pension scheme approved under Chapter 4 of Part 14 of the Income and Corporation Taxes Act 1988 which is treated as having become a registered pension scheme by virtue of paragraph 1(1)(g) of Schedule 36 to the Finance Act 2004<sup>13</sup>;
- d. a scheme prescribed in regulation 3 of the Jobseeker's Allowance (Schemes for Assisting Persons to Obtain Employment) Regulations 2013;
- e. Back to Work scheme.

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

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

**'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

<sup>13</sup> As amended by the Finance Act 2014



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–

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

**‘Service User’** references in this scheme to an applicant participating as a service user are to

- a. a person who is being consulted by or on behalf of—
  - (i) the Secretary of State in relation to any of the Secretary of State’s functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; or
  - (ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such functions in their capacity as a person affected or potentially affected by the exercise of those functions or the carer of such a person; or
- b. 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;

**'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;

**'Welfare Reform Act'** means the Welfare Reform Act 2007;

**'Working Tax Credit Regulations'** means the Working Tax Credit (Entitlement and Maximum



Rate) Regulations 2002 as amended<sup>14</sup>; and ‘young person’ has the meaning prescribed in section 9(1).

- 2.2 In this policy, 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 policy, 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 policy, a person is on an income-based jobseeker’s allowance on any day in respect of which an income-based jobseeker’s allowance is payable to him and on any day;
- (a) in respect of which he satisfies the conditions for entitlement to an income- based jobseeker’s allowance but where the allowance is not paid in accordance with regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of the Jobseekers Act (circumstances in which a jobseeker’s allowance is not payable); or
  - (b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income- based jobseeker’s allowance is payable to him or would be payable to him but for regulation 27A of the Jobseeker’s Allowance Regulations or section 19 or 20A or regulations made under section 17A of that Act;
  - (c) in respect of which he is a member of a joint-claim couple for the purposes of the Jobseekers Act and no joint-claim jobseeker’s allowance is payable in respect of that couple as a consequence of either member of that couple being subject to sanctions for the purposes of section 20A of that Act;
  - (d) in respect of which an income-based jobseeker’s allowance or a joint-claim jobseeker’s allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).
- 2.4A For the purposes of this policy, 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 policy, two persons shall be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.
- 2.6 In this policy, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

### **3.0 Definition of non-dependant**

- 3.1 In this policy, ‘non-dependant’ means any person, except someone to whom paragraph 3.2 applies, who normally resides with an applicant or with whom an applicant normally resides.

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



- 3.2 This paragraph applies to;
- a. any member of the applicant's family;
  - b. if the applicant is polygamously married, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
  - c. a child or young person who is living with the applicant but who is not a member of his household by virtue of section 11(membership of the same household);
  - d. subject to paragraph 3.3, any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under sections 6, 7 or 75 of the 1992 Act (persons liable to pay council tax);
  - e. subject to paragraph 3.3, any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;
  - f. a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.
- 3.3 Excepting persons to whom paragraph 3.2 a) to c) and f) refer, a person to whom any of the following 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 applicant for council tax in respect of a dwelling and who was, at any time during the period of eight weeks prior to his becoming so liable, a non-dependant of one or more of the other residents in that dwelling who are so liable for the tax, unless the authority is satisfied that the change giving rise to the new liability was not made to take advantage of the reduction scheme.
- 4.0 Requirement to provide a National Insurance Number<sup>15</sup>**
- 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—

<sup>15</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012





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

#### **5.0 Persons who have attained the qualifying age for state pension credit or who are of working age and who have a partner who has attained the qualifying age for state pension credit**

- 5.1 This policy for working age applicants does not apply in relation to any person if he, or if he has a partner, his partner, has attained the qualifying age for state pension credit, except where either partner receives income support, income based jobseekers allowance, income related employment and support allowance or universal credit
- 5.2 This scheme also 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.

#### **6.0 Remunerative work**

- 6.1 Subject to the following provisions of this section, a person shall be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.
- 6.2 Subject to paragraph 6.3, in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard shall be had to the average of hours worked over;
- a. if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);
  - b. in any other case, the period of 5 weeks immediately prior to that date of claim, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately,
- 6.3 Where, for the purposes of paragraph 6.2 a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work shall be disregarded in establishing the average hours for which he is engaged in work.
- 6.4 Where no recognisable cycle has been established in respect of a person's work, regard shall be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.
- 6.5 A person shall be treated as engaged in remunerative work during any period for which he is absent from work referred to in paragraph 6.1 if the absence is either without good cause or



by reason of a recognised customary or other holiday.

- 6.6 A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week shall be treated as not being in remunerative work in that week.
- 6.7 A person shall not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.
- 6.8 A person shall not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which;
- a. a sports award has been made, or is to be made, to him; and
  - b. no other payment is made or is expected to be made to him.

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

### **Persons treated as not being in Great Britain**

- 7.1 Persons treated as not being in Great Britain are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.
- 7.2 Except where a person falls within paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 7.3 A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.
- 7.4 For the purposes of paragraph (3), a right to reside does not include a right, which exists by virtue of, or in accordance with—
- (a) regulation 13 of the EEA Regulations or Article 6 of Council Directive 2004/38/EC;
  - (aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is—
    - (i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or
    - (ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;
  - (ab) Article 45 of the Treaty on the functioning of the European Union (in a case where the person is seeking work in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland); or
  - (b) regulation 15A(1) of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (4A) of that regulation or Article 20 of the Treaty on the Functioning of the European Union (in a case where the right to reside arises because a British citizen would otherwise be deprived of the genuine enjoyment of their rights as a European Union citizen).
- 7.5 A person falls within this paragraph if the person is—
- (a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;
  - (b) a family member of a person referred to in sub-paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;
  - (c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;
  - (d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;





- (e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971<sup>16</sup> where that leave is—
  - (i) discretionary leave to enter or remain in the United Kingdom,
  - (ii) leave to remain under the Destitution Domestic Violence concession which came into effect on 1st April 2012, or
  - (iii) leave deemed to have been granted by virtue of regulation 3 of the Displaced Persons (Temporary Protection) Regulations 2005.
- (f) a person who has humanitarian protection granted under those rules;
- (g) a person who is not a person subject to immigration control within the meaning of section 115(9) of the Immigration and Asylum Act 1999 and who is in the United Kingdom as a result of his deportation, expulsion or other removal by compulsion of law from another country to the United Kingdom;
- (h) in receipt of income support or on an income-related employment and support allowance;
- (ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4) or
- (i) a person who is treated as a worker for the purpose of the definition of "qualified person" in regulation 6(1) of the EEA Regulations pursuant to regulation 5 of the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013 (right of residence of a Croatian who is an "accession State national subject to worker authorisation")

7.6 A person falls within this paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.

7.7 A person mentioned in sub-paragraph (6) is posted overseas if the person is performing overseas the duties of a Crown servant or member of Her Majesty's forces and was, immediately before the posting or the first of consecutive postings, habitually resident in the United Kingdom.

7.8 In this regulation—  
"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;  
"Crown servant" means a person holding an office or employment under the Crown;  
"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006; and  
and the The Immigration (European Economic Area) (Amendment) (No. 2) Regulations 2014;  
and  
"Her Majesty's forces" has the same meaning as in the Armed Forces Act 2006.

#### **Persons subject to immigration control**

7.9 Persons subject to immigration control are a class of person prescribed for the purposes of paragraph 2(9)(b) of Schedule 1A to the 1992 Act and which must not be included in an authority's scheme.

7.10 A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris on 11th December 1953) or a state which has ratified the Council of Europe Social Charter (signed in Turin on 18th October 1961) and who is lawfully present in the United Kingdom is not a person subject to immigration control for the purpose of paragraph 7.9

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

#### **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

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



- (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 (period of absence)**

8.1 Where a person is absent from the dwelling throughout any day then no reduction shall be payable

8.2 A person shall not, in relation to any day, which falls within a period of temporary absence from that dwelling, be a prescribed person under paragraph 8.1.

8.3 In paragraph 8.2, a 'period of temporary absence' means—

- a. a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as;
  - i. the person resides in that accommodation;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
  - iii. that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;
- b. a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as;
  - i. the person intends to return to the dwelling;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let; and
  - iii. that period is unlikely to exceed 13 weeks; and
- c. a period of absence not exceeding 52 weeks, beginning with the first whole day of absence, where and for so long as
  - i. the person intends to return to the dwelling;
  - ii. the part of the dwelling in which he usually resided is not let or sub-let;
  - iii. the person is a person to whom paragraph 8.4 applies; and
  - iv. the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

8.4 This paragraph applies to a person who is;

- a. detained in custody on remand pending trial or required, as a condition of bail, to reside;
  - i. in a dwelling, other than the dwelling referred to in paragraph 8.1, or
  - ii. in premises approved under section 13 of the Offender Management Act 2007 as amended by the Offender Rehabilitation Act 2014, or, detained in custody pending sentence upon conviction;
- b. resident in a hospital or similar institution as a patient;
- c. undergoing, or his partner or his dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
- d. following, in the United Kingdom or elsewhere, a training course;
- e. undertaking medically approved care of a person residing in the United Kingdom or elsewhere;
- f. undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving



- medically approved care of medical treatment;
- g. in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;
- h. a student;
- i. receiving care provided in residential accommodation other than a person to whom paragraph 8.3a) applies; or
- j. has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

**8.5 This paragraph applies to a person who is;**

- a. detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983 (as amended by the Mental Health (Discrimination) Act 2013), or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995) or the Mental Health (Scotland) Act 2015; and
- b. on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989

**8.6 Where paragraph 8.5 applies to a person, then, for any day when he is on temporary release—**

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

**8.7 In this section;**

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

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## **9.0 Membership of a family**

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

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

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

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

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

- 10.1 Subject to the following paragraphs a person shall be treated as responsible for a child or young person who is normally living with him and this includes a child or young person to whom paragraph 9.3 applies
- 10.2 Where a child or young person spends equal amounts of time in different households, or where there is a question as to which household he is living in, the child or young person shall be treated for the purposes of paragraph 9.1 as normally living with;
- a. the person who is receiving child benefit in respect of him; or
  - b. if there is no such person;
    - i. where only one claim for child benefit has been made in respect of him, the



- person who made that claim; or
- ii. in any other case the person who has the primary responsibility for him.

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

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

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

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

- a. placed with the applicant or his partner by a local authority under section 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out with the applicant or his partner under a relevant enactment; or
- b. placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- c. placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002<sup>17</sup> or the Adoption Agencies (Scotland) Regulations 2009.

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

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

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

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

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

<sup>17</sup> The Adoption and Children Act 2002 (Commencement No. 12) Order 2014



Act 1986, the Children Act 1989, the Children (Scotland) Act 1995 and the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

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**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);
- 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 lowest amount within paragraph 1 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 or living allowances) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;
- d. if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in paragraph 3 of Schedule 1 of this scheme (family premium);
- 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).

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

(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

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**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 an applicant's partner within this scheme and for the purposes of claiming council tax reduction is to be treated as income and capital of the applicant and shall be calculated or estimated in accordance with the following provisions in like manner as for the applicant; and any reference to the 'applicant' shall, except where the context otherwise requires be construed for the purposes of this scheme as if it were a reference to his partner.

15.2 Where an applicant or the partner of is married polygamously to two or more members of his household—

- a. the applicant shall be treated as possessing capital and income belonging to each such member; and
- b. the income and capital of that member shall be calculated in accordance with the following provisions of this scheme in like manner as for the applicant.

15.2 The income and capital of a child or young person shall not be treated as the income and capital of the applicant.

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

15A.1 In determining the income of an applicant

- (a) who has, or
  - (b) who (jointly with his partner) has,
- an award of universal credit the authority must, subject to the following provisions of this paragraph, use the calculation or estimate of the income of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

15A.2 The authority must adjust the amount referred to in sub-paragraph (1) to take account of

- (a) income consisting of the award of universal credit, determined in accordance with subparagraph (3);

- (b) any sum to be disregarded under paragraphs of Schedule 3 to this scheme (sums to be disregarded in the calculation of earnings: persons who are not pensioners);

- (c) any sum to be disregarded under paragraphs of Schedule 4 to this scheme (sums to be disregarded in the calculation of income other than earnings: persons who are not pensioners);

- (d) section 33 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;

- (e) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

15A.3 The amount for the award of universal credit is to be determined by multiplying the amount of the award by 12 and dividing the product by 52.

15A.4 sections 33 (income and capital of non-dependant to be treated as applicant's) and 52 and 53 (disregards from income) apply (so far as relevant) for the purpose of determining any adjustments which fall to be made to the figure for income under sub-paragraph (2)

15A.5 In determining the capital of an applicant;

- (a) who has, or
  - (b) who (jointly with his partner) has,
- an award of universal credit, the authority must use the calculation or estimate of the capital



of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining that award

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

16.1 Where it appears to the authority that a non-dependant and the applicant have entered into arrangements in order to take advantage of the council tax reduction scheme and the non-dependant has more capital and income than the applicant, that authority shall, except where the applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, treat the applicant as possessing capital and income belonging to that non-dependant, and, in such a case, shall disregard any capital and income which the applicant does possess.

16.2 Where an applicant is treated as possessing capital and income belonging to a non-dependant under paragraph 16.1 the capital and income of that non-dependant shall be calculated in accordance with the following provisions in like manner as for the applicant and any reference to the 'applicant' shall, except where the context otherwise requires, be construed for the purposes of this scheme as if it were a reference to that non-dependant.

**17.0 Calculation of income on a weekly basis**

17.1 For the purposes of this scheme and in line with regulation 34 of the Housing Benefit Regulations 2006 (disregard to changes in tax, contributions etc.), the income of an applicant shall be calculated on a weekly basis;

- a. by estimating the amount which is likely to be his average weekly income in accordance with this Section and in line with Sections 2, 3, 4 and 5 of the Housing Benefit Regulations 2006;
- b. by adding to that amount the weekly income calculated in line with regulation 52 of the Housing Benefit Regulations 2006 (calculation to tariff income from capital); and
- c. by then deducting any relevant child care charges to which section 18 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in paragraph 18.2 are met, from those earnings plus whichever credit specified in sub-paragraph (b) of that paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in paragraph (3) applies in his case.

17.2 The conditions of this paragraph are that;

- a. the applicant's earnings which form part of his average weekly income are less than the lower of either his relevant child care charges or whichever of the deductions specified in paragraph (3) otherwise applies in his case; and
- b. that applicant or, if he is a member of a couple either the applicant or his partner, is in receipt of either working tax credit or child tax credit.

17.3 The maximum deduction to which paragraph 17.1 c) above refers shall be;

- a. where the applicant's family includes only one child in respect of whom relevant child care charges are paid, £175.00 per week.
- b. where the applicant's family includes more than one child in respect of whom relevant child care charges are paid, £300.00 per week.

The amounts stated in this paragraph shall be amended in accordance with the Housing Benefit Regulations 2006 (as amended).

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



## 18.0 Treatment of child care charges

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



home.

- 18.8 The care to which paragraph 18.7 refers may be provided;
- a. out of school hours, by a school on school premises or by a local authority;
    - i. for children who are not disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
    - ii. for children who are disabled in respect of the period beginning on their eight birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
  - b. by a child care provider approved in accordance with by the Tax Credit (New Category of Child Care Provider) Regulations 1999;
  - c. by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
  - d. by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) order 2010; or
  - e. by;
    - i. persons registered under section 59(1) of the Public Services Reform Scotland Act 2010; or
    - ii. local authorities registered under section 8(1) of that Act, where the care provided is child minding or 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 2002 or
  - g. by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
  - h. by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
  - i. by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
  - j. by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of 'childcare' for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
  - k. by a foster parent or kinship carer under the Fostering Services Regulations 2002, the Fostering Services (Wales) Regulations 2003 or the Looked After Children (Scotland) Regulations 2009 in relation to a child other than one whom the foster parent is fostering or kinship carer is looking after; or
  - l. by a domiciliary care worker under the Domiciliary Care Agencies Regulations 2002 or the Domiciliary Care Agencies (Wales) Regulations 2004; or
  - m. by a person who is not a relative of the child wholly or mainly in the child's home.
- 18.9 In paragraphs 18.6 and 18.8 a), 'the first Monday in September' means the Monday which first occurs in the month of September in any year.
- 18.10 Relevant child care charges shall be estimated over such period, not exceeding a year, as is appropriate in order that the average weekly charge may be estimated accurately having regard to information as to the amount of that charge provided by the child minder or person providing the care.
- 18.11 For the purposes of paragraph 18.1 c) the other member of a couple is incapacitated where
- a. the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work- related activity



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

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





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

18.12A For the purposes of paragraph 18.11, once paragraph 18.11e) applies to the applicant, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter apply to him for so long as he has, or is treated as having, limited capability for work.

18.13 For the purposes of paragraphs 18.6 and 18.8 a), a person is disabled if he is a person—

- a. in respect of whom disability living allowance or personal independence payment is payable, or has ceased to be payable solely because he is a patient;
- b. who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or
- c. who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

18.14 For the purposes of paragraph 18.1 a 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 1987; and
- b. 'child care element' of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act (child care element) 2002.

18.17 In this section 'applicant' does not include an applicant;

- (a) who has, or
- (b) who (jointly with his partner) has, an award of universal credit



## **19.0 Average weekly earnings of employed earners**

19.1 Where an applicant's income consists of earnings from employment as an employed earner his average weekly earnings shall be estimated by reference to his earnings from that employment—

- a. over a period immediately preceding the reduction week in which the claim is made or treated as made and being a period of
  - i. 5 weeks, if he is paid weekly; or
  - ii. 2 months, if he is paid monthly; or
- b. whether or not sub-paragraph 19.1a i) or ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the claim is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

19.2 Where the applicant has been in his employment for less than the period specified in paragraph 19.1 a)(i) or (ii)

- a. if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings shall be estimated by reference to those earnings;
- b. in any other case, the authority shall require the applicant's employer to furnish an estimate of the applicant's likely weekly earnings over such period as the authority may require and the applicant's average weekly earnings shall be estimated by reference to that estimate.

19.3 Where the amount of an applicant's earnings changes during an award the authority shall estimate his average weekly earnings by reference to his likely earnings from the employment over such period as is appropriate in order that his average weekly earnings may be estimated accurately but the length of the period shall not in any case exceed 52 weeks.

19.4 For the purposes of this section the applicant's earnings shall be calculated in accordance with sections 25 and 26

## **20.0 Average weekly earnings of self-employed earners**

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

20.2 For the purposes of this section the applicant's earnings shall be calculated in accordance with section 27 to 29 of this scheme

## **21.0 Average weekly income other than earnings**

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

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

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



## **22.0 Calculation of average weekly income from tax credits**

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

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

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

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

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

## **23.0 Calculation of weekly income**

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

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

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

## **24.0 Disregard of changes in tax, contributions etc.**

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

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

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



## **25.0 Earnings of employed earners**

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

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

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 an applicant derived or likely to be derived from employment as an employed earner to be taken into account shall, subject to paragraph 26.2, be his net earnings.

26.2 There shall be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 14 of Schedule 3.

26.3 For the purposes of paragraph 26.1 net earnings shall, except where paragraph 26.6 applies,



be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less;

- a. any amount deducted from those earnings by way of
  - i) income tax;
  - ii) primary Class 1 contributions under the Act;
- b. one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;
- c. one-half of the amount calculated in accordance with paragraph 26.5 in respect of any qualifying contribution payable by the applicant; and
- d. where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted for those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the Act.

26.4 In this section 'qualifying contribution' means any sum which is payable periodically as a contribution towards a personal pension scheme.

26.5 The amount in respect of any qualifying contribution shall be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying contribution shall be determined—

- a. where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;
- b. in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

26.6 Where the earnings of an applicant are estimated under sub-paragraph (b) of paragraph 2) of the section 19 (average weekly earnings of employment earners), his net earnings shall be calculated by taking into account those earnings over the assessment period, less—

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rata basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

## **27.0 Earnings of self-employed earners**

27.1 Subject to paragraph 27.2, 'earnings', in the case of employment as a self-employed earner, means the gross income of the employment any allowance paid under section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 to the applicant for the purpose of assisting him in carrying on his business unless at the date of claim the allowance has been terminated.

27.2 'Earnings' shall not include any payment to which paragraph 27 or 28 of Schedule 4 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a



health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor shall it include any sports award.

- 27.3 This paragraph applies to—
- a. royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
  - b. any payment in respect of any—
    - (i) book registered under the Public Lending Right Scheme 1982; or
    - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982, where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book of work concerned.

- 27.4 Where the applicant's earnings consist of any items to which paragraph 27.3 applies, those earnings shall be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction shall be treated as a corresponding fraction of a week) by dividing the earnings by the amount of council tax reduction which would be payable had the payment not been made plus an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 3 (sums to be disregarded in the calculation of earnings) as appropriate in the applicant's case.

## **28.0 Calculation of net profit of self-employed earners**

- 28.1 For the purposes of section 20 (average weekly earnings of self-employed earners) the earnings of an applicant to be taken into account shall be

- a. in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- b. in the case of a self-employed earner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less—
  - i. an amount in respect of income tax and of social security contributions payable under the Act calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - ii. one-half of the amount calculated in accordance with paragraph (11) in respect of any qualifying premium.

- 28.2 There shall be disregarded from an applicant's net profit, any sum, where applicable, specified in paragraph 1 to 14 of Schedule 3.

- 28.3 For the purposes of paragraph 28.1 a) the net profit of the employment must, except where paragraph 28.9 applies, be calculated by taking into account the earnings for the employment over the assessment period less

- a. subject to paragraphs 28.5 to 28.7, any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- b. an amount in respect of;
  - (i) income tax, and
  - (ii) national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
- c. one-half of the amount calculated in accordance with paragraph (28.11) in respect of any qualifying premium.

- 28.4 For the purposes of paragraph 28.1b) 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 28.7, any expenses wholly and exclusively incurred in that period for the purposes of the employment.



- 28.5 Subject to paragraph 28.6 no deduction shall be made under paragraph 28.3 a) or 28.4, in respect of–
- a. any capital expenditure;
  - b. the depreciation of any capital asset;
  - c. any sum employed or intended to be employed in the setting up or expansion of the employment;
  - d. any loss incurred before the beginning of the assessment period;
  - e. the repayment of capital on any loan taken out for the purposes of the employment;
  - f. any expenses incurred in providing business entertainment, and
  - g. any debts, except bad debts proved to be such, but this sub-paragraph shall not apply to any expenses incurred in the recovery of a debt.
- 28.6 A deduction shall be made under paragraph 28.3 a) or 28.4 in respect of the repayment of capital on any loan used for–
- a. the replacement in the course of business of equipment or machinery; and
  - b. the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.
- 28.7 The authority shall refuse to make deduction in respect of any expenses under paragraph 28.3 a) or 28.4 where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.
- 28.8 For the avoidance of doubt–
- a. deduction shall not be made under paragraph 28.3 a) or 28.4 in respect of any sum unless it has been expended for the purposes of the business;
  - b. a deduction shall be made thereunder in respect of–
    - i. the excess of any value added tax paid over value added tax received in the assessment period;
    - ii. any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
    - iii. any payment of interest on a loan taken out for the purposes of the employment
- 28.9 Where an applicant is engaged in employment, as a child minder the net profit of the employment shall be one-third of the earnings of that employment, less an amount in respect of
- a. income tax; and
  - b. national insurance contributions payable under the Act, calculated in accordance with section 29 (deduction of tax and contributions for self-employed earners); and
  - c. one-half of the amount calculated in accordance with paragraph 28.1 in respect of any qualifying contribution
- 28.10 For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments shall not be offset against his earnings in any other of his employments.
- 28.11 The amount in respect of any qualifying premium shall be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this section the daily amount of the qualifying premium shall be determined
- a. where the qualifying premium is payable monthly, by multiplying the amount of the qualifying premium by 12 and divided the product by 365;
  - b. in any other case, by dividing the amount of the qualifying premium by the number equal to the number of days in the period to which the qualifying premium relates.





28.12 In this section, 'qualifying premium' means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of claim.

### **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 applicant is entitled under section 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal reliefs deductible under this paragraph shall be calculated on a pro rata basis.

29.2 The amount to be deducted in respect of national insurance contributions under paragraphs 28.1 1 b)(i); 28.3 b) ii) or 28.9 a) shall be the total of—

- a. the amount of Class 2 contributions payable under section 11(1) or, as the case may be, 11(3) of the Act at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of the Act (**small profits threshold**) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year shall be reduced pro rata; and
- b. the amount of Class 4 contributions (if any) which would be payable under section 15 of the Act (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits shall be reduced pro rata.

29.3 In this section 'chargeable income' means—

- a. except where sub-paragraph (b) applies, the earnings derived from the employment less any expenses deducted under paragraph 28.3(a) or, as the case may be, 28.4 of section 28;
- b. in the case of employment as a child minder, one-third of the earnings of that employment.

### **30.0 Calculation of income other than earnings**

30.1 For the purposes of section 21 (average weekly income other than earnings), the income of an applicant which does not consist of earnings to be taken into account shall, subject to paragraphs 27.2 to 27.4, be his gross income and any capital treated as income under section 31 (capital treated as income).

30.2 There is to be disregarded from the calculation of an applicant's gross income under paragraph 30.2, any sum, where applicable, specified in Schedule 4.

30.3 Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under paragraph 30.1 shall be the gross amount payable.

30.4 Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, 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 Paragraph 30.8 and 30.9 apply where a relevant payment has been made to a person in an academic year; and that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.
- 30.8 Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph 30.7 applies, shall be calculated by applying the formula—  
$$\frac{A - (B \times C)}{D}$$
  
Where  
A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 51.5  
B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;  
C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 51.2 had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to council tax reduction immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;  
D = the number of reduction weeks in the assessment period.
- 30.9 Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of paragraph 30.1 in respect of a person to whom paragraph (30.8) applies, shall be calculated by applying the formula in paragraph 30.8 but as if—  
A = the total amount of relevant payments which that person received, or would have received, from the first day of the academic year to the day the person abandoned the course, or was dismissed from it, less any deduction under paragraph 51.5
- 30.10 In this section— 'academic year' and 'student loan' shall have the same meanings as for the purposes of sections 43 to 45, 'assessment period' means—
- 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;
  - 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—
    - the day immediately before the day on which the next instalment of the relevant payment would have been due had the payments continued; or
    - the last day of the last quarter for which an instalment of the relevant payment was payable to that person.whichever of those dates is earlier
- 'quarter' in relation to an assessment period means a period in that year beginning on;



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

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

30.11 For the avoidance of doubt there shall be included as income to be taken into account under paragraph 30.1

- a. any payment to which paragraph 25.2 (payments not earnings) applies; or
- b. in the case of an applicant who is receiving support under section 95 or 98 of the Immigration and Asylum Act 1999 including support provided by virtue of regulations made under Schedule 9 to that Act, the amount of such support provided in respect of essential living needs of the applicant and his dependants (if any) as is specified in regulations made under paragraph 3 of Schedule 8 to the Immigration and Asylum Act 1999.

### **31.0 Capital treated as income**

31.1 Any capital payable by instalments which are outstanding at the date on which the claim is made or treated as made, or, at the date of any subsequent revision or supersession, shall, if the aggregate of the instalments outstanding and the amount of the applicant’s capital otherwise calculated in accordance with sections 33 to 42 of this scheme exceeds £6,000, be treated as income.

31.2 Any payment received under an annuity shall be treated as income.

31.3 Any earnings to the extent that they are not a payment of income shall be treated as income.

31.4 Any Career Development Loan paid pursuant to section 2 of the 1973 Act shall be treated as income

31.5 Where an agreement or court order provides that payments shall be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly, by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital), shall be treated as income.

### **32.0 Notional income**

32.1 An applicant shall be treated as possessing income of which he has deprived himself for the purpose of securing entitlement of reduction or increasing the amount of that reduction.

32.2 Except in the case of–

- a. a discretionary trust;
- b. a trust derived from a payment made in consequence of a personal injury;
- c. a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
- d. any sum to which paragraph 47(2)(a) of Schedule 5 (capital to be disregarded) applies which is administered in the way referred to in paragraph 47(1)(a);
- e. any sum to which paragraph 48(a) of Schedule 5 refers;
- f. rehabilitation allowance made under section 2 of the 1973 Act;
- g. child tax credit; or
- h. working tax credit,
- i. any sum to which paragraph 32.13 applies;

any income which would become available to the applicant upon application being made, but



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

32.3 – 32.5 Not used

- 32.6 Any payment of income, other than a payment of income specified in paragraph 32.7 made–
- a. to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) shall, where that payment is a payment of an occupational pension, a pension or other periodical payment made under or by a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
  - b. to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) shall, where it is not a payment referred to in sub-paragraph a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
  - c. to a single applicant or a member of the family in respect of a third party (but not in respect of another member of that family) shall be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.

- 32.7 Paragraph 32.6 shall not apply in respect of a payment of income made–
- a. under the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No. 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);
  - b. pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);
  - c. pursuant to section 2 of the 1973 Act in respect of a person's participation–
    - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
    - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
    - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
    - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations or;
    - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
  - d. in respect of a previous participation in the Mandatory Work Activity Scheme;
  - e. under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where–
    - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
    - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and
    - (iii) the person referred to in (i) and any member of his family does not possess, or is not treated as possessing, any other income apart from that payment.

32.8 Where an applicant is in receipt of any benefit (other than council tax reduction) under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority shall treat the applicant as possession such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority shall select to apply in its area, to the date on which the altered rate is to take effect.



32.9 Subject to paragraph 32.10, where–

- a. applicant performs a service for another person; and
- b. that person makes no payment of earnings or pays less than that paid for a comparable employment in the area, the authority shall treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

32.10 Paragraph 32.9 shall not apply–

- a. to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or
- b. in a case where the service is performed in connection with–
  - (i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations or
  - (ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme ; or
- c. to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

32.10A In paragraph 32.10 (c) 'work placement' means practical work experience which is not undertaken in expectation of payment.

32.11 Where an applicant is treated as possessing any income under any of paragraph 32.1 to 32.8, the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of that income as if a payment has actually been made and as if it were actual income which he does possess.

32.12 Where an applicant is treated as possessing any earnings under paragraph 32.9 the foregoing provisions of this scheme shall apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph (3) of section 26 (calculation of net earnings of employed earners) shall not apply and his net earnings shall be calculated by taking into account those earnings which he is treated as possessing, less;

- a. an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the starting rate or, as the case may be, the starting rate and the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 257(1) of the Income and Corporation Taxes Act 1988 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the starting rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph shall be calculated on a pro rate basis;
- b. an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the Act in respect of those earnings if such contributions were payable; and
- c. one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

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



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**Sections 33 – 42 & Schedule 5**

**Definition and the treatment of capital for Council Tax Reduction purposes**



### **33.0 Capital limit**

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

### **34.0 Calculation of capital**

34.1 For the purposes of this scheme, the capital of an applicant to be taken into account shall, subject to paragraph (34.2), be the whole of his capital calculated in accordance with this scheme and any income treated as capital under section 36 (income treated as capital).

34.2 There shall be disregarded from the calculation of an applicant's capital under paragraph (34.1), any capital, where applicable, specified in Schedule 5.

### **35.0 Disregard of capital of child and young person**

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

### **36.0 Income treated as capital**

36.1 Any bounty derived from employment to which paragraph 8 of Schedule 3 applies and paid at intervals of at least one year shall be treated as capital.

36.2 Any amount by way of a refund of income tax deducted from profits or emoluments chargeable to income tax under Schedule D or E shall be treated as capital.

36.3 Any holiday pay which is not earnings under section 25(1)(d) (earnings of employed earners) shall be treated as capital.

36.4 Except any income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28, 47 or 48 of Schedule 5, any income derived from capital shall be treated as capital but only from the date it is normally due to be credited to the applicant's account.

36.5 In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer shall be treated as capital.

36.6 Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bombings Charitable Relief Fund, shall be treated as capital.

36.7 There shall be treated as capital the gross receipts of any commercial activity carried on by a person in respect of which assistance is received under the self-employment route, but only in so far as those receipts were payable into a special account during the period in which that person was receiving such assistance.

36.8 Any arrears of subsistence allowance which are paid to an applicant as a lump sum shall be treated as capital.

36.9 Any arrears of working tax credit or child tax credit shall be treated as capital.

### **37.0 Calculation of capital in the United Kingdom**

37.1 Capital which an applicant possesses in the United Kingdom shall be calculated at its current market or surrender value less—



- a. where there would be expenses attributable to the sale, 10 per cent.; and
- b. the amount of any encumbrance secured on it;

### **38.0 Calculation of capital outside the United Kingdom**

38.1 Capital which an applicant possesses in a country outside the United Kingdom shall be calculated

- a. in a case where there is no prohibition in that country against the transfer to the United Kingdom of an amount equal to its current market or surrender value in that country, at that value.
- b. in a case where there is such a prohibition, at the price which it would realise if sold in the United Kingdom to a willing buyer,

less, where there would be expenses attributable to sale, 10 per cent. and the amount of any encumbrances secured on it.

### **39.0 Notional capital**

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

39.2 Except in the case of

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

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

39.3 Any payment of capital, other than a payment of capital specified in paragraph (39.4), made

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

39.4 Paragraph 39.3 shall not apply in respect of a payment of capital made:

- a. under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the London Bombings





Relief Charitable Fund;

- b. pursuant to section 2 of the 1973 Act in respect of a person's participation:
  - i. in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations;
  - ii. in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
  - iii. in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
  - iv. in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations; or
  - v. in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
- 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 an applicant stands in relation to a company in a position analogous to that of a sole owner or partner in the business of that company, he may be treated as if he were such sole owner or partner and in such a case

- a. the value of his holding in that company shall, notwithstanding section 34 (calculation of capital) be disregarded; and
- b.
- c. he shall, subject to paragraph 39.6, be treated as possessing an amount of capital equal to the value or, as the case may be, his share of the value of the capital of that company and the foregoing provisions of this Section shall apply for the purposes of calculating that amount as if it were actual capital which he does possess.

39.6 For so long as the applicant undertakes activities in the course of the business of the company, the amount which, he is treated as possessing under paragraph 39.5 shall be disregarded.

39.7 Where an applicant is treated as possessing capital under any of paragraphs 39.1 to 39.2 the foregoing provisions of this Section shall apply for the purposes of calculating its amount as if it were actual capital, which he does possess.

#### **40.0 Diminishing notional capital rule**

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

- a. in the case of a week that is subsequent to
  - (i) the relevant week in respect of which the conditions set out in paragraph 40.2 are satisfied; or
  - (ii) a week which follows that relevant week and which satisfies those conditions, shall be reduced by an amount determined under paragraph 40.3;
- b. in the case of a week in respect of which paragraph 40.1(a) does not apply but where
  - (i) that week is a week subsequent to the relevant week; and
  - (ii) that relevant week is a week in which the condition in paragraph 40.4 is satisfied, shall be



reduced by the amount determined under paragraph 40.4.

- 40.2 This paragraph applies to a reduction week or part-week where the applicant satisfies the conditions that
- a. he is in receipt of council tax reduction; and
  - b. but for paragraph 39.1, he would have received an additional amount of council tax reduction in that week.
- 40.3 In a case to which paragraph 40.2 applies, the amount of the reduction for the purposes of paragraph 40.1(a) shall be equal to the aggregate of
- a. the additional amount to which sub-paragraph 40.2 (b) refers;
  - b. where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);
  - c. where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 51(1) of the Income Support Regulations (notional capital);
  - d. where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which paragraph 40.2 refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital) and
  - e. where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of reduction 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 applicant would have been entitled to council tax reduction in the relevant week but for paragraph 39.1, and in such a case the amount of the reduction shall be equal to the aggregate of
- a. the amount of council tax reduction to which the applicant would have been entitled in the relevant week but for paragraph 39.1; and for the purposes of this sub-paragraph is the amount is in respect of a part-week, that amount shall be determined by dividing the amount of council tax reduction to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7;
  - b. if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the reduction week which includes the last day of the relevant week, the amount which is equal to—
    - (i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or
    - (ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled,and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of housing benefit to which he would have been so entitled by the number equal to that number of days in the part-week and multiplying the quotient so obtained by 7;
  - c. if the applicant would, but for regulation 51(1) of the Income Support Regulations, have been entitled to income support in respect of the reduction week, within the meaning of regulation 2(1) of those Regulations, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub- paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income support to which he would have



- been so entitled by the number equal to the number of days in the part- week and multiplying the quotient so obtained by 7
- d. if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the reduction week, within the meaning of this scheme, which includes the last day of the relevant week, the amount to which he would have been entitled and, for the purposes of this sub-paragraph, if the amount is in respect of a part-week, that amount shall be determined by dividing the amount of the income-based jobseeker's allowance to which he would have been so entitled by the number equal to the number of days in the part-week and multiplying the quotient so obtained by 7; and
  - e. if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 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 applicant makes a further claim for council tax reduction and the conditions in paragraph 40.6 are satisfied, and in such a case—
- a. sub-paragraphs (a) to (d) of paragraph 40.4 shall apply as if for the words 'relevant week' there were substituted the words 'relevant subsequent week'; and
  - b. subject to paragraph 40.7, the amount as re-determined shall have effect from the first week following the relevant subsequent week in question.
- 40.6 The conditions are that
- a. a further claim is made 26 or more weeks after
    - (i) the date on which the applicant made a claim for council tax reduction in respect of which he was first treated as possessing the capital in question under paragraph 39.1;
    - (ii) in a case where there has been at least one re-determination in accordance with paragraph 40.5, the date on which he last made a claim for council tax reduction which resulted in the weekly amount being re-determined, or
    - (iii) the date on which he last ceased to be entitled to council tax reduction, whichever last occurred; and
  - b. the applicant would have been entitled to council tax reduction but for paragraph 39.1.
- 40.7 The amount as re-determined pursuant to paragraph 40.5 shall not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount shall continue to have effect.
- 40.8 For the purposes of this section
- a. 'part-week'
    - (i) in paragraph 40.4(a) means a period of less than a week for which council tax reduction is allowed;
    - (ii) in paragraph 40.4(b) means a period of less than a week for which housing benefit is payable;
    - (iii) in paragraph 40.4 (c),(d) and (e) means—
  - aa. a period of less than a week which is the whole period for which income support , an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
  - bb. any other period of less than a week for which it is payable;
  - b. 'relevant week' means the reduction week or part-week in which the capital in question of which the applicant has deprived himself within the meaning of section 39.1



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

(ii) was taken into account on a subsequent occasion for the purpose of determining or re-determining his entitlement to council tax reduction on that subsequent occasion and that determination or re-determination resulted in his beginning to receive, or ceasing to receive, council tax reduction;

and where more than one reduction week is identified by reference to heads (i) and (ii) of this 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 week' means the reduction week or part-week which includes the day on which the further claim or, if more than one further claim has been made, the last such claim was made.

#### **41.0 Capital jointly held**

41.1 Except where an applicant possesses capital which is disregarded under paragraph 39(5) (notional capital) where an applicant and one or more persons are beneficially entitled in possession to any capital asset they shall be treated, 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 Not used**

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**Sections 43 - 56**

**Definition and the treatment of students for Council Tax Reduction purposes<sup>18</sup>**

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<sup>18</sup> 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 scheme the following definitions apply;

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

**'access funds'** means;

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

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

**'contribution'** means;

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

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

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

**'education authority'** means a government department, a local authority as defined in section 579 of the Education Act 1996 (interpretation), a local education authority as defined in section 123 of the Local Government (Scotland) Act 1973, an education and library board established under Article 3 of the Education and Libraries (Northern Ireland) Order 1986, any body which is a research council for the purposes of the Science and Technology Act 1965 or any analogous government department, authority, board or body, of the Channel Islands, Isle of Man or any other country outside Great Britain;

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

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



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

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

**'grant'** (except in the definition of 'access funds') means any kind of educational grant or award and includes any scholarship, studentship, exhibition allowance or bursary but does not include a payment from access funds or any payment to which paragraph 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
- a qualifying course;

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

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

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

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

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





establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

#### **44.0 Treatment of students**

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

#### **45.0 Students who are excluded from entitlement to council tax reduction**

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

45.2 To be eligible for reduction, the student must be liable for Council Tax under Section 6 of the Local Government Finance Act 1992 and they must not be deemed to be a full time student or a persons from abroad within the meaning of section 7 of this scheme (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;
  - (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period.
  - (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
  - (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989, or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
  - (i) who is;
    - (i) aged under 21 and whose course of study is not a course of higher education, or
    - (ii) a qualifying young person or child within the meaning of section 142 of the Act (child and qualifying young person);
  - (j) in respect of whom
    - i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
    - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) or regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
    - (iii) a payment has been made under section 2 of the Education Act 1962 or under or by virtue of regulations made under the Teaching and Higher Education Act 1998;



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

on account of his disability by reason of deafness.

45.3A For the purposes of paragraph 45.3(h)(i) the student must have begun, or been enrolled or accepted onto the course before attaining the age of 19

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 caring for that person or, as the case may be, he has subsequently recovered from that illness; and
- (c) he is not eligible for a grant or a student loan in respect of the period specified in paragraph 45.8.

45.8 The period specified for the purposes of paragraph 45.7 is the period, not exceeding one year, beginning on the day on which he ceased to be engaged in caring for that person or, as the case may be, the day on which he recovered from that illness and ending on the day before;

- (a) the day on which he resumes attending or undertaking the course; or
  - (b) the day from which the relevant educational establishment has agreed that he may resume attending or undertaking the course,
- which shall first occur.

#### **46.0 Calculation of grant income**

46.1 The amount of a student's grant income to be taken into account shall, subject to paragraphs 46.2 and 46.3, be the whole of his grant income.

46.2 There shall be excluded from a student's grant income any payment;

- (a) intended to meet tuition fees or examination fees;
- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;



- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
  - (e) on account of any other person but only if that person is residing outside of the United Kingdom and there is no applicable amount in respect of him;
  - (f) intended to meet the cost of books and equipment;
  - (g) intended to meet travel expenses incurred as a result of his attendance on the course;
  - (h) intended for the child care costs of a child dependant.
  - (i) of higher education bursary for care leavers made under Part III of the Children Act 1989.
- 46.3 Where a student does not have a student loan and is not treated as possessing such a loan, there shall be excluded from the student's grant income;
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the costs of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).
- 46.4 There shall also be excluded from a student's grant income the grant for dependants known as the parents' learning allowance paid pursuant to regulations made under Article 3 of the Education (Student Support) (Northern Ireland) Order 1998 or section 22 of the Teaching and Higher Education Act 1998.
- 46.5 Subject to paragraphs 46.6 and 46.7, a student's grant income shall be apportioned;
- (a) subject to paragraph 46.8, in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
  - (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.
- 46.6 Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2004 shall be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.
- 46.7 In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither paragraph 46.6 nor section 50 (other amounts to be disregarded) apply, shall be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.
- 46.8 In the case if a student on a sandwich course, any periods of experience within the period of study shall be excluded and the student's grant income shall be apportioned equally between the weeks in the period beginning with the reduction week, the first day of which immediately follows the last day of the period of experience and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study.



#### **47.0 Calculation of covenant income where a contribution is assessed**

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

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

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

#### **49.0 Student Covenant Income and Grant income – non disregard**

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

#### **50.0 Other amounts to be disregarded**

- 50.1 For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with section 51, any amounts intended for any expenditure specified in paragraph 46.2 (calculation of grant income), necessary as a result of his attendance on the course shall be disregarded but only if, and to the extent that, the



necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraphs 46.2 or 46.3, 47.3, 48.1(a) or (c) or 51.5 (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

## **51.0 Treatment of student loans**

51.1 A student loan shall be treated as income.

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

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

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

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

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



- 51.4 Where a student is treated as possessing a student loan under paragraph 51.3, the amount of the student loan to be taken into account as income shall be, subject to paragraph 51.5
- (a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to
    - (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
    - (ii) any contribution whether or not it has been paid to him;
  - (b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if;
    - (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
    - (ii) no deduction in that loan was made by virtue of the application of a means test.

- 51.5 There shall be deducted from the amount of income taken into account under paragraph 51.4
- (a) the sum of £303 per academic year in respect of travel costs; and
  - (b) the sum of £390 per academic year towards the cost of books and equipment, whether or not any such costs are incurred.
- The above figures will be increased annually in line with the Housing Benefit Regulations 2006 (as amended).

#### **51A.0 Treatment of fee loans**

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

#### **52.0 Treatment of payments from access funds**

- 52.1 This paragraph applies to payments from access funds that are not payments to which paragraph 55.2 or 55.3 (income treated as capital) applies.
- 52.2 A payment from access funds, other than a payment to which paragraph 52.3 applies, shall be disregarded as income.
- 52.3 Subject to paragraph 52.4 of this section and paragraph 35 of Schedule 4,
- a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family and
  - b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable, shall be disregarded as income to the extent of £20 per week.
- 52.4 Where a payment from access funds is made—
- (a) on or after 1st September or the first day of the course, whichever first occurs, but before receipt of any student loan in respect of that year and that payment is intended for the purpose of bridging the period until receipt of the student loan; or
  - (b) before the first day of the course to a person in anticipation of that person becoming a student,
- that payment shall be disregarded as income.

#### **53.0 Disregard of contribution**

- 53.1 Where the applicant or his partner is a student and for the purposes of assessing a



contribution to the student's grant or student loan, the other partner's income has been taken into account, an amount equal to that contribution shall be disregarded for the purposes of assessing that other partner's income.

#### **54.0 Further disregard of student's income**

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

#### **55.0 Income treated as capital**

55.1 Any amount by way of a refund of tax deducted from a student's covenant income shall be treated as capital.

55.2 Any amount paid from access funds as a single lump sum shall be treated as capital.

55.3 An amount paid from access fund as a single lump sum which is intended and used for an item other than food, ordinary clothing or footwear, household fuel or rent, or which is used for an item other than any council tax or water charges for which that applicant or member is liable, shall be disregarded as capital but only for a period of 52 weeks from the date of the payment.

#### **56.0 Disregard of changes occurring during summer vacation**

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

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**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 support in respect of a day for which he is liable to pay council tax, shall be 85 per cent, of the amount A/B where;

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

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

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

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

## 58.0 Non-dependant deductions

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

- (a) in respect of a non-dependant aged 18 or over in remunerative work,  $£16.80 \times 1/7$ ;
- (b) in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply,  $£3.78 \times 1/7$ .

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 £195.00, the deduction to be made under this section shall be £6.00;
- (b) not less than £195.00, but less than £338.00, the deduction to be made under this section shall be £10.93;
- (c) not less than £338.00, but less than £420.00, the deduction to be made under this section shall be £13.99;

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.

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
    - (i) attendance allowance, or would be receiving that allowance but for
      - (aa) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - (bb) an abatement as a result of hospitalisation; or
    - (ii) the care component of the disability living allowance, or would be receiving that component but for
      - (aa) a suspension of benefit in accordance with regulations under section 113(2) of The Act; or
      - (bb) an abatement as a result of hospitalisation; or
  - (a) 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);  
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;
    - (i) 'patient' has the meaning given within this scheme, and
    - (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he shall be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
  - (e) he is not residing with the 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 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.
- 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 reduction taper (applies to persons defined within Class E)**

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

#### **60.0 Extended reductions**

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

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

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

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

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

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



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

#### **60A.0 Duration of extended reduction period**

60A.1 Where an applicant is entitled to an extended reduction, the extended reduction period starts on the first day of the reduction week immediately following the reduction week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying income-related benefit.

60A.2 For the purpose of paragraph (60A.1), an applicant or an applicant's partner ceases to be entitled to a qualifying income-related benefit on the day immediately following the last day of entitlement to that benefit.

60A.3 The extended reduction period ends;

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

#### **60B.0 Amount of extended reduction**

60B.1 For any week during the extended reduction period the amount of the extended reduction payable to an applicant shall be the higher of—

- (a) the amount of council tax reduction to which the applicant was entitled under the general conditions of entitlement in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying income-related benefit;
- (b) the amount of council tax reduction to which the applicant would be entitled under the general conditions of entitlement for any reduction week during the extended reduction period, if section 60 (extended reductions) did not apply to the applicant; or
- (c) the amount of council tax reduction to which the applicant's partner would be entitled under the general conditions of entitlement, if section 60 did not apply to the applicant.

60B.2 Paragraph 60B1 does not apply in the case of a mover.

60B.3 Where an applicant is in receipt of an extended reduction under this section and the applicant's partner makes a claim for council tax reduction, no amount of council tax reduction shall be payable by the appropriate authority during the extended reduction period.

#### **60C 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 area<sup>19</sup>**

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**

<sup>19</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



**Sections 64 – 67**

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

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#### **64.0 Date on which entitlement is to begin**

64.1 Subject to paragraph 64.2, any person to whom or in respect of whom a claim for council tax reduction is made and who is otherwise entitled to that reduction shall be so entitled from the reduction week following the date on which that claim is made or is treated as made.

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

#### **65.0 - 66.0 Not Used**

#### **67.0 Date on which change of circumstances is to take effect**

67.1 Except in cases where section 24 (disregard of changes in tax, contributions, etc.) applies and subject to the following provisions of this paragraph, a change of circumstances which affects entitlement to, or the amount of, a reduction under an authority's scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs, and where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs shall be the day immediately following the last day of entitlement to that benefit.

67.2 Subject to paragraph (3), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.

67.3 Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council tax) or changes in the discount to which a dwelling may be subject under sections 11 or 12 of that Act, it shall take effect from the day on which the change in amount has effect.

67.4 Where the change of circumstances is the applicant's acquisition of a partner, the change takes effect on the day on which the acquisition takes place.

67.5 Where the change of circumstances is the death of an applicant's partner or their separation, it takes effect on the day the death or separation occurs.

67.6 If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with paragraphs (1) to (5) they take effect from the day to which the appropriate paragraph from (2) to (5) above refers, or, where more than one day is concerned, from the earlier day.

67.7 Where the change of circumstances is that income, or an increase in the amount of income, other than a benefit or an increase in the amount of a benefit under the Act, is paid in respect of a past period and there was no entitlement to income of that amount during that period, the change of circumstances shall take effect from the first day on which such income, had it been paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

67.8 Without prejudice to paragraph (7), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.



**Sections 68– 74A**

**Claiming and the treatment of claims for Council Tax Reduction purposes**

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68.0 **Making an application**<sup>20</sup>

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);
- (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.

<sup>20</sup> 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 scheme<sup>21</sup>**

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.
- (d) For the purposes of this scheme a Local Authority Information Document (LAID) or Local Authority Customer Information document (LACI) issued by the Department for Work and Pensions shall be treated as a valid claim.

69.3 (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.

(1) Where an applicant ;

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<sup>21</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



- (a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and
- (b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

the application is to be treated as made on the date determined in accordance with sub-paragraph (2).

- (2) That date is the latest of;
  - a. the first day from which the applicant had continuous good cause;
  - b. the day 6 months before the date the application was made;
  - c. the day 6 months before the date when the applicant requested that the application should include a past period.

**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 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 award of income support, an income-based jobseeker's allowance or an income-related employment and support allowance or an award of universal credit has been made to the applicant or his partner, and
  - (ii) the application is made within one month of the date on which the claim for that income support, jobseeker's allowance, employment and support allowance or universal credit was received,

the first day of entitlement to income support, an income-based jobseeker's allowance, an income-related employment and support allowance or universal credit arising from that claim;

- (d) in a case where;
  - (i) an applicant or his partner is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance or has an award of universal credit,
  - (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
  - (iii) the application is received at the designated office within one month of the date of the change,

the date on which the change takes place;

- (e) in a case where;
  - (i) 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;
- (f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to an applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;
- (g) in any other case, the date on which 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 In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims of income support, a job seekers allowance or an employment and support allowance.

#### **70.0 Submission of evidence electronically**

70.1 The authority may accept such evidence, documents and certificates to reduction 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 reduction the claim by telephone where it feels that this would be acceptable given the nature of the claim

#### **72.0 Information and evidence<sup>22</sup>**

72.1 Subject to sub-paragraph (3), a person who makes an application for a reduction under an authority's scheme must satisfy sub-paragraph (2) in relation both to himself and to any other person in respect of whom he is making the application.

72.2 This sub-paragraph is satisfied in relation to a person if—

- (a) the application is accompanied by;
  - (i) a statement of the person's national insurance number and information or evidence establishing that that number has been allocated to the person; or
  - (ii) information or evidence enabling the authority to ascertain the national insurance number that has been allocated to the person; or
- (b) the person has made an application for a national insurance number to be allocated to him and the application for the reduction is accompanied by;
  - (i) evidence of the application for a national insurance number to be so allocated; and
  - (ii) the information or evidence enabling it to be so allocated.

72.3 Sub-paragraph (2) does not apply;

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who;
  - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
  - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the

<sup>22</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



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 (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 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 application<sup>23</sup>**
- 73.1 A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- 73.2 Where the application was made by telephone the amendment may also be made by telephone.
- 73.3 Any application amended is to be treated as if it had been amended in the first instance.
- 73.4 A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.
- 73.5 Where the application was made by telephone, the withdrawal may also be made by telephone.

<sup>23</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012





- 73.6 Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.
- 73.7 Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.
- 74.0 Duty to notify changes of circumstances<sup>24</sup>**
- 74.1 Subject to sub-paragraphs (3), (6) and (7), an applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time;
- (a) between the making of an application and a decision being made on it, or
  - (b) after the decision is made (where the decision is that the applicant is entitled to a reduction under the authority's scheme) including at any time while the applicant is in receipt of such a reduction.
- 74.2 The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under the authority's scheme (a "relevant change of circumstances") by giving notice to the authority;
- (a) in writing; or
  - (b) by telephone—
    - (i) where the authority has published a telephone number for that purpose unless the authority determines that in any particular case or class of case notification may not be given by telephone; or
    - (ii) in any case or class of case where the authority determines that notice may be given by telephone; or
  - (c) by any other means which the authority agrees to accept in any particular case, within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.
- 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 A person who has been awarded a reduction under the authority's scheme who is also on state pension credit must report;
- (a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;

<sup>24</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



(b) any absence from the dwelling which exceeds or is likely to exceed 13 weeks.

- 74.7 In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only a savings credit must also report—
- (a) changes affecting a child living with him which may result in a change in the amount of reduction under the authority's scheme allowed in his case, but not changes in the age of the child;
  - (b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £6,000;
  - (c) any change in the income or capital of;
    - (i) a non-dependant whose income and capital are treated as belonging to the applicant; or
    - (ii) a person to whom their partner is treated as member of the household, and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.
- 74.8 A person who is entitled to a reduction under the authority's scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).
- 74.9 All changes in circumstances should be notified to the authority in writing (or by whatever format agreed by the authority) within one calendar month of the happening of the event or change in circumstance. This timescale may be extended at the discretion of the authority. Where such a change is not received within that timescale and where the change would increase the level of reduction payable, the authority may use a date later than the actual change of circumstances.
- 74.10 A person may give notice of a change of circumstances, required to be notified, by means of electronic communication in accordance with procedures to be determined by the authority. This will include:
- (a) where the change of circumstances is a birth or death, through a relevant authority, or a county council in England, by personal attendance at an office specified by that authority or county council, provided the Secretary of State has agreed with that authority or county council for it to facilitate such notification; or
  - (b) where the change of circumstances is a death, by telephone to a telephone number specified for that purpose by the Secretary of State.



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**Sections 75- 90**

**Decisions, decision notices and awards of Council Tax Reduction**



## **75.0 Decisions by the authority<sup>25</sup>**

75.1 The authority must make a decision on an application under its scheme within 14 days of paragraphs 4 and 7 and section 69 being satisfied, or as soon as reasonably practicable thereafter.

## **76.0 Notification of decision<sup>26</sup>**

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 74.1;

(b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and

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

76.3 Where the decision is to award a reduction, the notification under sub-paragraph (1) must include a statement as to how that entitlement is to be discharged.

76.4 In any case, the notification under sub-paragraph (1) must inform the person affected of the procedure by which an appeal may be made and must refer the person to the provisions in the authority's scheme relating to the procedure for making an appeal.

76.5 A person affected to whom the authority sends or delivers a notification of decision may, within one month of the date of the notification of that decision request in writing the authority to provide a written statement setting out the reasons for its decision on any matter set out in the notice.

76.6 The written statement referred to in sub-paragraph (5) must be sent to the person requesting it within 14 days or as soon as reasonably practicable thereafter.

76.7 For the purposes of this paragraph a person is to be treated as a person affected by a decision of the authority under its scheme where the rights, duties or obligations of that person are affected by that decision and the person falls within sub-paragraph (8).

76.8 This sub-paragraph applies to—

(a) the applicant;

(b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act;

(i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or

(ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000(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

<sup>25</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>26</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



- 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 reduction<sup>27</sup>**

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<sup>28</sup>**

78.1 Subject to section 80 (payment on death) and paragraph (2), any payment of the amount of a reduction must be made to that person.

78.2 Where a person other than a person who is entitled to a reduction under this authority's scheme made the application for the reduction and that first person is a person acting pursuant to an appointment or is treated as having been so appointed, the amount of the reduction may be paid to that person.

<sup>27</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>28</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



## **79.0 Shortfall in reduction<sup>29</sup>**

79.1 Where, on the revision of a decision allowing a reduction under an authority's scheme to a person, it is determined that the amount allowed was less than the amount to which that person was entitled, the authority must either;

- (a) make good any shortfall in reduction which is due to that person, by reducing so far as possible the next and any subsequent payments he is liable to make in respect of the council tax of the authority as it has effect for the chargeable financial year until that shortfall is made good; or
- (b) where this is not possible or the person concerned so requests, pay the amount of any shortfall in reduction due to that person within 14 days of the revision of the decision being made or if that is not reasonable practicable, as soon as possible afterwards.

## **80.0 Payment on the death of the person entitled<sup>30</sup>**

80.1 Where the person entitled to any reduction under this scheme has died and it is not possible to award the reduction which is due in the form of a reduction of the council tax for which he was liable, the authority must make payment of the amount of the reduction to his executor or administrator in accordance with regulation 58(4) of the Council Tax (Administration and Enforcement) Regulations 1992.

## **81.0 Offsetting**

81.1 Where a person has been allowed or paid a sum of council tax reduction under a decision which is subsequently revised or further revised, any sum allowed or paid in respect of a period covered by the subsequent decision shall be offset against arrears of entitlement under the subsequent decision except to the extent that the sum exceeds the arrears and shall be treated as properly awarded or paid on account of them.

## **82.0 Payment where there is joint and several liability<sup>31</sup>**

82.1 Where;

- (a) a person is entitled to a reduction under the authority's scheme in respect of his liability for the authority's council tax as it has effect in respect of a chargeable financial year;
- (b) the person entitled to the reduction is jointly and severally liable for the council tax; and
- (c) the authority determines that discharging his entitlement by reducing the amount of his liability to which regulation 20(2) of the Council Tax (Administration and Enforcement) Regulations 1992(7) refers would be inappropriate, it may make a payment to him of the amount of the reduction to which he is entitled, rounded where necessary to the nearest penny.

82.2 Subject to sub-paragraph (3) any payment made under sub-paragraph (1) must be made to the person who is entitled to the reduction.

82.3 Where a person other than a person who is entitled to a reduction under the authority's scheme made the application and that first person is a person acting pursuant to an appointment under paragraph 4(3) or is treated as having been so appointed by virtue of paragraph 4(4), the amount of the reduction may be paid to that person.

## **83 - 90.0 Not used**

<sup>29</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>30</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>31</sup> Inserted by Schedule 8 of the Council Tax Reductions Scheme (Prescribed Requirements) (England) Regulations 2012



**Sections 91 – 94**

**Collection, holding and forwarding of information for Council Tax Reduction purposes**

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**91.0 Use of information from and to the Department of Work and Pensions (DWP) and Her Majesty's Revenues and Customs (HMRC)**

91.1 The authority will use information provided by the DWP and HMRC for the purposes of Council Tax Reduction, council tax liability, billing, administration and enforcement as outlined within Schedule 2 of the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012 and the Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2013

91.2 Where required by the relevant department and where required by law, the authority will share information obtained for Council Tax Reduction with the DWP or HMRC as appropriate<sup>32</sup>.

**92.0 Collection and verification 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 applications 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.

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<sup>32</sup> Data Retention and Investigatory Powers Act 2014, Data Retention Regulations 2014 and The Regulation of Investigatory Powers (Acquisition and Disclosure of Communications Data: Code of Practice) Order 2015





**Sections 95 – 98**

**Revisions, Written Statements, Termination of Council Tax Reduction**

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#### **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. an applicant;
- b. in the case of a person who is liable to make payments in respect of a dwelling and is unable for the time being to act
  - (i) a Deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit or reduction on his behalf,
  - (ii) in Scotland, a tutor, curator, judicial factor or other guardian acting or appointed in terms of law administering that person's estate, or
  - (iii) an attorney with a general power or a power to receive benefit or reduction appointed by the person liable to make those payments under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise;
- c. a person appointed by the authority under this scheme;

#### **96.0 Revisions of Decisions**

96.1 Subject to the provisions in this scheme, a relevant decision ('the original decision') may be revised or further revised by the authority, which made the decision where the person affected makes an application for a revision within;

- (i) one month of the date of notification of the original decision; or
- (ii) such extended time as the authority may allow.

96.2 The authority may revise or further revise that original decision at any time. Where further information is required from the person affected, the authority shall request such information and evidence as it feels is reasonable. Such information must be supplied within;

- i) one month of the date of notification of the additional information; or
- (ii) such extended time as the authority may allow

#### **97.0 Written Statements**

97.1 Subject to the provisions in the scheme, the authority may upon a written request issue a written statement to a person affected to further explain the decision of the authority in relation to Council Tax Reduction. The request must be received within one month of the date of the notification being issued by the authority.

#### **98.0 Terminations**

98.1 The authority may terminate reduction in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;

- a. the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
- b. a decision as to an award of such a reduction should be revised or superseded.

98.2 The authority may terminate, in whole or in part the Council Tax Reduction where it appears to the authority that an issue arises whether;

- a. the conditions for entitlement to Council Tax Reduction are or were fulfilled; or
- b. a decision as to an award of such a reduction should be revised or superseded.

Where the person fails to provide information to the authority as requested in relation to any matter relating to their liability for Council Tax



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**Section 99**

**Appeals against the authority's decisions**



**99.0 Procedure by which a person may make an appeal against certain decisions of the authority<sup>33</sup>**

- 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<sup>34</sup>.

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<sup>33</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012

<sup>34</sup> As amended by the Tribunal Procedure (Amendment No 3 ) Rules 2014



## Section 100

### Procedure for applying for a discretionary reduction

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**100.0 Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act<sup>35</sup>**

100.1 An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made;

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

100.2 Where;

- (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
- (b) a person in that class would otherwise be entitled to a reduction under its scheme, that person's application for a reduction under the authority's scheme may also be treated as an application for a reduction under section 13A(1)(c).

100.3 An application to the authority for a reduction not in accordance with paragraph 1 on the grounds of Exceptional Hardship under this scheme must be in accordance with the South Somerset District Council Tax Reduction Hardship Scheme Policy

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<sup>35</sup> Inserted by Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012



**Section 101 – 106A<sup>36</sup>**  
**Electronic Communication**

**DRAFT**

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<sup>36</sup> Inserted by Council Tax Reductions Schemes (Prescribed Requirements) (England) Regulations 2012



### **101.0 Interpretation**

- 101.1 In this Part;  
“**information**” includes an application, a certificate, notice or other evidence; and  
“**official computer system**” means a computer system maintained by or on behalf of an authority for sending, receiving, processing or storing of any information.

### **102.0 Conditions for the use of electronic communication**

- 102.1 The authority may use an electronic communication in connection with applications for, and awards of, reductions under its scheme.

- 102.2 A person other than the authority may use an electronic communication in connection with the matters referred to in sub-paragraph (1) if the conditions specified in sub-paragraphs (3) to (6) are satisfied.

- 102.3 The first condition is that the person is for the time being permitted to use an electronic communication by an authorisation given by means of a direction of the Chief Executive of the authority.

- 102.4 The second condition is that the person uses an approved method of;
- (a) authenticating the identity of the sender of the communication;
  - (b) electronic communication;
  - (c) authenticating any application or notice delivered by means of an electronic communication; and
  - (d) subject to sub-paragraph (7), submitting to the authority any information.

- 102.5 The third condition is that any information sent by means of an electronic communication is in a form approved for the purposes.

- 102.6 The fourth condition is that the person maintains such records in written or electronic form as may be specified in a direction given by the Chief Executive of the authority.

- 102.7 Where the person uses any method other than the method approved of submitting any information, that information is to be treated as not having been submitted.

- 102.8 In this paragraph “approved” means approved by means of a direction given by the Chief Executive of the authority for the purposes of this section.

### **103.0 Use of intermediaries**

- 103.1 The authority may use intermediaries in connection with;
- (a) the delivery of any information by means of an electronic communication; and
  - (b) the authentication or security of anything transmitted by such means,
- and may require other persons to use intermediaries in connection with those matters.

### **104.0 Effect of delivering information by means of electronic communication**

- 104.1 Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of an authority’s scheme on the day the conditions imposed;
- (a) by this section; and
  - (b) by or under an enactment,
- are satisfied.





104.2 The authority may determine that any information is to be treated as delivered on a different day (whether earlier or later) from the day provided for in sub-paragraph (1).

104.3 Information may not be taken to have been delivered to an official computer system by means of an electronic communication unless it is accepted by the system to which it is delivered.

**105.0 Proof of identity of sender or recipient of information**

105.1 If it is necessary to prove, for the purpose of any legal proceedings, the identity of—  
(a) the sender of any information delivered by means of an electronic communication to an official computer system; or  
(b) the recipient of any such information delivered by means of an electronic communication from an official computer system,  
the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

**106.0 Proof of delivery of information**

106.1 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this is presumed to have been the case where;  
(a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or  
(b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

106.2 If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any such information, this is presumed not to be the case, if that information delivered to the relevant authority has not been recorded on an official computer system.

106.3 If it is necessary to prove, for the purpose of any legal proceedings, when any such information sent by means of an electronic communication has been received, the time and date of receipt is presumed to be that recorded on an official computer system.

**106A.0 Proof of content of information**

106A.1 If it is necessary to prove, for the purpose of any legal proceedings, the content of any information sent by means of an electronic communication, the content is presumed to be that recorded on an official computer system.



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**Section 107  
Counter Fraud and Compliance**



### **107.0 Counter Fraud and compliance**

107.1 In order to protect the finances of the authority and also in the interests of all council taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council Tax Reduction;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

107.2 The authority believes that it is important to minimise the opportunity for fraud and;

- a. will implement rigorous procedures for the verification of claims for council tax reduction;
- b. will employ sufficient Officers to fulfil the authority's commitment to combat fraud;
- c. will actively tackle fraud where it occurs in accordance with this scheme;
- d. will co-operate with the Department for Work and Pensions (DWP), Her Majesty's Revenues and Customs and take part in joint working including prosecutions; and
- e. will in all cases seek to recover all outstanding council tax.

107.3 The authority shall put into place such administrative policies, procedures and processes as are necessary to ensure that the actions outlined within paragraph 107.1 and 107.2 can be carried out successfully. In particular the authority shall undertake actions provided by the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

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**Schedule 1**  
**Applicable Amounts<sup>37</sup>**

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<sup>37</sup> <sup>37</sup> The amounts shown within this schedule shall be updated in line with the Housing Benefit Regulations 2006 as amended



### Personal Allowance

- 1 The amounts specified in column (2) below in respect of each person or couple specified in column (1) shall be the amounts specified for the purposes the main scheme;

Column 1 Person or Couple	Column 2
1. A Single applicant who; a) is entitled to main phase employment and support allowance	£73.10
b) is aged not less than 25	£73.10
c) is aged not less than 18 but less than 25	£57.90
2. Lone Parent	£73.10
3. Couple; a) Where the applicant is entitled to the main phase of employment and support allowance	£114.85
b) Where one member is aged not less than 18	£114.85
c) Polygamous Addition	£41.75

For the purposes of paragraph 1 an applicant is entitled to main phase employment and support allowance if;

- a. Paragraph 17 or 18 is satisfied in relation to the applicant; or
- b. The applicant is entitled to a converted employment and support allowance

- 2 (1) The amount specified in column (2) below in respect of each person specified in column (1) shall, for the relevant period specified in column (1), be the amounts specified for the purposes of the main scheme

Column 1 Child or Young Person	Column 2
Person in respect of the period– (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	£66.90
(b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twentieth birthday.	£66.90

(2) In column (1) of the table in paragraph (1), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

### Family Premiums

3. (1) The amount for the purposes of this scheme in respect of a family of which at least one member is a child or young person shall be
- a. where the applicant is a lone parent to whom sub-paragraph (3) of Schedule 3 of the Housing Benefit Regulations 2006 applies, £22.20;
  - b. in any other case, £17.45;



## 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
<b>Disability Premium</b>	£32.25
a. where the applicant satisfies the condition in paragraph 12(a) of Schedule 3 Housing Benefit Regulations 2006	
b. where the applicant satisfies the condition in paragraph 12(b) of Schedule 3 Housing Benefit Regulations 2006	£45.95
<b>Severe Disability Premium</b>	£61.85
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	£61.85
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	£123.70
<b>Disabled Child Premium</b>	£60.06 in respect of each child or young person in respect of whom the condition specified in paragraph 16 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
<b>Carer Premium</b>	£34.60 in respect of each person who satisfies the condition specified in paragraph 17 of Part 3 of Schedule 3 Housing Benefit Regulations 2006
<b>Enhanced Disability Premium</b>	(a) £24.43 in respect of each child or young person in respect of whom the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied; (b) £15.75 in respect of each person who is neither— (i) a child or young person; nor (ii) a member of a couple or a polygamous marriage, in respect of whom the conditions specified in paragraph 15 are satisfied; (c) £22.60 where the applicant is a member of a couple or a



polygamous marriage and the conditions specified in paragraph 15 of Part 3 of Schedule 3 Housing Benefit Regulations 2006 are satisfied in respect of a member of that couple or polygamous marriage.

**The components**

- 17. The condition (s) to be met is contained in Schedule 3 (21 -24) Housing Benefit Regulations 2006 as amended by the Social Security (Miscellaneous Amendments) Regulations 2013
- 18. The amount of the work-related activity component is £29.05. The amount of the support component is £36.20

**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

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**Schedule 2**

**Not Used**

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**Schedule 3**  
**Sums to be disregarded in the calculation of earnings<sup>38</sup>**

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<sup>38</sup> All amounts within this schedule will be amended in line with the Housing Benefit Regulations 2006 (as amended)



1. In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged—
  - (a) where—
    - (i) the employment has been terminated because of retirement; and
    - (ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,  
any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;
  - (b) where before the first day of entitlement to council tax 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 applicant is not engaged in remunerative work,  
any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 25.1(i), (j) or (k).
2. In the case of an applicant 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), (j) or (k).
- 2A. In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain would have been so engaged and who has ceased to be so employed, from the date of the cessation



of his employment any earnings derived from that employment except earnings to which paragraph 27.3 and paragraph 27.4 (earnings of self-employed earners) apply.

3. (1) In a case to which this paragraph applies and paragraph 4 does not apply, £30; but notwithstanding section 15 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £30.
- (2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component.
- (3) This paragraph applies where
  - (a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium; and
  - (b) the applicant or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.
- (4)–(5) Not used
4. In a case where the applicant is a lone parent, £37.50.
5. (1) In a case to which neither paragraph 3 nor paragraph 4 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium, £30 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with this scheme as being in receipt of carer's allowance.
- (2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings shall for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) shall not exceed £30 of the aggregated amount.
6. Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £30, 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 £30;
  - (b) other than one specified in paragraph 8(1), so much of the other member's earnings from such other employment up to £15 as would not when aggregated with the amount disregarded under paragraph 5 exceed £30.
7. In a case where paragraphs 3, 5, 6 and 8 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £15; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £15.
8. (1) In a case where paragraphs 3, 4, 5 and 6 do not apply to the applicant, £30 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 applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it shall not apply to his partner except to the extent specified in sub-paragraph (2).

- (2) If the applicant's partner is engaged in employment;
  - (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £30;
  - (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £15 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £30.

9. Where the applicant is engaged in one or more employments specified in paragraph 8(1), but his earnings derived from such employments are less than £30 in any week and he is also engaged in any other employment so much of his earnings from that other employment, up to £7.50 if he is a single applicant, or up to £15 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 8 exceed £30.

10. In a case to which none of the paragraphs 3 to 9 applies, £7.50.

10A. (1) Where;

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
- (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
- (c) paragraph 12 does not apply,

the amount specified in sub-paragraph (7) ('the specified amount').

(2) Where this paragraph applies, paragraphs 3 to 10 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 4, then paragraph 4 applies instead of this paragraph.

(3) Notwithstanding section 15 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ('A') it shall not apply to the other member of that couple ('B') except to the extent provided in sub-paragraph (4).

(4) Where A's earnings are less than the specified amount, there shall also be disregarded so much of B's earnings as would not when aggregated with A's earnings exceed the specified amount; but the amount of B's earnings which may be disregarded under this sub-paragraph is limited to a maximum of £20 unless the Secretary of State is satisfied that B is also undertaking exempt work.

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

- (a) in receipt of a contributory employment and support allowance;
- (b) in receipt of incapacity benefit;
- (c) in receipt of severe disablement allowance; or
- (d) being credited with earnings on the grounds of incapacity for work or limited capability for work under regulation 8B of the Social Security (Credits) Regulations 1975



- (6) 'Exempt work' means work of the kind described in;  
(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations; or (as the case may be)  
(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,  
and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.
- (7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).
11. Any amount or the balance of any amount which would fall to be disregarded under paragraph 19 or 20 of Schedule 4 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.
12. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.
13. Any earnings derived from employment, which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.
14. Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.
15. Any earnings of a child or young person.
16. (1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 3 to 10A of this Schedule shall be increased by £17.10.
- (2) The conditions of this sub-paragraph are that—  
(a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit Regulations applies; or  
(b) the applicant—  
(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or  
(ii) is a member of a couple and  
(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and  
(bb) his 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 applicant's applicable amount includes a disability premium, the work-related activity component or the support component ;  
(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in sub-head (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or



(c) the applicant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit Regulations (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

- (3) The following are the amounts referred to in sub-paragraph (1);
- (a) the amount calculated as disregardable from the applicant's earnings under paragraphs 3 to 10A of this Schedule;
  - (b) the amount of child care charges calculated as deductible under paragraph 17(1)(c); and
  - (c) £17.10
- (4) The provisions of section 6 shall apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in paragraph (1) of that section were a reference to 30 hours.

17. In this Schedule 'part-time employment' means employment in which the person is engaged on average for less than 16 hours a week.

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#### Schedule 4

Sums to be disregarded in the calculation of income other than earnings<sup>39</sup>

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<sup>39</sup> Any amounts shown in this schedule will be updated in line with the Housing Benefit Regulations 2006 as amended





1. Any amount paid by way of tax on income, which is to be taken into account under section 30 (calculation of income other than earnings).
- A2. Any payment made to the claim and in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme, but only for 52 weeks beginning with the date of receipt of the payment.
2. Any payment in respect of any expenses incurred or to be incurred by an applicant who is—
  - (a) engaged by a charitable or voluntary organisation, or
  - (b) volunteer,if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under section 32.0 (notional income).
- 2A. Any payment in respect of expenses arising out of the applicant's participation as a service user.
3. In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.
4. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance the whole of his income.
5. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.
6. Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No. 3) Regulations 1999 as in force at that date, the whole of his income.
7. Any disability living allowance or personal independence payment
8. Any concessionary payment made to compensate for the non-payment of;
  - (a) any payment specified in paragraph 7 or 10;
  - (b) income support;
  - (c) an income-based jobseeker's allowance.
  - (d) an income-related employment and support allowance.
9. Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.
10. Any attendance allowance.
11. Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.
12. (1) Any payment—



- (a) by way of an education maintenance allowance made pursuant to;
    - (i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);
    - (ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);
    - (iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992
  - (b) corresponding to such an education maintenance allowance, made pursuant to;
    - (i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or
    - (ii) regulations made under section 181 of that Act; or
    - (iii) in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.
- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;
- (a) regulations made under section 518 of the Education Act 1996;
  - (b) regulations made under section 49 of the Education (Scotland) Act 1980; or
  - (c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,
- in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).
- 13.** Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc.) Regulations 2002.
- 14** (1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment;
- (a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;
  - (b) of an allowance referred to in section 2(3) of the 1973 Act or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or
  - (c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.
- (2) The items specified in this sub-paragraph for the purposes of sub-paragraph (1)(c) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.
- 15** (1) Subject to sub-paragraph (2), any of the following payments;
- (a) a charitable payment;
  - (b) a voluntary payment;
  - (c) a payment (not falling within sub-paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;
  - (d) a payment under an annuity purchased;
    - (i) pursuant to any agreement or court order to make payments to the



- applicant; or
- (ii) from funds derived from a payment made, in consequence of any personal injury to the applicant; or
- (e) a payment (not falling within sub-paragraphs (a) to (d) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.
- (2) Sub-paragraph (1) shall not apply to a payment, which is made or due to be made by—
- (a) a former partner of the applicant, or a former partner of any member of the applicant's family; or
- (b) the parent of a child or young person where that child or young person is a member of the applicant's family.
- 16.** 100% of any of the following, namely
- (a) a war disablement pension (except insofar as such a pension falls to be disregarded under paragraph 9 or 10);
- (b) a war widow's pension or war widower's pension;
- (c) a pension payable to a person as a widow, widower or surviving civil partner under any power of Her Majesty otherwise than under an enactment to make provision about pensions for or in respect of persons who have been disabled or have died in consequence of service as members of the armed forces of the Crown;
- (d) a guaranteed income payment;
- (e) a payment made to compensate for the non-payment of such a pension or payment as is mentioned in any of the preceding sub-paragraphs;
- (f) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in sub-paragraphs (a) to (d) above;
- (g) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.
- 17.** Subject to paragraph 35, £15 of any;
- (a) widowed mother's allowance paid pursuant to section 37 of the Act;
- (b) widowed parent's allowance paid pursuant to section 39A of the Act.
- 18.** (1) Any income derived from capital to which the applicant is or is treated under section 41 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 1, 2, 4, 8, 14 or 25 to 28 of Schedule 5.
- (2) Income derived from capital disregarded under paragraphs 2, 4 or 25 to 28 of Schedule 5 but only to the extent of—
- (a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or
- (b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.
- (3) The definition of 'water charges' in paragraph 2(1) shall apply to sub-paragraph (2) of this paragraph with the omission of the words 'in so far as such charges are in respect of the dwelling which a person occupies as his home'.
- 19.** Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating—
- (a) under, or pursuant to regulations made under powers conferred by, sections 1 or 2 of the Education Act 1962 or section 22 of the Teaching and Higher Education Act 1998(c), that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of



that Act of 1980, any payment to that student under that section; or  
(c) the student's student loan,  
an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

- 20.** (1) Where the applicant is the parent of a student aged under 25 in advanced education who either;
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
  - (b) is in receipt of an award under section 2 of the Education Act 1962 (discretionary awards) or an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,
- and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 19, an amount specified in sub-paragraph (2) in respect of each week during the student's term.
- (2) For the purposes of sub-paragraph (1), the amount shall be equal to—
- (a) the weekly amount of the payments; or
  - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),
- whichever is less.
- 21.** Any payment made to the applicant by a child or young person or a non- dependant.
- 22.** Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 21 or 23 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family—
- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
  - (b) where the aggregate of any such payments is £20 or more per week, £20.
- 23.** (1) Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to—
- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20.00, 100 per cent. of such payments;
  - (b) where the aggregate of any such payments exceeds £20.00, £20.00 and 50 per cent. of the excess over £20.00.
- (2) In this paragraph, 'board and lodging accommodation' means accommodation provided to a person or, if he is a member of a family, to him or any other member of his family, for a charge which is inclusive of the provision of that accommodation and at least some cooked or prepared meals which both are cooked or prepared (by a person other than the person to whom the accommodation is provided or a member of his family) and are consumed in that accommodation or associated premises.
- 24.** (1) Any income in kind, except where regulation 30(11)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act in the calculation of income other than earnings) applies.
- (2) The reference in sub-paragraph (1) to 'income in kind' does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.



25. Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.
26. (1) Any payment made to the applicant in respect of a person who is a member of his family–
- (a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978(b) (schemes for payments of allowances to adopters); or in accordance with an Adoption Allowance Scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (Adoption Allowances Schemes)
  - (b) not used
  - (ba) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);
  - (c) which is a payment made by an authority, as defined in Article 2 of the Children Order, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);
  - (d) in accordance with regulations made pursuant to section 14F of the Children Act 1989(c) (special guardianship support services);
- (2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
27. Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made
- (a) by a local authority under–
    - (i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),
    - (ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or
    - (iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or
  - (b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).
28. Any payment made to the applicant or his partner for a person ('the person concerned'), who is not normally a member of the applicant's household but is temporarily in his care, by–
- (a) a health authority;
  - (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
  - (c) a voluntary organisation;
  - (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
  - (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
  - (f) a Local Health Board established under section 16BA of the National Health Service Act 1977 or established by an order made under section 11 of the National Health Service (Wales) Act 2006
29. Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for



children and their families and advice and assistance to certain children).

- 29A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989(e) or section 29 of the Children (Scotland) Act 1995(local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.
- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
  - (b) is aged 18 or over, and
  - (c) continues to live with the applicant.
- 30.** (1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments;
- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
  - (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.
- (2) A payment referred to in sub-paragraph (1) shall only be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to—
- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (b); and
  - (b) meet any amount due by way of premiums on—
    - (i) that policy; or
    - (ii) in a case to which sub-paragraph(1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).
- 31.** Any payment of income which, by virtue of section 36 (income treated as capital) is to be treated as capital.
- 32.** Any social fund payment made pursuant to Part 8 of the Act (the Social Fund) or any local welfare provision as defined by the Social Security (Miscellaneous Amendments) Regulations 2013
- 33.** Any payment under Part 10 of the Act (Christmas bonus for pensioners).
- 34.** Where a payment of income is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.
- 35.** The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 15.2 (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 47.2(b) and paragraph 48.1(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 51(2) (treatment of student loans), paragraph 52(3) (treatment of payments from access funds) and paragraphs 16 and 17 shall in no case exceed £20 per week.
- 36.** (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—





- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of;

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and
- (b) the payment is made either;
  - (i) to that person's parent or step-parent, or
  - (ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where;

- (a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who was or had been a member of his family; and
- (b) the payment is made either
  - (i) to that person's parent or step-parent, or
  - (ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose support payment referred to in this paragraph is made, any income which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation and the London Bombings Relief Charitable Fund.



37. Any housing or council tax benefit
38. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
39. - 40. not used
41. Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.
42. Not used
43. Any payment in consequence of a reduction of council tax under section 13 or section 80 of the 1992 Act (reduction of liability for council tax).
44. Not used
45. (1) Any payment or repayment made—  
(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);  
(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);  
(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies).
- (2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers, which is analogous to a payment or repayment, mentioned in sub-paragraph (1).
46. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).
47. Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.
48. - 49. Not used
50. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
51. Any guardian's allowance.
52. (1) If the applicant is in receipt of any benefit under Parts 2, 3 or 5 of the Act, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of the Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.
- (2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.





- 53.** Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.
- 54.** In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983(a) (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.
- 55** (1) Any payment which is  
(a) made under any of the Dispensing Instruments to a widow, widower or  
(b) surviving civil partner of a person;  
(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and  
(ii) whose service in such capacity terminated before 31st March 1973; and equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 2006.  
(2) In this paragraph 'the Dispensing Instruments' means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).
- 55A.** Any council tax reduction or council tax benefit to which the applicant is entitled.
- 56.** Except in a case which falls under sub-paragraph (1) of paragraph 16 of Schedule 3, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10
- 56A.–56B.** Not used
- 57.** Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).
- 58.** (1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person—  
(a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;  
(b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,  
in respect of which such assistance is or was received.  
(2) Sub-paragraph (1) shall apply only in respect of payments, which are paid to that person from the special account
- 59.** (1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).  
(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.  
(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.
- 60.** Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that



reduction week had it been payable to him, less 50p, that excess amount.

61. In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.
62. Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001
63. (1) Any payment made by a local authority or by the Welsh Ministers to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.  
(2) For the purposes of sub-paragraph (1) 'local authority' includes, in England, a county council
64. Any payment of child benefit.
65. Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

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**Schedule 5**  
**Capital to be disregarded<sup>40</sup>**

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<sup>40</sup> Any amounts shown in this schedule will be uprated in line with the Housing Benefit Regulations 2006 as amended



1. The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular 5, in Scotland, any croft land on which the dwelling is situated; but, notwithstanding section 15 (calculation of income and capital of members of applicant's family and of polygamous marriage), only one dwelling shall be disregarded under this paragraph.
- A2. Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.
- A3. Any payment made to the applicant in respect of any travel or other expenses incurred or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme or Back to Work Scheme but only for 52 weeks beginning with the date of receipt of the payment but only for 52 weeks beginning with the date of receipt of payment.
2. Any premises acquired for occupation by the applicant, which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.
3. Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.
4. Any premises occupied in whole or in part—
  - (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
  - (b) by the former partner of the applicant as his home; but this provision shall not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.
5. Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.
6. Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.
7. Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub- leases or sub-tenancies.
8. (1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.  
(2) The assets of any business owned in whole or in part by the applicant where—
  - (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
  - (b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business;

for a period of 26 weeks from the date on which the claim for council tax reduction is made, or is treated as made, or, if it is unreasonable to expect him to become engaged



or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

(3) In the case of a person who is receiving assistance under the self-employment route, the assets acquired by that person for the purpose of establishing or carrying on the commercial activity in respect of which such assistance is being received.

(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
  - (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 applicant in full on or after 14th October 2001,

sub-paragraph (1) shall have effect in relation to such arrears or concessionary payment either for a period of 52 weeks from the date of receipt, or, if the relevant sum is received in its entirety during the award of council tax reduction, for the remainder of that award if that is a longer period.

- (3) For the purposes of sub-paragraph(2), 'the award of council tax reduction' means–
- (a) the award in which the relevant sum is first received (or the first part thereof where it is paid in more than one instalment); and
  - (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the end of the previous award, such further award provided that for that further award the applicant;
    - (i) is the person who received the relevant sum; or
    - (ii) is the partner of the person who received the relevant sum, or was that person's partner at the date of his death.

10. Any sum
- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
  - (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home, which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.



- 11.** Any sum—
  - (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 or section 338(1) of the Housing (Scotland) Act 1987 as a condition of occupying the home;
  - (b) which was so deposited and which is to be used for the purchase of another home,for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.
- 12.** Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to council tax reduction or to increase the amount of that reduction.
- 13.** The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.
- 14.** Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.
- 14A.** (1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.  
(2) But sub-paragraph (1)
  - (a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;
  - (b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);
  - (c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;
  - (d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.  
(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).
- 15.** The value of the right to receive any income under a life interest or from a life rent.
- 16.** The value of the right to receive any income, which is disregarded under paragraph 13 of Schedule 3 or paragraph 25 of Schedule 4.
- 17.** The surrender value of any policy of life insurance.
- 18.** Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.
- 19.** Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).
- 19A.** (1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to



grant financial assistance to persons in, or formerly in, their care) to a person ('A') which A passes on to the applicant.

- (2) Sub-paragraph (1) applies only where A;
- (a) was formerly in the applicant's care, and
  - (b) is aged 18 or over, and
  - (c) continues to live with the applicant.

**20.** Any social fund payment made pursuant to Part 8 of the Act or any payment made under a Local Welfare Provision

**21.** Any refund of tax which falls to be deducted under section 369 of the Income and Corporation Taxes Act 1988 (deduction of tax from certain loan interest) on a payment of relevant loan interest for the purpose of acquiring an interest in the home or carrying out repairs or improvements to the home.

**22.** Any capital which, by virtue of sections 31 or 51 (capital treated as income, treatment of student loans) is to be treated as income.

**23.** Where any payment of capital is made in a currency other than sterling, any banking charge or commission payable in converting that payment into sterling.

**24.** (1) Any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation or the Charitable Fund.

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person provided that the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced or, where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of—

- (a) the person who is suffering from haemophilia or who is a qualifying person;
- (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or
- (c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts to which sub-paragraph (1) refers, where—

- (a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved,



nor any child or young person who is or had been a member of that person's family;  
and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the date of the payment is a child, a young person or a student who has not completed his full-time education and has no parent or step-parent, to his guardian,

but only for a period from the date of the payment until the end of two years from that person's death.

(5) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or any of the Trusts to which sub-paragraph (1) refers, where

(a) that person at the date of his death (the relevant date) had no partner or former partner from whom he was not estranged or divorced or with whom he had formed a civil partnership that had not been dissolved, nor any child or young person who was or had been a member of his family; and

(b) the payment is made either;

(i) to that person's parent or step-parent; or

(ii) where that person at the relevant date was a child, a young person or a student who had not completed his full-time education and had no parent or step-parent, to his guardian,

but only for a period of two years from the relevant date.

(6) In the case of a person to whom or for whose reduction payment referred to in this paragraph is made, any capital resource which derives from any payment of income or capital made under or deriving from any of the Trusts.

(7) For the purposes of sub-paragraphs (2) to (6), any reference to the Trusts shall be construed as including a reference to the Fund, the Eileen Trust, MFET Limited the Skipton Fund, the Caxton Foundation, and the London Bombings Relief Charitable Fund.

**25.** (1) Where an applicant has ceased to occupy what was formerly the dwelling occupied as the home following his estrangement or divorce from, or dissolution of his civil partnership with, his former partner, that dwelling for a period of 26 weeks from the date on which he ceased to occupy that dwelling or, where the dwelling is occupied as the home by the former partner who is a lone parent, for so long as it is so occupied.

(2) In this paragraph 'dwelling' includes any garage, garden and outbuildings, which were formerly occupied by the applicant as his home and any premises not so occupied which it is impracticable or unreasonable to sell separately, in particular, in Scotland, any croft land on which the dwelling is situated.

**26.** Any premises where the applicant is taking reasonable steps to dispose of those premises, for a period of 26 weeks from the date on which he first took such steps, or such longer period as is reasonable in the circumstances to enable him to dispose of those premises.

**27.** Any premises which the applicant intends to occupy as his home, and in respect of which he is taking steps to obtain possession and has sought legal advice, or has commenced legal proceedings, with a view to obtaining possession, for a period of 26 weeks from the date on which he first sought such advice or first commenced such proceedings whichever is the earlier, or such longer period as is reasonable in the circumstances to enable him to obtain possession and commence occupation of those premises.

**28.** Any premises which the applicant intends to occupy as his home to which essential repairs or alterations are required in order to render them fit for such occupation, for a period of 26 weeks from the date on which the applicant first takes steps to effect those repairs or





alterations, or such longer period as is necessary to enable those repairs or alterations to be carried out.

29. Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.
30. Not used
31. The value of the right to receive an occupational or personal pension.
32. The value of any funds held under a personal pension scheme
33. The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.
34. Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
35. Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.
36. Not used.
37. Any payment in consequence of a reduction of council tax under section 13 or, as the case may be, section 80 of the Local Government Finance Act 1992 (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.
38. Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 or section 66 of the Housing (Scotland) Act 1988 (schemes for payments to assist local housing authority and local authority tenants to obtain other accommodation) which is to be used—
  - (a) to purchase premises intended for occupation as his home; or
  - (b) to carry out repairs or alterations which are required to render premises fit for occupation as his home,for a period of 26 weeks from the date on which he received such a grant or such longer period as is reasonable in the circumstances to enable the purchase, repairs or alterations to be completed and the applicant to commence occupation of those premises as his home.
39. Any arrears of supplementary pension which is disregarded under paragraph 53 of Schedule 4 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 54 or 55 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.
40. (1) Any payment or repayment made—
  - (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
  - (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
  - (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No. 2) Regulations 2003 (travelling expenses and health service supplies),but only for a period of 52 weeks from the date of receipt of the payment or repayment.  
(2) Any payment or repayment made by the Secretary of State for Health, the Scottish



Ministers or the Welsh Ministers, which is analogous to a payment, or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of the receipt of the payment or repayment.

41. Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.
- 41A. Any payment made under Part 8A of the Act (entitlement to health in pregnancy grant).
42. Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.
43. Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.
44. Not used
45. Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.
46. (1) Subject to sub-paragraph (2), where an applicant satisfies the conditions in section 131(3) and (6) of the Act (entitlement to alternative maximum council tax reduction), the whole of his capital.  
(2) Where in addition to satisfying the conditions in section 131(3) and (6) of the Act the applicant also satisfies the conditions in section 131(4) and (5) of the Act (entitlement to the maximum council tax reduction), sub-paragraph (1) shall not have effect.
47. (1) Any sum of capital to which sub-paragraph (2) applies and
  - (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 (as amended by the Civil Procedure (Amendment No. 7) Rule 2013) or by the Court of Protection;
  - (b) which can only be disposed of by order or direction of any such court; or
  - (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.(2) This sub-paragraph applies to a sum of capital which is derived from;
  - (a) an award of damages for a personal injury to that person; or
  - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
48. Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from
  - (a) award of damages for a personal injury to that person; or
  - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.
49. Any payment to the applicant as holder of the Victoria Cross or George Cross.
50. Not used
51. In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of



establishing or carrying on the commercial activity in respect of which such assistance is or was received but only for a period of 52 weeks from the date on which that sum was acquired.

- 52.** (1) Any payment of a sports award for a period of 26 weeks from the date of receipt of that payment except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

(2) The items specified for the purposes of sub-paragraph (1) are food, ordinary clothing or footwear, household fuel or rent of the applicant or, where the applicant is a member of a family, any other member of his family, or any council tax or water charges for which that applicant or member is liable.

(3) For the purposes of sub-paragraph (2) 'food' does not include vitamins, minerals or other special dietary supplements intended to enhance the performance of the person in the sport in respect of which the award was made.

- 53.** (1) Any payment;

- (a) by way of an education maintenance allowance made pursuant to—  
(i) regulations made under section 518 of the Education Act 1996;  
(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;  
(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;
- (b) corresponding to such an education maintenance allowance, made pursuant to;  
(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and National Assembly for Wales to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or  
(ii) regulations made under section 181 of that Act ;

or in England, by way of financial assistance made pursuant to section 14 of the Education Act 2002.

- (2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to;  
(a) regulations made under section 518 of the Education Act 1996;  
(b) regulations made under section 49 of the Education (Scotland) Act 1980; or  
(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992, in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

**53A.-53B.** Not used

- 54.** In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise, but only for the period of 52 weeks from the date of receipt of the payment.

- 55.** Any arrears of subsistence allowance paid as a lump sum but only for the period of 52 weeks from the date of receipt of the payment.

- 56.** Where an ex-gratia payment of £10,000 has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or interment of—

- (a) the applicant;  
(b) the applicant's partner;  
(c) the applicant's deceased spouse or deceased civil partner; or  
(d) the applicant's partner's deceased spouse or deceased civil partner,

by the Japanese during the Second World War, £10,000.



57. (1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is
- (a) a diagnosed person;
  - (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.
- (2) Where a trust payment is made to;
- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending two years after that date;
  - (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph shall apply for the period beginning on the date on which the trust payment is made and ending—
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person—
      - (aa) ceases receiving full-time education; or
      - (bb) attains the age of 20,whichever is the latest.
- (3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is—
- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
  - (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
  - (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death, but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.
- (4) Where a payment as referred to in sub-paragraph (3) is made to—
- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
  - (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending two years after that date; or
  - (c) person referred to in sub-paragraph (3)(c), that sub-paragraph shall apply for the period beginning on the date on which that payment is made and ending—
    - (i) two years after that date; or
    - (ii) on the day before the day on which that person
      - (aa) ceases receiving full-time education; or
      - (bb) attains the age of 20,whichever is the latest.
- (5) In this paragraph, a reference to a person—
- (a) being the diagnosed person's partner;



(b) being a member of a diagnosed person's family;  
(c) acting in place of the diagnosed person's parents,  
at the date of the diagnosed person's death shall include a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

- (6) In this paragraph— 'diagnosed person' means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld- Jakob disease;  
'relevant trust' means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld- Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;  
'trust payment' means a payment under a relevant trust.

- 58.** The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner
- (a) was a slave labourer or a forced labourer;
  - (b) had suffered property loss or had suffered personal injury; or
  - (c) was a parent of a child who had died,
- during the Second World War.
- 59** (1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service, which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.
- (2) For the purposes of sub-paragraph (1) 'local authority' includes in England a county council.
- 60.** Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under section 12A to 12D of the National Health Service Act 2006 (direct payments for health care).
- 61.** Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.
- 62.** Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).
- 63.** Any payments to a claimant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments)

## Stage 2:

Outcome of Summary Statement	Summary Statement
High Impact	

## Equality Analysis - Council Tax Reduction Scheme

Date of EqA:	2/3/12	EqA Review Date:	2/12/13	EqA Lead Officer:	Jo Morgan
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### Part A - Purpose:

Date	Why are you creating the EqA?	What are the main purposes and aims of the policy, strategy and service area?
2/3/12	Budget/ financial decision	<p>Local Support for Council Tax (replacement for Council Tax Benefit)</p> <p>On 17 May 2012 the Department for Communities and Local Government published a document "Localising Support for Council Tax - A Statement of Intent" which contains the following introduction.</p> <p>At Spending Review 2010 the Government announced that it would localise support for council tax from 2013-14, reducing expenditure by 10 per cent. The Government is committed to retaining council tax support for the most vulnerable in society and taking forward plans for councils to develop local council tax reduction schemes. The Welfare Reform Act 2012 contains provisions for the abolition of council tax benefit, paving the way for new localised schemes. This reform is part of a wider policy of decentralisation, giving councils increased financial autonomy and a greater stake in the economic future of their local area.</p> <p>Lifting the poorest off benefits, by supporting them into work is a key Government objective. Local authorities will have a strengthened financial stake in ensuring local schemes support this aim and help to deliver the positive incentives to work that will reduce poverty and reliance on support for council tax in the long term. The Government believes that it is right to protect council tax support for vulnerable pensioners and that this should not be affected as a result of the introduction of this reform. The elderly cannot go back to work - they have saved and worked hard all their lives: they deserve dignity and security in retirement.</p> <p>The Local Government Finance Bill was introduced to Parliament on 19 December 2011. The Bill makes provision for the localisation of council tax support in England by imposing a duty on billing authorities to make a localised council tax reduction</p>

scheme by 31 January 2013 and to consult with major precepting authorities and such other persons as it considers likely to have an interest in the scheme about the scheme. The Government has also taken powers in the Bill to prescribe certain classes or groups who must receive reductions. This will include classes of eligible pensioners, based on the same factors that have determined pensioner eligibility and award under the council tax benefit system. Further powers in the Bill allow the Government to prescribe a default scheme which will take effect if a billing authority has not made a scheme by 31 January 2013, so that they can still administer council tax reductions.

The Government will allocate funding to billing and major precepting authorities to support the provision of the localised schemes.

The Welfare Reform Act 2012 which received Royal Assent on 8 March 2012 abolished the national Council Tax Benefit Scheme with effect from 1 April 2013. The Local Government Finance Act 2012 (which received Royal Assent on 31 October 2012) amends the Local Government Finance Act 1992 to require Local Authorities to design and adopt a local Council Tax Reduction scheme by 31 January 2013 with an implementation date of 1 April 2013. Failure to set a scheme will result in the Government imposing the 'Default Scheme'. Government will set the entitlement and award criteria for people who have reached the qualifying age for State Pension Credit, but have given Local Authorities flexibility in setting criteria for people of working age. The policy is expected to realise national savings of between £480 and £500 million.

#### 1. Timescale for delivery

The local scheme must be set on or before 31 January 2013. The Government timetable for preparation and implementation of a scheme is extremely challenging and there is a risk that the implementation date cannot be met. Scheme design cannot commence until the funding arrangements are confirmed, both in terms of how much grant we will receive for 2013/14 to award to claimants, and crucially the level of administration grant we will receive. If a scheme has not been set by this date, then Government will impose the 'Default Scheme', which is essentially the current Council Tax Benefit Scheme but with the stated funding cut of approximately 10% leaving the authority, and the major precepting authorities with a budget shortfall.

#### 2. Funding arrangements

Government funding for the local scheme awards in 2013/14 will be approximately 10% lower than the council tax benefit awarded in 2010/11 (£10.1m), for South Somerset this is a reduction of approximately £1 million. We estimate that spend for 2013/14 under the current benefit scheme would be £11 million, given the increasing caseload, effectively representing a further loss of up to £1 million. At present we have no indication what the administration grant will be for this scheme, but local authorities are already seeing this cut year on year. For SSDC it will be £50,000 lower in 2012/13 than in 2011/12. [We now know that it has been cut by a further £84k for 2013/14].

### 3. Next steps

Officers from the five Somerset District Councils will attempt to design a county-wide scheme and have been tasked by Members with designing a 'cost-neutral' scheme. They will meet to identify possible measures that will reduce the cost of providing Council Tax support in the local scheme. Some or all of those measures will then be put out to public consultation (Which measures are consulted on will be determined by the Scrutiny Task and Finish Group). This Task and Finish Group will be a cross party group and will carry out a Scrutiny role, working in parallel with the Officer Group throughout the duration of the project.

We will consult the major precepting authorities first (in line with the rules set out by Government), followed by a public consultation. The methodology for this is set out below.

#### Current Council Tax Benefit (CTB) Recipients.

We will send all current working age CTB recipients a paper copy of the consultation form as this is the group that would be directly affected by the proposed local scheme. This can be returned to one of our offices or using a FREEPOST address. The consultation form will also be made available in easy read format and both formats will be available to be completed on-line.

#### All SSDC residents.

We will send a postcard to all households in South Somerset raising awareness that the consultation is taking place and directing them to either our website for more information about the proposals and to complete an on-line form, and that paper versions (including the easy read format) are available from all SSDC offices or by request.

#### Drop-in sessions.

We will hold four drop-in sessions, one in each area of our district to enable residents to find out more about the proposals, ask questions, and complete a consultation form.

#### Consultation Helpline.

We will set up a consultation helpline offering advice to residents about the scheme proposals and help with completing a consultation form.

#### Further awareness raising.

We will use posters to raise awareness of the consultation process, and these will be displayed in all SSDC offices, and sent to all 121 Town and Parish Council Clerks, libraries, Children's Centres and major supermarkets.

#### Other measures.



We will engage with voluntary groups through our Equality Steering Group and the South Somerset Association for Voluntary and Community Action and invite a response from them, together with members of the clergy.

#### Analysis.

The consultation will invite respondents to indicate whether they agree or disagree with each proposal along with a free text box to tell us how the proposal would impact on them. An analysis of both the quantitative and qualitative responses will be undertaken.

#### Setting a scheme.

A report will be taken to elected members together with an evidence base for a decision to be made on the design of the South Somerset Council Tax support scheme in December 2012.

#### Outcome of consultation.

#### Profile of respondents

A total of 1,185 people responded to the South Somerset Council Tax consultation of whom five were completing it on behalf of an organisation. Charts showing the characteristics of participants are attached in the appendix and summarised below:

- Council tax: 85 per cent said they were liable to pay council tax and 40 per cent said they currently received council tax benefit.
- Parents: 23 per cent said they had pre-school or school age children in their household.
- Armed forces: only five individuals said they currently served in the armed forces.
- Ethnicity: 97 per cent described themselves as White. The next largest groups were White Other (2 per cent) and Asian (1 per cent).
- Religion or belief: 61 per cent said they had a religion or belief.
- Carers: 19 per cent said they provided care for someone such as a parent, child or elderly person.
- Disability: A quarter (25 per cent) considered themselves to have a disability.
- Sexual orientation: 98 per cent said they were heterosexual and one per cent were gay men.
- Age: Nearly two-thirds (65 per cent) were aged between 35 and 64, the remainder were 18-34 (11 per cent) or 65 and over (24 per cent).
- Gender: 53 per cent of respondents were female and 47 per cent male.

#### South Somerset Equalities Profile (produced September 2009)

Ethnicity - White 97.1%    0.8% Mixed White    0.8% Asian or British Asian

Religion or belief - 78.75% said they had a religion or belief

Disability - approx. 18.2% reported having a long term limiting illness, health problem or disability limiting activities or work

(2011 census) (was approximately 17% in 2001 census)  
 Sexual orientation - 2001 Census showed 118 people living in same sex couples = less than 1% of population  
 Age - age categories are different to those used in the CTR consultation - Estimate around 45 -50% are aged between 35 and 64  
 Gender 51% are Female and 49% are Male  
 Gender (Housing and Council Tax Benefit claimants) 58% female 37% male (5% not stated)

The profile of our consultation respondents compared with the Equalities Profile [EP] shows a fairly close match across the characteristics. A higher percentage of people aged 35 to 64 responded to the consultation than in the EP, however this is likely to be due to the fact that the changes to Council Tax support will only impact working age claimants as pensioner claimants are protected.

Summary of the Consultation Responses to the proposed scheme measures for the South Somerset District Council scheme. (the responses do not always add up to 100% due to rounding). They are ordered by level of agreement with the proposal. In the consultation respondents had the option to say strongly agree / agree / disagree / strongly disagree. In the analysis below we have added together those in agreement, and similarly those that disagreed.

G: Increase the amount that other adults living as part of the household are treated as contributing towards the Council Tax - 80% responded that they agreed with the proposal, 20% disagreed.

H: End Second Adult Rebate for working age people - 80% responded that they agreed with the proposal, 21% disagreed.

C: Include all adult maintenance when calculating Council Tax support - 76% responded that they agreed with the proposal, 24% disagreed.

F: Include all money received from Boarders when calculating Council Tax support - 74% responded that they agreed with the proposal, 26% disagreed.

I: Increase the amounts of earned income which we ignore when calculating Council Tax support - 74% responded that they agreed with the proposal, 27% disagreed.

A: To restrict the maximum amount of support we can award to 75% (or  $\frac{3}{4}$ ) of the Council Tax charge - 68% responded that they agreed with the proposal, 31% disagreed.

B: All child maintenance received will be included when calculating Council Tax support - 63% responded that they agreed with

the proposal, 37% disagreed.

D2: Ignore Child Benefit for the first child, but include Child Benefit for any other children in the household when calculating Council Tax support - 52% responded that they agreed with the proposal, 48% disagreed.

D1: Include all Child Benefit when calculating Council Tax support - 48% responded that they agreed with the proposal, 52% disagreed.

In the evidence section of this EqA we have included the analysis report that covered the Somerset area (note that Sedgemoor had a different scoring system and so have not been included).

Number of cases (working age) affected by each measure.

Proposal A - percentage reduction in the maximum entitlement = 6123 all cases (approximately 4000 of these currently do not pay any Council Tax)

Proposal B - Include child maintenance as income = 306 cases

Proposal C - Include adult maintenance as income = Included with Proposal B

Proposal D1 - Include all Child Benefit as income = 1308 cases

Proposal D2 - Disregard Child Benefit for first child and include Child Benefit for other children as income - NO LONGER

POSSIBLE to include this option in scheme (software limitations)

Proposal E - Include all Sub-tenant payments as income = 4 cases

Proposal F - Include all Boarder payments as income = 1 cases

Proposal G - Increase level and scope of non-dependant deductions = 300 cases

Proposal H - Abolish Second Adult Rebate - 74 cases

### **Proposed changes to the Council Tax Support scheme for 2016/17**

By 31<sup>st</sup> January each year the council is required to set a scheme for the coming financial year. Officers from the five Somerset District Councils, along with a technical expert consultant, have worked together throughout 2015 reviewing current scheme design and considering possible changes to the current South Somerset scheme.

The Scrutiny Task and Finish Group that worked on the original scheme were reconstituted to work with SSDC officers and in parallel with the Somerset Officer Group.

How we decided what to consult on

The Somerset Officer Group put together a list of possible amendments to the 2015/16 scheme, and this list was presented to and considered by members of the Scrutiny Task and Finish Group. The following proposals were agreed to go out to consultation.

The proposals

Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support from £16,000 to £6,000

Proposal B - Introduce a self-employed minimum income

Proposal C - Introduce a Council Tax Band cap

Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work

We also consulted on two alternative ways of helping to pay for the Council Tax Support scheme.

Statement 1 – I would pay more Council Tax to help pay for Council Tax Support

Statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support.

Who and how we consulted

We wrote to all households that would be affected by one or more of the proposals, summarising those proposals and directing them to the on-line consultation survey. The letter advised that paper forms were available by calling the council (this was a dedicated consultation helpline) and that an easy read version of the form was also available.

We sent an e-mail to 2500 council tax and council tax support households inviting them to take part in the consultation.

We included a small poster about the consultation with council tax bills issued over a two week period - approximately 2000 households received this.

	<p>We included a small poster about the consultation with 500 benefit award letters issued over a three week period.</p> <p>We wrote to a range of groups and organisations seeking their views on the proposals.</p> <p>We issued a press release about the consultation with details about what we were consulting on, how to take part and when it would close.</p> <p>We sent regular messages across social media (Twitter and Facebook) and placed a message banner on the Council's website homepage.</p> <p>We put full details of the consultation on the Benefits web page with a link through to the on-line consultation survey.</p> <p>We wrote to all Town and Parish clerks (121 of them) to make them aware that the consultation was taking place, giving them the opportunity to take part and also to aid them if any of their residents raised questions with the town or parish council.</p> <p>We put up posters in all SSDC offices.</p> <p><u>Number of households affected by each proposal</u></p> <p>Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support from £16,000 to £6,000 = 83 households affected</p> <p>Proposal B - Introduce a self-employed minimum income = 393 households affected</p> <p>Proposal C - Introduce a Council Tax Band cap = 254 households affected</p> <p>Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work = 311 households affected</p> <p>Statement 1 – I would pay more Council Tax to help pay for Council Tax Support. This would affect all council tax payers = approximately 75,000</p> <p>Statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support. This</p>
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would affect service users of affected services.

#### Consultation responses

We had a total of 276 responses which gives us a 95% confidence level with 6% margin of error.

Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support from £16,000 to £6,000 – 58% stated that they agreed with the proposal, 42% disagreed.

Proposal B - Introduce a self-employed minimum income - 46% stated they agreed with the proposal, 54% disagreed

Proposal C - Introduce a Council Tax Band cap - 47% stated they agreed with the proposal, 53% disagreed

Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work - 57% stated they agreed with the proposal, 43% disagreed

Statement 1 – I would pay more Council Tax to help pay for Council Tax Support. This would affect all council tax payers - 46% stated that they would be willing to pay more Council Tax

Statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support. This would affect service users of affected services. - 60% of respondents stated they did not want to see a reduction in the services provided by SSDC for this purpose.

#### Profile of respondents

Please see responses to consultation in Appendix 3

#### **Evidence used in the EqA**

Child poverty Somerset 2012.pdf

Communications plan - CTR.doc

Vulnerability assessment doc for ESG 26 June 2012 VERSION 1.doc

South Somerset Council Tax Consultation Report Chrysalis Research.docx

The State of Somerset Final[1].pdf

SCC Council Tax Reduction consultation common questions across Somerset - Chrysalis Research.docx

## Evidence

The task and Finish group met on the following dates:

12 March 2012, 2 April 2012, 17 April 2012, 1 May 2012, 8 May 2012, 22 May 2012, 30 May 2012, 18th July 2012, 8 August 2012, 29 August 2012, 19 September 2012, 2 October 2012, 16 October 2012, 22 October 2012, 30 October 2012, 6 November 2012, 13 November 2012, 20 November 2012


The workshop for all members was on 3 July 2012


2016/17 Scheme – The Task and Finish Group met on the following dates:

22 January 2015, 19 February 2015, 24 June 2015, 13 August 2015, 24 September 2015



## Part B - Effect on protected characteristic:




### Positive Impact(s)/ Mitigation:



	Positive Impact	Positive Impact
	Age	<p>Pensioners. Government has legislated to protect those receiving CTB that have reached the qualifying age for State Pension Credit from the impact of the localisation of Council Tax support. Pensioners are therefore not affected by any of the proposed Council Tax Reduction scheme measures. This protection will also apply to new claims to CTR from pensioners who have not received CTB.</p> <p>Working age. Households with children. The Council has a statutory duty to prevent child poverty under the Child Poverty Act 2010. The 'Applicable Amount', used in the means test, is made up of Personal Allowances and Premiums. There are certain premiums that relate to dependent children up to 16 years old and in certain circumstances dependent young persons up to the age 20. The premiums are:</p> <p>Dependent child/young person Premium £64.99 a week Disabled Child Premium £56.63 a week</p>

		<p>Family Premium £17.40</p> <p>These rates are for the 2012/13 financial year and are normally updated annually.</p> <p>These premiums will be retained in the local scheme.</p> <p>Earnings. In the current CTB scheme there is an earned income disregard for lone parents of £25 a week. In the proposed local scheme this will be increased to £37.50 a week</p> <p>In the current CTB scheme there is an earnings disregard in respect of child care charges of up to £175 a week for one child and up to £300 a week for 2 or more children where the claimant (and partner) meet certain conditions. Principally this is that they work more than 16 hours a week. These disregards are retained in the local scheme.</p> <p>In the current CTB scheme there is an additional earnings disregard of £17.10 a week where the claimant or partner receives the 30 hours element in their Working Tax Credits. This disregard is retained in the local scheme.</p> <p>Other working age earned income disregards. The local scheme also proposes to increase the earnings disregard for single people from £5 a week to £10 a week, and for couples from £10 a week to £20 a week.</p>
	Disability	<p>In the Council Tax Benefit scheme (CTB) means test calculation income is compared to the 'Applicable Amount', which is a level set by Government and represents the basic needs level. The applicable amount is made up of personal allowances and additional premiums. There are a number of additional premiums which relate to disability, recognising that there are additional living costs for those who are disabled. The premiums are:</p> <p>Disability Premium - two rates, single person and a couple Enhanced Disability Premium - three rates, single person, couple, disabled child rate Severe Disability Premium - three rates, single person, couple (lower rate), couple (higher rate) Disabled Child Premium</p> <p>These premiums will be retained in the local scheme.</p> <p>Earnings</p>






		<p>In the current CTB scheme there is an enhanced earned income disregard for those with a disability or someone who has a long term sickness of £20 a week. The scheme proposes to increase this to £30 a week.</p> <p>In addition a weekly earnings disregard applies to people receiving Employment and Support Allowance (Contributory), Incapacity Benefit or Severe Disablement Allowance who are allowed to earn up to £20 a week (lower limit) and £97.50 a week (upper limit) (2012/13 rates) from permitted work without it affecting those benefits. The upper limit of £97.50 is set at 16 times the national minimum wage and therefore increases accordingly. There is an equivalent disregard in CTB. The local scheme will retain this equivalent disregard.</p> <p>In the current CTB scheme the following disability related incomes are fully disregarded:</p> <p>Disability Living Allowance - Mobility component  Disability Living Allowance - Care component  Any benefit treated as Attendance Allowance</p> <p>These disregards will be retained in the local scheme.</p> <p>Council Tax legislation.  Within the Council Tax regulations there is a provision to reduce by one Council Tax Band (A Disabled Band Reduction) the charge in certain cases where a premises has been adapted for a person who is substantially permanently disabled.</p> <p>Persons meeting severe mental impairment conditions set out in the Council Tax regulations are exempt from paying Council Tax.</p>
	<p>Gender Reassignment</p>	<p>We do not hold details of claimants or the number of claimants receiving Council Tax Benefit who share this protected characteristic. Gender reassignment is not a factor in determining entitlement to Council Tax Benefit and it will not be a factor in the local scheme.</p> <p>Claimants who have this protected characteristic will not be disproportionately adversely affected by the proposed changes to the Council Tax Benefit scheme in the local scheme design.</p>
	<p>Marriage and Civil Partnership</p>	<p>The current Council Tax Benefit rules specify the following rules for couples for the purposes of eligibility to claim.</p> <p>A couple is defined as;</p>








		<ul style="list-style-type: none"> <li>- A man and woman who are married to each other</li> <li>- A man and woman who are not married but live together as 'man and wife'</li> <li>- Two people of the same sex who are married or civil partners</li> <li>- Two people of the same sex who are not married or civil partners but live together as if they were married or civil partners</li> </ul> <p>These eligibility rules are retained in the local scheme and those with this protected characteristic will not be disproportionately affected by the proposed local scheme measures.</p> <p>Polygamous Marriages. The current CTB rules contain an additional allowance for each additional member of a polygamous marriage when calculating the applicable for the household. The local scheme will retain the rules for those in polygamous marriages.</p>
	Pregnancy and Maternity	In CTB pregnancy is not a determining factor. This is no addition to a single person or couple applicable amount by virtue of pregnancy. The local scheme does not propose any changes to the CTB rules or new rules. Therefore the local scheme will not disproportionately adversely affect women based on them being pregnant.
	Race	<p>Race is not a factor in determining CTB and will not be in the local scheme. One of the local scheme proposals is to limit the maximum support that can be given to a certain percentage of the Council Tax liability rather than restricting to a Council Tax band. The latter could have had the effect of disproportionately adversely affecting people with larger families in higher banded properties. As the former measure is the one proposed the local scheme will not disproportionately adversely affect people based on their race.</p> <p>The Government will define a 'class of persons' who will be excluded from receiving Council Tax Support (in the same way as they do now for CTB). The restrictions will affect foreign nationals with certain immigration status and non-economically active individuals from the European Economic Area. South Somerset D.C. will be bound by the Government's rules.</p>
	Religion or Belief	<p>Religion and Belief is not a determining factor for CTB (save for polygamous marriages) and will not be a determining factor for the local scheme.</p> <p>The additional allowance present in CTB for members of a polygamous marriage in the calculation of the applicable amount will be retained in the local scheme.</p> <p>Claimants will not be disproportionately adversely affected by the proposed local scheme measures.</p>

	Rural Isolation (i.e. Carers and Armed Forces Communities)	<p>Carers. In the calculation of the applicable amount for the means test a single person is entitled to a premium on top of their personal allowance (the Carer Premium) if they are entitled to the Carers Allowance. In the case of a couple, they can get one Carer Premium if one of them is entitled to Carers Allowance, or two if they are both entitled to it. In the case of a polygamous marriage a Carer Premium is awarded for each member of the marriage who is entitled to Carers Allowance.</p> <p>Armed Forces Communities. Under a local scheme SSDC currently disregards in full War Widows and War disablement pensions, together with Armed Forces Compensation Scheme payments, and we will continue to do so in the local Council Tax Reduction scheme.</p>
	Sex	<p>Overall SSDC has a greater number of single male than single female CTB claimants; however there are slightly more single female claimants in the Working Age (other) group. There are significantly more female lone parents to male lone parents, where the ratio is approximately 9 to 1. As a consequence of the caseload make-up, more females will be affected by some of the proposed measures in the local scheme than males. In particular this will be the proposed removal of the disregard of Child Benefit and Child Maintenance. These measures mean that those incomes would be taken into account in the calculation of entitlement to Council Tax support. The means test calculation is progressive resulting in a larger reduction in support the higher the income received.</p> <p>Sex (gender) is not a determining factor in determining CTB and it will not be in the local scheme. Therefore, claimants will not be disproportionately adversely affected by the proposed local scheme on the basis of their sex (gender).</p>
	Sexual Orientation	<p>Sexual orientation is not a determining factor for CTB and will not be a determining factor in the local scheme. Claimants with this protected characteristic will not be disproportionately adversely affected by the proposed local scheme measures.</p>

### Negative Impact(s) that require no action:

	Type	Negative Actions that require No Action
	<u>Age</u>	<p>Working age - The Government have legislated that if the funding reduction is passed on to current Council Tax Benefit recipients, it cannot be passed on to those claimants who have reached the qualifying age for State Pension Credit and it is therefore the working age group who would be expected to bear the cost.</p>

		<p>Families with children - low income families may be disproportionately affected [mitigation “The increase in the earned income disregard will help working families on a low income”. The proposal to include Child Benefit as an income was not taken forward.”]</p> <p>Adult child living at home - expectation that the person that pays the Council tax will pay a higher contribution based on that adult child's income (i.e. the higher their income the greater the contribution they would be expected to pay). It is also proposed to introduce non-dependant deductions in cases where that non-dependant receives a passported benefit (currently they are not expected to contribute anything) This could lead to adult son/daughter being asked to leave if they choose not pay the contribution.</p> <p>Lone parents - low income households</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>A high proportion (40%) of CTS recipients who are self-employed are lone parents which may be due to their caring responsibilities and who could be disproportionately affected by the proposal to introduce a self-employed minimum income. The recommendation is that this proposal is not included in the 2016/17 scheme.</p>
	<p><u>Disability</u></p>	<p>Some people with disabilities may require a larger house to meet adaptation requirements</p> <p>Can be more dependent on benefits as a result of disablement</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>A significant proportion of those in the non-working group are unable to move in to work and receive long-term out of work benefits. The proposal to increase the income taper in the non-working group would have a detrimental effect on those unable to increase their income by moving into work. The recommendation is that this proposal is not included in the 2016/17 scheme.</p>
	<p><u>Gender Reassignment</u></p>	

	<u>Marriage and Civil Partnerships</u>	
	<u>Pregnancy and Maternity</u>	
	<u>Race</u>	<p>Larger families part of culture</p> <p>Employment patterns and earning levels are different for different ethnic groups - could have disproportionate impact of some groups</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>One of the proposals is to restrict the liability used in the calculation of council tax support to a Band C. This might have had a detrimental impact on families from minority ethnic groups who have larger families are part of their culture. Analysis of the 43 larger families who would be affected by the proposal shows that:</p> <p>33 households have indicated they are white British, 2 households British, 1 household white Irish and in the other 7 cases we do not hold details of their ethnic group.</p> <p>Larger families are those with four or more children.</p>
	<u>Religion or Belief</u>	
	<u>Rural Isolation (i.e. Carers and Armed Forces Communities)</u>	Carers may be more dependent on benefits as it is more difficult to undertake work in addition to their caring responsibilities.
	<u>Sex</u>	
	<u>Sexual Orientation</u>	

**Negative Impact(s) that require action and any other appropriate actions:**

Type	Negative Impact Name (if applicable)	Impact Detail (if applicable)	Action Required (if any)	By When?	Resource	Outcome	Performance Measure	Status	Progress
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**Part C - Conclusion:**

Date	Conclusion	Comments
5/12/12	Adjust the policy/ amend service	

**Supporting Documentation/ Links**

[Equality Steering Group Notes June 2012 V1.pdf](#)

GED met?	Please comment/ explain how you will meet the General Equality Duty (GED)?
Yes	<p>The GED has been met by ensuring a comprehensive an inclusive approach to consultation on the proposed CTR scheme measures. We have engaged with our Equality Steering Group who endorsed our approach. We have raised awareness of the consultation in a variety of ways and offered a wide range of opportunities for all interested parties to take part and give us their views for consideration.</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>The GED continues to be met by ensuring a comprehensive and inclusive approach to the consultation of the proposed amendments to the Original CTR scheme. We have considered the possible impact of those proposals on each of the protected characteristics, how they might affect our current CTR recipients, and reflected this in the recommendations for the proposed amendments.</p>

**Part D - Sign Off:**

Person	Approved?	Day
<b>Equality Steering Group Sign Off Date</b>	<b>Comments</b>	
13/9/12	Equality Steering Group (ESG) initial consultation took place on 26 June 2012. The objective for this initial consultation is to seek the ESG's views on:	

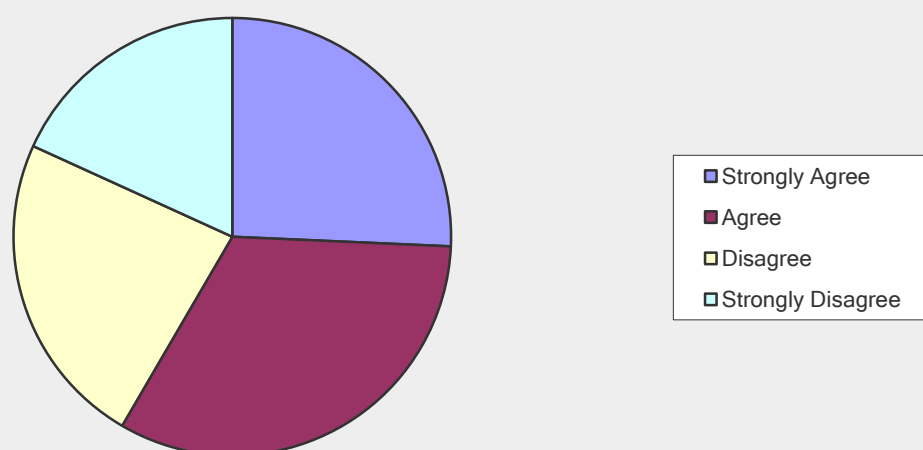
	<ul style="list-style-type: none"> <li>-The proposed scheme Principles</li> <li>-Possible measures for each Principle</li> <li>-Possible mitigation of the impact of the measures</li> <li>-The consultation process</li> </ul> <p>A number of case studies were to help the ESG look at implications and possible impact of Principles on any of the Protected Characteristics. A full discussion was held with all comments taken into account and passed on to members to inform their decision making process.</p> <p><u>Added for 2016/17 scheme proposals</u></p> <p>The Equality Steering Group was consulted on proposals for changes to the current scheme which will take effect from 1 April 2016. Responses to the consultation were considered by the Task and Finish Group when making their recommendations.</p>
<b>Stage 2 Community Cohesion Officer Approval</b>	<b>Date and Comments</b>
Jo Morgan	05/12/12  For 2016/17 scheme – 24/09/2015

### Council Tax Reduction Scheme 2016/17 consultation

**Proposal A** - Reduce the amount of savings you can have and still receive Council Tax Support. Current scheme: Up to £6,000 of capital/ savings/ investments and any other assets is ignored in calculating the level of Council Tax Support. Between £6,000 and £16,000 we add £1 to the weekly income used to decide entitlement for every £250 or part thereof. The value of a person's home is also ignored. Proposed change: Where the value of capital/ savings/ investments and any other assets held is £6,000 or more no Council Tax Support will be granted. The value of a person's home will still be ignored. Example 1: Mr and Mrs W have four children, aged 14, 4, 2 and 1. Mr W is unemployed and receives Job Seekers Allowance, Mrs W receives Child Tax Credit, Child Benefit, child maintenance and Personal Independence Payments for one of the children. They have capital/savings of £15,900. Their total weekly income is £614.47. The weekly Council Tax charge is £34.55. They currently receive Council Tax Support of £29.29 leaving them with £5.26 per week to pay. The proposed change would mean they no longer get any Council Tax Support and have to pay the full charge. Example 2: Mr and Mrs L have two children aged 1 and 15. Mr L works and the family also receive Child Benefit and Child Tax Credit. Their total weekly income is £253.62 a week. They also have savings of £10,486. The weekly Council Tax charge is £25.98 a week and they currently receive £22.02 a week Council Tax Support. This leaves them with £3.96 to pay. The proposed change would mean they no longer qualify and have to pay the full charge. In respect of this statement do you:

Answer Options	Response Percent	Response Count
Strongly Agree	25.7%	69
Agree	32.7%	88
Disagree	23.4%	63
Strongly Disagree	18.2%	49
Please write in the box below what you think of this proposal and if relevant how it could affect you.		107
<b><i>answered question</i></b>		<b>269</b>
<b><i>skipped question</i></b>		<b>7</b>

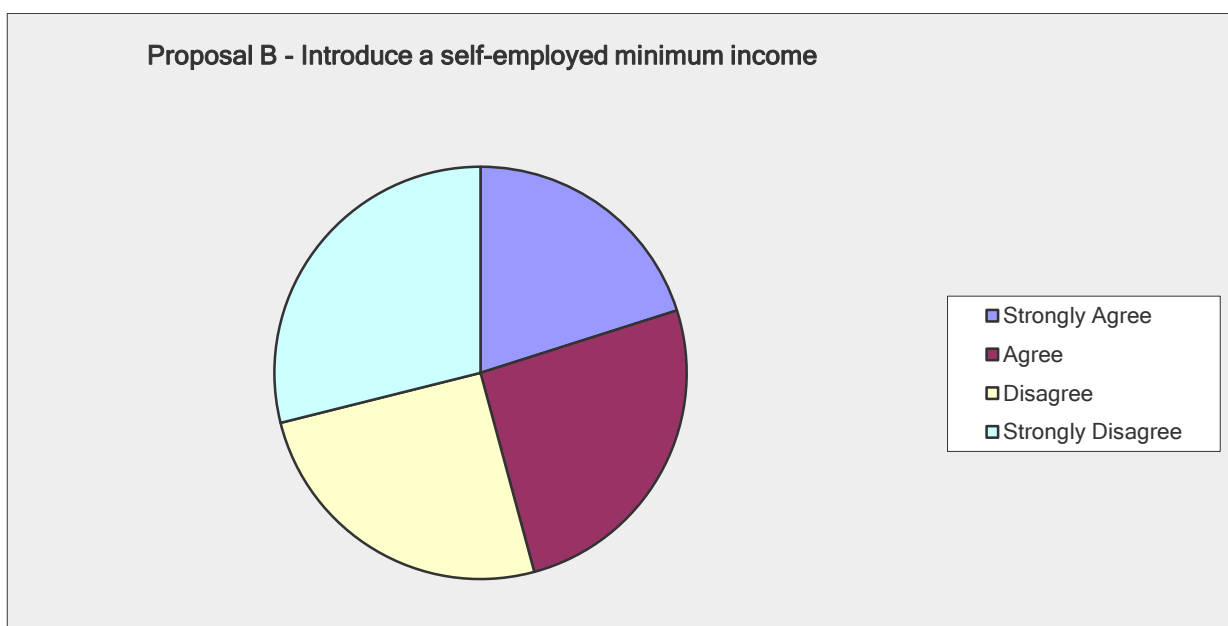
Proposal A - Reduce the amount of savings you can have and still receive Council Tax Support





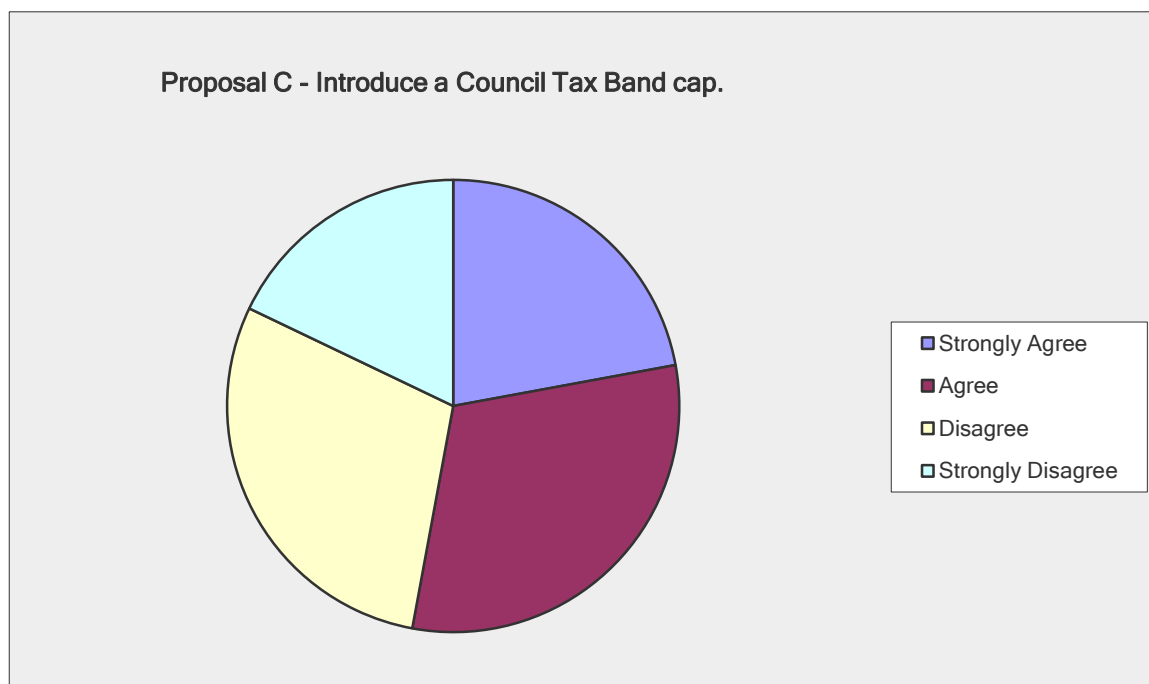
**Proposal B** - Introduce a self-employed minimum income Current scheme: Actual income from self-employment is used in the calculation of Council Tax Support Proposed change: We would use a minimum income for the self-employed. This would be in line with the UK Minimum Wage/new national Living Wage for 35 hours a week. From October 2015 the Minimum Wage will be £6.70 an hour. The rate for 18 to 20 year olds will be £5.30 an hour. The new national Living Wage will be £7.20 from April 2016. This minimum income would not be applied during the first year of self-employment. If a self-employed person has restrictions on the number of hours they can work we will work out the minimum income proportionately. Example 1: Mr and Mrs D have five children, aged 14, 13, 11, 9, & 7. Mr D is self-employed with a declared income of £17.06 a week and receives Working Tax Credit. Mrs D receives Child Tax Credit, Child Benefit, Carers Allowance and Disability Living Allowance (DLA) for 2 of the children. Their total weekly income is £888.83. Their weekly Council Tax charge is £23.94 and they currently receive £20.29 a week in Council Tax Support, leaving them £3.65 to pay. Applying the minimum income would mean we use £234.50 a week instead of the declared £17.06 a week for Mr D's self-employment. Mr and Mrs D would no longer be entitled to any help so would have to pay all of the £23.94 weekly Council Tax, an increase of £20.29 a week. Example 2: Miss B lives alone, is self-employed with a declared income of £68.30 a week and receives Working Tax Credit of £52.55 giving a total income of £120.85 a week. The weekly Council Tax charge is £16.35 after a 25% single person discount has been given. She currently also receives £9.23 in Council Tax Support leaving her with £7.12 per week to pay. Applying the minimum income would mean we use £234.50 a week instead of the declared £68.30 a week for Miss B's self-employment. Miss B would still receive the 25% single person discount but would no longer be entitled to Council Tax Support. She would have to pay £16.35 a week Council Tax, an increase of £9.23 a week. In respect of this statement do you:

Answer Options	Response Percent	Response Count
Strongly Agree	20.1%	50
Agree	25.7%	64
Disagree	25.3%	63
Strongly Disagree	28.9%	72
Please write in the box below what you think of this proposal and if relevant how it could affect you.		86
<b><i>answered question</i></b>		<b>249</b>
<b><i>skipped question</i></b>		<b>27</b>



**Proposal C** - Introduce a Council Tax Band cap. Around 95% of working age Council Tax Support recipients live in properties in Council Tax band A, B or C. This proposal limits the amount of help people who live in a higher value property can get. Current scheme: The annual charge (less any discounts) for the Council Tax Band of the property the applicant lives in is used to calculate Council Tax Support entitlement. Proposed new scheme: Limit the charge used to calculate Council Tax Support entitlement to the Band C charge for the parish the applicant lives in. Example: Mrs B lives alone in a property which is in Council Tax Band E. The weekly charge for this property is £33.82. Mrs B currently receives a single person discount of £8.45 and her Council Tax Support of £9.95 leaving her with £15.42 per week to pay. The weekly charge for a Band C property in this parish is £24.60. Using this charge Mrs B's Council Tax Support is £4.13, which is a decrease of £5.82 a week meaning Mrs B has to pay an extra £5.82 more Council Tax per week. In respect of this statement do you:

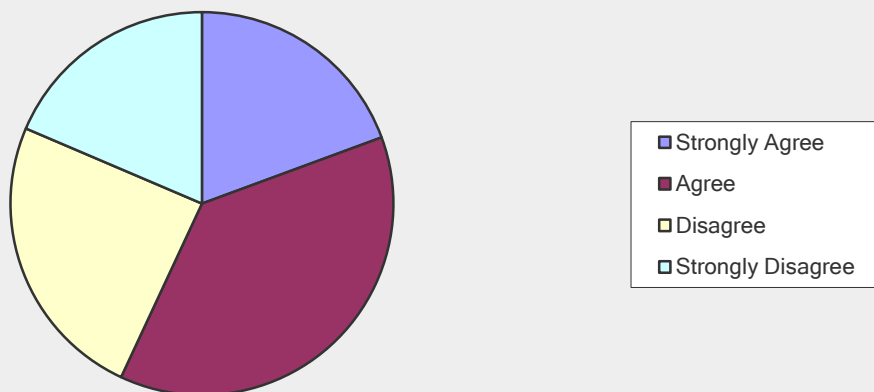
Answer Options	Response Percent	Response Count
Strongly Agree	22.1%	53
Agree	30.8%	74
Disagree	29.2%	70
Strongly Disagree	17.9%	43
Please write in the box below what you think of this proposal and if relevant how it could affect you.		73
<b><i>answered question</i></b>		<b>240</b>
<b><i>skipped question</i></b>		<b>36</b>



**Proposal D** - Increase the Income taper for those not working while keeping the current lower income taper for those in work. Current Scheme: For every £1 of weekly income above the basic needs allowance we reduce Council Tax Support by 20 pence a week. This is the same for those who work and those who do not. Proposed new scheme: For those who do not work we will reduce Council Tax Support by 65 pence for every £1 of weekly income above their basic needs allowance. Those who are working will not be affected by this change. Example 1: Mr G works and earns £100 a week. His basic need allowance is £90 a difference of £10 a week. We would reduce his Council Tax Support by £2 a week (this is 20% of £10). Example 2: Mr K does not work and has the same weekly income of £100. His basic need allowance is £90 a difference of £10 a week. We would reduce his Council Tax Support by £6.50 a week (this is 65% of £10). In respect of this statement do you:

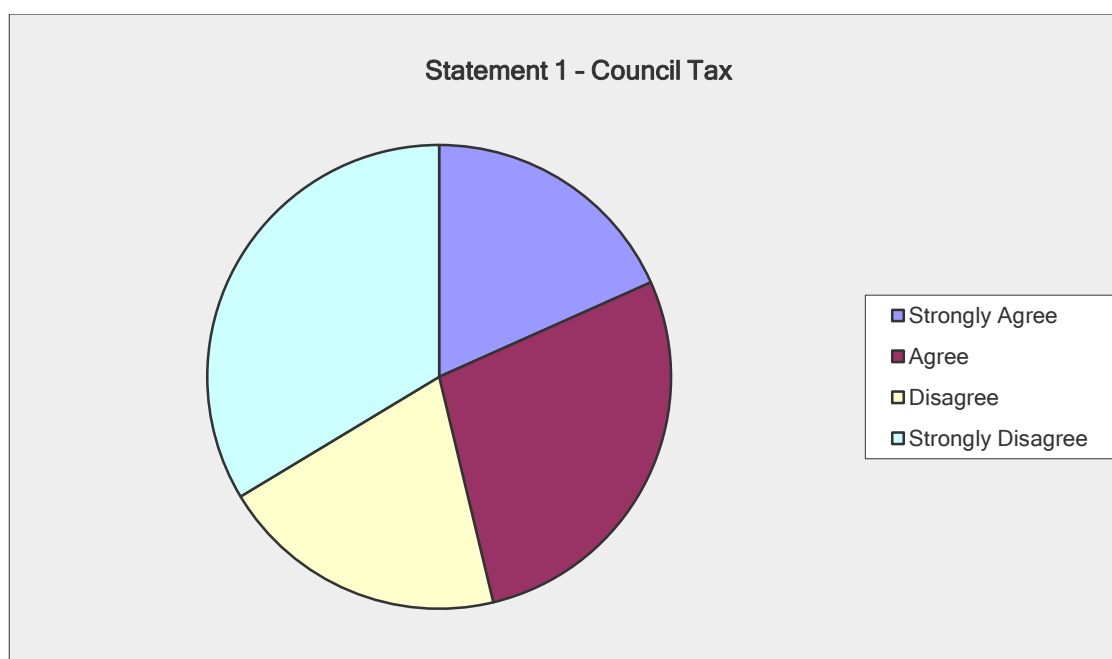
Answer Options	Response Percent	Response Count
Strongly Agree	19.4%	46
Agree	37.6%	89
Disagree	24.5%	58
Strongly Disagree	18.6%	44
Please write in the box below what you think of this proposal and if relevant how it could affect you.		73
<b><i>answered question</i></b>		<b>237</b>
<b><i>skipped question</i></b>		<b>39</b>

Proposal D - Increase the Income taper for those not working while keeping the current lower income taper for those in work.



**Statement 1 - Council Tax** I would pay more Council Tax to help pay for Council Tax Support  
**Example -** If you live in a Band D property an increase of 5% in the South Somerset charge would cost you an extra £7.39 per year and raise £424,400. In respect of this statement do you:

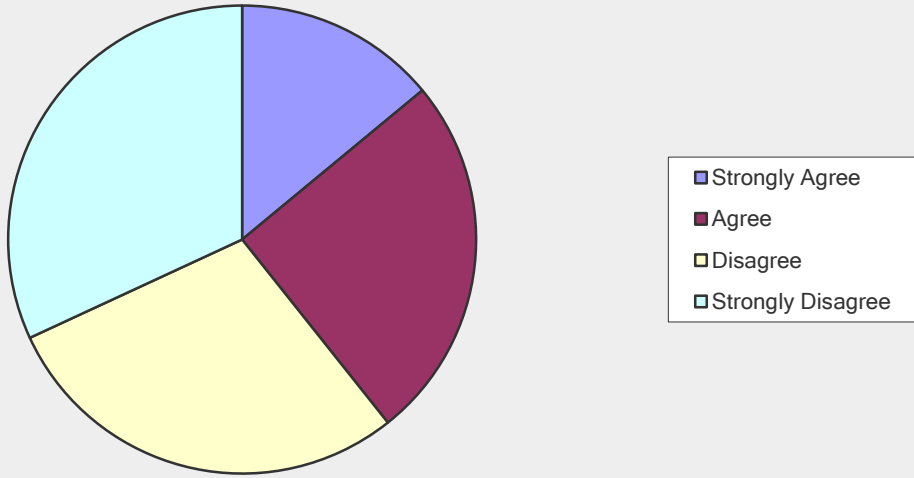
Answer Options	Response Percent	Response Count
Strongly Agree	18.3%	42
Agree	27.9%	64
Disagree	20.1%	46
Strongly Disagree	33.6%	77
Please write in the box below what you think of this proposal and if relevant how it could affect you.		78
<i>answered question</i>		<b>229</b>
<i>skipped question</i>		<b>47</b>



**Statement 2 - Service cuts** The level and range of local services should be reduced to help pay for Council Tax Support. **Example -** If the Council were to reduce support for leisure activities by £400,000 it could affect your local swimming pool, Country Park or play areas. In respect of this statement do you:

Answer Options	Response Percent	Response Count
Strongly Agree	14.0%	32
Agree	25.3%	58
Disagree	28.8%	66
Strongly Disagree	31.9%	73
Please write in the box below what you think of this proposal and if relevant how it could affect you.		70
<i>answered question</i>		<b>229</b>
<i>skipped question</i>		<b>47</b>

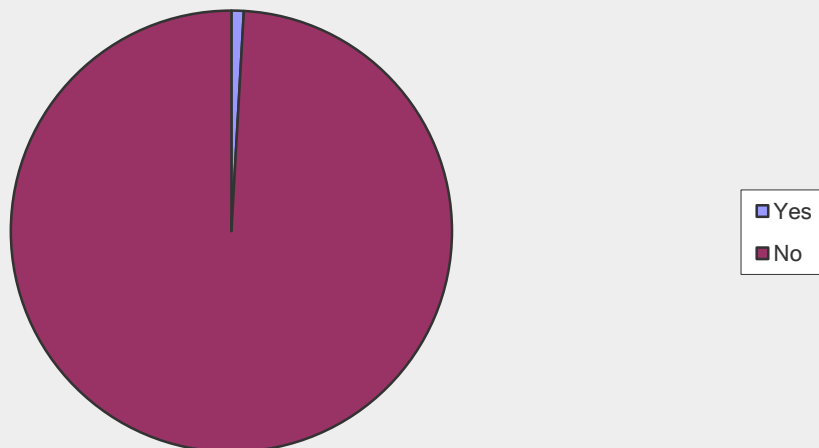
Statement 2 - Service cuts



Are you completing this form on behalf of an organisation or group?

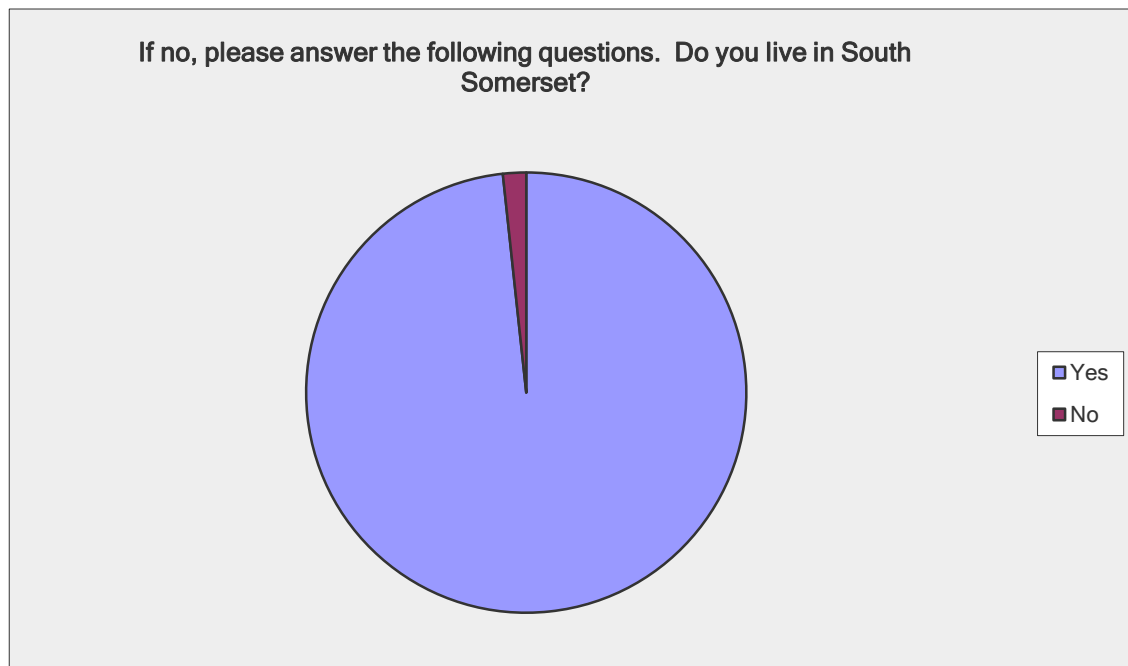
Answer Options	Response Percent	Response Count
Yes	0.9%	2
No	99.1%	225
If yes, please tell us the name of the organisation/group and add any other comments you wish to make.		6
<b>answered question</b>		<b>227</b>
<b>skipped question</b>		<b>49</b>

Are you completing this form on behalf of an organisation or group?



If no, please answer the following questions. Do you live in South Somerset?

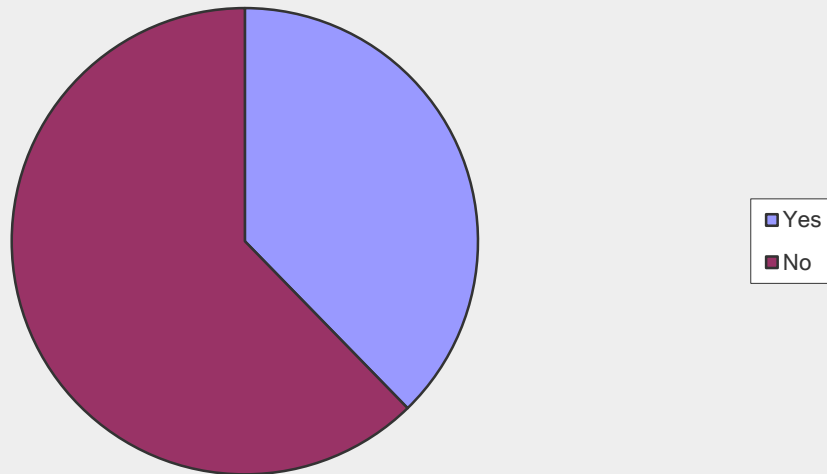
Answer Options	Response Percent	Response Count
Yes	98.3%	226
No	1.7%	4
<i>answered question</i>		<b>230</b>
<i>skipped question</i>		<b>46</b>



Are you currently receiving Council Tax Support?

Answer Options	Response Percent	Response Count
Yes	37.7%	86
No	62.3%	142
<i>answered question</i>		<b>228</b>
<i>skipped question</i>		<b>48</b>

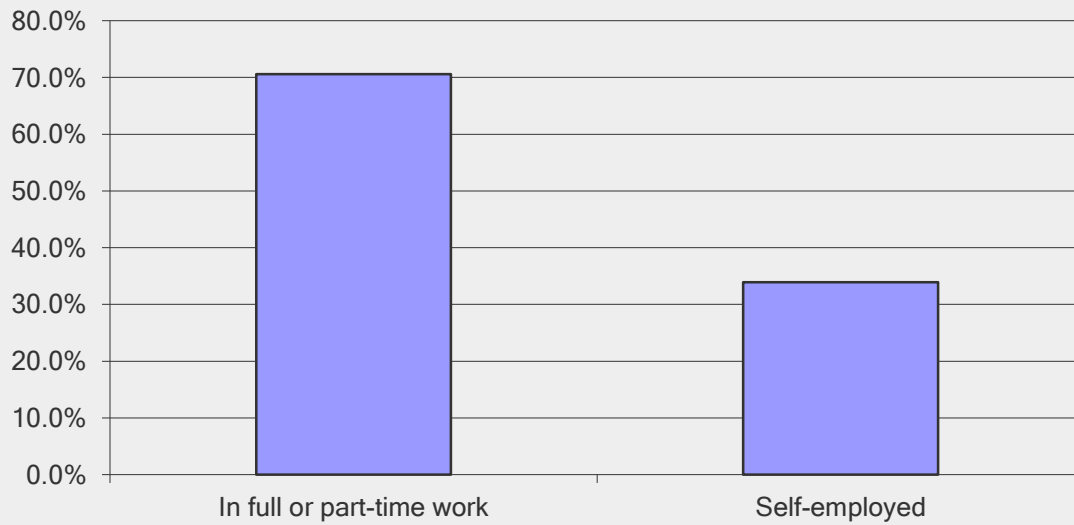
Are you currently receiving Council Tax Support?



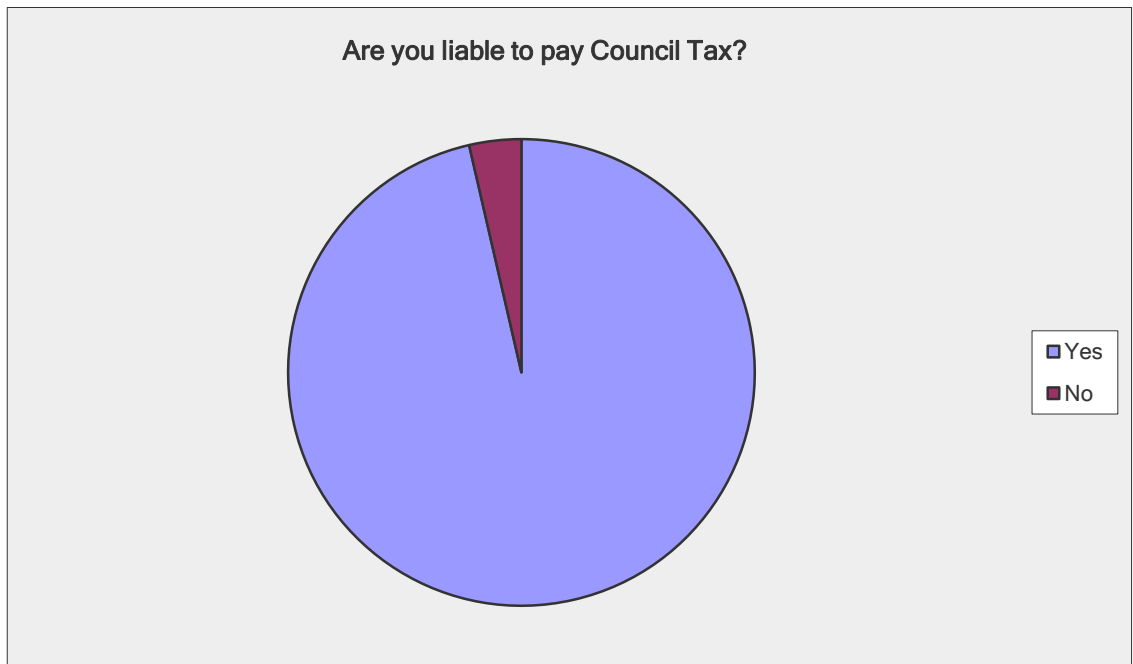
Are you or your partner?

Answer Options	Response Percent	Response Count
In full or part-time work	70.6%	125
Self-employed	33.9%	60
<i>answered question</i>		<b>177</b>
<i>skipped question</i>		<b>99</b>

Are you or your partner?



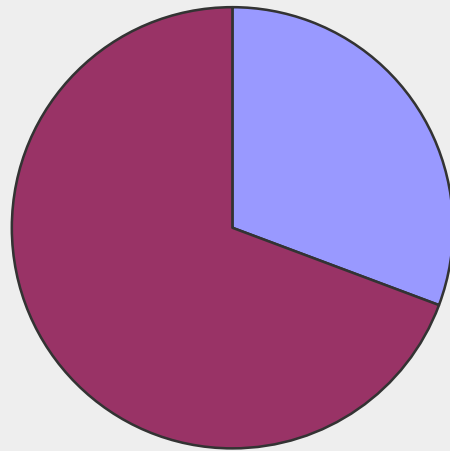
Are you liable to pay Council Tax?		
Answer Options	Response Percent	Response Count
Yes	96.4%	217
No	3.6%	8
<i>answered question</i>		<b>225</b>
<i>skipped question</i>		<b>51</b>



Do you have pre-school or school age children in your household?		
Answer Options	Response Percent	Response Count
Yes	30.7%	70
No	69.3%	158
<i>answered question</i>		<b>228</b>
<i>skipped question</i>		<b>48</b>



Do you have pre-school or school age children in your household?



■ Yes  
■ No

Are you currently serving in the Armed Forces?

Answer Options

Response Percent

Response Count

Yes

0.9%

2

No

99.1%

223

*answered question*

225

*skipped question*

51

Are you currently serving in the Armed Forces?



■ Yes  
■ No

## Council Tax Reduction Scheme 2016/17 consultation

How would you describe your ethnic origin?

### A) White

Answer Options	English	Welsh	Scottish	Northern Irish	Irish	Gypsy or Irish Traveller	Other White Background	Response Count
I am	194	4	3	0	0	0	8	209

### B) Asian or Asian British

Answer Options	Indian	Pakistani	Bangladeshi	Chinese	Other Asian Background	Response Count
I am	0	0	0	0	1	1

### C) Mixed / Multiple ethnic Background

Answer Options	White & Black Caribbean	White & Black African	White & Asian	Other Mixed / multiple background	Response Count
I am	0	0	0	1	1

### D) Black or Black British

Answer Options	Caribbean	African	Other Black Background	Response Count
I am	0	0	0	0

Question Totals

E) Other ethnic group (please state)

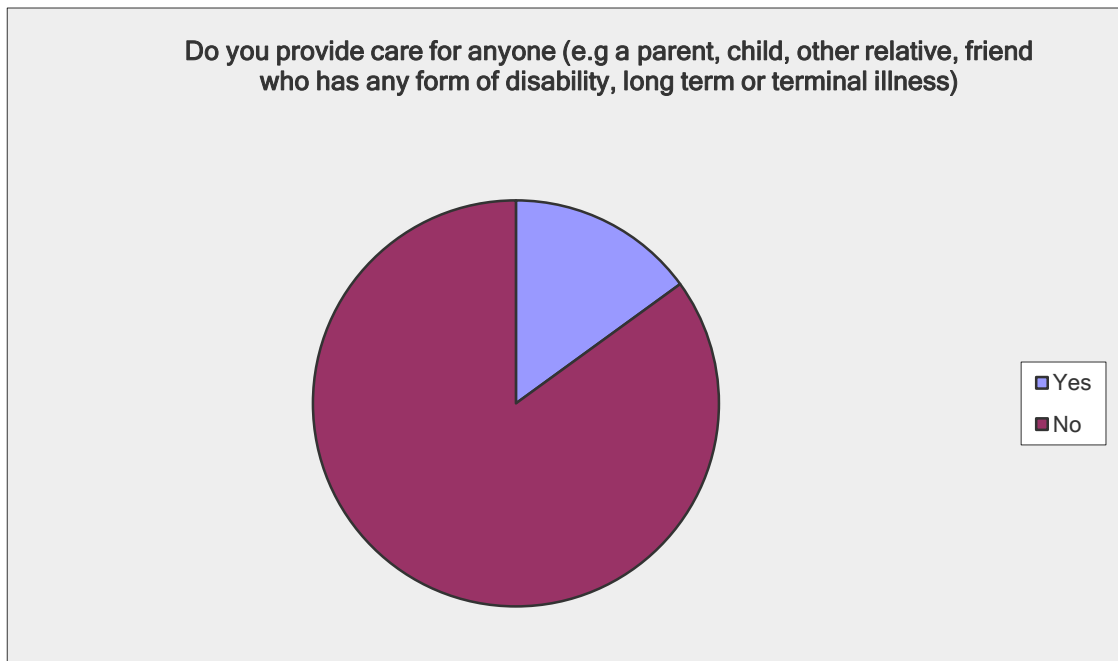
11

*answered question* 210

*skipped question* 66

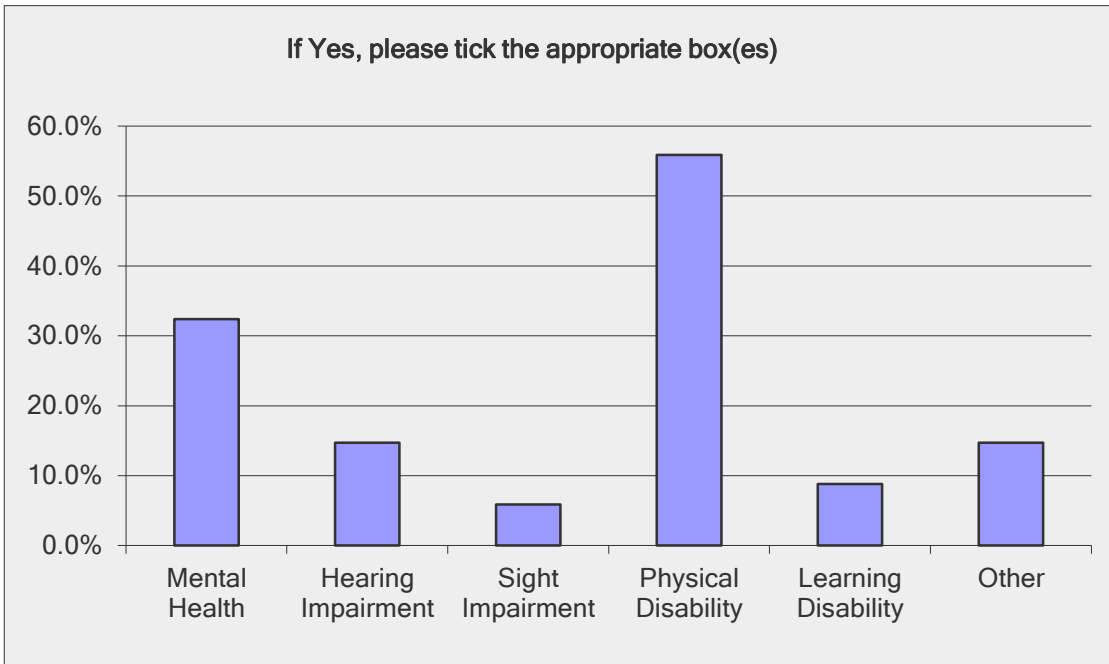
Do you provide care for anyone (e.g. a parent, child, other relative, friend who has any form of disability, long term or terminal illness)

Answer Options	Response Percent	Response Count
Yes	15.0%	34
No	85.0%	192
<i>answered question</i>		<b>226</b>
<i>skipped question</i>		<b>50</b>



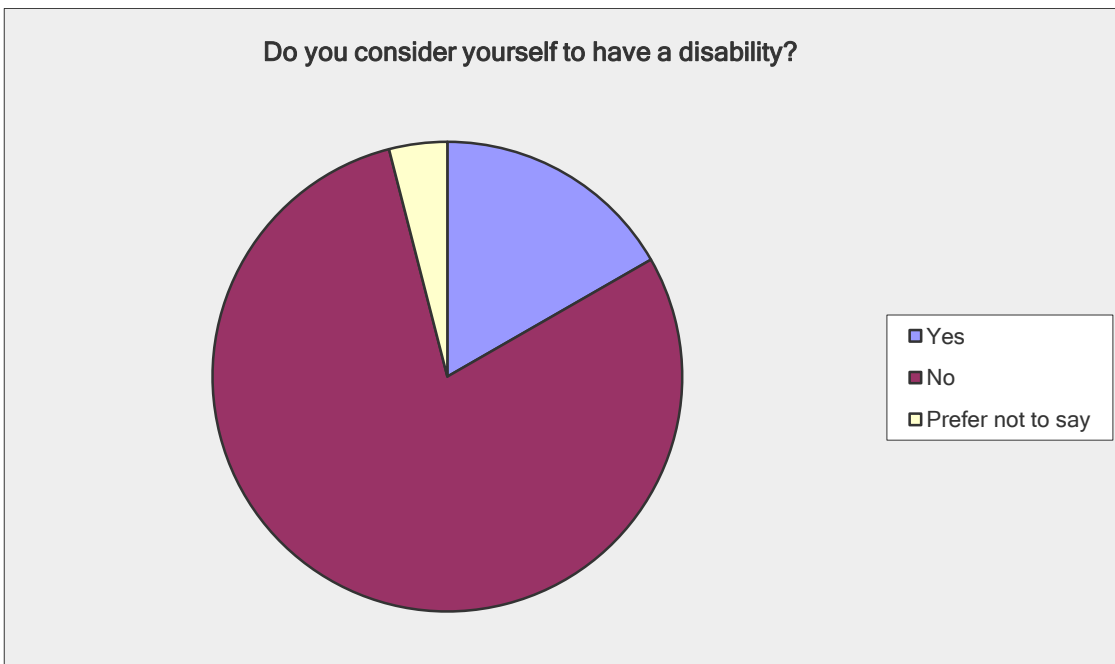
If Yes, please tick the appropriate box(es)

Answer Options	Response Percent	Response Count
Mental Health	32.4%	11
Hearing Impairment	14.7%	5
Sight Impairment	5.9%	2
Physical Disability	55.9%	19
Learning Disability	8.8%	3
Other	14.7%	5
<i>answered question</i>		<b>34</b>
<i>skipped question</i>		<b>242</b>

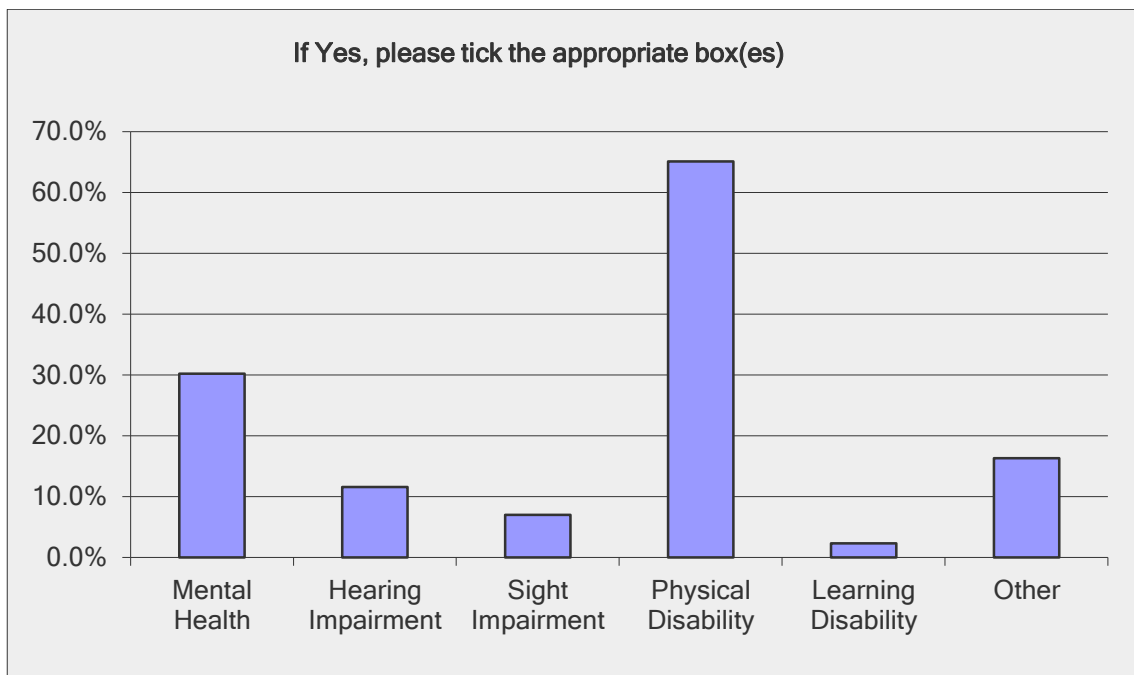


**Do you consider yourself to have a disability?**

Answer Options	Response Percent	Response Count
Yes	16.7%	38
No	79.3%	180
Prefer not to say	4.0%	9
<i>answered question</i>		<b>227</b>
<i>skipped question</i>		<b>49</b>

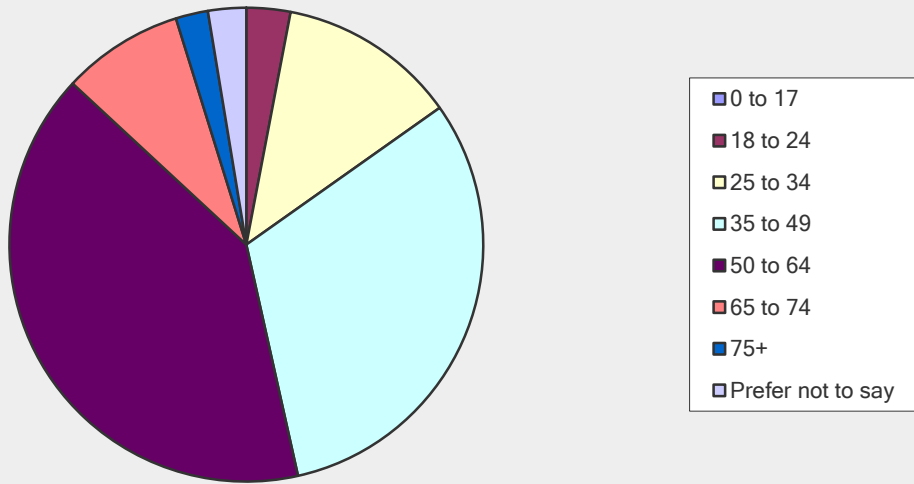


If Yes, please tick the appropriate box(es)		
Answer Options	Response Percent	Response Count
Mental Health	30.2%	13
Hearing Impairment	11.6%	5
Sight Impairment	7.0%	3
Physical Disability	65.1%	28
Learning Disability	2.3%	1
Other	16.3%	7
<i>answered question</i>		<b>43</b>
<i>skipped question</i>		<b>233</b>



How old are you?		
Answer Options	Response Percent	Response Count
0 to 17	0.0%	0
18 to 24	3.0%	7
25 to 34	12.2%	28
35 to 49	31.3%	72
50 to 64	40.4%	93
65 to 74	8.3%	19
75+	2.2%	5
Prefer not to say	2.6%	6
<i>answered question</i>		<b>230</b>
<i>skipped question</i>		<b>46</b>

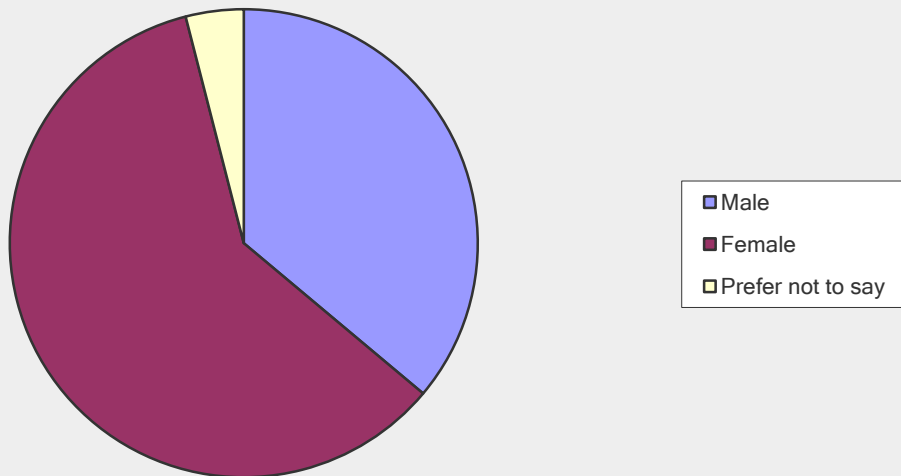
### How old are you?



### Are you?

Answer Options	Response Percent	Response Count
Male	36.1%	82
Female	59.9%	136
Prefer not to say	4.0%	9
<i>answered question</i>		<b>227</b>
<i>skipped question</i>		<b>49</b>

### Are you?





# Monitoring SSDC Council Tax Support Scheme

Report and Findings of the Overview and Scrutiny Task and  
Finish Group

November 2015

## Chair's Foreword

As part of Central Governments Welfare Reform Bill in 2012:

- Council Tax Benefit was abolished; the responsibility of helping low-income households pay their Council Tax was transferred to Billing Authorities. This was delivered with the creation of a local scheme to be known as Council Tax Support (CTS). The scheme has to protect pensioners as they were previously in 2012/13 but provided councils with autonomy to create a new scheme for working age households.
- Central Government reduced the grant to help low-income households pay their Council Tax by ten percent.

At this time the Overview and Scrutiny Committee recognised the significance and potential impact this could have on the residents of South Somerset and commenced a Task and Finish exercise that worked in parallel with officers to develop a local scheme.

The Task and Finish group conducted a very thorough review and produced a report and recommendations<sup>1</sup> detailing:

- Specific recommendations that would form the basis of the new localised scheme
- Potential risks and mitigation measures
- Monitoring arrangements

Since the scheme was implemented in April 2013 Central Government have revised their funding arrangements. The grant that SSDC received to help low income households pay their Council Tax ceased to exist. For 2015/16 the funding was received as part of the Revenue Support Grant; no figure is prescribed or ring-fenced specifically for this purpose.

The original report recommended specific monitoring work is undertaken and that the scheme be reviewed if the funding were amended. This report details this review process and recommendations for the Council Tax Support scheme for 2016/17.

I would like to take this opportunity to thank the officers who supported us on this review for their patience and positive approach, helping the Task and Finish group to make informed decisions and produce this report.

*Sue Steele*

Scrutiny Committee Chair

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1

<http://modgov.southsomerset.gov.uk/Data/District%20Executive/20130103/Agenda/8%20Appendix%202%20-%20SSDC%20Council%20Tax%20Reduction%20Scheme%2003-01-2013.pdf>



## **Task and Finish Group Membership**

Councillor Sue Steele - Chair of Task and Finish Group  
Councillor Dave Bulmer  
Councillor David Norris  
Councillor Sue Osborne  
Councillor Carol Goodall - as previous Chair was asked to attend in an expert capacity

The members for this monitoring Task and Finish exercise all worked on the original review, it was felt that the level of knowledge and expertise required would make it difficult for new members to fully participate.

All members worked collectively with the support of Jo Gale – Overview and Scrutiny Manager and the Project Officer Group:

Ian Potter – Revenues and Benefits Manager  
Lynne Joyce – Benefits Team Leader  
Mandy Stewart – Benefits Team Leader  
Donna Parham – Assistant Director for Corporate and Financial Services  
Jo Morgan – Equalities Officer

## **The Work of the Task and Finish Group**

The Task and Finish group reconvened in January 2015 to carry out monitoring work to ascertain if the scheme is effective - achieving the original ambitions of the group and consider options to reduce scheme costs from the county-wide officer group.

The ambitions of the original Task and Finish group were:

- Ensure the scheme is fair and has the minimum impact that is achievable, given the criteria set out by the Government, for all residents of South Somerset, not just those who are currently receiving Council Tax Benefit
- Ensure it has adequate measures to provide stability to the recipients of Council Tax Support.
- Ensure the process is timely, well-evidenced, takes account of members views, any consultation and minimises risks to SSDC
- Ensure the new scheme is accessible and not too complex

The Task and Finish group in collaboration with officers agreed the following set of principles to underpin the original scheme:

- Everyone should contribute something towards the cost of local services through Council Tax
- All income should be included to ensure the scheme is fair
- Greater account should be taken of the total income of a household
- Provide incentives to encourage people into work or increase their hours
- Provide protection for those who may become vulnerable under the scheme 'Unable to afford basic shelter, food, water, heating and lighting and essential transport'
- Not penalise those that have already saved for the future (to a greater extent than the Council Tax Benefit scheme)

The group agreed the ambitions and principles were relevant and appropriate for the review of the scheme and used these criteria when considering all information, data and proposals for amendments to the scheme.

## **Monitoring**

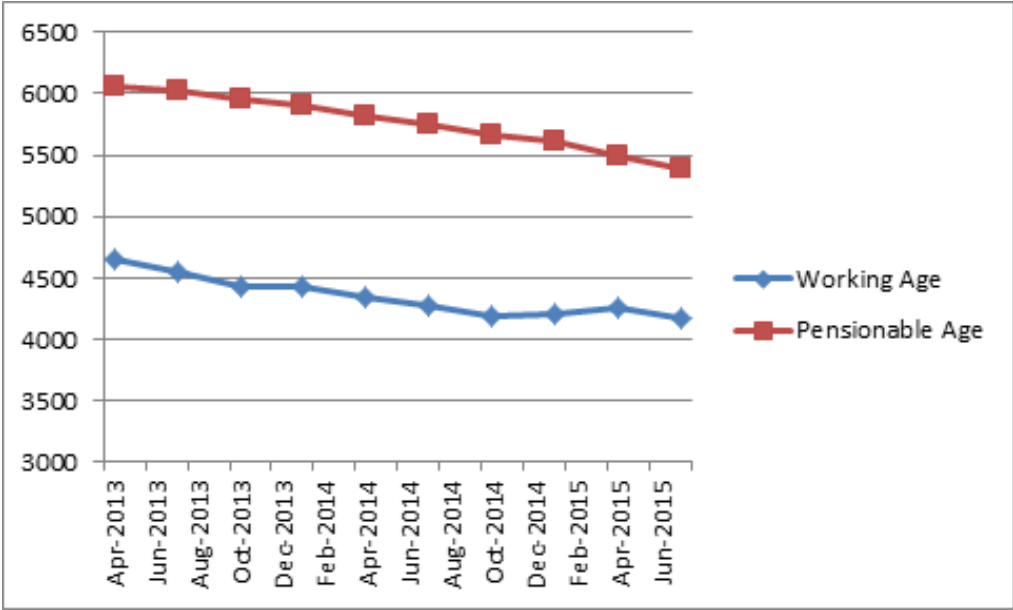
This chapter of the report details the monitoring activities the Task and Finish group undertook to establish the effectiveness of the current scheme.

Members felt that it was important to learn from the experience of other authorities who adopted different schemes. The group considered a paper written by the Institute for Fiscal Studies – Council Tax Support Schemes in England: What Did Local Authorities choose, and with What Effects? This documented 83% of Local Authorities introduced a new scheme that differed to Council Tax Benefit and explained the scheme characteristics chosen by authorities and the effects of these. Members were content with the characteristics that made up the SSDC scheme and positive that no new effects or risks had been highlighted.

The group sought to identify best practice with regard to scheme design and the collection and enforcement of Council Tax Arrears and considered a paper by the New Policy Institute – Managing the challenges of localised Council Tax Support, what are the options for council June 2015. The report noted that many other authorities are in a similar situation to that of SSDC. This provided reassurance to members with regard to the scheme design and the monitoring measures that had already been introduced. The difficulty now, is knowing how

best to manage those cases where people in receipt of Council Tax Support have two or more years Council Tax arrears, this is considered later in the report.

The group reviewed the number of households in receipt of Council Tax Support with a breakdown of pensioner and working-age to assess the financial risk of the scheme to SSDC. (The greater the number of households in receipt of Council Tax Support, the greater the cost to SSDC. As pensionable age households are protected under the old Council Tax Benefit rules this carries a higher cost and therefore a greater risk of which SSDC has no control). These figures are represented in the chart below:



This gradual decline is very reassuring. The evidence behind the decrease shows that many of the working-age households have increased their income, the majority of whom will have either moved into work or increased their hours; consequently there is less dependence on SSDC to help pay their Council Tax.

The original report recommended, creating a hardship fund for those people who are financially vulnerable and monitoring all awards from the hardship fund. All awards are logged and closely monitored by staff. Members reviewed the numbers of those that have been successful and the reasons why to identify if the scheme is creating any financial vulnerability for a specific group. No trend was identified and the group were satisfied that the relatively low numbers of awards and the disparity to whom they awarded gave no indication the scheme was at fault.

In the original report members stated having done an analysis of basic living costs they were particularly concerned for:

- Non-dependents receiving Income Support, Job Seekers Allowance (Income Based), Employment Support Allowance assessment phase if aged under 25 but not less than 18
- Non-dependants aged over 25 receiving Income Support, Job Seekers Allowance (Income Based), Employment Support Allowance and living in rented housing and where the parent/head of household is claiming housing benefit.

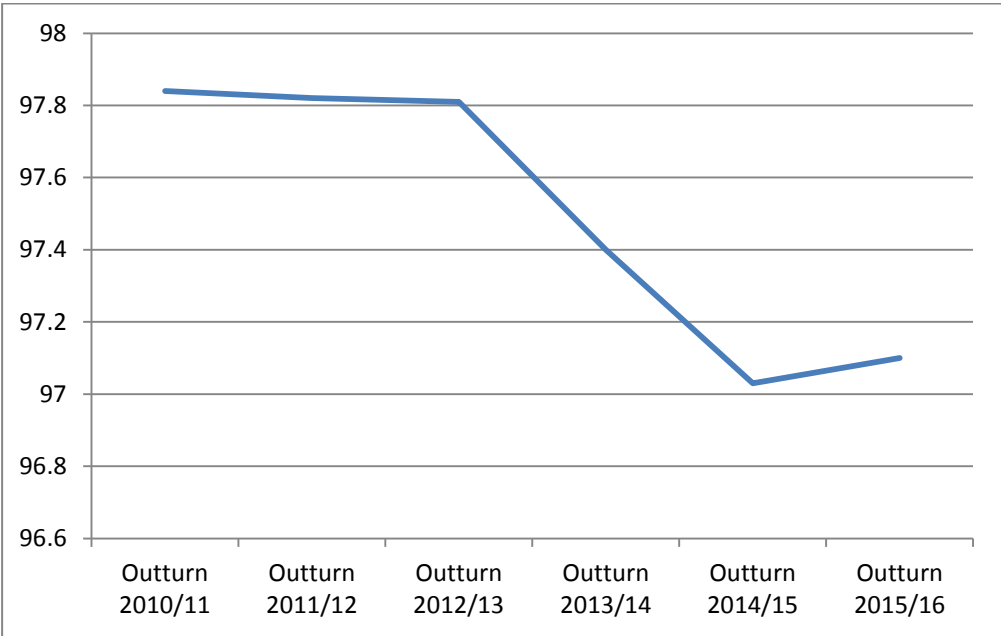
There is no evidence to date (from reviewing the hardship applications and Council Tax Support recipients with Council Tax Arrears) to suggest that the impact of the scheme has made this group financially vulnerable.

A couple of referrals to the Hardship Scheme have been received from the Citizens Advice Bureau and Yarlinton Housing Group. This is encouraging, it shows that there is appropriate knowledge of the scheme with professional bodies in South Somerset and is a positive indication that the scheme is affordable as so few cases have been referred. However it is worth mentioning the Citizens Advice Bureau (CAB) have commented that the group that are having the most difficulty paying Council Tax are single low paid workers and Families with Non-dependents, usually grown up children who are unable to cover the deduction from their income. CAB also note that families with children seem to be better able to cope with the additional Council Tax liability.

The Revenues team will work closely with CAB to review cases over the coming year to identify any trends and how best to prevent financial vulnerability under the Council Tax Support scheme.

Members have requested monitoring of the hardship rewards continue, to date there have been very few applications compared to the numbers that are in arrears with their Council Tax and therefore the numbers may increase. Monitoring this is the best way to identify real financial vulnerability, potential issues with the scheme and potential Council Tax collection problems.

In the original report it was recommended that Council Tax collection rates are monitored. (The collection rate is the proportion of all net collectable council tax that has been collected; this shows how much of a gap there is between what we need to collect and the amount actually collected). This was to assess if the council has adopted appropriate methods to successfully collect Council Tax from new council tax payers and to prevent the authority from any financial risk; the monitoring is carried out every quarter and reported in the Medium Term Financial Plan Quarterly monitoring. The chart below shows the annual collection rate since 2010 (3 years prior to the introduction of Council Tax Support) as a percentage and includes the projected collection rate for this financial year.



There has been a very slight decrease in the collection rates since Council Tax Support was introduced; however there have been other factors:

1. Removal of the second home discount – was 10% of annual charge

2. Introduction of an Empty Homes Premium – 150% of annual charge once empty for 2 years
3. £1m more to collect as a result of moving from Council Tax Benefit to Council Tax Support
4. Restricted recovery in year 1 of the Council Tax Support scheme 2013/14 - delayed issuing recovery notices and summons. Recovery enforcement action such as attachment of earnings or attachment of benefits was put on hold to provide a transitional period for people to get used to the new rules and for some pay council tax for the first time. This avoided the addition of court costs at an early stage which would have been disproportionately high compared with the council tax due. Payment was offered over 12 monthly instalments instead of the standard 10 to help reduce the monthly payment due
5. Changes to bailiff fee structure from 1 April 2014 resulting in a change to work practices
6. Restricted recovery in 2014/15 due to resource issues and an IT system migration
7. Single person discount review in 2014/15 resulting in the removal of 1173 discounts and an increase of £603K of Council Tax to collect

Each of these factors will have contributed to the decrease in collection rate, it's also worth mentioning the decrease is in line with Council Tax Collection rates across England, the average fell in 2013/14 from 97.4 % to 97.0% and then remained at 97% for 2014/15<sup>2</sup>.

The group specifically conducted analysis of cases where Council Tax Support is in payment and the Council Tax account is in arrears. The group reviewed information on a randomly selected 50% of cases and concluded there was no evidence at this stage to suggest that the arrears were as a result of people not understanding they should pay or couldn't afford to pay. There is evidence that the recovery actions are effective in encouraging people to pay and sign up to payment plans, however it is too early to measure the effectiveness of specific actions.

It is documented<sup>3</sup> that some councils have altered some of the measures in their schemes as they had seen evidence to suggest that the scheme was causing disproportionate arrears and recovery costs. It's therefore vital that this detailed monitoring of arrears continues to best manage the scheme and have an effective and efficient approach to collection and recovery.

Moving forward the group would like to see the cost of collecting Council Tax measured. It is important to ensure the balance is correct, whilst we must make certain that we collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient.

Members were concerned that the number of applications to the hardship fund from those households where recovery action had been taken appeared to be disproportionately low. The group have recommended that the recovery process is reviewed to establish how best to issue applications to the hardship fund to prevent recovery action being taken and additional charges being added to a Council Tax Account where the household would be considered financially vulnerable.

The group have also requested that the Revenues officers consider:

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<sup>2</sup> Department of Communities and Local Government

<sup>3</sup> New Policy Institute – Managing the challenges of localised Council Tax Support – what are the options for councils? June 2015

- A report by the Children’s Society – The Debt Trap, The Wolf at the Door this report makes recommendations with regard to recovering Council Tax debt from families with children
- Requesting liability orders for 2014/15 and 2015/16 or at least multiple years to keep court costs to a minimum
- Working with food banks and job clubs across the area to ensure the best advice regarding benefits, managing debt and seeking work is signposted and to re-iterate if there are problems paying Council Tax to seek help and advice early to prevent incurring any recovery related costs

### Options from County-wide Officer Group

The County-wide officer group was created in April 2014 with the support of a technical consultant in the field of Revenues and Benefits to collaboratively identify options to:

- Reduce the overall cost of the schemes
- Reduce administration costs in anticipation of changes to the administration subsidy
- Identify what is happening in Social Security Benefit Policy and ensure where practical good alignment in any revised scheme
- Bring closer alignment of the schemes across Somerset.

The Task and Finish group agreed to act as a Sounding Board – to provide South Somerset Officers with a member reference point to consider the options being developed by the County-wide Officer group. In order to achieve this, the Task and Finish group met between Officer Meetings, giving officers time to obtain evidence and additional information specific to South Somerset’s Council Tax Support recipients.

In February the Task and Finish group met to discuss the range of options put forward by the County-wide officer group. The group considered the options alongside their ambitions and principles. The group gave feedback explaining why they would like the option included or excluded in the South Somerset Council Tax Support scheme for 2016/17. **Appendix A**

The Project officer group progressed all the options the Task and Finish group had shown a willingness to include in a revised scheme or had not discounted and provided:

- The number of cases affected by each option
- Case examples to illustrate the financial impact of each of the options and cumulative impact on different households
- The potential savings should the option be included in a revised scheme
- The cumulative effect of the options

The evidence was discussed and members agreed not to progress the following options to the consultation stage:

Option	Reasons for excluding from scheme
Limit on the number of dependants for which an allowance is made in the needs assessment	Members felt although there had been a lot of publicity surrounding this in the national press there was insufficient evidence and information with regard to the national policy direction on this.

Option	Reasons for excluding from scheme
Include all Child Benefit payments as income	Members agreed to wait and see what the national policy direction is on this, and previously highlighted in the original report ‘that this option does not change the level of support for those with no private income but it reduces support for low-earning families, so it weakens the incentive for families to have someone in low-paid work while strengthening the incentive for some families to have a second earner <sup>4</sup> ’
Disregard child benefit for 1 <sup>st</sup> child only	As above
Disregard child benefit for 1 <sup>st</sup> two children only	As above
Include disability living allowance and personal independence allowance as income	Members had concerns over equality issues and in particular the need to maintain a separation between ‘needs’ and ‘means’ testing.

## Consultation

Members considered how best to consult the South Somerset community with regard to the options to amend the scheme and suggested:

- The consultation should have the same look and feel as the initial consultation
- What could be included in the examples that accompany the questions to aid public understanding of what is being proposed and the impact it would have on individual households
- The consultation was delayed by 2 weeks due to the Emergency Budget being announced, as any decreases to Social Benefits could have a direct impact on the Scheme and increase costs

The consultation opened on 15<sup>th</sup> July 2015, to ensure as many people as possible across South Somerset were made aware of the consultation and were represented the consultation was:

- Circulated to representatives of vulnerable groups and minority groups
- Was presented to the Equalities Steering Group
- Made available on-line and in paper
- Available in an Easy-read format
- Detailed in a letter to all those who could be affected by the changes proposed in the consultation
- Detailed in an e-mail to 1500 Council Tax Support recipients’ and 1500 residents who are charged full Council Tax
- Widely publicised via social media, press, SSDC website and SSDC public waiting areas

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<sup>4</sup> S Adams and J Browne, Reforming Council Tax Benefit – IFS Commentary C123, Chapter6, Section 6.7, Page 77, The Institute of Fiscal Studies (May 2012)

- Promoted on leaflets included with approximately 2000 Council Tax Bills and 500 Council Tax Support award letters issued during the consultation period

276 responses were received, 2 of these were representative of groups. The total number of responses provided a 95% confidence level - we can be 95% sure that the SSDC population would have answered within a range of +/- 6% of the consultation outcome. For example 58% agreed with the proposal to reduce the capital limit. This means we can assume had all of SSDC population responded the result would be between 52% and 64% that agree.

The group had hoped for a bigger response but concluded; nothing more realistically could have been done to encourage more people to participate without spending a disproportional amount of effort and costs to outcome.

### **Post Consultation**

In addition to the consultation results, the group scrutinised all the comments provided alongside the consultation answers to assess the impact of the proposals on residents.

The group collectively reviewed each option/measure taking into account:

- Consultation results and comments
- Risk – The risks for South Somerset residents, Council Tax Support recipients and the Council
- Equalities – the group gave due regard to the characteristics as set out in the Equality Act 2010, in addition to this fairness and proportionality were considered
- External Evidence – Institute for Fiscal Studies – Council Tax Support Schemes in England: What Did Local Authorities Choose and with What Effects, New Policy Institute – managing the challenges of localised Council Tax Support



## **Review of measures**

### **Proposal A - To reduce the capital limit from £16,000 to £6,000**

Current scheme up to £6000 of capital/savings/investments and any other assets is ignored in calculating the level of Council Tax Support. For any amount between £6,000 and £16,000 we add £1 to the weekly income used to decide entitlement for every £250 or part thereof. The value of a person's home is also ignored.

Proposed change: Where the value of capital/savings/investments and any other assets held is £6,000 or more no Council Tax Support will be granted. The value of a person's home will still be ignored.

### **Consultation analysis and Example comments**

58% agree or strongly Agree to 42% disagree or strongly disagree.

Agree - Working age people have the ability to get themselves out of a problem as elderly and infirm cannot.

Agree - I have been both a benefit recipient in receipt of Council Tax Support and a worker paying full council tax. I do not believe you need support if you have over £6,000 in savings. Council Tax payers should only subsidise essential needs not protect large savings.

Agree - We have no savings and live from week to week, anyone who can save £6000 should not be getting benefits in my view. If benefits remain the same, this policy will make people considerably poorer.

Disagree - In the two examples the weekly available money reduces by 5% and then 9%, these are exorbitant amounts given the additional hits these families will experience as a result of proposed welfare cuts.

Disagree - This makes it difficult for families to get themselves into a better situation.

Disagree - Reducing it to £6,000 is too low. How is anyone on a low income supposed to save up and get a mortgage? I work 40 hours a week and earn just above minimum wage, no other benefits, just enough to live after bills.

### **Risks**

New people claiming Council Tax Support may not declare all their savings – The benefits team have a number of measures in place both at the time of application and during the life of the claim to ensure that any risk of non-declaration is minimised or identified.

If an individual has over £6,000 invested in such a way that they have to give notice to access it. This could result in them being unable to afford their Council Tax until the notice period has completed. The mitigation for this, should this proposal be agreed by members is:

- Notice will be given as soon as possible to households that will be affected
- Request for payment will be deferred where evidence is provided to show an individual cannot pay until their savings are accessible.

All Council Tax Support recipients who have over £6000 in capital would no longer qualify for Support and would therefore also not be eligible to apply to the hardship fund but could still apply for a discretionary reduction in council tax liability – this however is solely funded by SSDC, and subject to strict criteria.

### **Equalities and proportionality**

83 cases affected, a breakdown of the 83 cases is detailed in the table below:

<b>£</b>	<b>Employed</b>	<b>Other Income</b>	<b>Total</b>
6000-6999	10	6	16
7000-7999	2	8	10
8000-8999	6	9	15
9000-9999	4	4	8
1000-10999	3	3	6
11000-11999	3	4	7
12000-12999	2	3	5
13000-13999	3	2	5
14000-14999	2	4	6
15000-15999	0	5	5
Total	35	48	83

### **External Evidence**

Across the Country 49 authorities also have this proposed measure at £6000.00 in their 2014/15 schemes<sup>5</sup>. The group have found no evidence to suggest these authorities or best practice have identified any disproportional impact on any specific group or that it has impacted on Council Tax Collection.

### **Projected Cost Saving**

£62,000

### **Recommendation**

The intention of protecting savings is to not dis-incentivise saving and to some degree help reward and incentivise work.

The Task and Finish group feel that £6000 is more than sufficient to cover any emergencies and questioned if it is right if you have significant savings that Council Tax payers help pay your Council Tax when they may not have any savings themselves?

Task and Finish group agreed to recommend this proposal to Scrutiny Committee for Consideration.

<sup>5</sup> New Policy Institute – 2014/15 figures updated by Institute of Fiscal Studies

**Proposal B - Introduce a self-employed minimum income (35 hours or less depending on personal circumstances x minimum wage).**

Current scheme: Actual income from self-employment is used in the calculation of Council Tax Support.

Proposed change: We would use a minimum income for the self-employed. This would be in line with the UK Minimum Wage/new national Living Wage for 35 hours a week. The Minimum Wage is £6.70 an hour. The rate for 18 to 20 year olds is £5.30 an hour. The new national Living Wage will be £7.20 from April 2016. This minimum income would not be applied during the first year of self-employment. If a self-employed person has restrictions on the number of hours they can work we will work out the minimum income proportionately.

The original motivation for this proposal to be included in the survey was alignment with universal credit/welfare policy. Whose intention was to make all self-employment gainful.

**Consultation analysis and example comments**

46% agree or strongly agree to 54% disagree or strongly disagree.

Agree – I agree, I think you will need to give people who have just started a business a chance.

Disagree – How on earth can you penalise someone who is self-employed for not earning enough money. This is ridiculous and unfair.

Disagree – This is very unfair – calculations should be on actual income, otherwise there will be greater hardship.

Disagree - You would destroy any incentive I have struggling to make the business work.

**Risks**

The Task and Finish group feel this proposal may:

- Prevent work being beneficial to people and therefore may go against Governments criteria about incentivising work.
- Make people financially vulnerable as increasing their income which means awarding less Council Tax Support or no longer eligible for any award and would therefore also not be eligible to apply to the Hardship Fund but could still apply for a discretionary reduction in council tax liability – this however is solely funded by SSDC, and subject to strict criteria.

Universal Credit has not been rolled out to the extent that it was originally intended and therefore issues and unintended consequences of the minimum income floor probably have not been identified yet.

**Equalities and proportionality**

393 households in receipt of Council Tax Support are self-employed, almost 40% of households that would be affected are lone parents 124 female and 23 Male and therefore unlikely to be able to work full-time.

152 Single females would be affected.

62 Single males would be affected.

The disproportional impact of this will be reported to the Department of Work and Pensions for consideration.

The flexibility that self-employment offers to work around child care (evenings etc.) and negate child-care costs is probably why there is such a concentration of lone parents. The Task and Finish group feel putting this additional financial pressure on this group may prevent them continuing their self-employment, which long term could have a damaging impact on South Somerset's diversity of skills and employment.

### **External Evidence**

There was no mention of this particular scheme measure in any of the documentation we have read to date.

### **Projected cost saving for the scheme**

The savings for this are very difficult to project as we do not know how many hours people are able to work. The maximum savings for this would be £270,000 assuming everyone could do full time hours which would not be the case.

### **Recommendation**

Task and Finish group recommend SSDC does not pursue this proposal. The group recommends SSDC invest time signposting people who are self-employed to appropriate free sources of business advice to try to improve profitability and as a consequence reduce the need for Council Tax Support.

### **Proposal C - Introduce a Council Tax Band cap at band C**

(Around 95% of working age Council Tax Support recipients live in properties in Council Tax band A, B or C. This proposal limits the amount of help people who live in a higher value property can get).

Current scheme: The annual charge (less any discounts) for the Council Tax Band of the property the applicant lives in is used to calculate Council Tax Support entitlement.

Proposed new scheme: Limit the charge used to calculate Council Tax Support entitlement to the Band C charge for the parish the applicant lives in.

### **Consultation analysis and Example Comments**

47% agree or strongly agree to 53% disagree or strongly disagree. Some consultees misinterpreted this question, this is evident by the comments they made.

Agree – I think if people live in larger houses, they should expect to pay more. They can always take in lodgers to help.

Agree – If they can afford the running costs of a large house, they can afford to find the difference of this proposal.

Agree – This might encourage people to downsize and free up larger properties for families or they could take in a lodger.

Disagree – The reasons for living in a bigger house can be many fold and this should be taken into consideration. E.g. in my own circumstance I live in a disabled adapted house which is well located to local services.

The regulations make provision for this in the form of a Disablement Banding reduction this provides a discount the equivalent of a Council Tax Band, it is given where a disabled person lives in a larger property than they would usually need if they weren't disabled.

The person has to show they have either:

- an extra bathroom, kitchen or other room that you need for the disabled person
- extra space inside the property for using a wheelchair

The property must be the main home of at least 1 disabled person. This can be an adult or a child - it doesn't have to be the person responsible for paying the Council Tax.

Disagree – Owning a house in a higher band does not mean you have plenty of disposable income.

Disagree – Depends on income, someone could be living in a house they have inherited but have a low income.

Disagree – Widowers who have lived in a house a long time will find it difficult to move.

## **Risks**

This proposal is not means tested - it is not linked to affordability, the same as the 85% cap (maximum Council Tax Support Award), therefore could pose a greater risk for non-payment.

## **Equalities and proportionality**

There are 75,500 properties in South Somerset. Of these 65% are in Bands A, B and C. The proportion of Council Tax Reduction recipients living in Bands A, B and C is 95%.

If the cap was introduced at a band C 254 cases out of the total working age caseload of 5572 would be affected.

This proposal may be considered unfair for large families, some of which may have several generations living together. There could potentially be a disproportionate impact on the grounds of Race or Religion or Belief. The Task and Finish group reviewed the households that could be impacted by this proposal and there is no evidence of disproportional impact, the majority of households in the higher bands that would be affected are couples or single people. A number of the consultation comments suggested Widows would be unfairly impacted upon. Widowers who are pensioners are protected by the previous Council Tax Benefit Rules. The Discretionary Hardship Fund is available for working age widowers.

Hardship payments will be monitored so should identify any unforeseen adverse impact on SSDC or any particular groups.

## **External Evidence**

18% (59) of local Authorities have already restricted support to a particular Council Tax Band; the majority of authorities that have introduced this have chosen Band D<sup>6</sup> (including neighbouring authority Sedgemoor District Council).

Across the country 16 Councils have a band cap at D or below, 3 Councils have a band cap at C or below as part of their Council Tax Support scheme<sup>7</sup>.

9 authorities have a band cap at D or above with a maximum Council Tax Support award set at set 80% or lower, the SSDC scheme is set at 85%.

Many authorities like us are in the process of reviewing their schemes, there is evidence that a number of authorities are considering introducing a band cap and others lowering the band cap they have in their current scheme.

### Projected cost savings for the scheme

The savings for this would be £64,000 if capped at Band C.

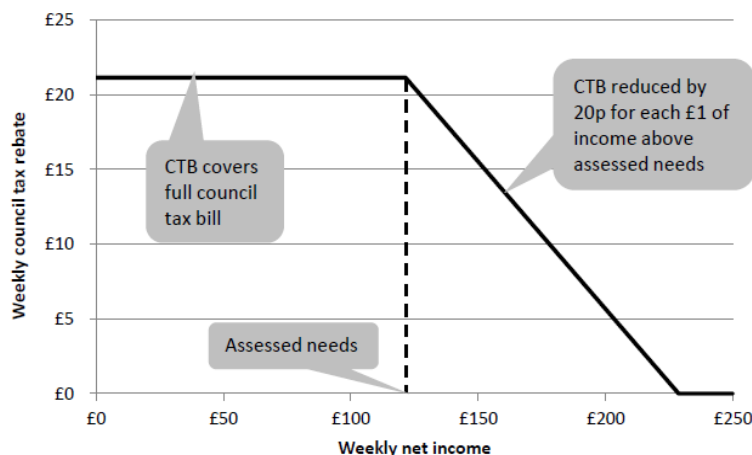
### Recommendation

The Task and Finish group questioned if it is fair for tax payers to be helping pay Council Tax for a large property when others who pay their Council Tax cannot afford to live in a spacious home?

Task and Finish group agreed to recommend this proposal to Scrutiny Committee for Consideration.

### Proposal D - to increase the income taper for those out of work to 65%

Current scheme: For every £1 of weekly income above the basic needs allowance we reduce Council Tax Support by 20 pence a week. This is the same for those who work and those who do not as illustrated in the following diagram<sup>8</sup>:



<sup>6</sup> S Adams and J Browne, *Reforming Council Tax Benefit - IFS Commentary C123*, Chapter 2, page 8 The Institute of Fiscal Studies (May 2012)

<sup>7</sup> New Policy Institute – 2014/15 figures updated by Institute of Fiscal Studies

<sup>8</sup> S Adams and J Browne, *Reforming Council Tax Benefit - IFS Commentary C123*, Chapter 2, page 18 The Institute of Fiscal Studies (May 2012)

Proposed new scheme: For those who do not work we will reduce Council Tax Support by 65 pence for every £1 of weekly income above their basic needs allowance. Those who are working will not be affected by this change.

### **Consultation analysis and Example Comments**

57% agree or strongly agree to 43% disagree or strongly disagree.

Agree – Reward those who work and not those who deliberately choose not to.

Agree – They would still get some help for Council Tax

Agree – Work more pay less, wins both ways lower council tax and more cash from working.

Disagree – We feel that scheme should be fair to all – Mr K may be unable to work and will be penalised for this.

Disagree – regardless of whether you work or not, the amount of money you need to is the same. A lot of people don't work because they are bringing up children alone, and are unable to find work that is suitable and flexible. They should not be penalised.

Disagree – This is abhorrent and again suggests that not working is a lifestyle choice so the unemployed should be further penalised.

### **Risks**

Based on the evidence the Task and Finish group are not recommending to include this proposal in the scheme and therefore have not assessed the risks.

### **Equalities and proportionality**

Reviewing the cases on the database that would be affected by this measure has shown that the majority are in receipt of some form of long-term disability related benefit or a maternity related income that would disproportionately impact on women. As these cases would be unable to immediately move into work these cases would need to be excluded from this proposal.

When looking at the proposal in isolation for Council Tax it is fine, for people who are also in receipt of Housing Benefit for every additional £1.00 over the Department of Work and Pensions needs level £1.30 would be taken into account (65 pence for Housing Benefit/Rent and 65 pence for Council Tax) this is unfair.

### **External Evidence**

6% or 20 Local Authorities have increased the taper. Increasing the taper will weaken the incentive for some families to have one person in work rather than none, but may strengthen the incentive for both members of a couple to work rather than just one: if the first earner's earnings put the family on the taper for Council Tax Support, the family will have less CTS to lose if the second partner were to move into work. Increasing the taper weakens the incentive for those who are still entitled to support to increase their income slightly, but strengthens it for those who lose entitlement to CTS entirely and so no longer face withdrawal of CTS if they increase their incomes further<sup>9</sup>.

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<sup>9</sup> S Adams and J Browne, *Reforming Council Tax Benefit - IFS Commentary C123*, Chapter 2, page 9 The Institute of Fiscal Studies (May 2012)

## **Savings**

£138,000 could be saved if this measure was introduced in its entirety so all non-working households included, however this includes those who are not able to work, so either in receipt of long-term disability related benefits or in receipt of maternity benefits. Unfortunately we are unable to project a savings figure excluding these households.

## **Recommendation**

Task and Finish group recommend SSDC does not pursue this proposal based on the disproportionate need of administration to positive outcome.

## **Statements**

Within the consultation for completeness in terms of being fair the following statements were included:

Statement 1 – I would pay more Council Tax to help pay for Council Tax Support.

Statement 2 – The level and range of local services should be reduced to help pay for Council Tax Support.

## **Consultation analysis and Example Comments**

46% of respondents agreed with statement 1 - I would pay more Council Tax to help pay for Council Tax Support.

Agree – A rise of £7.39 per year is hardly noticeable for one family, but clearly raises a lot of money per year which is well needed.

Agree – I am currently working and able to pay my council tax. I would consider paying a small extra amount to support the less fortunate.

Disagree – I can hardly afford what I pay now.

Disagree – Why should I pay towards others council tax?

Having reviewed the consultation in detail members felt the figure of 46% agreeing or strongly agreeing with paying more Council Tax was not a true representation of the SSDC population, given the high percentage of people (37.72 %) who completed the surveys who were in receipt of Council Tax Support.

39% of respondents agreed with statement 2 - The level and range of local services should be reduced to help pay for Council Tax Support.

Agree – If people want leisure facilities, then all should be paid for by the user not the authority.

Agree – Yes get rid of it! It is a luxury not a necessity.

Agree – Less painful than hitting the poorest in the community.

Disagree – Don't cut back on the goodness in our society. It is these leisure activities that give some hope for our family.

Disagree – Where I live there are few council run leisure facilities as it is. I would not want to see them reduced further.



Disagree – Service cuts are very short-sighted means of saving money, they just create more problems in the long run, can leave areas looking derelict and unkempt which in turn encourages crime and antisocial behavior.

When reviewing the comments accompanying the answers for statement 2 there is a clear divide between those who use the services wanting to protect them and those that don't, wanting to reduce services.

From reviewing the comments related to the statements the group identified:

- Several that suggested the Council should do more to achieve savings from elsewhere. The Task and Finish group propose SSDC review how we publicise the savings that have already been achieved and the efforts that are continually going into reducing service costs/overheads.
- Customers do not understand the roles and functions of different councils and just see all councils as 'The Council' perhaps more could be done to improve understanding and enhance the reputation of SSDC?

### **Risks**

Based on the evidence the Task and Finish group are not recommending to include this proposals in the scheme and therefore have not assessed the risks.

### **Equalities and proportionality – Increase Council Tax**

Increasing Council Tax to Fund or part-funding the shortfall using this option may be justifiable for year one as a transition period. However year on year is a different matter as it may result in the Council not being able to raise enough revenue from Council Tax to maintain or introduce services that benefit the whole community

The taxpayers are getting less value for money, no extra or improved quality of service for greater cost.

This option means that the residents who pay their Council Tax would face an increase to arguably help subsidise services for low-income families.

### **Equalities and proportionality – Cut the level of services**

Members commented if services are cut, you are taking away from those who do pay their Council Tax; putting them at a disadvantage this is not fair. (We would also have to look at the equality impacts on each service that was potentially being cut to ensure compliance with the legislation).

### **Recommendation**

Task and Finish group recommend SSDC does not pursue these proposals in fairness to Tax Payers.

### **Summary of Task and Finish Group's Recommendations**

The Task and Finish group have considered external evidence, best practice, impact analysis, equalities and risks throughout this review process and recommend amending the Council Tax Support scheme to reflect:

- Proposal A - To reduce the capital limit from £16,000 to £6,000
- Proposal C - Introduce a Council Tax Band cap at band C (Around 95% of working age Council Tax Support recipients live in properties in Council Tax band A, B or C. This proposal limits the amount of help people who live in a higher value property can get)

Task and Finish group recommend not pursuing proposals:

- B - Introduce a self-employed minimum income (35 hours or less depending on personal circumstances x minimum wage). The group suggests SSDC invest time signposting people who are self-employed to appropriate free sources of business advice; to try to improve profitability and as a consequence reduce the need for Council Tax Support.
- Proposal D - Increase the income taper for those out of work to 65% due to the disproportionate need of administration to positive outcome.
- Increasing Council Tax to help pay for Council Tax Support
- The level and range of local services should be reduced to help pay for Council Tax Support.

If changes to the scheme are agreed, letters must be sent to all Council Tax Support recipients' that will be affected as soon as possible. To give them time to prepare for managing the increase in their Council Tax Bill.

### **Cumulative Impact**

The group has considered the cumulative impact of the above recommended measures and those in the existing scheme by reviewing case studies, should amendments to the recommendations be proposed so as to reduce Council Tax Support further, additional analysis may be required.

### **Future monitoring**

The Task and Finish group request monitoring of:

- Discretionary Hardship rewards continue
- Arrears for cases where Council Tax Support is being given, this is to best manage the scheme and have an effective and efficient approach to collection and recovery
- Costs of collecting Council Tax - It is important to ensure the balance is correct, whilst we must ensure we collect Council Tax to pay for local services, we have to be sure that we do not inadvertently spend too much Tax Payers money trying to do so, therefore making the scheme inefficient
- Other authorities schemes and National Best Practice to consider if the South Somerset scheme could be improved upon
- Universal credit to consider how the scheme can effectively integrate with it.

The group have also requested that the Revenues officers consider:

- Reviewing the recovery process to establish how best to issue applications to the hardship fund to prevent recovery action being taken and additional charges being added to a Council Tax Account where the household would be considered financially vulnerable

- A report by the Children's Society – The Debt Trap, The Wolf at the Door this report makes recommendations with regard to recovering Council Tax debt from families with children
- Requesting liability orders for 2014/15 and 2015/16 or at least multiple years to keep court costs to a minimum
- Working with food banks and job clubs across the area to ensure the best advice regarding benefits, managing debt and seeking work is signposted and to re-iterate if there are problems paying Council Tax to seek help and advice early to prevent incurring any recovery related costs

The Task and Finish group propose SSDC review how it publicises:

- The savings that have already been achieved and the efforts that are continually going into reducing service costs/overheads.
- The role of SSDC with a view to improve understanding and enhance our reputation – Consultation responses have shown customers do not understand the roles and functions of different councils and just see all councils as 'The Council'.

### **Future Risks**

Changes to Tax Credits poses a risk in terms of cost of the scheme, at present there are plenty of households across South Somerset who receive Tax credits but do not claim Council Tax Support; if Tax Credits are reduced the number of people claiming Council Tax Support may increase. More detail on this subject will be provided in the Autumn Statement.

A big unknown is how Council Tax Support will integrate with Universal Credit a standard national benefit; to date there is no detailed guidance. With the variation of Council Tax Support schemes across the country there is likely to be some complex integration issues and challenge the original principles of improving work incentives, reducing complexity and reducing administrative costs.

### **Final Conclusions**

The Task and Finish group concluded at the end of this review, that all evidence has suggested the scheme to date has been a success. The recommendations detailed in this report with regard to modifying the scheme would probably be the last in terms of being able to make savings. The detailed analysis of impact has shown there is nothing else that can be done to achieve savings whilst:

- Protecting the vulnerable
- Meeting the ambitions of the task and finish group
- Achieving the original criteria for Council Tax Support prescribed by Government.
- Realistic/proportional administration costs
- Incentivising work or increasing hours of work

Some authorities that imposed severe measures earlier on have now revised their schemes, as they felt the schemes had a direct impact on the deterioration in their Council Tax Collection. The Task and Finish group assume this may have also caused some financial vulnerability but there has been nothing documented with regard to this.

## Appendix A

### Task and Finish group response to County-wide Officer Group Proposals

Option ( brief description)	Reasons for including in scheme	Reasons for excluding from scheme	Other Comments
Placing a cap on the council tax band used to determine maximum support available	Members preferred to cap at Band C.  (There are 75,500 properties in South Somerset. Of these 65% are in Bands A, B and C)		
Limit on the number of dependants for which an allowance is made in the needs assessment			Members were not ideologically opposed to this idea, but felt at this stage there was insufficient evidence to say it should be included as preferred option
Include all Child Benefit payments as income			Members would prefer to wait and see the national policy direction and then ensure our scheme was subsequently in line. At this stage they were not opposed to its potential inclusion.
Disregard child benefit for 1 <sup>st</sup> child only			Again, not ideologically opposed but wait and see national policy direction.
Disregard child benefit for 1 <sup>st</sup> two children only			As above.

Option ( brief description)	Reasons for including in scheme	Reasons for excluding from scheme	Other Comments
Include disability living allowance and personal independence allowance as income		Members would not wish to see this included in preferred option. There were concerns over equality issues and in particular the need to maintain a separation between 'needs' and 'means' testing.	
Reduce capital and savings limit from £16,000 to £6,000 for people not in receipt of Job-seekers Allowance (Income Based), Employment Support Allowance Income Related, Income Support or a defined level of Universal Credit.	Members wished to see this included in the preferred options as it was seen as a good incentive to work.		
Introduce a minimum income floor for the self-employed  (35 hours x minimum wage)	Members wished to include this as it the assessment method for Universal Credit and therefore allows for consistency.		
Increase the income taper for non-earners from 20% to 65%			Members did not have an issue with this concept but felt that more data on who this would affect and how would be needed before committing either way.