

NOTICE OF MEETING

CABINET

Tuesday, 14th November, 2017, 6.30 pm - Civic Centre, High Road, Wood Green, N22 8LE

Members: Councillors Claire Kober (Chair), Peray Ahmet, Jason Arthur, Eugene Ayisi, Ali Demirci, Joe Goldberg, Alan Strickland, Bernice Vanier, Elin Weston and Joseph Ejiofor

Quorum: 4

1. FILMING AT MEETINGS

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

2. APOLOGIES

To receive any apologies for absence.

3. URGENT BUSINESS

The Chair will consider the admission of any late items of Urgent Business. (Late items of Urgent Business will be considered under the agenda item where they appear. New items of Urgent Business will be dealt with under Item 18 below. New items of exempt business will be dealt with at Item 21 below).

4. **DECLARATIONS OF INTEREST**

A Member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A Member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct.

5. **NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS**

On occasions part of the Cabinet meeting will be held in private and will not be open to the public if an item is being considered that is likely to lead to the disclosure of exempt or confidential information. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 (the "Regulations"), members of the public can make representations about why that part of the meeting should be open to the public.

This agenda contains exempt items as set out at **Item [19] : Exclusion of the Press and Public**. No representations with regard to these have been received.

This is the formal 5 clear day notice under the Regulations to confirm that this Cabinet meeting will be partly held in private for the reasons set out in this Agenda.

6. **MINUTES (PAGES 1 - 32)**

To confirm and sign the Cabinet minutes of the meetings held on the 9th of October 2017 and 17 October 2017 as a correct record.

7. **MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE**

There are no matters referred from the Overview and Scrutiny Committee.

8. DEPUTATIONS/PETITIONS/QUESTIONS

To consider any requests received in accordance with Standing Orders.

9. 2018/19 COUNCIL TAX REDUCTION SCHEME (PAGES 33 - 276)

[Report of the Interim Chief Financial Officer. To be introduced by the Cabinet Member for Finance and Health.] To agree the Council Tax Reduction Scheme Policy for 2018/19. The Council is required to have a local council tax support scheme in place to provide relief for pensioners and low income residents by the 31st January 2018.

10. DECISION TO COMMISSION STATUTORY AND STRATEGIC SCHOOL IMPROVEMENT FUNCTIONS THROUGH HARINGEY EDUCATION PARTNERSHIP (PAGES 277 - 330)

[Report of the Interim Director for Children's Services Report. To be introduced by the Cabinet Member for Children and Families.] Cabinet is asked to support the development of a new, not for profit school improvement company (Haringey Education Partnership) in partnership with schools in the borough and to commit to commissioning statutory and strategic school improvement functions through this vehicle.

11. PROPERTY LICENSING ADDITIONAL AND SELECTIVE (PAGES 331 - 430)

[Report of the Interim Director for Commercial and Operations. To be introduced by the Cabinet Member for Environment.] The report will seek Cabinet approval to commence a consultation exercise to seek views from residents, landlords and businesses on introducing a borough wide Additional Licensing Scheme for all HMOs and either a part or full borough Selective Licensing scheme for all other Private Sector Housing.

12. AUTHORITIES MONITORING REPORT - NON KEY (PAGES 431 - 444)

[The report of the Assistant Director for Planning. To be introduced by the Cabinet Member for Housing, Regeneration and Planning.] Cabinet will be asked to note the findings of the Authority's Monitoring Report (AMR) for the monitoring period 2016/17.

13. LOCAL IMPLEMENTATION PLAN 2018/19 (PAGES 445 - 460)

[Report of the Assistant Director for Planning. To be introduced by the Cabinet Member for Housing, Regeneration and Planning.] The LIP sets out the overarching borough transport objectives and delivery plans aimed at

implementing the Mayor of London's Transport Strategy and the Haringey Transport Strategy. The Mayor of London uses the LIP to allocated funds to boroughs to spend on projects.

14. DISABILITY RELATED EXPENDITURE DISREGARD PROPOSAL (PAGES 461 - 490)

[Report of the Director for Adult Social Care. To be introduced by the Cabinet Member for Adult Social Care and Culture.] Report setting out the findings of the consultation with proposed recommendations with regards to the proposal to bring disability related expenditure disregard more in line with other London Boroughs by April 2019.

15. POSITIVE BEHAVIOUR SUPPORT SERVICE FRAMEWORK: AWARD OF CONTRACTS (PAGES 491 - 522)

[Report of the Assistant Director for Commissioning . To be introduced by the Cabinet Member for Adult Social Care and Culture.] The 'Positive Behaviour Support Service' framework aims to address the needs of adults and young people with complex needs (including learning disabilities and/or autism; those who display behaviour that challenges; and those with mental health conditions) through the delivery of specialised interventions in a supported living environment. Cabinet approval will be sought to award the contracts under this framework.

16. MINUTES OF OTHER BODIES (PAGES 523 - 542)

To note the minutes of the following:

Cabinet Member Signing – 5th October 2017
Cabinet Member Signing – 10th October 2017
Cabinet Member Signing – 12th October 2017
Cabinet Member Signing – 13th October 2017
Cabinet Member Signing – 17th October 2017
Cabinet Member Signing – 25th October 2017
Cabinet Member Signing - 31 October 2017

17. SIGNIFICANT AND DELEGATED ACTIONS (PAGES 543 - 550)

To consider delegated and significant decisions taken by directors in October 2017.

18. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at Item 3 above.

19. EXCLUSION OF THE PRESS AND PUBLIC

Note from the Democratic Services &Scrutiny Manager

Item 20 and 21 allow for the consideration of exempt information in relation to items 15 & 3 respectively.

TO RESOLVE

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under paragraph, 3 Part 1, schedule 12A of the Local Government Act 1972.

20. POSITIVE BEHAVIOUR SUPPORT SERVICE FRAMEWORK: AWARD OF CONTRACTS (PAGES 551 - 554)

As per item 15.

21. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at Item 3 above.

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MINUTES OF THE MEETING OF THE CABINET HELD ON MONDAY, 9TH OCTOBER, 2017, 6.00pm.

PRESENT:

Councillors: Claire Kober (Chair), Peray Ahmet, Eugene Ayisi, Joe Goldberg, Alan Strickland, Bernice Vanier and Joseph Ejiofor

Also Present: Councillors: Wright, Carter, Brabazon, Hare, Ibrahim, Bevan

67. FILMING AT MEETINGS

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at this meeting and Members noted this information.

68. APOLOGIES

Apologies for absence were received from Councillor Weston and Councillor Arthur.

69. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

70. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE- DECISION OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON THE 3 OCTOBER 2017 REGARDING MINUTE 58 & 65 HIGH ROAD WEST REGENERATION SCHEME - SELECTION OF DEVELOPMENT PARTNER AND NEXT STEPS

The Leader referred to the agenda which set out that this was a special meeting of the Cabinet convened, within the constitutionally required timescale of 5 working days, to re-consider the 12 September Cabinet decision on the High Road West Regeneration Scheme – Selection of a Development Partner and Next Steps. This was following the outcome of the Overview and Scrutiny Committee meeting, held on the 3rd of October to consider the call in of this key decision.

Cabinet agreed that they did not require private discussion of the exempt material and would re-consider the decision in the open part of the meeting.

Councillor Wright, Chair of Overview and Scrutiny, introduced the Scrutiny recommendations and expressed his thanks to the residents, business traders and officers who had participated in the Overview and Scrutiny Call in meeting.

The Overview and Scrutiny recommendations focused on three areas: maintaining and increasing the availability of Council housing on the High Road West scheme, increasing leaseholder engagement, supporting long running existing businesses in the area and ensuring employment opportunities were protected.

Overall, the Overview and Scrutiny Committee felt that the Council housing provision for the High Road West Scheme did fall short, both in housing policy requirements, and in absolute numbers. The Council housing offer on the new scheme was lower than the 212 Council homes which were on the site when the rehousing began. Given the commercial value of the land in the area, the Committee felt that the Council could afford to replace the full number of 212 social rented homes.

The Overview and Scrutiny Committee expressed that the Council should be seeking to satisfy the reasonable expectations of leaseholder's succession rights and asked that Cabinet outline the steps that they will take to satisfy the reasonable expectations of leaseholders including replacement homes and succession rights.

The Overview and Scrutiny Committee further considered the contribution of the Peacock Industrial estate to the High Road West Area. The 20 businesses on the estate had a combined turnover of £10m and were mainly manufacturing, food, motor trade, joinery and other types of businesses which had an important role in the wider business community, offering local employment opportunities when this was at a premium. This was even more important given that unemployment in Northumberland Park ward was at 26% which was three times the national average.

The Overview and Scrutiny Committee considered there to be opportunities for growth in manufacturing in North Tottenham area but following the representations made at the meeting, concluded that the Peacock Estate businesses were facing an uncertain future. The Overview and Scrutiny Committee also noted that businesses in the Peacock Estate were not against the regeneration in the High Road West area. However, they wanted the regeneration to be implemented carefully with more support and agreements reached to allow businesses to remain in the High Road West Plan area.

Councillor Strickland, Cabinet Member for Housing, Regeneration and Planning further expressed his thanks to officers for their support in this process and thanked the Overview and Scrutiny Committee for their recommendations which were the result of a thorough and useful discussion at the 3rd of October meeting Call in meeting. The Cabinet Member responded as follows to the scrutiny recommendations:

1) That the number of replacement Council homes available at social rent within the proposed arrangements be at least equal to the current provision.

The Cabinet Member absolutely wanted to see an equal number of social rented homes on the scheme as was available on the estate when the rehousing began. The Council would still work hard to achieve this objective. However, it was important to be honest about the viability issues the scheme had faced at the outset. This was advised in previous Cabinet reports, and had made it difficult to commit to the full number of replacement Council homes. Nonetheless, officers, on political instructions,

had worked hard for the replacement social rented Council homes to be as high as possible.

There would be 145 Council tenanted homes managed by Homes for Haringey in what would be the biggest development of Council homes, in Haringey, in the last twenty years. It was important to note, the additional net increase of 539 affordable homes, including homes offered through the London Mayors scheme which were not much higher in rent than social rented properties and designed for people on the Council's housing waiting list.

The Cabinet Member further explained that it was also not possible to add in an increased number of Council social rented homes at this stage. The Council were in the final stages of an extensive procurement negotiation and the bids had already been submitted on the basis of 145 social rented homes. However, the Council would strive to maximise the number of homes available at social rent and increase the number of affordable homes as much as possible, through the planning application process. It was important to note the Council were successful in obtaining £60m from the Mayor's Housing Zone funding scheme to provide increased affordable housing. The Council had also worked hard to attract external funding to ensure that there was as much funding available as possible, to meet the viability gap. The Council would still remain the landlord of existing Council tenants on the scheme.

b) That there be more engagement with Council leaseholders and that Cabinet outline the steps they will take to satisfy the reasonable expectations of leaseholders including replacement homes and succession rights;

The Cabinet Member reported that there were extensive discussions in relation to leaseholder valuations. There was a clear process to engage with leaseholders and there had been an ongoing dialogue since 2012. The Cabinet Member advised that the Council would provide assurances on what leaseholders could expect. There was a separate specific process, to be initiated in the coming weeks, to develop a detailed leasehold offer with written guarantees. To facilitate this, there would be workshops organised for leaseholders to attend and these would be supported by the ITLA [Independent Tenant Liaison Advisor] who was funded by the Council and chosen by tenants and leaseholders. The workshops would allow leaseholders to: talk through their concerns, understand the revised Rehousing and Repayments Policy, discuss financial issues, their rehousing options, the revaluation process and the wider leaseholder offer. Following these meetings, there would be a detailed offer put forward to leaseholders which would be subject to a 6-week consultation. The detailed offer would then be presented to Cabinet for consideration.

C]That more work be carried out to support businesses affected, and that any business currently based on the site be able to remain within the masterplan area, should they wish to do so.

The Cabinet Member emphasised that the Council wanted to re-provide as much business space as possible and this was one of the reasons why the Lendlease bid had been well received because they were committed to working with local businesses.

The Cabinet Member referred to the master plan of the High Road West scheme completed by ARUP which had indicated, that due to the of the public desire for new public facilities, it would be difficult to fit in significant replacement business space. Therefore, all businesses were not guaranteed a replacement site on the scheme.

Cabinet noted that consultation with businesses in the High Road West area had been ongoing. Some businesses had been enquiring about relocation and some businesses wanted to stay. Lendlease's master plan indicated a mixed economy approach with more replacement business space allocated, than indicated by the ARUP masterplan. There was also £1m of funding allocated to support business in the area to relocate or stay. Lendlease were also clear that businesses that want to stay will only have one move to a new premise which will be built before the move.

The Cabinet Member advised that there were still several years before any businesses would be required to relocate and the Council would use this time to continue negotiations and discussions to meet the aspirations of local businesses themselves and fit into tenant aspirations for the wider area.

The Cabinet Member concluded his response by agreeing with the thrust of the three recommendations. The next step would be working hard on affordable housing, engaging on the detail of the leaseholder offer with the leaseholders, and working with businesses that want to stay or relocate.

There were questions put forward from Councillors: Bevan, Hare, Carter, Brabazon and Ahmet and the following responses provided by the Cabinet Member for Housing, Regeneration and Planning and the Leader of the Council. The question from Councillor Hare was answered by the Cabinet Member for Economic Development, Social Inclusion and Sustainability.

- The Council had been working with Leaseholders since 2012 and throughout the HRW Scheme. Turkish translation of documents, and a Turkish translator had been available for residents and leaseholders to help with the language barrier, as well as an ITLA and dedicated community engagement officer who can communicate well with residents.
- The ITLA's were already in place and had been for some time, to support tenants and leaseholders in Love Lane and there had been no break in this support. The Cabinet Member clarified that there had been a separate procurement framework decision, taken forward in August, to allow access to wider provision of ITLA's for regeneration schemes in the borough. The ITLA's for this estate were not changed.
- The deputation request from the Love Lane Leaseholder Association had not been accepted as there was no agenda item on deputations. This was deemed a special meeting of Cabinet convened in 5 days following the referral from the Overview and Scrutiny. According to Committee rule 17, the special meeting of the Committee shall set out the business to be considered and no other business will be considered, which was why there was no agenda item for

Deputations, Petitions and Questions. Cabinet has been consistent over the years in applying this rule to the special meetings.

- The Cabinet Member outlined that leaseholders have statutory protections and there was a clear framework of support and compensation rights guiding how the Council and developer acts. In the Revised Housing Renewal and Re-Housing Payments Policy, to be considered at the 17th of October Cabinet meeting, the Council would be putting forward proposals concerning leaseholders that go beyond statutory requirements. The Council would pay for independent valuations and pay legal advice for conveyancing. The Council would not pay for wider legal advice. It was important to recognise the further detailed engagement programme being initiated with Love Lane leaseholders, in which the Council would be doing all it could to get the best possible deal for residents.
- The final development agreement, Compulsory Purchase Indemnity Agreement, the lease and any associated legal documentation was being delegated for approval by the section 151 officer and the director of Regeneration after consultation with the Cabinet Member for Housing, Regeneration and Planning. This was set out at page 23 of the agenda pack at recommendation number 6.
- THFC did own 13% of the land in the scheme and this was essential to making a comprehensive scheme but there was also a myriad of land owners in the scheme. The Council would enter into negotiations with landowners to reach an agreement to acquire land and only as a last resort would use CPO powers. In terms of viability, there was no one landowner that had direct impact on the viability.
- The Strategic Director for Planning, Regeneration and Development explained that following the Housing Zone funding allocation and the conclusion of the procurement process, the High Road West Scheme no-longer has a viability gap. The land owned by third parties would be valued at market value and it was assumed that this land would be brought into the comprehensibility of the scheme but this was dependent on land negotiations. So there were a number of pieces of work to be undertaken to bring these pieces of third party land into the scheme, including the landowner mentioned by Cllr Brabazon.
- The Cabinet Member for Economic Development, Social Inclusion and Sustainability had already commissioned a land use study and Cabinet were aware of the loss of employment land to housing and understood the land value impact and potential crowding out of industrial activity. The Cabinet Member rejected the assessment that there would be an overall loss of industrial spaces in the borough. The Cabinet Member referred to the Wood Green AAP which had a clear underpinning priority on economic activity and the draft Wood Green AAP plan was centred on building business and employment usage in Wood Green, including building office and B1 usage in Wood Green.
- It was important to consider that the High Road West Scheme was predominately a residential led development with a community and leisure

offer. The Cabinet Member was continually discussing with businesses in the borough their differing support needs. The north London local economic conditions were referred to as land values rise there were businesses moving from Hackney to Tottenham raising industrial land values. The Cabinet Member offered a separate discussion with Councillor Hare to discuss in more detail the wider issues raised.

- Businesses and traders had been engaged with, since 2012 with business workshops facilitated by ARUP in 2012/13 and other specific consultation activities taken forward with businesses. The details of this consultation activity had been set out to the Overview and Scrutiny Committee at their meeting on the 3rd of October. Business were involved in the High Road West Scheme and much of the negotiations would continue through individual discussion with businesses as this was the most appropriate form of consultation activity.
- The Cabinet Member provided assurance that there were dedicated staff working with businesses individually. There would be ongoing negotiations through the normal process.

Following the completion of responses to the scrutiny recommendations and responses to member questions at the meeting, the Leader asked Cabinet to consider the resolutions at minute number 58&65 which were unchanged. Cabinet,

RESOLVED

1. To note the outcome of the Competitive Dialogue Procedure under the Public Contracts Regulations 2015 as outlined in this report.
2. To agree the selection of Lendlease Europe Holdings Limited (“Lendlease”) as the preferred bidder with whom the Council will enter into a Development Agreement to deliver the Scheme.
3. To agree to the selection of a reserve bidder as set out in the exempt part of this report.
4. To agree to proceed to the Preferred Bidder Stage (“PB Stage”) so the preferred bidder’s proposal can be refined and optimised, in particular to finalise the Development Agreement (Appendix 2), Compulsory Purchase Indemnity Agreement, (Appendix 3) the lease (Appendix 4) and any associated legal documentation following the preferred bidder stage.
5. To agree to the disposal of:
 - a. (Subject to the approval of full Council to make the application to the Secretary of State and the consent of the Secretary of State) the properties belonging to the Council and situated within the High Road West Area held within the Housing Revenue Account and listed in Section 1 of Appendix 5 of this report; and
 - b. The properties belonging to the Council situated within the High Road West Area held for planning and general fund purposes and

listed in Section 2 of Appendix 5 and any other properties belonging to the Council within the High Road West Area and shown coloured pink on the site plan attached at Appendix 1.

And that these properties be included within the Development Agreement.

6. To give delegated authority to the s151 Officer and the Director of Regeneration, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to approve the final Development Agreement, Compulsory Purchase Indemnity Agreement, the lease and any associated legal documentation following the preferred bidder stage.
7. To note that if the Development Agreement and ancillary documents required to be agreed at the preferred bidder stage cannot be agreed with the preferred bidder, a further report will be brought back to Cabinet to seek permission to enter into the preferred bidder stage with the reserved bidder.
8. To note the results of the High Road West ownership and management of replacement homes feedback report, which can be found at Appendix 6. This includes the statutory consultation under Section 105 ("s105") of the Housing Act undertaken with secure Council tenants living on the Love Lane Estate.
9. To agree that the 145 replacement social rented units and 46 shared equities, which will be delivered by Lendlease, will be acquired by the Council for housing purposes and be held in the Housing Revenue Account and to further give delegated authority to the s151 Officer and the Director of Regeneration, after consultation with the Cabinet Member for Housing, Regeneration and Planning, to approve the final terms of the option in the Development Agreement.
10. To resolve the above having considered and had regard to the Equalities Impact Assessment (Appendix 7).

Reasons for decision

All of the recommendations detailed above will support the delivery of the High Road West Scheme. The Scheme will support the Council in delivering all of its Corporate Priorities, will address issues of deprivation which have long characterised the Northumberland Park Ward and will set a benchmark for future regeneration across the borough.

Supporting the Corporate Priorities and tackling deprivation

The selection of a preferred bidder is the next step in delivering the Council and local communities' vision to transform High Road West into a vibrant, attractive and sustainable new residential neighborhood with a blend of housing and support the creation of a premier leisure destination for London, alongside the Tottenham Hotspur Football Club development.

Delivering this vision offers a unique opportunity to tackle the entrenched deprivation that has characterized the Northumberland Park Ward and meet the Council's Corporate Priorities:

- **Priority 1: Enable every child and young person to have the best start in life, with high quality education-** The Scheme will help ensure that children and young people have the best start in life, by providing a high quality living environment and world class community facilities, such as the new Library and Learning Centre. This will go some way in tackling the 4% (national average of 3.1%.) of 16 and 17 year olds living in the Northumberland Park Ward who are not in employment, education or training (NEET).
- **Priority 2: Enable all adults to live healthy, long and fulfilling lives -**The Scheme will help all residents to live healthy, long and fulfilling lives by providing, and giving easy access to a range of services by delivering a healthy neighbourhood with ample public space, such as a large new community park with play and gym equipment and food growing as well as, a new public square for public events and encouraging community cohesion. All of which will seek to address the issue of life expectancy, which is demonstrably worse in the east of the borough compared to the west of the borough: on average the difference between parts of the east and parts of the west is 7 years. It will also address the obesity amongst children and the mental health challenges which are significant, and stubborn.
- **Priority 3: A clean, well maintained and safe borough where people are proud to live and work-** The Scheme will deliver a clean, well maintained and safe welcoming environment for residents, businesses and visitors alike where people are proud to live and work. This will be delivered through high quality inclusive design, place making and responding to the needs of the area and community. It will be maintained by one inclusive, transparent estate management regime, that will be responsible for the management and maintenance of the high quality, affordable environment. The management regime will seek to train and support residents and businesses and community partners to once ready will be able to run the management and maintenance of the area, fostering long-term civic pride and community ownership.
- **Priority 4: Drive growth and employment from which everyone can benefit-** Critically, the Scheme will deliver economic growth which is not only essential to residents and businesses of the borough and the wider region but also the Council. The new employment and commercial space will provide significant opportunities for training, jobs and employment and will go some way to address unemployment (at 26%) in Northumberland Park, which is almost double the rate across the whole borough and three times the national average. The improved environment and the creation of a new leisure destination in London will bring thousands of visitors who will contribute to the local economy and support local businesses.
- **Priority 5: Create homes and communities where people choose to live and are able to thrive-**The Scheme will deliver over 2500 new high quality homes, which residents will be involved in designing, in a mix of tenures ensuring that residents' housing choice is maximised. 2500 new homes are

a significant contribution to meeting the boroughs housing demand. Meeting the housing demand will lead to more and more families being able to afford a home in the borough, either to rent or buy, alleviating the current difficulties faced by local people. It will also help to drive down levels of homelessness, so fewer households find themselves in crisis, and the relieve some of the significant pressure on the Council budget through increased temporary accommodation costs. The Scheme will build on the strengths of the existing local residents and businesses to create an even stronger sustainable community where people don't only live, they thrive.

Development Delivery Methodology

In bringing forward significant development opportunities across Tottenham and Wood Green assessments have been made in each case to ensure that appropriate delivery mechanisms are used.

In December 2015 a business case setting out the preferred delivery approach for the High Road West Scheme was presented to Cabinet. The business case recommended that the Scheme should be delivered through a contractual development agreement as this delivery option best met the Council's objectives and reduced exposure to risk. The Cabinet noted the business case and agreed to commence a Competitive Dialogue Procedure under the Public Contracts Regulations to procure a commercial partner to deliver the Scheme.

In May 2016 the procurement process was launched. Following a compliant procurement process, which has been validated by an independent auditor (Appendix 8), the preferred bidder is recommended in this report. Through the procurement process the development agreement and supporting legal documentation (explained in detail at paragraphs 6.32-6.55 below) have been developed and refined over the course of the competitive dialogue process.

By approving the recommendations to enter into the final stage of work with a single preferred bidder and paving the way for refining the Development Agreement, Cabinet will be taking the next vital step in unlocking the considerable growth potential of the Council's own land and meeting a number of core Council ambitions.

Ownership of the replacement homes

The Cabinet is being asked to make a decision on the ownership and management of the replacement homes within this report so that the Development Agreement can be finalised and thus delivery of the Scheme can progress following the conclusion of the preferred bidder stage of the procurement process. Making a decision now, will also help residents on the Love Lane Estate in making their rehousing choices.

The rationale for recommending that the Council acquire the replacement homes is set out in paragraphs 6.107-6.124 below.

Alternative options considered

Delivery approach and procurement process

In December 2015 Cabinet noted the business case setting out the preferred delivery approach for High Road West. That business case identified and robustly assessed three alternative options for achieving the Council's bespoke objectives for the Scheme. The options are detailed in paragraphs 6.12- 6.16 below.

Ownership and management of the replacement homes

The Council had carefully considered two options relating to the ownership and management of the 191 replacement homes. The two options are:

- Option 1: The preferred bidders RP partner acquires the replacement homes
- Option 2: The Council acquires the replacement homes.

71. EXCLUSION OF THE PRESS AND PUBLIC

Not required.

72. HIGH ROAD WEST REGENERATION SCHEME - SELECTION OF DEVELOPMENT PARTNER AND NEXT STEPS

As per item 70.

CHAIR: Councillor Claire Kober

Signed by Chair

Date

MINUTES OF THE MEETING OF THE CABINET HELD ON TUESDAY, 17TH OCTOBER, 2017, 6.30pm

PRESENT:

Councillors: Claire Kober (Chair), Jason Arthur, Eugene Ayisi, Ali Demirci, Joseph Ejiofor, Joe Goldberg, Alan Strickland, Bernice Vanier and Elin Weston

Also Present Councillors: Engert, Newton and Brabazon

73. FILMING AT MEETINGS

The Leader referred to agenda item 1, as shown on the agenda in respect of filming at meetings and Members noted this information.

74. APOLOGIES

- Apologies for absence were received from Councillor Ahmet.
- Apologies for lateness were received from Councillor Goldberg.

75. URGENT BUSINESS

The Leader had accepted, as late business, the comments of Regulatory Committee relating to items 12 and 13 on the agenda. This Committee had met on the 9th of October 2017, after publication of the Cabinet papers. Consideration of the Committee's comments was required to be in accordance with Part three of the Council constitution, section B, and paragraph D of the Constitution.

76. DECLARATIONS OF INTEREST

There were no declarations of interest put forward.

77. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

There were no representations received.

78. MINUTES

The minutes of the Cabinet held on the 12th of September 2017 were agreed as a correct record of the meeting.

79. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE

There were no matters for consideration from the Overview and Scrutiny Committee.

80. DEPUTATIONS/PETITIONS/QUESTIONS

Deputation - Mr Paul Burnham - Haringey Defend Council Housing

Mr Burnham was invited by the Chair to put forward his deputation to the Cabinet.

The Deputation argued that the HDV had been given exemption from prioritising Right of Return due to the previous decisions made by Cabinet when agreeing the HDV [Haringey Development Vehicle] at the July meeting. They contended that these decisions discounted the Revised Estate Renewal and Rehousing Payments Policy. They asked for the policy to be revised in light of residents' concerns about: right to remain, providing replacement secure Council tenancies, no increase in rents and service charges, providing better homes for overcrowded tenants and ensuring that there were provisions made for existing tenants on regeneration schemes to be protected.

Mr Burnham further contended that the agreements made by Cabinet at the 3rd of July meeting on the HDV only allowed a single move and did not allow for the rehousing of Housing Association residents, making the commitments provided in the report worthless.

The Deputation did not trust the Council's commitment on Right of Return. They referred to the recent decision on Love Lane Estate where they felt the public consultation documentation indicated encouragement and support for existing tenants to move away to homes elsewhere. The deputation argued that 70 % of secure tenants had left the Love Lane Estate and questioned the Council's commitment for existing residents to gain the benefit of regeneration.

The Deputation did not agree with the Council's stance of no estate ballots. They contended that the Equalities Impact Assessments, completed on regeneration associated decisions, had not addressed the issues that Council tenants and residents faced in a regeneration scheme. There were barriers to accessing homes, with lower to median income families being priced out and unable to afford to rented homes on a regenerated estate. The deputation argued that no estate regeneration should be commenced until an Equalities Impact Assessment was completed which included mitigation on how local residents are able to stay on their estates and do not need to move away.

The Deputation asked the Cabinet to not agree the recommendations in the report but consider the deputation's representations and consider revised proposals.

The Cabinet Member for Housing, Regeneration and Planning thanked the Deputation for putting forward their views and responded as follows:

- There were no exemptions from the Revised Estate Rehousing and Payments Policy for HDV schemes. There had been a timing issue with the decision on the HDV and when the policy had had been published for consultation.

However, paragraph 4.1 clearly stated that the policy applied to all regeneration schemes, including HDV and Housing Association schemes where the Council decides it has a strategic interest and applies the policy. Right of Return was clearly set out as an absolute right for every tenant and resident leaseholder/freeholder in a regeneration scheme. Only tenants themselves could waive the right of return. The next iteration of HDV documentation would also communicate the wording in this policy.

- It was not only Haringey Council that had not agreed with a tenant ballot being taken forward on regeneration schemes, but a number of local government figures and Councils had expressed this view. The Mayor of London's draft Good Practice Guide to Estate Regeneration states that Councils should use a variety of methods to communicate and consult with residents on estate regeneration proposals. This is because estate regeneration affects different people in different ways over many years, so the methods of consultation need to reflect this complexity in a multiple-stage approach.
- The Cabinet Member referred to the EQIA at page 33 of the pack which advised that residents in protected groups were positively impacted by the policy, particularly women and BAME [Black and Ethnic Minority Groups]
- The Cabinet Member strongly rejected the claim that the policy was a sign of regeneration not working. The Revised Estate Rehousing and Payments Policy's essential aim was about supporting people and communities.
- The Cabinet Member highlighted that many other Councils only adhere to statutory requirements when taking forward regeneration schemes but the Council had gone beyond the minimum with its commitments on right to return, new homes at equivalent rents, keeping secure tenancy terms for secure tenants who move into assured tenancies, and providing a range of products such as equity loans to allow leaseholders to stay on or return to their housing estate. These commitments are not statutory requirements and it was clear that the Council is doing all it could to support tenants and leaseholders and working as best as it could to make sure that no existing residents are left worse off as a result of regeneration.

81. APPROVAL OF REVISED ESTATE RENEWAL REHOUSING AND PAYMENTS POLICY

The Cabinet Member for Housing, Regeneration and Planning introduced the report which sought agreement, following public consultation, to a revised Estate Renewal Rehousing and Payments Policy. This policy included a set of commitments, attached at appendix 3, to residents whose properties will be demolished as part of a renewal scheme.

The Cabinet Member highlighted the following:

- More than 80% of tenants consulted on the policy had agreed with the commitments put forward.

- The commitments in the policy are the minimum offer to residents affected by a regeneration scheme. Where possible the Council, working with the HDV or other partners, would strive to go beyond the policy's requirements.
- Following the consultation, the Council recognised that the individual circumstances of some residents/leaseholders could lead to an inequitable or unfair outcome in some cases. An Estate Renewal Payments Discretionary Panel was therefore proposed as a body to consider these cases in line with the policy's general principles.

The Cabinet Member proposed that in Appendix 3 (proposed Policy), page 3 entitled The Council's Commitments to residents', the second bullet point and associated text should be amended as follows:

"All tenants will have a guaranteed Right to Remain or Return on equivalent terms - This means that tenants will have: The right to move to, or return to, a replacement home in the new development should they wish to do so and that the new home will have". The subsequent text in this section remained unchanged.

Given the high percentage of tenant support for the commitments and EQIA findings, the Cabinet Member proposed the revised Estate Renewal Rehousing and Payments Policy for adoption.

In response to questions from Councillor Engert and Councillor Brabazon the following was noted:

- Where a site in an estate was agreed for demolition that included a supported housing block / specialist accommodation, it may not be always be possible to rebuild the same specialist housing on the site. The proposed policy did reaffirm the offer of a Right to Return to the site, with appropriate floating support, or, if preferred, priority to move to the nearest appropriate specialist accommodation. It may also be the case that specialist supported housing is being built on a later phase of the scheme and access to this housing may also be possible. The Council were in agreement that it was important to provide replacement specialist supported homes, and it was a question of phasing and what works according to the care needs of the tenant.
- There was an existing Council Allocations Policy, applicable for all Council tenants who were under-occupying, which says they can retain a spare room when they voluntarily downsize, if they have 2 or more spare rooms. This policy is in place to encourage residents to downsize to make more homes available for families in the borough. However, on estate renewal schemes the Council is aiming to meet the needs of existing and new tenants on the estate. For example, if there are tenants living in an overcrowded home they would be eligible to get a larger home on a regeneration scheme. However, if an existing tenant on an estate renewal scheme was under-occupying, it would not be appropriate to offer an equal sized home because a key aim of regeneration schemes is to provide a better mix of homes, with more family homes to meet housing need in the borough. The Council did not want to exclude tenants on regeneration schemes from accessing the existing policy as this would still

allow them to downsize, but it is also important to make the most of the regeneration schemes to ensure the best use of the new homes to meet need.

- Service charges were already applied to all Homes for Haringey flats, Housing Association flats and to all other affordable flats. By law, landlords can only charge at the cost of the service being delivered and service charges are set according to what services are delivered to a block.
- As set out in the report, the commitments would apply to Council schemes where more than 20 homes would be demolished as well as estate renewal taken forward by the HDV. Therefore, the Member Agreement would need to reflect that and would be published when the decision is finalised.

[Clerk's note – Councillor Goldberg, Cabinet Member for Economic Development, Social Inclusion & Sustainability entered the meeting]

Subject to the slight changes to appendix 3, set out above by the Cabinet Member for Housing, Regeneration and Planning:

RESOLVED

1. To note the Equalities Impact Assessment at Appendix 1.
2. To note the contents of the Consultation Report at Appendix 2.
3. To note the new commitments approved by Cabinet on 13 June 2017 as set out at paragraph 6.9.
4. To approve the proposal that the implementation date for rehousing priority/status on individual schemes be determined at a local level by the Director of Housing & Growth in consultation with the Cabinet Member for Housing, Regeneration and Planning, as set out in paragraph 6.23 in the attached report and in section 4.1 of the policy.
5. To approve the inclusion of a set of General Principles in the Policy, as set out in paragraph 6.24, in the report attached, and in section 3 of the policy, which governs how this policy should be implemented.
6. To approve the creation of an Estate Renewal & Rehousing Payments Discretion Panel, as set out in paras 6.25, in the attached report, and in section 3.2 of the report with delegated power to ensure these principles are applied appropriately on individual cases where the policy may otherwise create an unfair or inequitable outcome. Determining the membership and terms of reference of this panel be delegated to the Director of Housing & Growth in consultation with the Cabinet Member for Housing, Regeneration and Planning.
7. To approve the changes and clarifications to the draft policy following consultation, as set out in paras 6.21-6.41, in the attached report, in particular the limit on the value of the replacement property where an Equity Loan can be used at 6.39-41.

8. To approve the final Estate Renewal Rehousing and Payments Policy at Appendix 3.
9. Councillor Goldberg, Cabinet Member for Economic Development, Social Inclusion & Sustainability abstained as he was not present at the meeting during the discussion of this decision.

Reason for decisions

The reason for recommendation 3.4 was to clarify when and how the policy will come into force and to ensure that the rehousing priority is managed so that households in early phases have realistic opportunities to move before further residents are given priority.

The reason for recommendation 3.5 was to set out principles to provide guidance on how the policy should be applied.

The reason for recommendation 3.6 was to ensure that there are structures and processes in place to apply discretion in exceptional circumstances, to ensure fair and equitable outcomes.

The reasons for recommendation 3.7 are set out in paras 6.25-6.41, in the attached report.

Alternative options considered

To retain the existing policy with no change. This was rejected because the current policy is, in effect, no more than a statement of the statutory minimums to which tenants and leaseholders are entitled. It sets out a general aim to achieve the outcomes set out in the draft revised policy, but makes no commitment to these. It leaves any commitments and any additional offers over and above the statutory minimum to be determined on a scheme by scheme basis. This is a legally defensible position but is not one that promotes confidence among residents and as such does little to garner resident support for these proposed estate renewal schemes.

To make the commitments in the proposed policy absolute and not allow individual schemes flexibility to raise the offer. This was rejected because there are some schemes where the circumstances of existing residents will require, and the financial viability will allow, an improved offer.

In the proposed policy, an Equity Loan of up to 40% is provided for those for whom this is not affordable, and Shared Ownership arrangements are offered with the first 40% rent free. Alternative financial arrangements were considered, as were a range of percentages for both the Equity Loan and Shared Ownership offers. Different respondents to the consultation argued for either higher or lower percentages. It was determined that the percentages on which the consultation was based should be retained, to effectively balance deliverability with a firm guarantee that there will be an option that is affordable to all leaseholders allowing them to return to or move to a new home on the estate.

82. CHOICE AND THIRD PARTY TOP-UP POLICY

The Cabinet Member for Adult Social Care and Culture introduced the report which set out the obligations of the Council to ensuring that residents were given an appropriate choice of good quality care homes. The policy also put in place a framework to manage circumstances where residents choose to live in a costlier environment, and how they can use 'third party top-ups' to access their preferred choice.

The Cabinet Member outlined that this policy builds on existing practice and seeks to ensure that residents have a consistent experience in choosing a care home or other service. The policy also ensures that the Council was compliant with its obligations under the Care Act (2014)

RESOLVED

1. To agree the approach for calculating service users' personal budgets as set out in paragraph 5.3 of the attached report.
2. To agree the third party top-up policy for accommodation based services attached as Appendix 1.

Reasons for decision

The Care Act 2014 and The Care and Support and After-care (Choice of Accommodation) Regulations 2014 allows local authorities to apply third party top-up arrangements where service users/families choose accommodation-based services to meet identified needs which are more expensive than the local authority usually pays and exceeds the service user's personal budget. A third party top-up is an arrangement whereby a person known to a service user pays the difference between the cost of a service and their personal budget.

Currently, personal budgets are calculated based on the market rates of placements identified to meet individual needs. Haringey does not currently have a formal choice or third party top-up policy for accommodation-based services. This in practice means that fees paid for given placements varies widely. This fee variation is not always a reflection of differences in need or limits in supply, but in some cases may reflect service users and family members choosing particular placements that are of higher cost. This in effect leads to a higher personal budget than the assessed needs would require.

The Council does occasionally reach agreement with service users and their families for a 'third party top-up' where there is a difference between the care home a service user/family chooses to live in and their personal budget, based on the costs of a placement which meets their needs. However, this is not implemented consistently.

All of our North Central London neighbouring local authorities have a top-up policy. These are summarised in Annex 1 but the approach taken is largely consistent within each borough. In essence, where service users are presented with a choice of services which can meet their needs, but reject these in favour a more expensive option than their personal budget allows, then the service user must fund the difference between their preferred placement fee and their personal budget via a third party top-up.

In most instances within Haringey's neighbouring local authorities the difference between a service user's personal budget and the total cost of a service is funded via a third party top-up because a service user's income and savings is factored into the amount they pay on a weekly basis towards the cost of their care following a financial assessment. The service user cannot withhold a proportion of their income for the purpose of paying a top-up.

It is recommended in this report that a similar policy is introduced in Haringey. There are a number of variants to this broad approach dependent on how personal budgets are calculated which are summarised in an options appraisal below.

Alternative options considered

Haringey had two principal options in relation to calculating service user's personal budgets and implementing a third-party top up policy. These were:

- a. To base the personal budget above which third party top-ups should apply on 'usual rates' based on a benchmarking of average costs to meet needs, to be up-rated on an annual basis. These usual rates could form the basis of a resource allocation system for personal budgets, which service user's top-up via a third party should they wish to purchase care and support in excess of the personal budget rate
- b. Personal budgets are calculated on a client-by-client basis, based on the average costs of provision that is identified by the commissioning team which can meet the assessed needs of service users. Should a service user or their family reject the choices presented to them by the commissioning team and express a preference for another, more expensive service, they will be required to make a third party top-up over the agreed personal budget.

5.1 It is recommended that the Council implements a variant of option b. This is for the following reasons:

- Option b is a more adaptable approach to the specific needs and requirements of service users. Given the wide spectrum of needs of the client groups that access accommodation-based services, basing personal budget allocations on a resource allocation system may be problematic and more open to challenge.
- Option b will be more responsive to the capacity of the marketplace to meet people's needs and to the rates that they are able to provide a care package at based on individual need. This is more in line with the terms of the Care Act around 'sufficiency' of personal budgets, specifically:

Clause 11.25 “consideration should... be given to local market intelligence and costs of local quality provision to ensure that the personal budget reflects local market conditions and that appropriate care that meets needs can be obtained for the amount specified in the budget”

- Option a would be complex to administer and to determine the resource allocation system. Rates would have to be set for each client group, and would be challenging to develop in a way sensitive to fluctuations in individual need.

It was recommended that a variant of option b be implemented based on the following principles:

- The Council should set personal budgets based on quoted costs of meeting individual need and outcomes.
- The average fees used to determine service user’s personal budgets should be calculated based on the average of the two least expensive offers from suppliers which meet outcomes on a case-by-case basis. More expensive offers should be discounted to ensure that the Council makes placements based on achieving user outcomes and best value.
- Where only one offer is received below the Council’s ‘price banding’ for older people’s residential and nursing placements (agreed across North Central London), then the Council will base the personal budget on the price which falls within the banding, should the service user/family reject this arrangement.

83. CARE LEAVERS (COUNCIL TAX) RELIEF SCHEME

The Cabinet Member for Finance and Health introduced the report which sought approval for the Council to exercise its discretionary powers and to provide, from the 1st of April 2018, 100% Council tax discount to care leavers that reside in the borough until their 25th birthday.

This proposal builds on the study by the Children’s’ society which recommends Council’s provide as much support as possible to care leavers who are particularly vulnerable to Council tax debt. This proposal would create a new Council tax class and there would be a 100% discount in line with the Council’s Corporate parenting responsibility.

The Cabinet Member for Children and Families spoke in support of the recommendations and felt that the Cabinet should be proud to adopt this new policy. It was important for the Council to do all it could to help care leavers sustain their future by building their own lives.

RESOLVED

1. That for the purposes of reducing Council tax, the Council should agree to the creation of a new class of Council tax charge payers to be known as ‘Care Leavers’;

2. That the Council exercises its discretionary power to provide 100% Council tax discount to 'Care Leavers' that reside in Haringey until their 25th birthday;
3. To agree the Care Leavers (Council Tax) Relief Scheme policy;
4. To agree that from 1st April 2018, reduction to care leavers Council tax liability, should be applied in line with the Haringey Care Leavers Relief Scheme policy as set out in Appendix 1 of this report; and
5. To agree to the amendments to the "Policy for the Award of Discretionary Reductions in Council Tax Liability..." attached at Appendix 2.

Reason for Decision

Haringey Council now has responsibility for Council tax benefit following the Government's decision to transfer responsibility to local authorities in April 2013.

Outside the CTRS, the Council has discretionary powers to reduce Council tax liability in individual cases, under section 13A(1)(c) of the Local Government Finance Act 1992. These powers have been used to create a discretionary Council tax discount policy that allows the Council tax charge for residents facing financial hardship to receive relief. However, this policy is not specific to the needs of care leavers which the CLRS seeks to address.

A report by the Children's Society shows that care leavers who are looked after by a local authority rather than their parents are amongst the most vulnerable groups in society and are more likely to be behind with Council tax payment.

The Children's Commissioner for England has written to the Leader of the Council to make the case for exempting care leavers from payment of Council tax as part of the Council's parenting responsibility and as a means of helping this group of young adults to get the best start in life.

The Council takes its parenting responsibility toward care leavers seriously and, where possible, the Council is prepared to intervene in order to ensure that care leavers are not disadvantaged compared to their peers.

Alternative options considered

The Council could choose to do nothing or chose to support care leavers in other ways and therefore not use its discretionary powers to provide Council tax charge relief to care leavers in the borough. However, the Council as a corporate parent is expected to ensure where possible that care leavers under its care are not disadvantaged compared to their peers.

The Council could have opted to exclude care leavers from other boroughs from the relief scheme and limit the benefit to Haringey care leavers only. However, this would have raised issues of equal treatment of care leavers and also the proposal would

have fallen short of the recommendation made by the Children's Society and the Children's Commissioner for England.

The scheme has been designed to offer 100% discount to care leavers. Instead, the discount available could have been restricted to 80.2%. However, a partial discount would not completely eradicate the possibility that care leavers will accumulate Council tax debt. Also, the indications are that the cost of collecting the reduced Council tax amount may exceed the residual amount to be collected.

84. HARINGEY'S DRAFT TRANSPORT STRATEGY FOR CONSULTATION

The Leader introduced the report which invited comments on the draft Transport Strategy and also sought agreement to consult on the draft strategy in October 2017.

Taking account, the comments of the Regulatory Committee, contained in the tabled pack:

RESOLVED

To approve the draft Haringey Transport Strategy, attached at appendix 1, for public consultation.

Reason for decision

The Transport Strategy was needed to ensure clarity around the Council's strategy and priorities for managing the local transport network and to support the delivery of corporate priorities for growth and regeneration as well as improving health and environmental quality.

The absence of a Strategy runs the risk of decisions about investment in transport being made in an uncoordinated manner.

Alternative Options considered

The Council could rely on the Mayor of London's Transport Strategy and the North London sub-regional Transport Plan to provide the Strategy and priorities locally. However, while Haringey shares many of the same transport challenges as the rest of London and the sub-region, these higher level strategies and plans fail to recognise variations in approach based upon local context, and therein, the weight to be afforded to the realisation of specific objectives and priorities.

85. COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE & PLANNING OBLIGATIONS SPD UPDATE

The Cabinet Member for Housing, Regeneration and Planning introduced the report which provided a summary of the comments received in the consultation on the CIL [Community Infrastructure Levy]. The report further sought agreement to: consultation

on the Planning Obligations SPD, the CIL governance arrangements, and a new revised Regulation 123 List.

The Cabinet Member for Housing, Regeneration and Planning highlighted:

- That seeking agreement to consultation on the Planning obligations SPD, would strengthen the Council's position on obtaining more funding for affordable housing for the borough. This exercise would also help to formalise the Council's approach on viability assessments and to enable a firmer approach, in respect of affordable housing numbers, with developers at the planning application stage. The SPD would also support ensuring new developments meet their zero carbon commitments and include the addition of affordable workspace clauses.
- Cabinet previously agreed consultation on the CIL and this was carried out between March and May 2017. This considered increases in the CiL rates to maximise the benefits of regeneration activities. In the consultation an important issue had been raised which had not been detected by the Scrutiny Panel which had previously undertaken a review of CIL. This was the fact that, for outline applications the Council had already granted, the new CIL rate will be applicable to the subsequent reserved matters applications. In these circumstances, the LPA has determined the application based upon a balance of obligations and viability predicated on a CIL liability rate of £15m². The imposition of a change in CIL to £130m² would have a significant detrimental impact on delivering these regeneration schemes and the levels of affordable housing negotiated. Evidence indicated that the increase should take place in Jan 2019 so in the medium to longer term the Council can obtain the CiL return and in the more immediate term continue to preserve the affordable housing already negotiated.
- The revised 123 list which sets out what the CIL would be spent on was important to update, to ensure it reflected the priorities of the Council.

In response to a question from Councillor Engert, the following information was noted:

There was no association between the lower CIL rate in Tottenham and the High Road West Scheme agreements. The Housing Zone was also currently running at 40% affordable housing. This was a complex scheme and involved multiple landowners. The Cabinet Member with officers were working hard to get buy in from these landowners to build a new area with a new health centre and new housing.

The Cabinet Member drew Cabinet's attention to the recommendations at 3.3 and clarified that the reference to paragraph 5.16 should be 6.16 and the reference to paragraph 5.13 and paragraph 5.15 should read 6.13 and 6.15. The Cabinet Member further clarified that Appendix B was attached at pages 209 to 222 and that appendix C was attached at pages 223 to 275.

Taking account of the changes to paragraph 3.3 outlined above and further to considering the Regulatory comments set out in the tabled pack:

RESOLVED

1. That Cabinet note the findings of the PDCS consultation (at Appendix A).
2. That Cabinet agree to defer consultation on the Draft Charging Schedule (DCS), until such time as its publication will not put known development within Tottenham Hale at viability risk.
3. That Cabinet to adopt the revised Regulation 123 List (Para 6.16) and the governance arrangements for the spending both the strategic (Para 6.13) and neighbourhood (Para 6.14 – 6.15) portions of CIL for inclusion in the existing CIL Charging Schedule (at Appendix B).
4. That Cabinet approve publication of the Draft Revised Planning Obligations Supplementary Planning Document (provided at Appendix C) for public consultation in accordance with the Haringey Statement of Community Involvement.

Reason for Decision

As the Council has been collecting CIL since November 2014, it is necessary that it put in place clear governance arrangements for spending both the neighbourhood and strategic portions of CIL monies.

Having been subject to consultation, the revised Regulation 123 List will help provide clarity about the types of infrastructure the Council will consider eligible for funding through the strategic portion of CIL.

The revised Planning Obligations Supplementary Planning Document (SPD) will give greater clarity to the Council's priorities for the collection of Section 106 planning contributions.

Alternative options considered

The Council has had regard to legal advice in regard to whether the proposed PDCS was likely to be found sound at Examination in Public, and whether it would have a significant adverse impact on emerging developments in the Tottenham Hale area. The conclusion of this is that it could indeed have a prejudicial impact on development with existing outline consents, and consequentially the CIL charging schedule is recommended to be delayed. More details on the legal opinion are included at Paragraphs 5.6 – 5.10.

86. TRANSFER OF LAURELS LEASE TO BRIDGE RENEWAL TRUST

The Cabinet Member for Corporate Resources introduced the report which sought approval to the transfer of the Laurels building to the Bridge Renewal Trust. This

proposed decision represented an important point in carrying forward the legacy of the NDC. Over the last 8 years the Bridge Renewal Trust have demonstrated that they are a strong and sustainable voluntary and community organisation well equipped to put into effect the original intentions of the NDC and to ensure a continued contribution to the health and wellbeing of the borough. The transfer of the Laurels building would safeguard its future as an integrated healthcare centre, support the delivery of the NDC legacy and ensure that this valuable asset remains available for community use, benefiting local residents directly.

RESOLVED

1. To approve the disposal of the 125-year head lease in ground and first floors premises at 250-266 St Ann's Road London N15 known as the Laurels Healthy Living Centre to the Bridge Renewal Trust for the sum of £1.00 (subject to the consent of the Secretary of State and Circle 33 Homes Ltd).
2. To give delegated authority to the Strategic Director for Regeneration, Planning and Development to agree the final terms of the disposal.
3. To note that the Council will continue to be able to nominate two representatives, one Councillor and one officer, onto the Board of the Bridge Renewal Trust.

Reasons for decision

The Council has a leasehold interest in the property known as 250-266 St Ann's Road, London, N15 ("Laurels"). The transfer of the 125-year lease of the Laurels from the Council to the Trust as the NDC's successor body was always intended in order to secure the legacy of the NDC for local residents. The transfer was considered in 2009 but was not taken forward at that time since the successor body was untested and it was too early for the Council to realistically assess its capacity to successfully own and manage the asset. The 10-year funding agreement was put in place at that time specifically to allow the Trust to develop and to have the opportunity to demonstrate their longer term sustainability and reach. It is considered that the Trust have now established themselves as both a key community organisation in the borough and as a viable voluntary sector operation and, with a strong board and management, have demonstrated that they have the capacity to own and manage the asset and deliver the NDC legacy.

This decision is needed now as there are less than four years left to run on the Funding Agreement. Audit stipulations require any capital investment to be depreciated over the lifetime of the Funding Agreement. The very short depreciation period hinders the Trust from making long term decisions which would improve and expand health service provision and realise the NDC's original vision – which the Trust maintains - of a holistic healthy living centre with a range of services. This includes bids to external funding agencies for capital investment. Examples of work that are required imminently include improvements to configure internal space on the ground floor to deliver a healthy living pharmacy to meet NHS England requirements.

The Trust have also been affected by the high annual depreciation costs as a result of the short funding agreement. In 2013-2014, the Trust invested £136,000 to refurbish

parts of the underused Laurels ground floor space to create two modern therapies and consulting rooms. These facilities are currently used to provide popular and affordable complementary therapies including podiatry, osteopathy and deep tissue massage. In line with relevant audit stipulations, this substantial capital investment has had to be depreciated over the lifetime of the funding agreement. This short depreciation period has greatly burdened the Trust with higher than necessary annual depreciation costs which have negatively impacted on its ability to fundraise.

The transfer of the Laurels will enable business planning and provide long term financial stability as it will enable the Trust to develop new and innovative means of creating lasting change in the local neighbourhood in particular and Haringey in general. It will empower the Trust and local residents to achieve better management of the asset and to enable long term funding of capital projects and planned maintenance. Crucially, long term ownership will also help the Trust attract external grants and other funding as investors have confidence in the long term future of the organisation.

Finally, the transfer – which has been anticipated since the initial legacy plans for the NDC were drawn up – will ensure that this valuable asset remains available for community use, benefiting local residents directly.

Alternative options considered

- a) **Do nothing** – doing nothing for now and waiting until March 2019, 2 years before the funding agreement is due to expire, has been considered and discounted due to the financial impact that the remaining period is having on the Trust's ability to invest and undertake much needed capital improvement works and more widely to invest and plan for future service delivery.
- b) **As is but with new, longer funding agreement** – this has been considered, however the NDC was designed with the intention of providing a legacy and for this to be delivered by a successor organisation, in this instance the Trust. The Council have been holding the asset in trust until it could assess whether the organisation had the capacity to own and manage the asset and deliver the legacy.

87. WITHDRAWAL OF SUBSIDY FOR MEALS ON WHEELS

The Cabinet Member for Adult Social Care and Culture introduced the report which outlined the outcome of the consultation on the proposed withdrawal of the meals on wheels' subsidy. The report recommended the withdrawal of the subsidy for the meals on wheels' scheme and also considered the mitigations that would be put in place to support users following withdrawal of the subsidy.

The Leader and Cabinet Member for Adult Social Care and Culture responded to questions from Councillor Engert and Cllr Ejiofor. The following information was noted.

- The saving had been delayed as alternative savings had been identified to fill the temporary gap, but the savings to the base budget were still required.

- All the 110 users would receive an assessment review and support plan to ensure they were supported to get the best alternative option for delivery of their meals.

RESOLVED

1. To take into account the detailed feedback of the consultation undertaken with users of the Meals on Wheels service, as set out in appendices 1 and 2 of this report.
2. To take into account the equality impact assessment of the proposals on the protected groups, i.e. service users, and the proposed mitigations in appendix 3.
3. To approve the withdrawal of the subsidy for the Meals on Wheels service.
4. To approve the future service arrangement with the Council acting as a facilitator and navigator and helping service users to decide which community alternatives meal options available they want to take up.

Reasons for decision

In delivering the Corporate Plan, the Council aims to enable all adults to lead healthy, long and fulfilling lives through a strong emphasis on promoting independence, personalisation and choice and control. There is no statutory requirement for local authorities to fund the costs of food or meals directly and a significant proportion of other Councils have withdrawn from delivering or subsidising a meals service over the past five years or so.

The current arrangements for meals on wheels, where a subsidy is paid by the Council towards the cost of each meal delivered through a contract with an external supplier, are taken up by approximately 110 users at any one time. This is a significant reduction from the 300 users accessing the service in 2010 reflecting changing user preferences and habits.

There has been no increase in client contributions to the service since 2012/13 and the contribution has only increased by 20p per meal from £3.20 to £3.40 since 2010. However, as the volume of meals has decreased the cost of the meals has increased each year with a standard meal now costing £7.60. The Council now contributes at least £4.20 as subsidy towards the cost, costing the Council over £140,000 each year.

The responses to the consultation demonstrate that the vast majority of users disagreed with the proposal to withdraw the subsidy and highly value the current subsidised meals on wheels' service. However, half of respondents indicated that they would be able to afford to pay more than the current contribution level with 39% indicating that they would be able to afford the full cost of available hot meal delivery options. The service is one of many provisions available to residents with support and care needs and not able to prepare food for themselves in Haringey and only a limited number of people benefit

from the existing service, however it is recognised that the recommendations would result in an increase in the cost of a hot meal delivery service.

The proposals would strengthen the Council's statutory role to ensure access to a meal and to act as a facilitator and navigator, helping the individual to decide which meals option of the community alternatives available they want to take up. The proposals set out in this paper enable the Council to make savings and to build a more sustainable community offer to more residents, as part of offering choice to residents in need of support to access a daily hot meal. The Council does not intend to promote one option but to ensure a number of ways of accessing a regular hot meal are in place and to work with users to make the choice which best meets their needs. For existing users of the service the Council will support each individual to choose the most suitable alternative option and ensure that we continue to meet the assessed needs and outcomes.

Alternative options considered

Continuing with the current arrangements has been considered but rejected as the payment of the subsidy is not sustainable and only a limited number of users benefit from a hot meal. In addition, neither the Care Act nor preceding legislation require meals to be subsidised or the cost of food to be met by the Council. Haringey Council is the only borough in North Central London which still offers a subsidised Meals on Wheels service. Islington, Camden and Enfield ended their direct provision of Meals on Wheels services in 2011 and Barnet in 2015.

Consideration was given to withdrawing the subsidy whilst not building and signposting community based alternatives. This, however, was rejected as the development of a strong, community offer supports the wider Priority 2 objectives of choice, control and independence and meets the wider Council aspirations to build a stronger community in the borough.

88. WOOD GREEN BUSINESS IMPROVEMENT DISTRICT (BID)

The Cabinet Member for Economic Development, Social Inclusion and Sustainability introduced the report which set out the proposal to set up a Business Improvement District (BID) in Wood Green. This was an initiative developed and led by businesses in Wood Green, aimed at revitalising Wood Green Town Centre. This decision had come about as result of the success of other BIDs in London. If it succeeded in achieving its proposed objectives, it would make a positive contribution to business growth in Haringey and as such be an integral part of the wider Wood Green Regeneration Programme. BIDs across the UK had been proven to be useful vehicles to bring about improvements to struggling business districts. A BID in Wood Green would be a statement of intent that the local authority was supporting local businesses in their endeavour to improve their businesses.

There was a healthy level of appetite and support for a BID amongst Businesses in Wood Green.

As per 'Business Improvement Districts (England) Regulations 2004' the Council was obliged to respond to the request of the BID proposer- Wood Green BID Steering

Group and support them in their attempt to set up the BID. As the Council occupies premises as a ratepayer in the proposed BID area, it would also be entitled to vote.

Membership of a BID in Wood Green would allow businesses to come together and forge a strong partnership, collective voice and influence the development of the area and benefit from joint investment and procurement exercises.

In response to a question from Councillor Engert, it was noted that the BID was a first step to support businesses in Wood Green. The basic partnership led services such as responding to crime and anti-social behaviour, and improved cleanliness were not being fully delivered as Partners had also incurred government reductions in funding. The Wood Green BID would be owned and led by local businesses, addressing issues and concerns as well as creating opportunities for cost saving and capacity building exercises.

The Cabinet Member outlined that business have to be comfortable with the BID and feel that it allows them to be able respond to changing circumstances in Wood Green. If a more fully pedestrianised area was wanted by residents and businesses, then this could be taken forward. However, the decision, before Cabinet was to agree the consultation on the BID, and this type of decision making could come forward much later, once the BID was established and working.

RESOLVED

1. To endorse the Wood Green BID Proposals, formally submitted by the Wood Green BID Steering Group in accordance with the BID Legislation.
2. To note that the Wood Green BID Proposals do not conflict with any formally adopted or published policies of the Council.
3. To instruct the Returning Officer to hold a BID Ballot in relation to the Wood Green BID Proposals aiming to hold the ballot on 1st March 2018.
4. To agree to delegate authority to the Director of Regeneration to vote 'yes' on behalf of the Council in the Wood Green BID Ballot, as a non-domestic ratepayer of Council-owned properties in the proposed Wood Green BID area.
5. In the event that the outcome of the BID ballot is in favour of the Wood Green BID, Cabinet agreed to delegate authority to the Director of Regeneration to make decisions on behalf of the Council in connection with, and during, the process of the setting up of the Wood Green BID, including authority to finalise two agreements (a Baseline Agreement for the Provision of Standard Services and an Operating Agreement) with the BID Company regarding the operation of the BID, (in consultation with Assistant Director of Corporate Governance)

Reasons for decision

A BID is a defined area within which businesses pay a levy in order to fund projects and improvements (typically related to safety/security, cleansing and environmental

measures) within the district's boundaries. There are 53 BIDs in London but currently no BIDs in Haringey. Only two Metropolitan Town Centres in London do not have BIDs, Wood Green and Shepherds Bush (which has an enhanced management agreement with Westfield).

Businesses on Wood Green High Road have for some time been very concerned about the image of Wood Green and the associated crime, grime and the retail offer. Wood Green has tremendous strengths but also significant opportunities to improve. It is classified by the Greater London Authority (GLA) as a Metropolitan Town Centre, but is ranked as one of the worst performing on a number of measures (quantity of comparison retail, ratio of comparison to convenience, quantum of office, quality and quantum of amenity and leisure).

Consultation with businesses during the BID Feasibility Study undertaken in 2016 demonstrated that a BID in Wood Green had the potential to improve the experience, marketing and viability of Wood Green and thereby enhance the economic growth of the area and outcomes for residents. It was also considered that membership of a BID in Wood Green will allow businesses to come together and have a strong voice in the area's future as it undergoes significant transformation following the delivery of the Wood Green Area Action Plan (AAP) and Investment Framework.

The BID Proposer has drawn up a document, The BID Proposals (Appendix1), which will set out the services to be provided and the size and the scope of the Business Improvement District. It also sets out who is liable for the levy, the amount of levy to be collected and how it is calculated. The BID proposals include:

- I. A statement on what services the BID intend to provide
- II. Who will provide them (i.e. the BID company)
- III. Who will be liable to pay the levy and how the levy will be calculated
- IV. Any relief to be given to any specific class of occupiers
- V. Whether any (and which) of the bid arrangements may be altered without an alteration ballot
- VI. The duration of the BID arrangements (the BID Term)
- VII. When the BID arrangement comes into force
- VIII. A map of and list of streets in the geographical area covered by the BID Proposals
- IX. A schedule of the existing baseline services provided by the relevant public authority

Council officers are confident that the BID proposer has supplied the above information in the BID Proposal document shown in Appendix 1 and that this document complies with the BID regulations

In accordance with Regulation 3(2) of the Bid Regulations, on 30th June 2017 the Chair of the Wood Green BID Steering Group, (set up as a sub group of the Wood Green Business Forum to oversee and coordinate the establishment of a BID in Wood Green) the BID Proposer served 84 days' notice on the Council and the Secretary of State, of the Steering Group's intention to request the Council as billing authority to put BID Proposals to a ballot.

Under the BID Regulations, the Council has a duty to receive BID Proposals as part of the process leading to a ballot. The Council has a role in ensuring compliance and has

the power under the BID Regulations to veto a BID proposal after ballot where it believes the BID proposals:

- (i) are likely to materially conflict with any of the Council's formal policies;
- (ii) place an inequitable and significantly disproportionate financial burden on any class of non-domestic ratepayer as a result of manipulation of the BID area or BID levy.

The recommendations are in support of the Wood Green BID Proposal as it is considered to:

- (i) conform to all requirements of the BID Regulations;
- (ii) provide leverage of additional resource for the regeneration and improvement of the Wood Green area.

Council officers have studied the BID proposal and are of the opinion that it does not conflict with any of the Council's formal policies and it does not place any disproportionate financial burden on any class of non-domestic rate payers as the result of the proposed BID area or the levy rate.

Alternative options considered

Officers have been exploring the opportunity for BIDs in the borough since 2014. Wood Green and Tottenham have been considered as well as other local town centres and industrial estates. This is further detailed in the background section. Currently Wood Green is the only Town Centre in the borough considered to have the potential to be a BID.

Should the Council vote not to support the BID Proposal, it would risk:

- (i) Losing the opportunity for potential investment in Wood Green of between £300,000 and £600,000 per annum over five years, to be raised from the BID levy and through accessing external sources of funding and in-kind support to be used by the BID Company which, working with the Council, could support the promotion and regeneration of the Wood Green;
- (ii) Losing the opportunity for attracting additional leverage and match funding; and
- (iii) Damaging business relationships and causing the dis-engagement of local businesses from working in partnership with each other and with the Council for the regeneration of the area.

89. MINUTES OF OTHER BODIES

RESOLVED

To note the minutes of the following:

Leader's Signing on the 31st of August 2017

Cabinet Signing on 5 September 2017
Leader's Signing on 18 September 2017
Cabinet Member Signing on 26th September 2017

90. SIGNIFICANT AND DELEGATED ACTIONS

RESOLVED

To note the significant and delegated actions taken by Directors in September.

91. NEW ITEMS OF URGENT BUSINESS

None

92. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the items below contain exempt information, as defined under paragraph, 3 and 5, Part 1, schedule 12A of the Local Government Act 1972.

93. EXEMPT CABINET MINUTES

RESOLVED

To agree as an accurate record the exempt minutes of the meeting held on the 12th of September 2017.

94. NEW ITEMS OF EXEMPT URGENT BUSINESS

There were no new items of exempt business to consider.

CHAIR: Councillor Claire Kober

Signed by Chair

Date

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Report for: Cabinet 14th November 2017
Full Council 4th December 2017

Item number: 9

Title: Approval of Haringey Council Tax Reduction Scheme (CTRS) for 2018/19

Report authorised by : Clive Heaphy, Chief Finance Officer and s151 Officer

Lead Officer: Oladapo Shonola, Lead Officer – Budget & MTFS Programme,
Oladapo.shonola@haringey.gov.uk / 020 8489 3726

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 Following the transfer of Council Tax Benefit to Local Authority control from April 2013, Haringey has run a replacement CTRS that protected pensioners (as prescribed by Central Government) and those in receipt of certain disability benefits and passed on the funding cuts by giving a maximum level of support of 80.2% to all other claimants.
- 1.2 There is a statutory obligation on the Council to consider, each financial year, whether to revise or replace its scheme and a further obligation to consult residents before the scheme is changed.
- 1.3 This report sets out details of the review of Haringey's current Council Tax Reduction Scheme (CTRS) 2017/18 and the recommendations for Haringey's CTRS for 2018/19 taking into consideration the assessment of options and an Equalities Impact Assessment (EQIA).
- 1.4 The Council must approve the final scheme by 31st January 2018, even if the scheme remains unchanged ready for implementation on the 1st April 2018. The purpose of this report is to seek approval from Cabinet to take these recommendations forward to Full Council on 4th December 2017.

2. Cabinet Member Introduction – Cllr Arthur , Cabinet Member for Finance and Health

- 2.1 The government's decision to abolish the Council Tax Benefit and reduce its funding by 10% has caused increased hardship for individuals and families on low incomes in Haringey.
- 2.2 The Government claim that the removal of council tax benefit forces the poorest into work and off benefits. However, the local CTRS which replaced council tax

benefit system does not tackle the real barriers residents face when looking for jobs or developing their skills.

- 2.3 The council is continuing to face severe financial pressures due to significant cuts in funding from central government over the past several years, therefore, it is right to maintain the existing minimum payment scheme (for claimants). Reducing the minimum payments further will require the council to cover this cost through raising council tax, cutting services, or by drawing down against our reserves. None of these options is considered desirable. The first two would have a direct adverse impact on other residents across the borough and the latter is not good financial practice as reserves can only be used once whereas the cost of funding any new council tax discount is likely to be ongoing.
- 2.4 The scheme will continue to protect pensioners and those receiving certain disability benefits. The council has put in place additional measures such as the discretionary council tax discount scheme to support those who need our help. For example, where people have been affected by multiple welfare reform changes, they will continue to receive individual assistance and support from the council and our partner organisations. Where necessary, residents will continue to be signposted to appropriate employment and skills training programmes to enhance their employment opportunities.
- 2.5 As part of the Council's commitment to providing relief for the most vulnerable of our residents where possible, Cabinet recently approved the Care Leavers Relief Scheme, which will enable care leavers in Haringey who are council tax payers to receive 100% discount on their council tax bill. This is in addition to assistance currently provided to council tax payers that are experiencing financial hardship due to extenuating circumstances.
- 2.6 We know that some residents are struggling. That's why the council will continue to do everything we can to provide assistance for residents so they can pay their council tax.

3. Recommendations

- 3.1 Cabinet recommends that Full Council:
- i. Agrees to adopt the CTRS 2018/19 as contained in **Appendix C** and as summarised in **Appendix C** which retains the same level of support as agreed since 2013/14 and which remains unchanged from 2017/18 for: pensioners claimants to continue to receive support for the payment of council tax.
 - ii. Agrees claimants in receipt of certain disability benefits to continue to receive support for the payment of council tax.
 - iii. Agrees all working age claimants Council Tax Support to continue to be capped at 80.2% of council tax liability.

- iv. Notes that an Equalities Impact Assessment (**Appendix E**) has been undertaken in relation to the CTRS and that the findings of this EIA must be taken into account when making a decision regarding the Scheme for 2018/19.
- v. Authority to be given to the Chief Finance Officer and the Assistant Director of the Shared Service Centre to take all appropriate steps to implement and administer the Scheme.

4. Reasons for Decision

- 4.1 The recommendation to retain the current scheme continues to support the Government's initiative of work incentives and pays due regard to the challenging financial climate we are currently in.
- 4.2 In recognition of the vulnerable sectors of society, we have supportive measures in place. It is proposed that these continue into 2018/19. Maintaining the current scheme ensures that these protected claimants will not be further disadvantaged.
- 4.3 The Council has had its overall centrally government funding reduced by over 43% in the last several years. This has meant that the Council has had to implement significant service reductions and efficiency savings. Given the level of funding cuts that the Council has had to manage and also that further cuts have been confirmed for future years, it is not possible for the Council to expand the scheme to include protection for other groups.

5. Alternative Options Considered

- 5.1 In accordance with paragraph 5 of Schedule 1A to the Local Government Finance Act 1992 (the 1992 Act), each financial year the Council is required to consider whether to revise or replace its scheme. One option for the Council is to continue with the scheme in place for the current financial year. Another option is to revise the scheme in some respects. The Council could choose to increase or decrease the amount of financial support available under the scheme. Options should be considered in the light of the knowledge gained during the implementation of the scheme over previous years.
- 5.2 The options for changing the scheme that have been considered to date have been listed below. Some of these were proposed by respondents to the consultation undertaken prior to adopting the 2013/14 scheme.
 - Increase the level of financial support so all customers pay less
 - Decrease the level of financial support so all customers pay more
 - Protect certain vulnerable groups in addition to those in receipt of certain disability benefits, these include but are not limited to:
 - i. Households with children
 - ii. Households with a child under one
 - iii. Households with a child under five

- iv. Households with more than three children
- v. Households with a lone parent

- Protect band A-C properties
- Protect claimants who are working but on low income.
- Protect claimants in receipt of Single Person's Discount
- Absorb the full shortfall into the Council budget by providing financial support up to the level previously funded by Central Government as part of Council Tax Benefit.
- Increase council tax

5.3 A breakdown of these options with accompanying financial data has been provided in **Appendix D**. Appendix D further sets out the potential advantages and disadvantages of each option.

5.4 Having regard to the detailed points set out at **Appendix D**, it is recommended that none of these options for change are taken forward. This is because:

- i. Any option which would require the Council to increase levels of support for council tax payments would need to be directly funded by the Council and given the competing demands on the Council's reducing budget, increasing support for council tax funding would require the Council to find reductions elsewhere, cut services, utilise reserves or increase council tax.
- ii. Any option which would require the Council to increase levels of support for particular groups of people could have a disproportionate impact on some claimant groups over others.
- iii. The majority of the options do not support the Central Government initiative of encouraging people back to work
- iv. The Council does not consider that it is appropriate to increase council tax.

5.5 It is worth noting that method of payment for central government grant funding allocation has also changed since the CTRS was first set up. Several grants, including council tax benefit support funding being consolidated within the overall Revenue Support Grant (RSG), which makes the proportion allocated to each area harder to identify. RSG funding to the Council continues to face steep reduction - by 2017/18 overall government funding including RSG would have falling by over 43% equating to approximately £75m reduction in real terms since 2011.

5.6 In April 2016 an independent review of local council tax support schemes was conducted at the request of the Secretary of State. The recommendations from athis are still being considered by central government. Haringey may need to

make further changes to its CTRS to reflect any new decisions made by government in response to the independent review. As such the previously considered option of overhauling the scheme so that council tax support falls under council tax legislation as a discount, similar to the existing Single Person Discount, has not been taken forward.

5.7 Other London LAs have changed their schemes over the past several years. A full breakdown of 2017/18 schemes is provided in **Appendix B** and some summary points are shown below:

- One London Borough (Enfield) changed their scheme this year – the discount rate was reduced to 73.5% from 75%.
- 12 LAs have a higher contribution level than Haringey including Newham and Barking & Dagenham.
- Wandsworth and Harrow have the highest contribution level at 30% for non disabled working age claimants
- 9 local authorities protect disabled claimants – either completely or by asking them to pay less than non disabled working-age claimants including Brent, Croydon and Enfield.
- 7 local authorities fully cover the shortfall including City of London, Hammersmith & Fulham and Tower Hamlets.

5.8 Haringey's scheme is comparable with other London LAs and its scheme reflects the need to strike a fair balance between protecting the wellbeing of our residents and recognising the challenging financial situation we are in.

6. Background Information

6.1 As part of the Government's Welfare Reform Act, council tax benefit was abolished and replaced with a local council tax reduction scheme from 1 April 2013. At the same time, funding for council tax benefit was cut by 10% as part of the move to local council tax support system.

6.2 Haringey's scheme broadly mirrors the old council tax benefit system in terms of it being a means tested level of support with the same rules and parameters around eligibility and deductions. However, as the overall level of funding available to the Council to support council tax payments was reduced, it was not possible to maintain the scheme exactly as it was without the Council having to make up the shortfall in funding in other ways (for example cutting services, utilising reserves or increasing Council Tax).

6.3 Central government prescribed that pensioners were automatically protected from any changes to council tax benefit and following consultation with Haringey residents and interested groups in the autumn of 2012 the Council chose to extend this protection to those in receipt of certain disability benefits, leaving all remaining working age claimants to pay something towards their council tax.

6.4 Following financial modelling looking at claimant volumes, the number of pensioners in the area and anticipated collection figures, it was decided to pass on the £3.8m shortfall, represented by the cut in funding from central government, across all non-protected working age claimants by reducing the maximum level of support from 100% to 80.2%.

6.5 The following table shows the financial situation for previous years. We also show the current year billed to residents and the collection rate so far. Collection levels reached 85% in 2017, though it had been anticipated since the inception of CTRS that collection levels would be significantly lower. However the ongoing impact of welfare reform changes continue to be felt and it cannot be assumed that collection rates will remain at this level or decrease going forward. Additionally the marginally better collection for CTR cohort does little to make up for the significant decreases in overall grant funding as mentioned earlier.

Table 1 – CTRS Collection Figures

	Number of Residents in receipt of CTR	Total amount billed (£)	Actual sum collected (£)	Shortfall (£)
2013/14	34,208	6,987,431	5,793,842 (84% collection rate)	-1,193,589
2014/15	29,953	6,200,297	5,314,341 (86% collection rate)	-885,956
2015/16	28,933	7,179,618	5,996,109 (84% collection rate)	- 1,183,964
2016/17 (As at 30.06.16)	27,947	6,937,824	5,827,772 (84% collection rate)	-1,110,052
2017/18 (As at 30.09.17)	26,911	6,517,208	2,769,813 (42.5% of total billed collected)	-3,747,395 Assuming the collection rate increases by year end to match current years this figure will reduce to -997,582

6.6 Support continues to remain in place for those claimants who had not previously had to make a payment towards their council tax, this includes:

- Supportive and flexible payment arrangements

- Drop-in days at our Customer Service Centres where dedicated officers are available to discuss cases and make payment arrangements
- Promotion of other support available
- Signposting to third sector agencies such as the Quaker Social Action Group, Moneywise and the CAB.

6.7 Collection levels have been higher than initially anticipated, but still fall short of the rate necessary to bear the loss in grant against the original council tax benefit subsidy. Council tax collection in 2017/18 is expected to match last year's collection rate. However, it is not expected that council tax collection from CTR recipients will match the overall collection rate for the Council. For this reason, the scheme is proposed to continue for another year, as the Council still faces an overall net loss in funding when council tax and other external grant funding including core central government grant are considered together.

6.8 Now that we have the analysed data from the operation of the scheme from the current year (2017/18) and historically from previous years, we are proposing that the scheme continues unchanged for 2018/19. This decision reflects the work conducted as part of the original design of the 2013/14 scheme which takes into account the following factors:

- Consideration of a range of issues including the Government's "Statement of Intent" issued in May 2012, the Local Government Finance Act 2012 and regulations and guidance issued by the Government relating to work incentives.
- Consideration of the outcomes of the consultation exercise from 2012.
- Consideration of an equalities impact assessment
- Consideration of the reduction in funding for the Scheme and the impact on collection rates for council tax.

6.9 The considerations listed above remain. There has been a slow but steady decrease in the numbers of people in receipt of council tax reduction. This could indicate that the support provided to assist people into work has had some effect. In addition, the number of complaints and appeals against the CTRS is minimal, indicating that people are accepting that the current scheme is not unreasonable.

6.10 The Equalities Impact Assessment included at **Appendix E** has addressed the issues that may affect some customers, and we have strong options in place to assist those who are struggling to pay. These include the use of discretionary powers to provide relief for residents that are experiencing financial difficulty

and care leavers, a group of people that are considered one of the most vulnerable to council tax debt.

- 6.11 The Council's financial position is challenging, and Council funding is under continuing pressure. We have not managed to fully collect the deficit in former funding, and remain under pressure to continue to improve collection.
- 6.12 Under the provisions of section 13A(1)(a) and Schedule 1A of the Local Government Finance Act 1992, a new scheme is required to be in place by the 31 January 2018, approved by Full Council and taking into account the results of an equality impact assessment.
- 6.13 The report proposes a continuation of the current CTRS which includes the application method, entitlement criteria, ways to appeal, how to deal with changes of circumstances and notification styles.
- 6.14 The Scheme will continue to be run by Haringey Council and remains separate from the Department of Work and Pension's (DWP) Housing Benefit / Universal Credit awards.

7. Contribution to Strategic Outcomes

- 7.1 This recommendation links to the Councils priority to "drive growth and employment from which everyone can benefit". We will link to our desired outcomes looking to achieve a fair and equal borough, to work with our communities, to work in partnership, with customer focus and value for money.

8. Statutory Officer Comments

Comments of the Chief Financial Officer and Financial Implications

- 8.1 As mentioned earlier in this report, the Council continues to face severe financial challenges. Since 2011, the Council has lost £75m in RSG funding placing service provision to our residents under severe pressure. Further funding cuts are scheduled for 2018/19 and beyond, so the Council will need to continue to make significant savings over the next medium term financial planning period, potentially putting even priority service provision at further risk of funding reduction.

- 8.2 It was highlighted in paragraph 5.5 that CTRS funding is paid as part of the core RSG, and cannot now be separately distinguished. However it is a known fact that Central Government grant funding overall is reducing (RSG funding will fall by a further £8m in 2018/19) and will likely disappear altogether by the end of the current MTFS planning period (and with it therefore the CTRS element).

This will force local authorities to become even more reliant on local taxation income to support their essential service provision.

- 8.3 As noted in section 5, increasing support for CTRS, in the current climate of diminishing external finances and growing budgetary pressures generally, would necessitate the Council to find spend reductions elsewhere, cut services, utilise reserves or increase council tax. Sound financial governance demands that reserves should only be used (or set aside) to meet specific or unforeseen future liabilities, not used as part of on-going in-year revenue funding. Reserves are a one-off, finite sources of funding and their use to underpin an on-going revenue shortfall is not sustainable or appropriate and contrary to good financial practice. Once these reserves have been exhausted, the underlying shortfall would still be there to be met, ultimately by service reductions or raising additional income. The use of reserves to meet ongoing funding support required for any extension to the CTRS, is therefore not sustainable or financially prudent.
- 8.4 Paragraph 5.6 discusses the potential to overhaul the scheme so that it falls under council tax legislation as a discount, similar to the existing single person discount, which could make administration more straight-forward, removing the reliance on a more resource intensive means tested assessment scheme. With fewer resources for the Council overall, a simpler scheme could be beneficial and cost effective. This would require consultation as well as revisions to the existing IT systems, procedures and staff training. At this stage the Council is not being asked to make a decision on this and further consideration will be given to this option in the future.
- 8.5 Whilst the council in February 2017 agreed a Medium Term Financial Strategy covering the years 2017/18 -2021/22, this was based on the Council anticipating the successful delivery of significant savings/service remodelling. The financial challenges have continued, and at period 5, the 2017/18 forecast outturn is for a significant overspend of £6.6m. Based on the continuing serious financial pressures faced by the Council and in the light of the on-going funding cuts, the Chief Finance Officer recommends that no changes are made to the scheme for 2018/19.

Comments of the Assistant Director of Corporate Governance and Legal Implications

- 8.6 Under section 13A(2) of the Local Government Finance Act 1992, the Council as billing authority must make a localised Council Tax Reduction Scheme in accordance with Schedule 1A to the Act. Each financial year the Council must consider whether to revise its scheme, or to replace it with another scheme. The Council must make any revision to its scheme, or any replacement scheme, no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.
- 8.7 This report recommends no revisions to the Scheme currently in place for 2017/18, which was itself a continuation of the Scheme approved for 2013/14 and maintained since then. The Council is not required to conduct a consultation in circumstances where it is not proposing to make any changes to its scheme.

- 8.8 Although there are no proposed changes to the Scheme, Full Council is required to agree the adoption of the Scheme to continue as from 01 April 2018 for the Council Tax year 2018/19.
- 8.9 The Council must in the exercise of its functions ensure that it has due regard to its Public Sector Equality Duty under the Equality Act 2010. The extent of the duty on the Council, under the Equality Act 2010, is set out in **Appendix F** to this report.
- 8.10 In considering whether to revise the Scheme, Members must take into account the full Equality Impact Assessment included at **Appendix E** to the report, giving particular consideration to section 3 of the assessment, the impacts identified therein and the proposals made to reduce or mitigate them. The assessment includes consideration of the duties to mitigate child poverty, prevent homelessness and the armed forces covenant, in line with the Government's requirement to consider the impact of the CTRS on vulnerable groups.
- 8.11 The Act allows the Government to make regulations about the prescribed requirements for schemes. Any scheme that the Council adopts must comply with the latest regulations.

Equality and Community Cohesion Comments

- 8.12 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - advance equality of opportunity between people who share those protected characteristics and people who do not;
 - foster good relations between people who share those characteristics and people who do not.
- 8.13 Council Tax Reduction Scheme claimants are amongst some of the most vulnerable residents in the borough. An EqIA has therefore been completed outlining the impact for those claiming under the scheme and proposed actions to mitigate any negative impact associated with the scheme.
- 8.14 The report recommends retaining the existing Council Tax Reduction scheme for 2018/19, meaning that there will be no changes for existing claimants. Pensioners and disabled claimants will continue to be eligible for the full discount supporting the aims of the scheme to protect the most vulnerable from financial hardship. The EqIA sets out the mitigating actions we have put

in place to reduce hardship for working age claimants and those with dependents. This includes:

- Extending the payment period and/or reducing payment amounts where claimants are facing particular difficulties
- Signposting claimants to appropriate support and advice services such as employment and skills training programmes to assist them out of financial difficulty

8.15 We note the ongoing cumulative impact of welfare reform changes such as the benefit cap and LHA rate changes and recognise the impact these have on vulnerable families. Maintaining the scheme as is aims to reduce any further difficulties as a result of increased Council Tax payments, however we will continue to monitor the impact of this and all changes to enable us to better support residents in financial difficulties.

Head of Procurement Comments

8.16 There are no procurement requirements at this stage of the proposal.

9. Use of Appendices for Final Report

- Appendix A – Summary of Scheme Rules
- Appendix B – Summary of other London LA Schemes 2017/18
- Appendix C – Haringey Council Tax Reduction Scheme
- Appendix D – Breakdown of Options Considered
- Appendix E – Equalities Impact Assessment
- Appendix F – Equality Act 2010 – The Public Sector Equality Duty

10. Local Government (Access to Information) Act 1985

10.1 N/A

Appendix A – Summary of Scheme Rules

Class of Persons

It is proposed that eligibility under the Scheme continues to use the previous Council Tax Benefit rules including the change originally agreed for 2013/14 and continued since that the maximum amount of capital that a working age claimant may hold in capital savings before becoming ineligible for council tax support is £10,000.

Class of Reduction

It is proposed that council tax support continue to be calculated as a means tested discount as defined by original council tax benefit rules except for the below changes as originally agreed for 2013/14 and continued since:

- Payments are reduced to all working age claimants by 19.8% with the exception of those persons in receipt of the following:
 - Attendance Allowance (including Constant AA)
 - Personal Independence Payment (PIP)
 - Severe Disablement Allowance (including Exceptionally SDA)
 - Long Term Rate Incapacity Benefit
 - Mobility Allowance/Supplement
 - Working Tax Credits – Disability element

- Where entitlement to council tax support is less than £1 per week it will no longer be granted.

Discretionary Reductions under Section 13A (1) (c)

In addition and separate to any reduction calculated as part of the Scheme, this provision provides an Authority with the discretion to reduce a council tax bill to zero, a similar power to that which existed previously.

Appendix B – Summary of Other London Local Authority Schemes for 2017/18

Local Authority	LA area	Minimum council tax payment
Harrow	Outer London	30.0%
Wandsworth	Inner London	30.0%
Enfield	Outer London	26.5%
Bromley	Outer London	25.0%
Barking & Dagenham	Outer London	25.0%
Ealing	Outer London	25.0%
Hillingdon	Outer London	25.0%
Waltham Forest	Outer London	24.0%
Barnet	Outer London	20.0%
Bexley	Outer London	20.0%
Brent	Outer London	20.0%
Newham	Inner London	20.0%
Haringey	Inner London	19.8%
Sutton	Outer London	17.5%
Lambeth	Inner London	15.9%
Croydon	Outer London	15.0%
Greenwich	Outer London	15.0%
Hackney	Inner London	15.0%
Havering	Outer London	15.0%
Redbridge	Outer London	15.0%
Southwark	Inner London	15.0%
Camden	Inner London	8.5%
Hounslow	Outer London	8.5%
Islington	Inner London	8.5%
Richmond upon Thames	Outer London	5.0%
Lewisham	Inner London	3.0%
City of London	Inner London	0.0%
Hammersmith and Fulham	Inner London	0.0%
Kensington and Chelsea	Inner London	0.0%
Kingston upon Thames	Outer London	0.0%
Merton	Outer London	0.0%
Tower Hamlets	Inner London	0.0%
Westminster	Inner London	0.0%

(note – Councils sorted from highest minimum payment to lowest)

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**London Borough of Haringey
Council Tax Reduction Scheme**

Introduction

This scheme is based on the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (SI 2012/2886) and incorporates the statutory obligations detailed in the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885).

Certain elements of the Default Scheme have been removed or amended within this scheme and apply solely to persons who have not reached the qualifying age for state pension credit.

This scheme will be amended to take into account any circumstances subsequently identified, through government statute. This scheme will be treated as having been amended to accommodate any changes the government may make to The Prescribed Requirements. Where references are made to the Prescribed Requirements or Default Scheme, these will relate to the most recently published edition of those documents. Where either is revoked, the last published version(s) will apply.

Features of the scheme

Key changes from the Default Scheme (of which apply to persons who have not reached the qualifying age for state pension credit) are as follows:

- Applicants of working-age will have their Council Tax support assessed against 80.2% of their council tax liability
- Applicants in receipt of certain disability benefits and premiums will receive protection from the above measure. These applicants will have their Council Tax support assessed against 100% of their council tax liability
- A minimum weekly Council Tax Support award of £1 has been introduced
- A new capital savings limit of £10,000 has been introduced
- Child benefit and war pensions will be fully disregarded when calculating entitlement for all applicants
- The maximum period for backdating claims shall be 6 months
- Any change of circumstance which is advantageous to council tax support entitlement and reported by the applicant outside one month, will take effect from the date on which it is reported

Application, appeals, revisions and superseded decisions

Provisions at Part 3 and Schedule 1 of this scheme set out how applications for a Council Tax Reduction must be made and how appeals are to be made to the authority.

General administration of the scheme

Apart from where statutorily required, advice of any award granted, removed or revised will be by an adjustment to the council tax bill and the bill itself will be the formal notification. Haringey Council reserves the right to include additional notifications.

Any excess award of Council Tax Reduction will be rectified by the amount being recovered by an adjustment to the council tax bill.

Uprating

This scheme proposes that any figures set out in the scheme may be uprated, to take effect on 1st April each year following the commencement of the scheme, by the consumer price index, set out in the preceding September, or by the rate used by the government in the determination of income support or universal credit.

Data sharing, fraud and error

Information provided by applicants will be used by Haringey Council to process applications for Council Tax Reductions. Information may also be shared internally to facilitate the processing of applications.

Information provided by applicants will also be used by Haringey Council for the prevention and detection of fraud and may also be shared with external and internal bodies responsible for auditing or administering public funds for these purposes.

Haringey Council is the data controller for the purposes of the Data Protection Act.

Penalties

Haringey Council has a responsibility to protect taxpayers and the public purse by effectively fighting fraud. The Council takes all forms of fraud seriously and will take action to recover any money that has been claimed based on false information, a failure to provide (disclose) information or a failure to notify a change of circumstances, possession or supply of articles for use in fraud or more generally obtaining services dishonestly. Such action could include a civil penalty and/or prosecution.

Haringey Council is committed to developing a culture of honesty, and zero tolerance to fraud. Individuals can anonymously notify the Council of a potential fraud.

To report all cases of fraud or corruption please call Fraudwatch on Freephone 0500 500 777

Alternatively please contact:

Audit and Risk Management can be contacted at:
Level 1, Alexandra House,
10 Station Road, Wood Green,
London, N22 7TR
Telephone: 020 8489 3768

Email: fraudcall@haringey.gov.uk

London Borough of Haringey Council Tax Reduction Scheme

This Scheme is based upon the Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012 (SI 2012/2886).

Application

The Scheme set out below is the reduction scheme for the London Borough of Haringey pursuant to section 13A(2) Local Government Finance Act 1992, approved on **[INSERT DATE]**.

These rules may be cited as the Council Tax Reduction Scheme 2018 and come into force on **[INSERT DATE]**. These rules are decided by and apply to Haringey Council.

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**Part 1
Introduction**

Introduction

1

This scheme relates to the financial year beginning with **[INSERT DATE]** and may be cited as the London Borough of Haringey Council Tax Reduction Scheme.

**Part 2
Interpretation**

Interpretation

2

(1) In this scheme--

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

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

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

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

"alternative maximum council tax reduction" means the amount determined in accordance with paragraph 31 and Schedule 4;

"applicable amount" means--

(a) in relation to a pensioner, the amount calculated in accordance with paragraph 25 and Schedule 2, and

(b) in relation to a person who is not a pensioner, the amount calculated in accordance with--

(i) paragraph 26 and Schedule 3; or

(ii) paragraph 28,

as the case may be;

"applicant" means a person who has made an application;

"application" means an application for a reduction under this scheme;

"assessment period" means--

(a) in relation to pensioners--

(i) in relation to the earnings of a self-employed earner, the period determined in accordance with paragraph 43 for the purpose of calculating the weekly earnings of the applicant; or

(ii) in relation to any other income, the period determined in accordance with paragraph 40 for the purpose of calculating the weekly income of the applicant;

(b) in relation to persons who are not pensioners, such period as is set out in paragraphs 47 to 49 over which income falls to be calculated;

"attendance allowance" means--

- (a) an attendance allowance under Part 3 of the SSCBA;
- (b) an increase of disablement pension under section 104 or 105 of that Act;
- (c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians) Scheme 1983 or any analogous payment; or
- (d) any payment based on need for attendance which is paid as part of a war disablement pension;

"the authority" means the London Borough of Haringey by virtue of paragraph 4(6) of Schedule 1A to the 1992 Act;

"basic rate" has the meaning given by the Income Tax Act 2007;

"the benefit Acts" means the SSCBA, the Jobseekers Act 1995, the State Pension Credit Act 2002 and the Welfare Reform Act 2007;

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

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

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

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

"child benefit" has the meaning given by section 141 of the SSCBA;

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

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

"concessionary payment" means a payment made under arrangements made by the Secretary of State with the consent of the Treasury which is charged either to the National Insurance Fund or to a Departmental Expenditure Vote to which payments of benefit or tax credits under the benefit Acts or the Tax Credits Act 2002 are charged;

"contributory employment and support allowance" means a contributory 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;

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

"couple" has the meaning given by paragraph 4;

"designated office" means the office of the authority designated by it for the receipt of applications--

- (a) by notice upon or with a form supplied by it for the purpose of making an application; or
- (b) by reference upon or with such a form to some other document available from it and sent by electronic means or otherwise on application and without charge; or
- (c) by any combination of the provisions set out in paragraphs (a) and (b);

"disability living allowance" means a disability living allowance under section 71 of the SSCBA;

"earnings" has the meaning given by paragraph 41, 44, 51 or 53 as the case may be;

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

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

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

"the Employment, Skills and Enterprise Scheme" means a scheme under section 17A (schemes for assisting persons to obtain employment: "work for your benefit" schemes etc) of the Jobseekers Act 1995 known by that name and provided pursuant to arrangements made by the Secretary of State that is designed to assist claimants for job-seekers allowance to obtain employment, including self-employment, and which may include for any individual work-related activity (including work experience or job search);

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

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

"extended reduction" means a reduction under this scheme for which a person is eligible under Part 12 (extended reductions);

"extended reduction period" means the period for which a person is in receipt of an extended reduction in accordance with paragraph 89, 96 or 101;

"extended reduction (qualifying contributory benefits)" means a reduction under this scheme for which a person is eligible in accordance with paragraph 88 or 95;

"family" has the meaning given by paragraph 6;

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

"guarantee credit" is to be construed in accordance with sections 1 and 2 of the State Pension Credit Act 2002;

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

"housing benefit" means housing benefit under Part 7 of the SSCBA;

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

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

"independent hospital"--

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

(b) in Wales has the meaning given by section 2 of the Care Standards Act 2000; and

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

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

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

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

"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 3;

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

"maximum council tax reduction amount" means the amount determined in accordance with paragraph 29;

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

“member of the work-related activity group” means a claimant who has or is treated as having limited capability for work under either--

- (a) Part 5 of the Employment and Support Allowance Regulations 2008 other than by virtue of regulation 30 of those Regulations; or
- (b) Part 4 of the Employment and Support Allowance Regulations 2013 other than by virtue of regulation 26 of those Regulations;

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

"mobility supplement" means--

- (a) in relation to pensioners, a supplement to which paragraph 5(1)(a)(vii) of Schedule 5 refers;
- (b) in relation to persons who are not pensioners, a supplement to which paragraph 13 of Schedule 8 refers;

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

"net earnings" means such earnings as are calculated in accordance with paragraph 42 or 52, as the case may be;

"net profit" means such profit as is calculated in accordance with paragraph 61;

"new dwelling" means, for the purposes of the definition of "second authority" and paragraphs 91, 98 and 103, the dwelling to which an applicant has moved, or is about to move, in which the applicant will be resident;

"non-dependant" has the meaning given by paragraph 9;

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

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

and "local authority" means a local authority in England within the meaning of the Local Government Act 1972;

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

"occupational pension scheme" has the same meaning as in section 1 of the Pension Schemes Act 1993;

"partner", in relation to a person, means--

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

"paternity leave" means a period of absence from work on ordinary paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996 or on additional paternity leave by virtue of section 80AA or 80BB of that Act;

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

"pensionable age" has the meaning given by the rules in paragraph 1 of Schedule 4 to the Pensions Act 1995;

"pensioner" has the meaning given by paragraph 3(2)(a);

"person on income support" means a person in receipt of income support;

"person treated as not being in Great Britain" has the meaning given by paragraph 21;

"person who is not a pensioner" has the meaning given by paragraph 3(2)(b);

"personal independence payment" has the meaning given by Part 4 of the Welfare Reform Act 2012;

"personal pension scheme" means--

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

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

"polygamous marriage" means any marriage to which paragraph 5 applies;

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

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

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

"qualifying contributory benefit" means--

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

"qualifying income-related benefit" means--

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

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

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

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

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

"remunerative work" has the meaning given by paragraph 10;

"rent" means "eligible rent" to which regulation 12 of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 refer, less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non-dependant deductions);

"savings credit" is to be construed in accordance with sections 1 and 3 of the State Pension Credit Act 2002;

"Scottish basic rate" means the rate of income tax of that name calculated in accordance with section 6A of the Income Tax Act 2007;

"Scottish taxpayer" has the same meaning as in Chapter 2 of Part 4A of the Scotland Act 1998;

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

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

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

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

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

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

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

"the SSCBA" means the Social Security Contributions and Benefits Act 1992;

"state pension credit" means state pension credit under the State Pension Credit Act 2002;

"student" has the meaning given by paragraph 73;

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

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

(a) out of public funds by a Government department or by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise, the Chief Executive of Skills Funding or the Welsh Ministers;

(b) to a person for his maintenance or in respect of a member of his family; and

(c) for the period, or part of the period, during which he is following a course of training or instruction provided by, or in pursuance of arrangements made with, that department or approved by that department in relation to him or so provided or approved by or on behalf of the Secretary of State, Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise or the Welsh Ministers,

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

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

"universal credit" has the meaning given by section 1 of the Welfare Reform Act 2012;

"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;

"working tax credit" means a working tax credit under section 10 of the Tax Credits Act 2002;

"young person" means a person who falls within the definition of qualifying young person in section 142 of the SSCBA.

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

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

(a) in respect of which he satisfies the conditions for entitlement to an income-based jobseeker's allowance but where the allowance is not paid because of a reduction in accordance with section 19 or 19A or regulations made under section 17A or 19B of the Jobseekers Act 1995 (circumstances in which a jobseeker's allowance is not payable);

(b) which is a waiting day for the purposes of paragraph 4 of Schedule 1 to that Act and which falls immediately before a day in respect of which an income-based jobseeker's allowance is payable to him or would be payable to him but for section 19 or 19A or regulations made under section 17A or 19B of that Act; or

(c) in respect of which an income-based jobseeker's allowance would be payable but for a restriction imposed pursuant to section 6B, 7, 8 or 9 of the Social Security Fraud Act 2001 (loss of benefit provisions).

(4) For the purposes of this scheme, a person is on an income-related employment and support allowance on any day in respect of which an income-related employment and support allowance is payable to him and on any day--

(a) in respect of which he satisfies the conditions for entitlement to an income-related employment and support allowance but where the allowance is not paid in accordance with section 18 of the Welfare Reform Act 2007 (disqualification); or

(b) which is a waiting day for the purposes of paragraph 2 of Schedule 2 to that Act (employment and support allowance: supplementary provisions) and which falls immediately before a day in respect of which an income-related employment and support allowance is payable to him or would be payable to him but for section 18 of that Act.

(5) For the purposes of this scheme, two persons must be taken to be estranged only if their estrangement constitutes a breakdown of the relationship between them.

(6) In this scheme, references to any person in receipt of state pension credit includes a person who would be in receipt of state pension credit but for regulation 13 of the State Pension Credit Regulations 2002 (small amounts of state pension credit).

(7) In this scheme, references to a person in class A, B or C (as the case may be) is a reference to class A, B or C described in paragraphs 13-15 of Part 4.

(8) 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) a body which has a statutory duty to provide services in the field of health, social care or social housing; or

(ii) a body which conducts research or undertakes monitoring for the purpose of planning or improving such services,

in their capacity as a user, potential user, carer of a user or person otherwise affected by the provision of those services;

(aa) a person who is being consulted by or on behalf of—

(i) the Secretary of State in relation to any of the Secretary of State's functions in the field of social security or child support or under section 2 of the Employment and Training Act 1973; 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) or (aa) where the carer is not being consulted as described in that sub-paragraph.

Application of scheme: pensioners and persons who are not pensioners

3

(1) This scheme applies to--

- (a) pensioners who fall within any of classes A to C; and
- (b) persons who are not pensioners who fall within any of classes D to F.

(2) In this scheme--

(a) a person is a "pensioner" if--

- (i) he has attained the qualifying age for state pension credit; and
- (ii) he is not, and, if he has a partner, his partner is not--

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

(bb) a person with an award of universal credit; and

(b) a person is a "person who is not a pensioner" if--

- (i) he has not attained the qualifying age for state pension credit; or
- (ii) he has attained the qualifying age for state pension credit and he, or if he has a partner, his partner, is--

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

(bb) a person with an award of universal credit.

Meaning of "couple"

4

(1) In this scheme "couple" means--

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

(2) Two people of the same sex are to be treated as living together as if they were civil partners if, and only if, they would be treated as living together as husband and wife were they of opposite sexes.

Polygamous marriages

5

(1) This paragraph applies to any case where--

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

(2) For the purposes of paragraph 4 (meaning of "couple") neither party to the marriage is to be taken to be a member of a couple.

Meaning of "family"

6

(1) In this scheme "family" means--

- (a) a couple;
- (b) a couple and a member of the same household for whom one of them is or both are responsible and who is a child or a young person; or
- (c) a person who is not a member of a couple and a member of the same household for whom that person is responsible and who is a child or a young person.

(2) The references to a child or young person in sub-paragraph (1)(b) and (c) include a child or young person in respect of whom section 145A of the SSCBA applies for the purposes of entitlement to child benefit, but only for the period prescribed under section 145A(1).

(3) The references to a young person in sub-paragraph (1)(b) and (c) do not include a young person who is--

- (a) on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, or has an award of universal credit;
- (b) a person to whom section 6 of the Children (Leaving Care) Act 2000 (exclusion from benefits) applies; or
- (c) entitled to an award of universal credit.

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

7

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

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

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

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

Households

8

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

(2) A child or young person is not be treated as a member of the applicant's household where he is--

- (a) placed with the applicant or his partner by a local authority under section 22C or 23(2)(a) of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or in Scotland boarded out or placed with the applicant or his partner under a relevant enactment; or
- (b) placed, or in Scotland boarded out, with the applicant or his partner prior to adoption; or
- (c) placed for adoption with the applicant or his partner in accordance with the Adoption and Children Act 2002 or the Adoption Agencies (Scotland) Regulations 2009 or the Adoption (Northern Ireland) Order 1987.

(3) Subject to sub-paragraph (4), sub-paragraph (1) does not apply to a child or young person who is not living with the applicant and who--

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

(4) The authority must treat a child or young person to whom sub-paragraph (3)(a) applies as being a member of the applicant's household in any reduction week where--

- (a) that child or young person lives with the applicant for part or all of that reduction week; and

(b) the authority considers that it is reasonable to do so taking into account the nature and frequency of that child's or young person's visits.

(5) In this paragraph "relevant enactment" means--

- (a) the Army Act 1955;
- (b) the Air Force Act 1955;
- (c) the Naval Discipline Act 1957;
- (d) the Matrimonial Proceedings (Children) Act 1958;
- (e) the Social Work (Scotland) Act 1968;
- (f) the Family Law Reform Act 1969;
- (g) the Children and Young Persons Act 1969;
- (h) the Matrimonial Causes Act 1973;
- (i) the Children Act 1975;
- (j) the Domestic Proceedings and Magistrates' Courts Act 1978;
- (k) the Adoption and Children (Scotland) Act 2007;
- (l) the Family Law Act 1986;
- (m) the Children Act 1989;
- (n) the Children (Scotland) Act 1995;
- (na) the Children's Hearings (Scotland) Act 2011; and
- (o) the Legal Aid, Sentencing and Punishment of Offenders Act 2012.

Non-dependants

9

(1) In this scheme, "non-dependant" means any person, except someone to whom sub-paragraph (2) applies, who normally resides with an applicant or with whom an applicant normally resides.

(2) This paragraph applies to--

- (a) any member of the applicant's family;
- (b) if the applicant is polygamously married--
 - (i) where the applicant has (alone or jointly with his partner) an award of universal credit, any--
 - (aa) party to such a marriage other than the applicant's partner; and
 - (bb) any child or young person who is a member of his household and for whom he or his partner or another party to the polygamous marriage is responsible; or
 - (ii) in any other case, any partner of his and any child or young person who is a member of his household and for whom he or one of his partners is responsible;
- (c) a child or young person who is living with the applicant but who is not a member of his household by virtue of paragraph 8 (households);

(d) subject to sub-paragraph (3), any person who, with the applicant, is jointly and severally liable to pay council tax in respect of a dwelling for any day under section 6 or 7 of the 1992 Act (persons liable to pay council tax);

(e) subject to sub-paragraph (3), any person who is liable to make payments on a commercial basis to the applicant or the applicant's partner in respect of the occupation of the dwelling;

(f) a person who lives with the applicant in order to care for him or a partner of his and who is engaged by a charitable or voluntary organisation which makes a charge to the applicant or his partner for the services provided by that person.

(3) Excepting persons to whom sub-paragraph (2)(a) to (c) and (f) refer, a person to whom any of the following paragraphs applies is a non-dependant--

(a) a person who resides with the person to whom he is liable to make payments in respect of the dwelling and either--

(i) that person is a close relative of his or his partner; or

(ii) the tenancy or other agreement between them is other than on a commercial basis;

(b) a person whose liability to make payments in respect of the dwelling appears to the authority to have been created to take advantage of a council tax reduction scheme except someone who was, for any period within the eight weeks prior to the creation of the agreement giving rise to the liability to make such payments, otherwise liable to make payments of rent in respect of the same dwelling;

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

Remunerative work

10

(1) Subject to the following provisions of this paragraph, a person must be treated for the purposes of this scheme as engaged in remunerative work if he is engaged, or, where his hours of work fluctuate, he is engaged on average, for not less than 16 hours a week, in work for which payment is made or which is done in expectation of payment.

(2) Subject to sub-paragraph (3), in determining the number of hours for which a person is engaged in work where his hours of work fluctuate, regard must be had to the average of hours worked over--

(a) if there is a recognisable cycle of work, the period of one complete cycle (including, where the cycle involves periods in which the person does no work, those periods but disregarding any other absences);

(b) in any other case, the period of 5 weeks immediately prior to the date of application, or such other length of time as may, in the particular case, enable the person's weekly average hours of work to be determined more accurately.

(3) Where, for the purposes of sub-paragraph (2)(a), a person's recognisable cycle of work at a school, other educational establishment or other place of employment is one year and includes periods of school holidays or similar vacations during which he does not work, those periods and any other periods not forming part of such holidays or vacations during which he is not required to work must be disregarded in establishing the average hours for which he is engaged in work.

(4) Where no recognisable cycle has been established in respect of a person's work, regard must be had to the number of hours or, where those hours will fluctuate, the average of the hours, which he is expected to work in a week.

(5) A person must be treated as engaged in remunerative work during any period for which he is absent from work referred to in sub-paragraph (1) if the absence is either without good cause or by reason of a recognised, customary or other holiday.

(6) A person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance for more than 3 days in any reduction week is to be treated as not being in remunerative work in that week.

(7) A person must not be treated as engaged in remunerative work on any day on which the person is on maternity leave, paternity leave or adoption leave, or is absent from work because he is ill.

(8) A person must not be treated as engaged in remunerative work on any day on which he is engaged in an activity in respect of which--

- (a) a sports award has been made, or is to be made, to him; and
- (b) no other payment is made or is expected to be made to him.

Part 3 Procedural Matters

Procedure for reduction applications and appeals against reduction decisions

11

Schedule 1 contains provisions about the procedure--

- (a) by which a person may apply for a reduction under this scheme;
- (b) by which a person may make an appeal against certain decisions of the authority;
- (c) by which a person can apply to the authority for a reduction under section 13A(1)(c) of the 1992 Act.

Part 4 Classes of Person Entitled to a Reduction Under this Scheme

Classes of person entitled to a reduction under this scheme

12

(1) The classes of person described in paragraphs 13 to 18 are entitled to a reduction under this scheme.

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

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

13

On any day class A consists of any person who is a pensioner--

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

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

14

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

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

Class C: alternative maximum council tax reduction--pensioners

15

(1) On any day class C consists of any person who is a pensioner--

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) who has made an application; and
- (f) in relation to whom the condition in sub-paragraph (2) is met.

(2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the applicant in respect of the dwelling and there is an alternative maximum council tax reduc-

tion in respect of the day in the case of that person which is derived from the income, or aggregate incomes, of one or more residents to whom this sub-paragraph applies.

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

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

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

(c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant is a member of that couple or of that marriage and--

(i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act (persons disregarded for the purposes of discount), falls to be disregarded for the purposes of discount; or

(ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;

(d) is not a person who jointly with the applicant falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or

(e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

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

16

On any day class D consists of any person who is not a pensioner--

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

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

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

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

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

(f) who has made an application.

(g) any such person identified in 16(a), 16(b), 16(c), 16 (d), 16 (e) and 16(f) shall not be entitled to a council tax reduction if, once calculated, their award would have been less than £1 per week.

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

17

On any day class E consists of any person who is not a pensioner--

- (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
- (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
- (c) in respect of whom a maximum council tax reduction amount can be calculated;
- (d) who does not fall within a class of person not entitled to a reduction under this scheme;
- (e) whose income for the relevant week is greater than his applicable amount;
- (f) in respect of whom amount A exceeds amount B where--
 - (i) amount A is the maximum council tax reduction in his case; and
 - (ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount, and
- (g) who has made an application.
- (h) any such person identified in 17(a), 17(b), 17(c), 17 (d), 17 (e), 17(f) and 17(g) shall not be entitled to a council tax reduction if, once calculated, their award would have been less than £1 per week

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

18

- (1) On any day class F consists of any person who is not a pensioner--
 - (a) who is for that day liable to pay council tax in respect of a dwelling of which he is a resident;
 - (b) who, subject to paragraph 19 (periods of absence from a dwelling), is not absent from the dwelling throughout the day;
 - (c) in respect of whom a maximum council tax reduction amount can be calculated;
 - (d) who does not fall within a class of person not entitled to a reduction under this scheme;
 - (e) who has made an application; and
 - (f) in relation to whom the condition in sub-paragraph (2) is met.
- (2) The condition referred to in sub-paragraph (1)(f) is that no other resident of the dwelling is liable to pay rent to the person in question in respect of the dwelling and there is an alternative maximum council tax reduction in respect of the day in the case of that person which is derived from the income, or aggregate incomes, of one or more residents to whom this sub-paragraph applies.
- (3) Sub-paragraph (2) applies to any other resident of the dwelling who--
 - (a) is not a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; and
 - (b) is not a person who is liable for council tax solely in consequence of the provisions of section 9 of the 1992 Act (spouse's or civil partner's joint and several liability for tax);
 - (c) is not a person who is residing with a couple or with the members of a polygamous marriage where the applicant for the reduction is a member of that couple or of that marriage and--
 - (i) in the case of a couple, neither member of that couple is a person who, in accordance with Schedule 1 to the 1992 Act, falls to be disregarded for the purposes of discount; or

(ii) in the case of a polygamous marriage, two or more members of that marriage are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount;

(d) is not a person who jointly with the applicant for reduction falls within the same paragraph of section 6(2)(a) to (e) of the 1992 Act (persons liable to pay council tax) as applies in the case of the applicant; or

(e) is not a person who is residing with two or more persons both or all of whom fall within the same paragraph of section 6(2)(a) to (e) of the 1992 Act where two or more of those persons are not persons who, in accordance with Schedule 1 to the 1992 Act, fall to be disregarded for the purposes of discount.

Periods of absence from a dwelling: pensioners

19

(1) A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.

(2) In sub-paragraph (1), a "period of temporary absence" means--

(a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation in Great Britain where and for so long as--

- (i) the person resides in that accommodation;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
- (iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

(b) subject to sub-paragraph (2B), a period of absence within Great Britain not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as--

- (i) the person intends to return to the dwelling;
- (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;

(c) subject to sub-paragraph (2D), a period of absence within Great Britain not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as--

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let;
- (iii) the person is a person to whom sub-paragraph (3) applies; and
- (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period; and

(d) subject to sub-paragraphs (2F), (3C), (3E) and (3G) and where sub-paragraph (2E) applies, a period of absence outside Great Britain not exceeding 4 weeks, beginning with the first day of that absence from Great Britain where and for so long as—

- (i) the person intends to return to the dwelling;

- (ii) the part of the dwelling in which he usually resides is not let or sub-let; and
- (iii) the period of absence from Great Britain is unlikely to exceed 4 weeks.

(2A) The period of 13 weeks referred to in sub-paragraph (2)(b) shall run or continue to run during any period of absence from Great Britain.

(2B) Where—

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 13 weeks beginning with the first day of absence from that dwelling; and
- (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

then any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(b).

(2C) The period of 52 weeks referred to in sub-paragraph (2)(c) shall run or continue to run during any period of absence from Great Britain.

(2D) Where—

- (a) a person returns to Great Britain after a period of absence from Great Britain (period A);
- (b) that person has been absent from the dwelling, including any absence within Great Britain, for less than 52 weeks beginning with the first day of absence from that dwelling; and
- (c) at the outset of, or during, period A, period A ceased to be treated as a period of temporary absence,

then, any day that follows period A and precedes the person's return to the dwelling, shall not be treated as a period of temporary absence under sub-paragraph (2)(c).

(2E) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(2F) If the temporary absence referred to in sub-paragraph (2)(d) is in connection with the death of—

- (a) the person's partner or a child or young person for whom the person or the person's partner is responsible;
- (b) the person's close relative;
- (c) the close relative of the person's partner; or
- (d) the close relative of a child or young person for whom the person or the person's partner is responsible,

then the period of 4 weeks in the opening words of sub-paragraph (2)(d) may be extended by up to 4 further weeks if the relevant authority considers it unreasonable to expect the person to return to Great Britain within the first 4 weeks (and the reference in sub-paragraph (iii) of that paragraph to a

period of 4 weeks shall, where the period is extended, be taken as referring to the period as so extended).

- (3) This sub-paragraph applies to a person who--
- (a) is a person to whom sub-paragraph (3A) applies;
 - (b) is resident in a hospital or similar institution as a patient;
 - (c) is undergoing, or whose partner or dependent child is undergoing medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;
 - (d) is following a training course;
 - (e) is undertaking medically approved care of a person;
 - (f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;
 - (g) is receiving medically approved care provided in accommodation other than residential accommodation;
 - (h) is a student;
 - (i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or
 - (j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

(3A) This sub-paragraph applies to a person ("P") who is—

- (a) detained in custody on remand pending trial;
- (b) detained pending sentence upon conviction; or
- (c) as a condition of bail required to reside—
 - (i) in a dwelling, other than a dwelling P occupies as P's home; or
 - (ii) in premises approved under section 13 of the Offender Management Act 2007,

and who is not also detained in custody following sentence upon conviction.

(3B) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the person is a member of Her Majesty's forces posted overseas, a mariner or a continental shelf worker;
- (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3C) Where sub-paragraph (3B) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

- (a) the person intends to return to the dwelling;

- (b) the part of the dwelling in which he usually resided is not let or sub-let;
- (c) the period of absence from Great Britain is unlikely to exceed 26 weeks.

(3D) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the person is a person described in any of paragraphs (b), (c), (g) or (j) of sub-paragraph (3);
- (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3E) Where sub-paragraph (3D) applies, a period of absence from Great Britain not exceeding 26 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

- (a) the person intends to return to the dwelling;
- (b) the part of the dwelling in which he usually resided is not let or sub-let;
- (c) the period of absence is unlikely to exceed 26 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

(3F) This sub-paragraph applies where—

- (a) a person is temporarily absent from Great Britain;
- (b) the person is a person described in any of paragraphs (a), (d), (e), (f), (h) or (i) of sub-paragraph (3);
- (c) immediately before that period of absence from Great Britain, the person was not absent from the dwelling.

(3G) Where sub-paragraph (3F) applies, a period of absence from Great Britain not exceeding 4 weeks, beginning with the first day of absence from Great Britain, shall be treated as a period of temporary absence where and for so long as—

- (a) the person intends to return to the dwelling;
- (b) the part of the dwelling in which he usually resided is not let or sub-let;
- (c) the period of absence is unlikely to exceed 4 weeks, or in exceptional circumstances, is unlikely substantially to exceed that period.

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

- (a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and
- (b) on temporary release from detention in accordance with Rules made under the provisions of the Prison Act 1952 or the Prisons (Scotland) Act 1989.

(5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release--

- (a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;
- (b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;
- (c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.

(6) In this paragraph—

“continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
- (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;

"medically approved" means certified by a medical practitioner;

“member of Her Majesty's forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the main dwelling because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty's regular forces or reserve forces;

"patient" means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;

“prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998;

"residential accommodation" means accommodation which is provided in--

- (a) a care home;
- (b) an independent hospital;
- (c) an Abbeyfield Home; or
- (d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

"training course" means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Periods of absence from a dwelling: persons who are not pensioners

19A

(1) A person is not absent from a dwelling in relation to any day which falls within a period of temporary absence from that dwelling.

(2) In sub-paragraph (1), a "period of temporary absence" means--

(a) a period of absence not exceeding 13 weeks, beginning with the first whole day on which a person resides in residential accommodation where and for so long as--

- (i) the person resides in that accommodation;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
- (iii) that period of absence does not form part of a longer period of absence from the dwelling of more than 52 weeks,

where he has entered the accommodation for the purpose of ascertaining whether it suits his needs and with the intention of returning to the dwelling if it proves not to suit his needs;

(b) a period of absence not exceeding 13 weeks, beginning with the first whole day of absence from the dwelling, where and for so long as--

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let; and
- (iii) that period is unlikely to exceed 13 weeks; and

(c) a period of absence not exceeding 52 weeks, beginning with the first whole day of that absence, where and for so long as--

- (i) the person intends to return to the dwelling;
- (ii) the part of the dwelling in which he usually resided is not let or sub-let;
- (iii) the person is a person to whom sub-paragraph (3) applies; and
- (iv) the period of absence is unlikely to exceed 52 weeks or, in exceptional circumstances, is unlikely substantially to exceed that period.

(3) This sub-paragraph applies to a person who--

(a) is detained in custody on remand pending trial or required, as a condition of bail, to reside--

- (i) in a dwelling, other than the dwelling referred to in sub-paragraph (1), or
- (ii) in premises approved under section 13 of the Offender Management Act 2007,

or is detained in custody pending sentence upon conviction;

(b) is resident in a hospital or similar institution as a patient;

(c) is undergoing, or whose partner or dependent child is undergoing, in the United Kingdom or elsewhere, medical treatment, or medically approved convalescence, in accommodation other than residential accommodation;

(d) is following, in the United Kingdom or elsewhere, a training course;

(e) is undertaking medically approved care of a person residing in the United Kingdom or elsewhere;

(f) is undertaking the care of a child whose parent or guardian is temporarily absent from the dwelling normally occupied by that parent or guardian for the purpose of receiving medically approved care or medical treatment;

(g) is, in the United Kingdom or elsewhere, receiving medically approved care provided in accommodation other than residential accommodation;

(h) is a student;

(i) is receiving care provided in residential accommodation and is not a person to whom sub-paragraph (2)(a) applies; or

(j) has left the dwelling he resides in through fear of violence, in that dwelling, or by a person who was formerly a member of the family of the person first mentioned.

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

(a) detained in custody pending sentence upon conviction or under a sentence imposed by a court (other than a person who is detained in hospital under the provisions of the Mental Health Act 1983, or, in Scotland, under the provisions of the Mental Health (Care and Treatment) (Scotland) Act 2003 or the Criminal Procedure (Scotland) Act 1995 or, in Northern Ireland, under Article 4 or 12 of the Mental Health (Northern Ireland) Order 1986); and

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

(5) Where sub-paragraph (4) applies to a person, then, for any day when he is on temporary release--

(a) if such temporary release was immediately preceded by a period of temporary absence under sub-paragraph (2)(b) or (c), he must be treated, for the purposes of sub-paragraph (1), as if he continues to be absent from the dwelling, despite any return to the dwelling;

(b) for the purposes of sub-paragraph (3)(a), he must be treated as if he remains in detention;

(c) if he does not fall within paragraph (a), he is not to be considered to be a person who is liable to pay council tax in respect of a dwelling of which he is a resident.

(6) In this paragraph--

"medically approved" means certified by a medical practitioner;

"patient" means a person who is undergoing medical or other treatment as an in-patient in any hospital or similar institution;

"residential accommodation" means accommodation which is provided in--

(a) a care home;

(b) an independent hospital;

(c) an Abbeyfield Home; or

(d) an establishment managed or provided by a body incorporated by Royal Charter or constituted by Act of Parliament other than a local social services authority;

"training course" means a course of training or instruction provided wholly or partly by or on behalf of or in pursuance of arrangements made with, or approved by or on behalf of, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, a government department or the Secretary of State.

Transitional provision

19 B

- (1) Subject to paragraph (2), paragraph 19 shall not apply in respect of a person who is temporarily absent from Great Britain on 1st April 2017 until the day that person returns to Great Britain.
- (2) Paragraph (1) does not apply to a person who, on 1st April 2017, is temporarily absent from Great Britain and is—
 - (a) a member of Her Majesty's forces posted overseas;
 - (b) absent in the capacity of a continental shelf worker; or
 - (c) absent in the capacity of a mariner.

- (3) In this regulation—

“continental shelf worker” means a person who is employed, whether under a contract of service or not, in a designated area or a prescribed area in connection with any of the activities mentioned in section 11(2) of the Petroleum Act 1998;

“designated area” means any area which may from time to time be designated by Order in Council under the Continental Shelf Act 1964 as an area within which the rights of the United Kingdom with respect to the seabed and subsoil and their natural resources may be exercised;

“mariner” means a person who is employed under a contract of service either as a master or member of the crew of any ship or vessel, or in any other capacity on board any ship or vessel, where—

- (a) the employment in that capacity is for the purposes of that ship or vessel or its crew or any passengers or cargo or mails carried by the ship or vessel; and
- (b) the contract is entered into in the United Kingdom with a view to its performance (in whole or in part) while the ship or vessel is on its voyage;

“member of Her Majesty's forces posted overseas” means a person who is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006), who is absent from the dwelling that the person normally occupies as his home because the person has been posted outside of Great Britain to perform the duties of a member of Her Majesty's regular forces or reserve forces; and

“prescribed area” means any area over which Norway or any member State (other than the United Kingdom) exercises sovereign rights for the purpose of exploring the seabed and subsoil and exploiting their natural resources, being an area outside the territorial seas of Norway or such member State, or any other area which is from time to time specified under section 10(8) of the Petroleum Act 1998.

Part 5

Classes of Person Excluded from this Scheme

Classes of person excluded from this scheme

20

The classes of person described in paragraphs 21 to 24 are not entitled to a reduction under this scheme.

Class of person excluded from this scheme: persons treated as not being in Great Britain

21

(1) The class of person described in this paragraph consists of any person treated as not being in Great Britain.

(2) Except where a person falls within sub-paragraph (5) or (6), a person is to be treated as not being in Great Britain if the person is not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.

(3) A person must not be treated as habitually resident in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland unless the person has a right to reside in one of those places.

(4) For the purposes of sub-paragraph (3), a right to reside does not include a right which exists by virtue of, or in accordance with--

(a) regulation 13 of the EEA Regulations or Article 6 of Council Directive No 2004/38/EC;

(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).

(5) A person falls within this sub-paragraph if the person is--

(a) a qualified person for the purposes of regulation 6 of the EEA Regulations as a worker or a self-employed person;

(b) a family member of a person referred to in paragraph (a) within the meaning of regulation 7(1)(a), (b) or (c) of the EEA Regulations;

(c) a person who has a right to reside permanently in the United Kingdom by virtue of regulation 15(1)(c), (d) or (e) of the EEA Regulations;

(d) a person recorded by the Secretary of State as a refugee within the definition in Article 1 of the Convention relating to the Status of Refugees done at Geneva on 28th July 1951, as extended by Article 1(2) of the Protocol relating to the Status of Refugees done at New York on 31st January 1967;

(e) a person who has been granted, or who is deemed to have been granted, leave outside the rules made under section 3(2) of the Immigration Act 1971 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").

(6) A person falls within this sub-paragraph if the person is a Crown servant or member of Her Majesty's forces posted overseas.

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

(8) In this paragraph--

"claim for asylum" has the same meaning as in section 94(1) of the Immigration and Asylum Act 1999;

"EEA Regulations" means the Immigration (European Economic Area) Regulations 2006.

Transitional Provision

(1) Paragraph (ha) does not apply to a person who, on 31st March 2015-

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

(b) is entitled to an income-based jobseeker's allowance,

until the first of the events in paragraph (2) occurs.

(2) The events are-

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

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

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

Class of person excluded from this scheme: persons subject to immigration control

22

(1) Subject to paragraph (1A), persons subject to immigration control are not entitled to a reduction under this scheme.

(1A) A person who is a national of a state which has ratified the European Convention on Social and Medical Assistance (done in Paris 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 purposes of paragraph (1).

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

Class of person excluded from this scheme: capital limit

23

- (1) The class of person described in this paragraph consists of any pensioner whose capital limit exceeds £16,000 and of any person who is not a pensioner whose capital exceeds £10,000.
- (2) Capital for the purposes of sub-paragraph (1) is to be calculated in accordance with Part 10 of this scheme.

Class of person excluded from this scheme: students

24

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

**Part 6
Applicable Amounts**

Applicable amounts: pensioners

25

- (1) The applicable amount for a pensioner for a week is the aggregate of such of the following amounts as apply in his case--
- (a) an amount in respect of his personal allowance, determined in accordance with paragraph 1 of Schedule 2 (personal allowance);
 - (b) an amount in respect of any child or young person who is a member of his family, determined in accordance with paragraph 2 of that Schedule (child or young person amounts);
 - (c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with paragraph 3 of that Schedule (family premium);
 - (d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums).

- (2) In Schedule 2--

"additional spouse" means a spouse of either party to the marriage who is additional to the other party to the marriage;

"patient" means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

Applicable amounts: persons who are not pensioners

26

- (1) Subject to paragraphs 27 and 28, the applicable amount for a week for a person who is not a pensioner is the aggregate of such of the following amounts as may apply in his case--
- (a) an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 3;
 - (b) an amount in respect of any child or young person who is a member of his family, determined in accordance with paragraph 3 of that Schedule;
 - (c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of that Schedule (family premium);
 - (d) the amount of any premiums which may be applicable to him, determined in accordance with Parts 3 and 4 of that Schedule (premiums);
 - (e) the amount of either the--
 - (i) work-related activity component; or
 - (ii) support component,which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);
 - (f) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

(2) In Schedule 3--

"additional spouse" means a spouse of either party to the marriage who is additional to the other party to the marriage;

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

"patient" means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005.

Polygamous marriages: persons who are not pensioners

27

- (1) This paragraph applies where an applicant who is not a pensioner is a member of a polygamous marriage and does not have (alone or jointly with a party to a marriage), an award of universal credit.
- (2) The applicable amount for a week of an applicant where this paragraph applies is the aggregate of such of the following amounts as may apply in his case--
- (a) the amount applicable to him and one of his partners determined in accordance with paragraph 1(3) of Schedule 3 as if he and that partner were a couple;
 - (b) an amount equal to the difference between the amounts specified in sub-paragraphs (3) and (1)(b) of paragraph 1 of that Schedule in respect of each of his other partners;
 - (c) an amount determined in accordance with paragraph 2 of that Schedule (main phase employment and support allowance) in respect of any child or young person for whom he or a partner of his is responsible and who is a member of the same household;

(d) if he or another partner of the polygamous marriage is responsible for a child or young person who is a member of the same household, the amount specified in Part 2 of that Schedule (family premium);

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

(f) the amount of either the--

(i) work-related activity component; or

(ii) support component,

which may be applicable to him in accordance with Parts 5 and 6 of that Schedule (the components);

(g) the amount of any transitional addition which may be applicable to him in accordance with Parts 7 and 8 of that Schedule (transitional addition).

Applicable amount: persons who are not pensioners who have an award of universal credit

28

(1) Subject to sub-paragraph (2), in determining the applicable amount for a week of an applicant who is not a pensioner--

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the maximum amount of the applicant, or the applicant and his partner jointly (as the case may be), subject to the adjustment described in sub-paragraph (3).

(2) In determining the applicable amount for a week of an applicant who is a member of a polygamous marriage, the fact that two people are husband and wife is to be disregarded if--

(a) one of them is a party to an earlier marriage that still subsists; and

(b) the other party to that earlier marriage is living in the same household.

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

(4) In this paragraph "maximum amount" means the maximum amount calculated by the Secretary of State in accordance with section 8(2) of the Welfare Reform Act 2012.

Part 7

Maximum Council Tax Reduction for the Purposes of Calculating Eligibility for a Reduction Under this Scheme and Amount of Reduction

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

29

(1) Subject to sub-paragraphs (2) to (4), a person's maximum council tax reduction amount in respect of a day is—

(a) 100 per cent of the amount A/B if the applicant is a pensioner;

(b) save as excepted for at (c) and (d) below, 80.2 per cent of the amount A/B if the applicant is a person who is not a pensioner;

(c) 100 per cent of the amount A/B if the applicant is not a pensioner but is in receipt of any of the following--

- (i) Attendance Allowance including Constant Attendance Allowance;
- (ii) Disability Living Allowance including Care and Mobility components;
- (iii) Severe Disablement Allowance including Exceptionally Severe Disablement Allowance;
- (iv) Mobility Allowance and Supplement;
- (v) Long Term Rate Incapacity Benefit;
- (vi) Working Tax Credits – Disability element;
- (vii) Personal Independence Payment

(d) 100 per cent of the amount A/B if the applicant is not a pensioner but is responsible for a disabled child or young person of the same household and where the applicant is in receipt of any of the following premiums--

- (i) Disability Premium;
- (ii) Disabled Child Premium;
- (iii) Enhanced Disability Premium;
- (iv) Enhanced Disability Child Premium;
- (v) Carer Premium;
- (vi) Severe Disability Premium

where--

(A) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(B) B is the number of days in that financial year,

less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non-dependant deductions: pensioners and persons who are not pensioners).

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

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

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

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

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

Non-dependant deductions: pensioners

30

(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29 are--

- (a) in respect of a non-dependant aged 18 or over in remunerative work, $\text{£}11.55 \times 1/7$;
- (b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, $\text{£}3.80 \times 1/7$.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is--

- (a) less than $\text{£}196.95$, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);
- (b) not less than $\text{£}196.95$ but less than $\text{£}341.40$, the deduction to be made under this paragraph is $\text{£}7.65 \times 1/7$;
- (c) not less than $\text{£}341.40$ but less than $\text{£}424.20$, the deduction to be made under this paragraph is $\text{£}9.65 \times 1/7$.

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

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

(5) Where in respect of a day--

- (a) a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and
- (c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

the deduction in respect of that non-dependant must be apportioned equally between those liable persons.

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

(a) blind or treated as blind by virtue of paragraph 10 of Schedule 3 (additional condition for the disability premium); or

(b) receiving in respect of himself--

(i) attendance allowance, or would be receiving that allowance but for--

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA;
or

(bb) an abatement as a result of hospitalisation; or

(ii) the care component of the disability living allowance, or would be receiving that component but for--

(aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA;
or

(bb) an abatement as a result of hospitalisation; or

(iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or

(iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(7) No deduction is to be made in respect of a non-dependant if--

(a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or

(b) he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or

(c) he is a full-time student within the meaning of Part 11 (students); or

(d) he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes--

(i) "patient" has the meaning given in paragraph 19(6), and

(ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods; or

(e) he is not residing with the applicant because he is a member of the regular forces or the reserve forces (within the meaning of section 374 of the Armed Forces Act 2006) who is absent, while on operations, from the dwelling usually occupied as their home.

(8) No deduction is to be made in respect of a non-dependant--

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

(b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers; or

(c) who is entitled to an award of universal credit where the award is calculated on the basis that the person does not have any earned income.

(9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant's weekly gross income--

(a) any attendance allowance, disability living allowance, personal independence payment or an AFIP received by him;

(b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and

(c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

(10) For the purposes of sub paragraph (8), "earned income" has the meaning given in regulation 52 of the Universal Credit Regulations 2013.

Non-dependant deductions: persons who are not pensioners

30A

(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29 are--

(a) in respect of a non-dependant aged 18 or over in remunerative work, £10.95 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £3.65 x 1/7.

(2) In the case of a non-dependant aged 18 or over to whom sub-paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is--

(a) less than £186.00, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);

(b) not less than £186.00 but less than £322.00, the deduction to be made under this paragraph is £7.25;

(c) not less than £322.00 but less than £401.00, the deduction to be made under this paragraph is £9.15.

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

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

(5) Where in respect of a day--

- (a) a person is a resident in a dwelling but is not himself liable for council tax in respect of that dwelling and that day;
- (b) other residents in that dwelling (the liable persons) have joint and several liability for council tax in respect of that dwelling and that day otherwise than by virtue of section 9 of the 1992 Act (liability of spouses and civil partners); and
- (c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable persons,

the deduction in respect of that non-dependant must be apportioned equally between those liable persons.

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

- (a) blind or treated as blind by virtue of paragraph 10 of Schedule 3 (additional condition for the disability premium); or
- (b) receiving in respect of himself--
 - (i) attendance allowance, or would be receiving that allowance but for--
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (ii) the care component of the disability living allowance, or would be receiving that component but for--
 - (aa) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (bb) an abatement as a result of hospitalisation; or
 - (iii) the daily living component of personal independence payment, or would be receiving that allowance but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients); or
 - (iv) an AFIP, or would be receiving that payment but for a suspension of it in accordance with any terms of the armed and reserve forces compensation scheme which allows for a suspension because a person is undergoing medical treatment in a hospital or similar institution.

(7) No deduction is to be made in respect of a non-dependant if--

- (a) although he resides with the applicant, it appears to the authority that his normal home is elsewhere; or
- (b) he is in receipt of a training allowance paid in connection with youth training established under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990; or
- (c) he is a full-time student within the meaning of Part 11 (students); or
- (d) he is not residing with the applicant because he has been a patient for a period in excess of 52 weeks, and for these purposes--

- (i) "patient" has the meaning given in paragraph 19(6), and
 - (ii) where a person has been a patient for two or more distinct periods separated by one or more intervals each not exceeding 28 days, he is to be treated as having been a patient continuously for a period equal in duration to the total of those distinct periods.
- (8) No deduction is to be made in respect of a non-dependant--
- (a) who is on income support, state pension credit, an income-based jobseeker's allowance or an income-related employment and support allowance; or
 - (b) to whom Schedule 1 to the 1992 Act applies (persons disregarded for purposes of discount) but this paragraph does not apply to a non-dependant who is a student to whom paragraph 4 of that Schedule refers.
- (9) In the application of sub-paragraph (2) there is to be disregarded from the non-dependant's weekly gross income--
- (a) any attendance allowance, disability living allowance, personal independence payment or an AFIP received by him;
 - (b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and
 - (c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

Part 8

Alternative Maximum Council Tax Reduction for the Purposes of Calculating Eligibility for a Reduction Under this Scheme and Amount of Reduction

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

31

- (1) Subject to sub-paragraphs (2) and (3), the alternative maximum council tax reduction in respect of a day where the conditions set out in paragraph 15 (alternative maximum council tax reduction: pensioners) or 18 (alternative maximum council tax reduction: persons who are not pensioners) are fulfilled, is the amount determined in accordance with Schedule 4 (amount of alternative council tax reduction).
- (2) Subject to sub-paragraph (3), where an applicant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons, in determining the alternative maximum council tax reduction in his case, the amount determined in accordance with Schedule 4 must be divided by the number of persons who are jointly and severally liable for that tax.
- (3) Where an applicant is jointly and severally liable for council tax in respect of a dwelling with only his partner, solely by virtue of section 9 of the 1992 Act (liability of spouses and civil partners), sub-paragraph (2) does not apply in his case.

**Part 9
Amount of Reduction Under this Scheme**

Amount of reduction under this scheme: Classes A to F

32

- (1) Where a person is entitled to a reduction under this scheme in respect of a day, the amount of the reduction to which he is entitled is as follows.
- (2) Where the person is within class A or D, that amount is the amount which is the maximum council tax reduction in respect of the day in the applicant's case.
- (3) Where the person is within class B or E, that amount is the amount found by deducting amount B from amount A, where "amount A" and "amount B" have the meanings given in paragraph 14(f) or 17(f), as the case may be.
- (4) Where the person is within class C or F, that amount is the amount which is the alternative maximum council tax reduction in respect of the day in the applicant's case.
- (5) Sub-paragraph (6) applies where both--
 - (a) sub-paragraph (2) or sub-paragraph (3), and
 - (b) sub-paragraph (4),

apply to a person.

- (6) The amount of the reduction to which the person is entitled is whichever is the greater of--
 - (a) the amount of the reduction given by sub-paragraph (2) or sub-paragraph (3), as the case may be, and
 - (b) the amount of the reduction given by sub-paragraph (4).

**Part 10
Income and Capital for the Purposes of Calculating Eligibility for a Reduction Under this Scheme
and Amount of Reduction**

**Chapter 1
Income and Capital: General**

Calculation of income and capital: applicant's family and polygamous marriages

33

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

is to be calculated in accordance with the provisions of this Part.

- (2) The income and capital of any partner of the applicant is to be treated as income and capital of the applicant, and in this Part any reference to the applicant applies equally to any partner of that applicant.

(3) Except where paragraph 37 applies, where an applicant or the partner of an applicant is married polygamously to two or more members of his household--

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

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

34

(1) Sub-paragraph (2) applies where it appears to the authority that a non-dependant and an applicant have entered into arrangements in order to take advantage of this scheme and the non-dependant has more income and capital than the applicant.

(2) Except where--

- (a) the applicant is a pensioner and is on a guarantee credit, or
- (b) the applicant is not a pensioner and is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance,

the authority must treat the applicant as possessing income and capital belonging to that non-dependant and, in such a case, any income and capital which the applicant does possess is to be disregarded.

(3) Where an applicant is treated as possessing income and capital belonging to a non-dependant under sub-paragraph (2) the income and capital of that non-dependant must be calculated in accordance with the following provisions of this Part in like manner as for the applicant and, except where the context otherwise requires, any reference to the "applicant" is to be construed for the purposes of this Part as if it were a reference to that non-dependant.

Chapter 2

Income and Capital: Pensioners in Receipt of Guarantee Credit or Savings Credit

Applicant in receipt of guarantee credit: pensioners

35

In the case of an applicant who is a pensioner and who is in receipt, or whose partner is in receipt, of a guarantee credit, the whole of his capital and income must be disregarded.

Calculation of applicant's income and capital in savings credit only cases: pensioners

36

(1) In determining the income and capital of an applicant who is a pensioner and who has, or whose partner has, an award of state pension credit comprising only the savings credit, subject to the following provisions of this paragraph, the authority must use the calculation or estimate of the applicant's or as the case may be, the applicant's partner's income and capital made by the Secretary of State for the purpose of determining the award of state pension credit.

(2) Where the calculation or estimate provided by the Secretary of State includes the amount taken into account in that determination in respect of net income, the authority may only adjust that amount so far as necessary to take into account--

- (a) the amount of any savings credit payable;
 - (b) in respect of any dependent children of the applicant, child care charges taken into account under paragraph 57(1)(c) (calculation of income on a weekly basis);
 - (c) the higher amount disregarded under this scheme in respect of--
 - (i) lone parent's earnings; or
 - (ii) payments of maintenance, whether under a court order or not, which is made or due to be made by--
 - (aa) the applicant's former partner, or the applicant's partner's former partner; or
 - (bb) the parent of a child or young person where that child or young person is a member of the applicant's family except where that parent is the applicant or the applicant's partner;
 - (d) any amount to be disregarded by virtue of paragraph 10(1) of Schedule 5 (sums disregarded from applicant's earnings: pensioners);
 - (e) the income and capital of any partner of the applicant who is treated as a member of the applicant's household under paragraph 8, to the extent that it is not taken into account in determining the net income of the person claiming state pension credit;
 - (f) paragraph 34 (circumstances in which capital and income of a non-dependant is to be treated as applicant's), if the authority determines that that provision applies in the applicant's case;
 - (g) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable);
 - (h) any amount to be disregarded by virtue of paragraph 6 of Schedule 5 (exempt work).
- (3) Paragraphs 39 to 46 (calculation of income: pensioners) and 57 to 61 (calculation of income: pensioners and persons who are not pensioners) do not apply to the amount of the net income to be taken into account under sub-paragraph (1), but do apply (so far as relevant) for the purpose of determining any adjustments to that amount which the authority makes under sub-paragraph (2).
- (4) If sub-paragraph (5) applies, the authority must calculate the applicant's capital in accordance with paragraphs 63, 65 to 68 and 70 (calculation of capital: pensioners).
- (5) This sub-paragraph applies if--
- (a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines his capital as being £16,000 or less;
 - (b) subsequent to that determination the applicant's capital rises to more than £16,000; and
 - (c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002.

Chapter 3 **Income and Capital Where there is an Award of Universal Credit**

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

37

- (1) In determining the income of an applicant--
 - (a) who has, or

- (b) who (jointly with his partner) has,

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

(2) The authority must adjust the amount of the income referred to in sub-paragraph (1) by multiplying the amount by 12 and dividing the product by 52.

(3) The authority may only adjust the amount of the income as adjusted in accordance with sub-paragraph (2) so far as necessary to take into account--

- (a) the amount of the award of universal credit, determined in accordance with sub-paragraph (3);
- (b) paragraph 34 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;
- (c) such further reduction (if any) as the authority thinks fit under section 13A(1)(c) of the 1992 Act (power of billing authority to reduce amount of council tax payable).

(4) The amount for the award of universal credit to be taken into account for the purposes of sub-paragraph (3)(a) is to be determined by multiplying the amount of the award of universal credit by 12 and dividing the product by 52.

(5) Paragraph 34 (income and capital of non-dependant to be treated as applicant's) applies for the purpose of determining any adjustments which fall to be made to the figure for income under sub-paragraph (3).

(6) In determining the capital of an applicant--

- (a) who has, or
- (b) who (jointly with his partner) has,

an award of universal credit, the authority must use the calculation or estimate of the capital of the applicant, or the applicant and his partner jointly (as the case may be), made by the Secretary of State for the purpose of determining the award of universal credit.

Chapter 4 **Income: Other Pensioners**

Calculation of income and capital where state pension credit is not payable: pensioners

38

Where neither paragraph 35 (applicant in receipt of guarantee credit: pensioners) nor 36 (applicant in receipt of savings credit only: pensioners) applies in the applicant's case, his income and capital is to be calculated or estimated in accordance with paragraphs 39 to 46 and 57 to 62 (calculation of income) and Chapter 7 of this Part (calculation of capital).

Meaning of "income": pensioners

39

(1) For the purposes of classes A to C in this scheme, "income" means income of any of the following descriptions--

- (a) earnings;
- (b) working tax credit;
- (c) retirement pension income within the meaning of the State Pension Credit Act 2002;
- (d) income from annuity contracts (other than retirement pension income);
- (e) a war disablement pension or war widow's or widower's pension;
- (f) a foreign war disablement pension or war widow's or widower's pension;
- (g) a guaranteed income payment;
- (h) a payment made under article 29(1)(c) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, in any case where article 31(2)(c) applies;
- (i) income from capital other than capital disregarded under Part 1 of Schedule 9;
- (j) social security benefits, other than retirement pension income or any of the following benefits--
 - (i) disability living allowance;
 - (ii) personal independence payment;
 - (iii) an AFIP;
 - (iv) attendance allowance payable under section 64 of the SSCBA (entitlement to attendance allowance);
 - (v) an increase of disablement pension under section 104 (increase for constant attendance) or 105 of that Act (increase for exceptionally severe disablement);
 - (vi) child benefit;
 - (vii) any guardian's allowance payable under section 77 of the SSCBA (guardian's allowance);
 - (viii) any increase for a dependant, other than the applicant's partner, payable in accordance with Part 4 of that Act (increases for dependants);
 - (ix) any--
 - (aa) social fund payment made under Part 8 of the SSCBA (the social fund), or
 - (bb) occasional assistance;
- (x) Christmas bonus payable under Part 10 of that Act (Christmas bonus for pensioners);
- (xi) housing benefit;
- (xii) council tax benefit;
- (xiii) bereavement payment;
- (xiv) statutory sick pay;
- (xv) statutory maternity pay;
- (xvi) ordinary statutory paternity pay payable under Part 12ZA of the SSCBA;
- (xvii) additional statutory paternity pay payable under Part 12ZA of the SSCBA;
- (xviii) statutory adoption pay payable under Part 12ZB of that Act (statutory adoption pay);
- (xix) any benefit similar to those mentioned in the preceding provisions of this paragraph payable under legislation having effect in Northern Ireland;

- (k) all foreign social security benefits which are similar to the social security benefits mentioned above;
- (l) a payment made--
 - (i) under article 30 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (award for children who have reached the child's age limit), in any case where article 30(1)(b) applies; or
 - (ii) under article 12(8) of that Order (unemployability allowances: children who have reached the child's age limit), in any case where sub-paragraph (b) of that article applies;
- (m) a pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria;
- (n) payments under a scheme made under the Pneumoconiosis etc (Worker's Compensation) Act 1979;
- (o) payments made towards the maintenance of the applicant by his spouse, civil partner, former spouse or former civil partner or towards the maintenance of the applicant's partner by his spouse, civil partner, former spouse or former civil partner, including payments made--
 - (i) under a court order;
 - (ii) under an agreement for maintenance; or
 - (iii) voluntarily;
- (p) payments due from any person in respect of board and lodging accommodation provided by the applicant;
- (q) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;
- (r) any payment in respect of any--
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982;
- (s) any payment, other than a payment ordered by a court or made in settlement of a claim, made by or on behalf of a former employer of a person on account of the early retirement of that person on grounds of ill-health or disability;
- (t) any sum payable by way of pension out of money provided under--
 - (i) the Civil List Act 1837,
 - (ii) the Civil List Act 1937,
 - (iii) the Civil List Act 1952,
 - (iv) the Civil List Act 1972, or
 - (v) the Civil List Act 1975;
- (u) any income in lieu of that specified in paragraphs (a) to (r);
- (v) any payment of rent made to an applicant who--
 - (i) owns the freehold or leasehold interest in any property or is a tenant of any property;

- (ii) occupies part of the property; and
 - (iii) has an agreement with another person allowing that person to occupy that property on payment of rent;

 - (w) any payment made at regular intervals under an equity release scheme;
 - (x) PPF periodic payments within the meaning of section 17(1) of the State Pension Credit Act 2002.
- (2) Where the payment of any social security benefit referred to in sub-paragraph (1) is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.
- (3) Where an award of any working tax credit or child tax credit is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.
- (4) The adjustments specified in this sub-paragraph are those made in accordance with--
- (a) the Social Security (Overlapping Benefits) Regulations 1979;
 - (b) the Social Security (Hospital In-Patients) Regulations 1975;
 - (c) section 30DD or section 30E of the SSCBA (reductions in incapacity benefit in respect of pensions and councillor's allowances);
 - (d) section 3 of the Welfare Reform Act 2007 (deductions from contributory employment and support allowance in respect of pensions and councillor's allowances) and regulations made under it.
- (5) In sub-paragraph (1)(w), "equity release scheme" means a loan--
- (a) made between a person ("the lender") and the applicant;
 - (b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and
 - (c) which is secured on a dwelling in which the applicant owns an estate or interest and which he occupies as his home.

Calculation of weekly income: pensioners

40

- (1) Except in a case within sub-paragraph (2), (3A), or (4A) or (5), for the purposes of calculating the weekly income of an applicant who is a pensioner, where the period in respect of which a payment is made--
- (a) does not exceed a week, the whole of that payment is to be included in the applicant's weekly income;
 - (b) exceeds a week, the amount to be included in the applicant's weekly income is to be determined--
 - (i) in a case where that period is a month, by multiplying the amount of the payment by 12 and dividing the product by 52;
 - (ii) in a case where that period is three months, by multiplying the amount of the payment by 4 and dividing the product by 52;
 - (iii) in a case where that period is a year, by dividing the amount of the payment by 52;

- (iv) in any other case, by multiplying the amount of the payment by 7 and dividing the product by the number of days in the period in respect of which it is made.
- (2) Sub-paragraph (3) applies where--
- (a) the applicant's regular pattern of work is such that he does not work the same hours every week; or
 - (b) the amount of the applicant's income fluctuates and has changed more than once.
- (3) The weekly amount of that applicant's income is to be determined--
- (a) if, in a case to which sub-paragraph (2)(a) applies, there is a recognised cycle of work, by reference to his average weekly income over the period of the complete cycle (including, where the cycle involves periods in which the applicant does no work, those periods but disregarding any other absences); or
 - (b) in any other case, on the basis of--
 - (i) the last two payments if those payments are one month or more apart;
 - (ii) the last four payments if the last two payments are less than one month apart; or
 - (iii) calculating or estimating such other payments as may, in the particular circumstances of the case, enable the applicant's average weekly income to be determined more accurately.
- (3A) Income calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—
- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
 - (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
 - (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date the applicant's earnings from employment change so as to require recalculation under this paragraph, and the first day of each reduction week thereafter,
- regardless of whether those earnings were actually received in that reduction week.
- (4) For the purposes of sub-paragraph (3)(b) the last payments are the last payments before the date the application was made or treated as made.
- (4A) An applicant's earnings from employment as an employed earner not calculated pursuant to sub-paragraphs (2) and (3) must be taken into account—
- (a) in the case of an application, on the date on which the application was made or treated as made, and the first day of each reduction week thereafter;
 - (b) in the case of an application or a reduction under a scheme where the applicant commences employment, the first day of the reduction week following the date the applicant commences that employment, and the first day of each reduction week thereafter; or
 - (c) in the case of an application or a reduction under a scheme where the applicant's average weekly earnings from employment change, the first day of the reduction week following the date of the change, and the beginning of each reduction week thereafter,

regardless of whether those earnings were actually received in that reduction week.

(5) If the applicant is entitled to receive a payment to which sub-paragraph (6) applies, the amount of that payment is to be treated as if made in respect of a period of a year.

(6) This sub-paragraph applies to--

(a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark;

(b) any payment in respect of any--

(i) book registered under the Public Lending Right Scheme 1982; or

(ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982; and

(c) any payment which is made on an occasional basis.

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

(8) Where payments are made in a currency other than Sterling, the value of the payment is to be determined by taking the Sterling equivalent on the date the payment is made.

(9) The sums specified in Schedule 5 are to be disregarded in calculating--

(a) the applicant's earnings; and

(b) any amount to which sub-paragraph (6) applies where the applicant is the first owner of the copyright, design, patent or trademark, or an original contributor to the book or work referred to in sub-paragraph (6)(b).

(10) For the purposes of sub-paragraph (9)(b), and for that purpose only, the amounts specified in sub-paragraph (6) is to be treated as though they were earnings.

(11) Income specified in Schedule 6 is to be disregarded in the calculation of the applicant's income.

(12) Schedule 9 (capital disregards: pensioners) has effect so that--

(a) the capital specified in Part 1 is disregarded for the purpose of determining an applicant's income; and

(b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's income under paragraph 71 (calculation of tariff income from capital: pensioners).

(13) In the case of any income taken into account for the purpose of calculating a person's income any amount payable by way of tax is disregarded.

Earnings of employed earners: pensioners

41

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as an employed earner who is a pensioner, means any remuneration or profit derived from that employment and includes--

(a) any bonus or commission;

- (b) any payment in lieu of remuneration except any periodic sum paid to an applicant on account of the termination of his employment by reason of redundancy;
- (c) any payment in lieu of notice;
- (d) any holiday pay;
- (e) any payment by way of a retainer;
- (f) any payment made by the applicant's employer in respect of expenses not wholly, exclusively and necessarily incurred in the performance of the duties of the employment, including any payment made by the applicant's employer in respect of--
 - (i) travelling expenses incurred by the applicant between his home and place of employment;
 - (ii) expenses incurred by the applicant under arrangements made for the care of a member of his family owing to the applicant's absence from home;
- (g) the amount of any payment by way of a non-cash voucher which has been taken into account in the computation of a person's earnings in accordance with Part 5 of Schedule 3 to the Social Security (Contributions) Regulations 2001;
- (h) statutory sick pay and statutory maternity pay payable by the employer under the SSCBA;
- (i) statutory paternity pay payable under Part 12ZA of that Act;
- (j) statutory adoption pay payable under Part 12ZB of that Act;
- (k) any sums payable under a contract of service--
 - (i) for incapacity for work due to sickness or injury; or
 - (ii) by reason of pregnancy or confinement.

(2) Earnings does not include--

- (a) subject to sub-paragraph (3), any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any lump sum payment made under the Iron and Steel Re-adaptation Benefits Scheme;
- (e) any payment of compensation made pursuant to an award by an employment tribunal established under the Employment Tribunals Act 1996 in respect of unfair dismissal or unlawful discrimination;
- (f) any payment in respect of expenses arising out of the applicant participating as a service user.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(g).

Calculation of net earnings of employed earners: pensioners

42

(1) For the purposes of paragraph 57 (calculation of income on a weekly basis), the earnings of an applicant who is a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to paragraph 40(5) and Schedule 5 (sums to be disregarded from earnings: pensioners), be his net earnings.

(2) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (5) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less--

(a) any amount deducted from those earnings by way of--

- (i) income tax;
- (ii) primary Class 1 contributions under the SSCBA;

(b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

(c) one-half of the amount calculated in accordance with sub-paragraph (4) in respect of any qualifying contribution payable by the applicant; and

(d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

(3) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(4) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined--

(a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;

(b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(5) Where the earnings of an applicant are determined under paragraph 40(2)(b) (calculation of weekly income: pensioners) his net earnings is to be calculated by taking into account those earnings over the assessment period, less--

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate, or the Scottish basic rate, of tax is to be applied and the amount of the personal reliefs deductible under this sub-paragraph is to be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and

(c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Calculation of earnings of self-employed earners: pensioners

(1) Where the earnings of an applicant who is a pensioner consist of earnings from employment as a self-employed earner, the weekly amount of his earnings is to be determined by reference to his average weekly earnings from that employment--

(a) over a period of one year; or

(b) where the applicant has recently become engaged in that employment or there has been a change which is likely to affect the normal pattern of business, over such other period ("computation period") as may, in the particular case, enable the weekly amount of his earnings to be determined more accurately.

(2) For the purposes of determining the weekly amount of earnings of an applicant to whom sub-paragraph (1)(b) applies, his earnings over the computation period are to be divided by the number equal to the number of days in that period and the product multiplied by 7.

(3) The period over which the weekly amount of an applicant's earnings is calculated in accordance with this paragraph is to be his assessment period.

Earnings of self-employers earners: pensioners

44

(1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner who is a pensioner, means the gross income of the employment.

(2) "Earnings" in the case of employment as a self-employed earner does not include--

(a) where an applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation for which payment is made, those payments;

(b) any payment made by a local authority to an applicant--

(i) with whom a person is accommodated by virtue of arrangements made under section 22C or 23(2)(a) of the Children Act 1989 or, as the case may be, section 26(1) of the Children (Scotland) Act 1995; or

(ii) with whom a local authority fosters a child under the Looked After Children (Scotland) Regulations 2009 or who is a kinship carer under those Regulations;

(c) any payment made by a voluntary organisation in accordance with section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations);

(d) any payment made to the applicant or his partner for a person ("the person concerned") who is not normally a member of the applicant's household but is temporarily in his care, by--

(i) a local authority but excluding payments of housing benefit made in respect of the person concerned;

(ii) a voluntary organisation;

(iii) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;

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

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

(e) any sports award.

Notional income: pensioners

45

- (1) An applicant who is a pensioner is to be treated as possessing--
 - (a) subject to sub-paragraph (2), the amount of any retirement pension income--
 - (i) for which no claim has been made; and
 - (ii) to which he might expect to be entitled if a claim for it were made;
 - (b) income from an occupational pension scheme which the applicant elected to defer.
- (2) Sub-paragraph (1)(a) does not apply to the following where entitlement has been deferred--
 - (a) a Category A or Category B retirement pension payable under sections 43 to 55 of the SSCBA;
 - (b) a shared additional pension payable under section 55A of the SSCBA;
 - (c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965.
- (3) For the purposes of sub-paragraph (2), entitlement has been deferred--
 - (a) in the case of a Category A or Category B pension, in the circumstances specified in section 55(3) of the SSCBA;
 - (b) in the case of a shared additional pension, in the circumstances specified in section 55C(3) of the SSCBA; and
 - (c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965.
- (4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit--
 - (a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;
 - (b) fails to purchase an annuity with the funds available in that scheme; and
 - (c) either--
 - (i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or
 - (ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or
 - (iii) income withdrawal is not available to him under that scheme.
- (5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.
- (6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the maximum amount of income which may be withdrawn from the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

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

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

(9) Subject to sub-paragraphs (10) and (12), a person is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under this scheme or increasing the amount of the reduction.

(10) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension or benefit where a person, having made an election in favour of that increase of pension or benefit under Schedule 5 or 5A to the SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, changes that election in accordance with regulations made under Schedule 5 or 5A to that Act in favour of a lump sum.

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

(12) Sub-paragraph (9) does not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant participating as a service user.

(13) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects to apply, to the date on which the altered rate is to take effect.

(14) In the case of an applicant who has, or whose partner has, an award of state pension credit comprising only the savings credit, where the authority treats the applicant as possessing any benefit at the altered rate in accordance with sub-paragraph (13), the authority must--

(a) determine the income and capital of that applicant in accordance with paragraph 36(1) (calculation of applicant's income in savings credit only cases: pensioners) where the calculation or estimate of that income and capital is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter; and

(b) treat that applicant as possessing such income and capital at the altered rate by reference to the date selected by the relevant authority to apply in its area, for the purposes of establishing the period referred to in sub-paragraph (13).

(15) For the purposes of sub-paragraph (9), a person is not to be regarded as depriving himself of income where--

(a) his rights to benefits under a registered pension scheme are extinguished and in consequence of this he receives a payment from the scheme, and

(b) that payment is a trivial commutation lump sum within the meaning given by paragraph 7 of Schedule 29 to the Finance Act 2004.

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

Income paid to third parties: pensioners

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

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

(a) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;

(b) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

(c) the person referred to in paragraph (a) and his partner does not possess, or is not treated as possessing, any other income apart from that payment.

(3) Sub-paragraph (1) does not apply in respect of any payment of income other than earnings, or earnings derived from employment as an employed earner, arising out of the applicant participating as a service user.

Chapter 5 **Income: Persons Who are Not Pensioners**

Average weekly earnings of employed earners: persons who are not pensioners

47

(1) Where the income of an applicant who is not a pensioner consists of earnings from employment as an employed earner his average weekly earnings must be estimated by reference to his earnings from that employment--

(a) over a period immediately preceding the reduction week in which the application is made or treated as made and being a period of--

(i) 5 weeks, if he is paid weekly; or

(ii) 2 months, if he is paid monthly; or

(b) whether or not paragraph (a)(i) or (ii) applies, where an applicant's earnings fluctuate, over such other period preceding the reduction week in which the application is made or treated as made as may, in any particular case, enable his average weekly earnings to be estimated more accurately.

(2) Where the applicant has been in his employment for less than the period specified in sub-paragraph (1)(a)(i) or (ii)--

(a) if he has received any earnings for the period that he has been in that employment and those earnings are likely to represent his average weekly earnings from that employment his average weekly earnings must be estimated by reference to those earnings;

(b) in any other case, the authority must estimate the applicant's average weekly earnings.

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

(4) For the purposes of this paragraph the applicant's earnings are to be calculated in accordance with paragraphs 51 and 52 (earnings of employed earners: persons who are not pensioners).

Average weekly earnings of self-employed earners: persons who are not pensioners

48

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

(2) For the purposes of this paragraph the applicant's earnings must be calculated in accordance with paragraphs 53, 61 and 62 (earnings, and net profit, of self-employed earners).

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

49

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

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

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

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

50

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

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

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

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

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

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

Earnings of employed earners: persons who are not pensioners

51

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

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

(2) Earnings does not include--

- (a) subject to sub-paragraph (3), any payment in kind;
- (b) any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment;
- (c) any occupational pension;
- (d) any payment in respect of expenses arising out of the applicant's participation in a service user group.

(3) Sub-paragraph (2)(a) does not apply in respect of any non-cash voucher referred to in sub-paragraph (1)(l).

Calculation of net earnings of employed earners: persons who are not pensioners

52

(1) For the purposes of paragraph 47 (average weekly earnings of employed earners: persons who are not pensioners), the earnings of an applicant who is not a pensioner derived or likely to be derived from employment as an employed earner to be taken into account must, subject to sub-paragraph (2), be his net earnings.

(2) There is to be disregarded from an applicant's net earnings, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1) net earnings must, except where sub-paragraph (6) applies, be calculated by taking into account the gross earnings of the applicant from that employment over the assessment period, less--

(a) any amount deducted from those earnings by way of--

(i) income tax;

(ii) primary Class 1 contributions under the SSCBA;

(b) one-half of any sum paid by the applicant by way of a contribution towards an occupational pension scheme;

(c) one-half of the amount calculated in accordance with sub-paragraph (5) in respect of any qualifying contribution payable by the applicant; and

(d) where those earnings include a payment which is payable under any enactment having effect in Northern Ireland and which corresponds to statutory sick pay, statutory maternity pay, statutory paternity pay or statutory adoption pay, any amount deducted from those earnings by way of any contributions which are payable under any enactment having effect in Northern Ireland and which correspond to primary Class 1 contributions under the SSCBA.

(4) In this paragraph "qualifying contribution" means any sum which is payable periodically as a contribution towards a personal pension scheme.

(5) The amount in respect of any qualifying contribution is to be calculated by multiplying the daily amount of the qualifying contribution by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying contribution is to be determined--

(a) where the qualifying contribution is payable monthly, by multiplying the amount of the qualifying contribution by 12 and dividing the product by 365;

(b) in any other case, by dividing the amount of the qualifying contribution by the number equal to the number of days in the period to which the qualifying contribution relates.

(6) Where the earnings of an applicant are estimated under paragraph 47(2)(b) (average weekly earnings of employed earners: classes D to F), his net earnings is to be calculated by taking into account those earnings over the assessment period, less--

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

- (b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and
- (c) one-half of any sum which would be payable by the applicant by way of a contribution towards an occupational or personal pension scheme, if the earnings so estimated were actual earnings.

Earnings of self-employed earners: persons who are not pensioners

53

- (1) Subject to sub-paragraph (2), "earnings", in the case of employment as a self-employed earner of a person who is not a pensioner, means the gross income of the employment.
- (2) "Earnings" does not include any payment to which paragraph 31 or 32 of Schedule 8 refers (payments in respect of a person accommodated with the applicant under arrangements made by a local authority or voluntary organisation and payments made to the applicant by a health authority, local authority or voluntary organisation in respect of persons temporarily in the applicant's care) nor does it include any sports award.
- (3) This paragraph applies to--
 - (a) royalties or other sums paid as a consideration for the use of, or the right to use, any copyright, design, patent or trade mark; or
 - (b) any payment in respect of any--
 - (i) book registered under the Public Lending Right Scheme 1982; or
 - (ii) work made under any international public lending right scheme that is analogous to the Public Lending Right Scheme 1982,

where the applicant is the first owner of the copyright, design, patent or trade mark, or an original contributor to the book or work concerned.

- (4) Where the applicant's earnings consist of any items to which sub-paragraph (3) applies, those earnings must be taken into account over a period equal to such number of weeks as is equal to the number obtained (and any fraction is to be treated as a corresponding fraction of a week) by dividing the earnings by--
 - (a) the amount of reduction under this scheme to which the applicant would have been entitled had the payment not been made, plus
 - (b) an amount equal to the total of the sums which would fall to be disregarded from the payment under Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) as appropriate in the applicant's case.

Calculation of income other than earnings: persons who are not pensioners

54

- (1) For the purposes of paragraph 49 (average weekly income other than earnings: persons who are not pensioners), the income of an applicant who is not a pensioner which does not consist of earnings to be taken into account must, subject to sub-paragraphs (2) to (8), be his gross income and any capital treated as income under paragraph 55 (capital treated as income: persons who are not pensioners).
- (2) There is to be disregarded from the calculation of an applicant's gross income under sub-paragraph (1), any sum, where applicable, specified in Schedule 8.

(3) Where the payment of any benefit under the benefit Acts is subject to any deduction by way of recovery the amount to be taken into account under sub-paragraph (1) must be the gross amount payable.

(4) Where the applicant or, where he is a member of a couple, his partner is receiving a contributory employment and support allowance and that benefit has been reduced under regulation 63 of the Employment and Support Allowance Regulations 2008, the amount of that benefit to be taken into account is the amount as if it had not been reduced.

(5) Where an award of any working tax credit or child tax credit under the Tax Credits Act 2002 is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(6) Sub-paragraphs (7) and (8) apply where--

- (a) a relevant payment has been made to a person in an academic year; and
- (b) that person abandons, or is dismissed from, his course of study before the payment to him of the final instalment of the relevant payment.

(7) Where a relevant payment is made quarterly, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula--

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

Where

- (a) A = the total amount of the relevant payment which that person would have received had he remained a student until the last day of the academic term in which he abandoned, or was dismissed from, his course, less any deduction under paragraph 81(5) (costs of travel, books and equipment);
- (b) B = the number of reduction weeks from the reduction week immediately following that which includes the first day of that academic year to the reduction week which includes the day on which the person abandoned, or was dismissed from, his course;
- (c) C = the weekly amount of the relevant payment, before the application of the £10 disregard, which would have been taken into account as income under paragraph 81(2) (treatment of student loans) had the person not abandoned or been dismissed from, his course and, in the case of a person who was not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his course, had that person, at that time, been entitled to housing benefit;
- (d) D = the number of reduction weeks in the assessment period.

(8) Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of sub-paragraph (1) in respect of a person to whom sub-paragraph (7) applies, is to be calculated by applying the formula in sub-paragraph (8) but as if--

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

(9) In this paragraph--

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

"assessment period" means--

- (a) in a case where a relevant payment is made quarterly, the period beginning with the reduction week which includes the day on which the person abandoned, or was dismissed from, his course

and ending with the reduction week which includes the last day of the last quarter for which an instalment of the relevant payment was payable to that person;

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

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

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

whichever of those dates is earlier;

"quarter" in relation to an assessment period means a period in that year beginning on--

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

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

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

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

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

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

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

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

Capital treated as income: persons who are not pensioners

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(1) Any capital payable by instalments which are outstanding at the date on which the application is made or treated as made, or, at the date of any subsequent revision or supersession, must, if the aggregate of the instalments outstanding and the amount of the applicant's capital otherwise calculated in accordance with Chapter 7 of this Part exceeds £10,000, be treated as income.

(2) Any payment received under an annuity is to be treated as income.

(3) Any earnings to the extent that they are not a payment of income is to be treated as income.

(4) Any Career Development Loan paid pursuant to section 2 of the Employment and Training Act 1973 is to be treated as income.

(5) Where an agreement or court order provides that payments must be made to the applicant in consequence of any personal injury to the applicant and that such payments are to be made, wholly or partly,

by way of periodic payments, any such periodic payments received by the applicant (but not a payment which is treated as capital by virtue of this Part), is to be treated as income.

Notional income: persons who are not pensioners

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(1) An applicant who is not a pensioner is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.

(2) Except in the case of--

- (a) a discretionary trust;
- (b) a trust derived from a payment made in consequence of a personal injury;
- (c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;
- (d) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);
- (e) any sum to which paragraph 51(a) of Schedule 10 refers;
- (f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;
- (g) child tax credit;
- (h) working tax credit, or
- (i) any sum to which sub-paragraph (11) applies,

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

(3) Any payment of income, other than a payment of income specified in sub-paragraph (4), made--

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

(4) Sub-paragraph (3) does not apply in respect of a payment of income made--

(a) under or by the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006);

(b) pursuant to section 19(1)(a) of the Coal Industry Act 1994 (concessionary coal);

(c) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation--

(i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;

(ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;

(iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;

(iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations;
or

(v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;

(d) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;

(e) in respect of a person's participation in the Mandatory Work Activity Scheme;

(f) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;

(g) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where--

(i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;

(ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

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

(5) Where an applicant is in receipt of any benefit under the benefit Acts and the rate of that benefit is altered with effect from a date on or after 1st April in any year but not more than 14 days thereafter, the authority must treat the applicant as possessing such benefit at the altered rate from either 1st April or the first Monday in April in that year, whichever date the authority selects, to the date on which the altered rate is to take effect.

(6) Subject to sub-paragraph (7), where--

(a) an applicant performs a service for another person; and

(b) that person makes no payment of earnings or pays less than that paid for a comparable employment in the area,

the authority must treat the applicant as possessing such earnings (if any) as is reasonable for that employment unless the applicant satisfies the authority that the means of that person are insufficient for him to pay or to pay more for the service.

(7) Sub-paragraph (6) does not apply--

(a) to an applicant who is engaged by a charitable or voluntary organisation or who is a volunteer if the authority is satisfied in any of those cases that it is reasonable for him to provide those services free of charge; or

(b) in a case where the service is performed in connection with--

(i) the applicant's participation in an employment or training programme in accordance with regulation 19(1)(q) of the Jobseeker's Allowance Regulations 1996, other than where the service is performed in connection with the applicant's participation in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations; or

(ii) the applicant's or the applicant's partner's participation in an employment or training programme as defined in regulation 19(3) of those Regulations for which a training allowance is not payable or, where such an allowance is payable, it is payable for the sole purpose of reimbursement of travelling or meal expenses to the person participating in that programme; or

(c) to an applicant who is participating in a work placement approved by the Secretary of State (or a person providing services to the Secretary of State) before the placement starts.

(8) In sub-paragraph (7)(c) "work placement" means practical work experience which is not undertaken in expectation of payment.

(9) Where an applicant is treated as possessing any income under any of sub-paragraphs (1) to (8), the foregoing provisions of this Part apply for the purposes of calculating the amount of that income as if a payment had actually been made and as if it were actual income which he does possess.

(10) Where an applicant is treated as possessing any earnings under sub-paragraph (6) the foregoing provisions of this Part apply for the purposes of calculating the amount of those earnings as if a payment had actually been made and as if they were actual earnings which he does possess except that paragraph 42(2) or 52(3) (calculation of net earnings of employed earners: pensioners and persons who are not pensioners, respectively) do not apply and his net earnings are to be calculated by taking into account those earnings which he is treated as possessing, less--

(a) an amount in respect of income tax equivalent to an amount calculated by applying to those earnings the basic rate of tax applicable to the assessment period less only the personal relief to which the applicant is entitled under sections 35 to 37 of the Income Tax Act 2007 (personal allowances) as is appropriate to his circumstances; but, if the assessment period is less than a year, the earnings to which the basic rate of tax is to be applied and the amount of the personal relief deductible under this sub-paragraph is to be calculated on a pro rata basis;

(b) an amount equivalent to the amount of the primary Class 1 contributions that would be payable by him under the SSCBA in respect of those earnings if such contributions were payable; and

(c) one-half of any sum payable by the applicant by way of a contribution towards an occupational or personal pension scheme.

(11) Sub-paragraphs (1), (2), (3) and (6) do not apply in respect of any amount of income other than earnings, or earnings of an employed earner, arising out of the applicant's participation in a service user group.

Chapter 6

Income: Further Provisions Applying to Pensioners and Persons Who are Not Pensioners

Calculation of income on a weekly basis

(1) Subject to paragraph 60 (disregard of changes in tax, etc), the income of an applicant is to be calculated on a weekly basis--

(a) by estimating the amount which is likely to be his average weekly income in accordance with this Part;

(b) by adding to that amount the weekly income calculated--

(i) if the applicant is a pensioner, under paragraph 71 (tariff income: pensioners);

(ii) if the applicant is a person who is not a pensioner, under paragraph 72 (tariff income: persons who are not pensioners); and

(c) deducting from the sum of paragraphs (a) and (b) any relevant child care charges to which paragraph 58 (treatment of child care charges) applies from any earnings which form part of the average weekly income or, in a case where the conditions in sub-paragraph (2) are met, from those earnings plus whichever credit specified in paragraph (b) of that sub-paragraph is appropriate, up to a maximum deduction in respect of the applicant's family of whichever of the sums specified in sub-paragraph (3) applies in his case.

(2) The conditions of this paragraph are that--

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

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

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

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

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

Treatment of child care charges: pensioners

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(1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and--

(a) is a lone parent and is engaged in remunerative work;

(b) is a member of a couple both of whom are engaged in remunerative work; or

(c) is a member of a couple where one member is engaged in remunerative work and the other--

(i) is incapacitated;

(ii) is an in-patient in hospital; or

(iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he--

- (a) is paid statutory sick pay;
- (b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;
- (c) is paid an employment and support allowance;
- (d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987; 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.

(3) This sub-paragraph applies to a person who was engaged in remunerative work immediately before-

- (a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- (b) the first day of the period in respect of which earnings are credited,

as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (10).

(6) The charges are paid by the applicant for care which is provided--

- (a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
- (b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

(7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (8) and are not paid--

- (a) in respect of the child's compulsory education;
- (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with paragraph 7 (circumstances in which a person is treated as responsible or not responsible for another); or
- (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.

(8) The care to which sub-paragraph (7) refers may be provided--

- (a) out of school hours, by a school on school premises or by a local authority--
 - (i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - (ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or

- (b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010; or
- (e) by--
 - (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010; or
 - (ii) local authorities registered under section 83(1) of that Act,

where the care provided is child minding or day care of children within the meaning of that Act; or

- (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
- (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of "childcare" for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- (k) by a foster parent or kinship carer under the Fostering Services Regulations 2011, 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 provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations; or
- (m) by a person who is not a relative of the child wholly or mainly in the child's home.

(9) In sub-paragraphs (6) and (8)(a), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

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

(11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where--

- (a) the applicant is a pensioner and the other member of the couple is aged not less than 80;
- (b) the applicant is a pensioner and the other member of the couple is aged less than 80, and--
 - (i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and
 - (ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;

- (c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- (d) the applicant is not a pensioner, the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (e) the applicant's applicable amount would include the support component on account of the other member having limited capability for work or the other member of the couple would be a member of the work-related activity group but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013;
- (f) he is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- (g) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (h) there is payable in respect of him one or more of the following pensions or allowances--
 - (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;
 - (ii) attendance allowance under section 64 of the SSCBA;
 - (iii) severe disablement allowance under section 68 of the SSCBA;
 - (iv) disability living allowance under section 71 of the SSCBA;
 - (v) personal independence payment;
 - (vi) an AFIP;
 - (vii) increase of disablement pension under section 104 of the SSCBA;
 - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;
 - (ix) main phase employment and support allowance;
- (i) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (h) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;
- (j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for--
 - (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
 - (ii) an abatement as a consequence of hospitalisation;

(k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(l) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

(m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

(n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 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.

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

(13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the person, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter to apply to him for so long as he has, or is treated as having, limited capability for work.

(14) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person--

(a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for--

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
- (ii) an abatement as a consequence of hospitalisation;

(b) to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(c) who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(d) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (16) ("the relevant period") provided that--

(a) in the week before the period of maternity leave, paternity leave or adoption leave began he was in remunerative work;

(b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and

(c) he is entitled to either statutory maternity pay under section 164 of the SSCBA, ordinary statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, additional statutory paternity pay by virtue of section 171ZEA or 171ZEB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave or adoption leave commences and ends on--

(a) the date that leave ends;

(b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or

(c) if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends,

whichever occurs first.

(17) In sub-paragraphs (15) and (16)--

(a) "qualifying support" means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987; and

(b) "child care element" of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph "applicant" does not include an applicant--

(a) who has, or

(b) who (jointly with his partner) has,

an award of universal credit.

Treatment of child care charges: persons who are not pensioners

58A

(1) This paragraph applies where an applicant (within the meaning in this paragraph) is incurring relevant child care charges and--

(a) is a lone parent and is engaged in remunerative work;

(b) is a member of a couple both of whom are engaged in remunerative work; or

(c) is a member of a couple where one member is engaged in remunerative work and the other--

(i) is incapacitated;

(ii) is an in-patient in hospital; or

(iii) is in prison (whether serving a custodial sentence or remanded in custody awaiting trial or sentence).

(2) For the purposes of sub-paragraph (1) and subject to sub-paragraph (4), a person to whom sub-paragraph (3) applies must be treated as engaged in remunerative work for a period not exceeding 28 weeks during which he--

- (a) is paid statutory sick pay;
- (b) is paid short-term incapacity benefit at the lower rate under sections 30A to 30E of the SSCBA;
- (c) is paid an employment and support allowance;
- (d) is paid income support on the grounds of incapacity for work under regulation 4ZA of, and paragraph 7 or 14 of Schedule 1B to, the Income Support (General) Regulations 1987; 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.

(3) This sub-paragraph applies to a person who was engaged in remunerative work immediately before--

- (a) the first day of the period in respect of which he was first paid statutory sick pay, short-term incapacity benefit, an employment and support allowance or income support on the grounds of incapacity for work; or
- (b) the first day of the period in respect of which earnings are credited,

as the case may be.

(4) In a case to which sub-paragraph (2)(d) or (e) applies, the period of 28 weeks begins on the day on which the person is first paid income support or on the first day of the period in respect of which earnings are credited, as the case may be.

(5) Relevant child care charges are those charges for care to which sub-paragraphs (6) and (7) apply, and are to be calculated on a weekly basis in accordance with sub-paragraph (10).

(6) The charges are paid by the applicant for care which is provided--

- (a) in the case of any child of the applicant's family who is not disabled, in respect of the period beginning on that child's date of birth and ending on the day preceding the first Monday in September following that child's fifteenth birthday; or
- (b) in the case of any child of the applicant's family who is disabled, in respect of the period beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday.

(7) The charges are paid for care which is provided by one or more of the care providers listed in sub-paragraph (8) and are not paid--

- (a) in respect of the child's compulsory education;
- (b) by an applicant to a partner or by a partner to an applicant in respect of any child for whom either or any of them is responsible in accordance with paragraph 7 (circumstances in which a person is treated as responsible or not responsible for another); or
- (c) in respect of care provided by a relative of the child wholly or mainly in the child's home.

(8) The care to which sub-paragraph (7) refers may be provided--

- (a) out of school hours, by a school on school premises or by a local authority--

- (i) for children who are not disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their fifteenth birthday; or
 - (ii) for children who are disabled in respect of the period beginning on their eighth birthday and ending on the day preceding the first Monday in September following their sixteenth birthday; or
- (b) by a child care provider approved in accordance with the Tax Credit (New Category of Child Care Provider) Regulations 1999; or
- (c) by persons registered under Part 2 of the Children and Families (Wales) Measure 2010; or
- (d) by a person who is excepted from registration under Part 2 of the Children and Families (Wales) Measure 2010 because the child care that person provides is in a school or establishment referred to in article 11, 12 or 14 of the Child Minding and Day Care Exceptions (Wales) Order 2010; or
- (e) by--
- (i) persons registered under section 59(1) of the Public Services Reform (Scotland) Act 2010; or
 - (ii) local authorities registered under section 83(1) of that Act,

where the care provided is child minding or day care of children within the meaning of that Act; or

- (f) by a person prescribed in regulations made pursuant to section 12(4) of the Tax Credits Act 2002; or
- (g) by a person who is registered under Chapter 2 or 3 of Part 3 of the Childcare Act 2006; or
- (h) by any of the schools mentioned in section 34(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 2 of Part 3 of that Act does not apply by virtue of section 34(2) of that Act; or
- (i) by any of the schools mentioned in section 53(2) of the Childcare Act 2006 in circumstances where the requirement to register under Chapter 3 of Part 3 of that Act does not apply by virtue of section 53(2) of that Act; or
- (j) by any of the establishments mentioned in section 18(5) of the Childcare Act 2006 in circumstances where the care is not included in the meaning of "childcare" for the purposes of Part 1 and Part 3 of that Act by virtue of that subsection; or
- (k) by a foster parent or kinship carer under the Fostering Services Regulations 2011, 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 provider of personal care within the meaning of paragraph 1 of Schedule 1 to the Health and Social Care Act 2008 (Regulated Activities) Regulations 2010 and being a regulated activity prescribed by those Regulations; or
- (m) by a person who is not a relative of the child wholly or mainly in the child's home.

(9) In sub-paragraphs (6) and (8)(a), "the first Monday in September" means the Monday which first occurs in the month of September in any year.

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

- (11) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where--
- (a) the applicant is a pensioner and the other member of the couple is aged not less than 80;
 - (b) the applicant is a pensioner and the other member of the couple is aged less than 80, and--

- (i) the additional condition specified in paragraph 10 of Schedule 3 (additional condition for the disability premium) to this scheme is treated as applying in his case; and
 - (ii) he satisfies that conditions or would satisfy it but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (c) the applicant is not a pensioner, the applicant's applicable amount includes a disability premium on account of the other member's incapacity or the support component or the work-related activity component on account of his having limited capability for work;
- (d) the applicant is not a pensioner, the applicant's applicable amount would include a disability premium on account of the other member's incapacity but for that other member being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (e) the applicant's applicable amount would include the support component or the work-related activity component on account of the other member having limited capability for work but for that other member being treated as not having limited capability for work by virtue of a determination made in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013;
- (f) he is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- (g) he is, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 or the Employment and Support Allowance Regulations 2013 for a continuous period of not less than 196 days and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (h) there is payable in respect of him one or more of the following pensions or allowances--
- (i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Schedule 4 to the SSCBA;
 - (ii) attendance allowance under section 64 of the SSCBA;
 - (iii) severe disablement allowance under section 68 of the SSCBA;
 - (iv) disability living allowance under section 71 of the SSCBA;
 - (v) personal independence payment;
 - (vi) an AFIP;
 - (vii) increase of disablement pension under section 104 of the SSCBA;
 - (viii) a pension increase paid as part of a war disablement pension or under an industrial injuries scheme which is analogous to an allowance or increase of disablement pension under sub-paragraph (ii), (iv), (v) or (vii) above;
 - (ix) main phase employment and support allowance;
- (i) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (h) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this paragraph means a person (other than a person who is serving a sentence of imprisonment or detention in a youth custody institution) who is regarded as receiving free

in-patient treatment within the meaning of regulation 2(4) and (5) of the Social Security (Hospital In-Patients) Regulations 2005;

(j) an attendance allowance under section 64 of the SSCBA or disability living allowance would be payable to that person but for--

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
- (ii) an abatement as a consequence of hospitalisation;

(k) the daily living component of personal independence payment would be payable to that person but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(l) an AFIP would be payable to that person but for any suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

(m) paragraph (h), (i), (j) or (k) would apply to him if the legislative provisions referred to in those paragraphs were provisions under any corresponding enactment having effect in Northern Ireland; or

(n) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 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.

(12) For the purposes of sub-paragraph (11), once sub-paragraph (11)(f) applies to the person, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph is, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter to apply to him for so long as he remains incapable, or is treated as remaining incapable, of work.

(13) For the purposes of sub-paragraph (11), once sub-paragraph (11)(g) applies to the person, if he then ceases, for a period of 84 days or less, to have, or to be treated as having, limited capability for work, that paragraph is, on his again having, or being treated as having, limited capability for work at the end of that period, immediately thereafter to apply to him for so long as he has, or is treated as having, limited capability for work.

(14) For the purposes of sub-paragraphs (6) and (8)(a), a person is disabled if he is a person--

(a) to whom an attendance allowance or the care component of disability allowance is payable or would be payable but for--

- (i) a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA; or
- (ii) an abatement as a consequence of hospitalisation;

(b) to whom the daily living component of personal independence payment is payable or has ceased to be payable by virtue of a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

(c) who is registered as blind in a register compiled under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered as blind in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(d) who ceased to be registered as blind in such a register within the period beginning 28 weeks before the first Monday in September following that person's fifteenth birthday and ending on the day preceding that person's sixteenth birthday.

(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (16) ("the relevant period") provided that--

- (a) in the week before the period of maternity leave, paternity leave or adoption leave began he was in remunerative work;
- (b) the applicant is incurring relevant child care charges within the meaning of sub-paragraph (5); and
- (c) he is entitled to either statutory maternity pay under section 164 of the SSCBA, ordinary statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, additional statutory paternity pay by virtue of section 171ZEA or 171ZEB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the person's maternity, paternity leave or adoption leave commences and ends on--

- (a) the date that leave ends;
- (b) if no child care element of working tax credit is in payment on the date that entitlement to maternity allowance, qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement ends; or
- (c) if a child care element of working tax credit is in payment on the date that entitlement to maternity allowance or qualifying support, statutory maternity pay, ordinary or additional statutory paternity pay or statutory adoption pay ends, the date that entitlement to that award of the child care element of the working tax credit ends,

whichever occurs first.

(17) In sub-paragraphs (15) and (16)--

- (a) "qualifying support" means income support to which that person is entitled by virtue of paragraph 14B of Schedule 1B to the Income Support (General) Regulations 1987; and
- (b) "child care element" of working tax credit means the element of working tax credit prescribed under section 12 of the Tax Credits Act 2002 (child care element).

(18) In this paragraph "applicant" does not include an applicant--

- (a) who has, or
- (b) who (jointly with his partner) has,

an award of universal credit.

Calculation of average weekly income from tax credits

59

- (1) This paragraph applies where an applicant receives a tax credit.
- (2) Where this paragraph applies, the period over which a tax credit is to be taken into account is the period set out in sub-paragraph (3).
- (3) Where the instalment in respect of which payment of a tax credit is made is--

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

(4) For the purposes of this paragraph "tax credit" means child tax credit or working tax credit.

Disregard of changes in tax, contributions etc

60

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

- (a) in the basic or other rates of income tax;
- (aa) in the Scottish basic or other rates of income tax;
- (b) in the amount of any personal tax reliefs under Chapters 2, 3, and 3A of Part 3 of the Income Tax Act 2007;
- (c) in the rates of national insurance contributions payable under the SSCBA or in the lower earnings limit or upper earnings limit for Class 1 contributions under that Act, the lower or upper limits applicable to Class 4 contributions under that Act or the amount specified in section 11(4) of that Act (small profits threshold in relation to Class 2 contributions);
- (d) in the amount of tax payable as a result of an increase in the weekly rate of Category A, B, C or D retirement pension or any addition thereto or any graduated pension payable under the SSCBA;
- (e) in the maximum rate of child tax credit or working tax credit,

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

Calculation of net profit of self-employed earners

61

(1) For the purposes of paragraphs 48 (average weekly earnings of self-employed earners: persons who are not pensioners) and 57 (calculation of income on a weekly basis) the earnings of an applicant to be taken into account must be--

- (a) in the case of a self-employed earner who is engaged in employment on his own account, the net profit derived from that employment;
- (b) in the case of a self-employed earner who is a pensioner whose employment is carried on in partnership, his share of the net profit derived from that employment, less--
 - (i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions of self-employed earners); and
 - (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium;

(c) in the case of a self-employed earner who is not a pensioner whose employment is carried on in partnership or is that of a share fisherman within the meaning of the Social Security (Mariners' Benefits) Regulations 1975, his share of the net profit derived from that employment, less--

- (i) an amount in respect of income tax and of national insurance contributions payable under the SSCBA calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and
- (ii) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(2) There must be disregarded from the net profit of an applicant who is not a pensioner, any sum, where applicable, specified in paragraphs 1 to 16 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners).

(3) For the purposes of sub-paragraph (1)(a) the net profit of the employment must, except where sub-paragraph (9) applies, be calculated by taking into account the earnings of the employment over the assessment period less--

- (a) subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of that employment;
- (b) an amount in respect of--
 - (i) income tax; and
 - (ii) social security contributions payable under the SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

- (c) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(4) For the purposes of sub-paragraph (1)(b) the net profit of the employment is to be calculated by taking into account the earnings of the employment over the assessment period less, subject to sub-paragraphs (5) to (8), any expenses wholly and exclusively incurred in that period for the purposes of the employment.

(5) Subject to sub-paragraph (6), no deduction is to be made under sub-paragraph (3)(a) or (4), in respect of--

- (a) any capital expenditure;
- (b) the depreciation of any capital asset;
- (c) any sum employed or intended to be employed in the setting up or expansion of the employment;
- (d) any loss incurred before the beginning of the assessment period;
- (e) the repayment of capital on any loan taken out for the purposes of the employment;
- (f) any expenses incurred in providing business entertainment; and
- (g) in the case of an applicant who is not a pensioner, any debts, except bad debts proved to be such, but this paragraph does not apply to any expenses incurred in the recovery of a debt.

(6) A deduction is to be made under sub-paragraph (3)(a) or (4) in respect of the repayment of capital on any loan used for--

- (a) the replacement in the course of business of equipment or machinery; or
- (b) the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair.

(7) The authority must refuse to make a deduction in respect of any expenses under sub-paragraph (3)(a) or (4) where it is not satisfied given the nature and the amount of the expense that it has been reasonably incurred.

(8) For the avoidance of doubt--

- (a) a deduction must not be made under sub-paragraph (3)(a) or (4) in respect of any sum unless it has been expended for the purposes of the business;
- (b) a deduction must be made thereunder in respect of--
 - (i) the excess of any value added tax paid over value added tax received in the assessment period;
 - (ii) any income expended in the repair of an existing business asset except to the extent that any sum is payable under an insurance policy for its repair;
 - (iii) any payment of interest on a loan taken out for the purposes of the employment.

(9) Where an applicant is engaged in employment as a child minder the net profit of the employment is to be one-third of the earnings of that employment, less--

- (a) an amount in respect of--
 - (i) income tax; and
 - (ii) national insurance contributions payable under the SSCBA,

calculated in accordance with paragraph 62 (deduction of tax and contributions for self-employed earners); and

- (b) one-half of the amount calculated in accordance with sub-paragraph (11) in respect of any qualifying premium.

(10) For the avoidance of doubt where an applicant is engaged in employment as a self-employed earner and he is also engaged in one or more other employments as a self-employed or employed earner any loss incurred in any one of his employments must not be offset against his earnings in any other of his employments.

(11) The amount in respect of any qualifying premium is to be calculated by multiplying the daily amount of the qualifying premium by the number equal to the number of days in the assessment period; and for the purposes of this paragraph the daily amount of the qualifying premium must be determined--

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

(12) In this paragraph, "qualifying premium" means any premium which is payable periodically in respect of a personal pension scheme and is so payable on or after the date of application.

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

(1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or (9)(a)(i) (calculation of net profit of self-employed earners) must be calculated--

(a) on the basis of the amount of chargeable income, and

(b) as if that income were assessable to income tax at the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are appropriate to his circumstances.

(2) But, if the assessment period is less than a year, the earnings to which the basic rate, or the Scottish basic rate, of tax is to be applied and the amount of the personal reliefs deductible under this paragraph must be calculated on a pro rata basis.

(3) The amount to be deducted in respect of national insurance contributions under paragraph 60(1)(b)(i), (3)(b)(ii) or (9)(a)(ii) is the total of--

(a) the amount of Class 2 contributions payable under section 11(2) or, as the case may be, 11(8) of the SSCBA at the rate applicable to the assessment period except where the applicant's chargeable income is less than the amount specified in section 11(4) of that Act (small profits threshold) for the tax year applicable to the assessment period; but if the assessment period is less than a year, the amount specified for that tax year must be reduced pro rata; and

(b) the amount of Class 4 contributions (if any) which would be payable under section 15 of the SSCBA (Class 4 contributions recoverable under the Income Tax Acts) at the percentage rate applicable to the assessment period on so much of the chargeable income as exceeds the lower limit but does not exceed the upper limit of profits and gains applicable for the tax year applicable to the assessment period; but if the assessment period is less than a year, those limits must be reduced pro rata.

(4) In this paragraph "chargeable income" means--

(a) except where paragraph (b) applies, the earnings derived from the employment less any expenses deducted under sub-paragraph (3)(a) or, as the case may be, (5) of paragraph 61;

(b) in the case of employment as a child minder, one-third of the earnings of that employment.

Chapter 7 Capital

Calculation of capital

63

(1) The capital of an applicant to be taken into account must be, subject to sub-paragraph (2), the whole of his capital calculated in accordance with this Part and (in the case of persons who are not pensioners) any income treated as capital under paragraph 64 (income treated as capital: persons who are not pensioners).

(2) There must be disregarded from the calculation of an applicant's capital under sub-paragraph (1), any capital, where applicable, specified in--

(a) Schedule 9, in relation to pensioners;

(b) Schedule 10, in relation to persons who are not pensioners.

(3) In the case of an applicant who is a pensioner, his capital is to be treated as including any payment made to him by way of arrears of--

- (a) child tax credit;
- (b) working tax credit;
- (c) state pension credit,

if the payment was made in respect of a period for the whole or part of which a reduction under this scheme was allowed before those arrears were paid.

(4) The capital of a child or young person who is a member of the family of an applicant who is not a pensioner must not be treated as capital of the applicant.

Income treated as capital: persons who are not pensioners

64

(1) This paragraph applies in relation to persons who are not pensioners.

(2) Any bounty derived from employment to which paragraph 9 of Schedule 7 (sums disregarded in the calculation of earnings: persons who are not pensioners) applies and paid at intervals of at least one year is to be treated as capital.

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

(4) Any holiday pay which is not earnings under paragraph 41(1)(d) or 51(1)(d) (earnings of employed earners) is to be treated as capital.

(5) Except any income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17, 30 to 33, 50 or 51 of Schedule 10 (capital disregards: persons who are not pensioners), any income derived from capital is to be treated as capital but only from the date it is normally due to be credited to the applicant's account.

(6) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.

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

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

(9) Any arrears of subsistence allowance which are paid to an applicant as a lump sum must be treated as capital.

(10) Any arrears of working tax credit or child tax credit must be treated as capital.

Calculation of capital in the United Kingdom

65

Capital which an applicant possesses in the United Kingdom is to be calculated at its current market or surrender value less--

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

Calculation of capital outside the United Kingdom

66

Capital which an applicant possesses in a country outside the United Kingdom must be calculated--

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

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

Notional capital

67

(1) An applicant is to be treated as possessing capital of which he has deprived himself for the purpose of securing entitlement to a reduction or increasing the amount of that reduction except to the extent that that capital is reduced in accordance with paragraph 68 (diminishing notional capital rule).

(2) A person who is a pensioner who disposes of capital for the purpose of--

- (a) reducing or paying a debt owed by the applicant; or
- (b) purchasing goods or services if the expenditure was reasonable in the circumstances of the applicant's case,

is to be regarded as not depriving himself of it.

(3) Sub-paragraphs (4) to (6) apply in relation to applicants who are not pensioners.

(4) Except in the case of--

- (a) a discretionary trust; or
- (b) a trust derived from a payment made in consequence of a personal injury; or
- (c) any loan which would be obtained only if secured against capital disregarded under Schedule 9; or
- (d) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund; or
- (e) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a); or
- (f) any sum to which paragraph 51(a) of Schedule 10 refers; or
- (g) child tax credit; or
- (h) working tax credit,

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

- (5) Any payment of capital, other than a payment of capital specified in sub-paragraph (6), made--
- (a) to a third party in respect of a single applicant or a member of the family (but not a member of the third party's family) must, where that payment is a payment of an occupational pension, a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund, be treated as possessed by that single applicant or, as the case may be, by that member;
 - (b) to a third party in respect of a single applicant or in respect of a member of the family (but not a member of the third party's family) must, where it is not a payment referred to in paragraph (a), be treated as possessed by that single applicant or by that member to the extent that it is used for the food, ordinary clothing or footwear, household fuel or rent of that single applicant or, as the case may be, of any member of that family or is used for any council tax or water charges for which that applicant or member is liable;
 - (c) to a single applicant or a member of the family in respect of a third party (but not in respect of another member of the family) must be treated as possessed by that single applicant or, as the case may be, that member of the family to the extent that it is kept or used by him or used by or on behalf of any member of the family.
- (6) Sub-paragraph (5) does not apply in respect of a payment of capital made--
- (a) under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Independent Living Fund (2006), the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund;
 - (b) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's participation--
 - (i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allowance Regulations 1996;
 - (ii) in a training scheme specified in regulation 75(1)(b)(ii) of those Regulations;
 - (iii) in the Intense Activity Period specified in regulation 75(1)(a)(iv) of those Regulations;
 - (iv) in a qualifying course within the meaning specified in regulation 17A(7) of those Regulations;
 - or
 - (v) in the Flexible New Deal specified in regulation 75(1)(a)(v) of those Regulations;
 - (c) in respect of a person's participation in the Work for Your Benefit Pilot Scheme;
 - (d) in respect of a person's participation in the Mandatory Work Activity Scheme;
 - (e) in respect of an applicant's participation in the Employment, Skills and Enterprise Scheme;
 - (f) under an occupational pension scheme, in respect of a pension or other periodical payment made under a personal pension scheme or a payment made by the Board of the Pension Protection Fund where--
 - (i) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;
 - (ii) the payment is made to the trustee in bankruptcy or any other person acting on behalf of the creditors; and

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

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

(a) the value of his holding in that company must, notwithstanding paragraph 63 (calculation of capital) be disregarded; and

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

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

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

Diminishing notional capital rule: pensioners

68

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

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

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

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

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

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

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

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

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

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

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

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

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;

(b) where the applicant has also claimed state pension credit, the amount of any state pension credit or any additional amount of state pension credit to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 21(1) of the State Pension Credit Regulations 2002 (notional capital);

(c) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of housing benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 (notional capital);

(d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and

(e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is a pensioner and would have been entitled to a reduction in council tax under this scheme in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing for the purposes of sub-paragraph (1)(b) is equal to the aggregate of--

(a) the amount of the reduction in council tax to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 21 of the State Pension Credit Regulations 2002, have been entitled to state pension credit in respect of the benefit week, within the meaning of regulation 1(2) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(c) if the applicant would, but for regulation 47(1) of the Housing Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to--

(i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or

(ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;

(d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and

(e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by--

- (a) dividing the relevant amount by the number equal to the number of days in that part-week, and
- (b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under that sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case--

- (a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and
- (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that--

- (a) a further application is made 26 or more weeks after--
 - (i) the date on which the applicant made an application in respect of which he was first treated as possessing the capital in question under paragraph 67(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

- (b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

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

(10) For the purposes of this paragraph--

"part-week"--

- (a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction in council tax under this scheme is allowed;
- (b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;
- (c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means--
 - (i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - (ii) any other period of less than a week for which it is payable;

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

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

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

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Diminishing notional capital rule: persons who are not pensioners

69

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

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

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

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

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

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

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

(ii) that relevant week is a week in which the condition in sub-paragraph (4) is satisfied,

is to be reduced by the amount determined under sub-paragraph (5).

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

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

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

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

(a) an amount equal to the additional amount of the reduction in council tax to which sub-paragraph (2)(b) refers;

(b) where the applicant has also claimed housing benefit, the amount of any housing benefit or any additional amount of that benefit to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 49(1) of the Housing Benefit Regulations 2006 (notional capital);

(c) where the applicant has also claimed income support, the amount of income support to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph

(2) refers but for the application of regulation 51(1) of the Income Support (General) Regulations 1987 (notional capital);

(d) where the applicant has also claimed a jobseeker's allowance, the amount of an income-based jobseeker's allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 113 of the Jobseeker's Allowance Regulations 1996 (notional capital); and

(e) where the applicant has also claimed an employment and support allowance, the amount of an income-related employment and support allowance to which he would have been entitled in respect of the whole or part of the reduction week to which sub-paragraph (2) refers but for the application of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capital).

(4) Subject to sub-paragraph (7), for the purposes of sub-paragraph (1)(b) the condition is that the applicant is not a pensioner and would have been entitled to a reduction in council tax in the relevant week but for paragraph 67(1).

(5) In such a case the amount of the reduction in the amount of capital he is treated as possessing must be equal to the aggregate of--

(a) the amount of council tax benefit to which the applicant would have been entitled in the relevant week but for paragraph 67(1);

(b) if the applicant would, but for regulation 49(1) of the Housing Benefit Regulations 2006, have been entitled to housing benefit or to an additional amount of housing benefit in respect of the benefit week which includes the last day of the relevant week, the amount which is equal to--

(i) in a case where no housing benefit is payable, the amount to which he would have been entitled; or

(ii) in any other case, the amount equal to the additional amount of housing benefit to which he would have been entitled;

(c) if the applicant would, but for regulation 51(1) of the Income Support (General) Regulations 1987, have been entitled to income support in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled;

(d) if the applicant would, but for regulation 113 of the Jobseeker's Allowance Regulations 1996, have been entitled to an income-based jobseeker's allowance in respect of the benefit week, within the meaning of regulation 1(3) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled; and

(e) if the applicant would, but for regulation 115 of the Employment and Support Allowance Regulations 2008, have been entitled to an income-related employment and support allowance in respect of the benefit week, within the meaning of regulation 2(1) of those Regulations (interpretation), which includes the last day of the relevant week, the amount to which he would have been entitled.

(6) But if the amount mentioned in paragraph (a), (b), (c), (d) or (e) of sub-paragraph (5) ("the relevant amount") is in respect of a part-week, the amount that is to be taken into account under that paragraph is to be determined by--

(a) dividing the relevant amount by the number equal to the number of days in that part-week, and

(b) multiplying the result of that calculation by 7.

(7) The amount determined under sub-paragraph (5) is to be re-determined under the appropriate sub-paragraph if the applicant makes a further application and the conditions in sub-paragraph (8) are satisfied, and in such a case--

- (a) paragraphs (a) to (e) of sub-paragraph (5) apply as if for the words "relevant week" there were substituted the words "relevant subsequent week"; and
- (b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week following the relevant subsequent week in question.

(8) The conditions are that--

- (a) a further application is made 26 or more weeks after--
 - (i) the date on which the applicant made an application for a reduction under this scheme in respect of which he was first treated as possessing the capital in question under paragraph 67(1);
 - (ii) in a case where there has been at least one re-determination in accordance with sub-paragraph (7), the date on which he last made an application under this scheme which resulted in the weekly amount being re-determined, or
 - (iii) the date on which he last ceased to be entitled to a reduction under this scheme,

whichever last occurred; and

- (b) the applicant would have been entitled to a reduction under this scheme but for paragraph 67(1).

(9) The amount as re-determined pursuant to sub-paragraph (6) must not have effect if it is less than the amount which applied in that case immediately before the re-determination and in such a case the higher amount must continue to have effect.

(10) For the purposes of this paragraph--

"part-week"--

- (a) in relation to an amount mentioned in sub-paragraph (5)(a), means a period of less than a week for which a reduction under this scheme is allowed;
- (b) in relation to an amount mentioned in sub-paragraph (5)(b), means a period of less than a week for which housing benefit is payable;
- (c) in relation to an amount mentioned in sub-paragraph (5)(c), (d) or (e), means--
 - (i) a period of less than a week which is the whole period for which income support, an income-related employment and support allowance or, as the case may be, an income-based jobseeker's allowance is payable; and
 - (ii) any other period of less than a week for which it is payable;

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

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

and where more than one reduction week is identified by reference to paragraphs (a) and (b) of this definition, the later or latest such reduction week or, as the case may be, the later or latest such part-week is the relevant week;

"relevant subsequent week" means the reduction week or part-week which includes the day on which the further application or, if more than one further application has been made, the last such application was made.

Capital jointly held

70

Except where an applicant possesses capital which is disregarded under paragraph 67(7) (notional capital), where an applicant and one or more persons are beneficially entitled in possession to any capital asset they must be treated, in the absence of evidence to the contrary, as if each of them were entitled in possession to the whole beneficial interest therein in an equal share and the foregoing provisions of this Chapter apply for the purposes of calculating the amount of capital which the applicant is treated as possessing as if it were actual capital which the applicant does possess.

Calculation of tariff income from capital: pensioners

71

The capital of an applicant who is a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income of--

- (a) £1 for each £500 in excess of £10,000 but not exceeding £16,000; and
- (b) £1 for any excess which is not a complete £500.

Calculation of tariff income from capital: persons who are not pensioners

72

The capital of an applicant who is not a pensioner, calculated in accordance with this Part, is to be treated as if it were a weekly income of--

- (a) £1 for each £250 in excess of £6,000 but not exceeding £10,000;
- (b) £1 for any excess which is not a complete £250.

Part 11 Students

Chapter 1 General

Interpretation

73

- (1) In this Part--

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

"access funds" means--

- (a) grants made under section 68 of the Further and Higher Education Act 1992 for the purpose of providing funds on a discretionary basis to be paid to students;
- (b) grants made under sections 73(a) and (c) and 74(1) of the Education (Scotland) Act 1980;
- (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 considers that it is reasonable for the following persons to contribute towards the holder's expenses--
 - (i) the holder of the allowance or bursary;
 - (ii) the holder's parents;
 - (iii) the holder's parent's spouse, civil partner or a person ordinarily living with the holder's parent as if he or she were the spouse or civil partner of that parent; or
 - (iv) the holder's spouse or civil partner;

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

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

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

"full-time course of study" means a full-time course of study which--

(a) is not funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers or a full-time course of study which is not funded in whole or in part by the Scottish Ministers at a college of further education or a full-time course of study which is a course of higher education and is funded in whole or in part by the Scottish Ministers;

(b) is funded in whole or in part by the Secretary of State under section 14 of the Education Act 2002, the Chief Executive of Skills Funding or by the Welsh Ministers if it involves more than 16 guided learning hours per week for the student in question, according to the number of guided learning hours per week for that student set out--

(i) in the case of a course funded by the Secretary of State under section 14 of the Education Act 2002 or the Chief Executive of Skills Funding, in the student's learning agreement signed on behalf of the establishment which is funded by either of those persons for the delivery of that course; or

(ii) in the case of a course funded by the Welsh Ministers, in a document signed on behalf of the establishment which is funded by that Council for the delivery of that course; or

(c) is not higher education and is funded in whole or in part by the Scottish Ministers at a college of further education and involves--

(i) more than 16 hours per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff according to the number of hours set out in a document signed on behalf of the college; or

(ii) 16 hours or less per week of classroom-based or workshop-based programmed learning under the direct guidance of teaching staff and additional hours using structured learning packages supported by the teaching staff where the combined total of hours exceeds 21 hours per week, according to the number of hours set out in a document signed on behalf of the college;

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

"grant" (except in the definition of "access funds") means any kind of educational grant or award and includes any scholarship, studentship, exhibition, allowance or bursary but does not include a payment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

"grant income" means--

(a) any income by way of a grant;

(b) any contribution whether or not it is paid;

"higher education" means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

"last day of the course" means--

(a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later;

(b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

"period of study" means--

- (a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;
- (b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, that year's start and ending with either--
 - (i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or
 - (ii) 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 Job-seeker's Allowance Regulations 1996;

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

"standard maintenance grant" means--

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

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

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

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

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

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

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

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

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

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

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

(b) any period of vacation within the period specified in that paragraph or immediately following that period except where the person has registered with the educational establishment to attend or undertake the final module in the course and the vacation immediately follows the last day on which he is required to attend or undertake the course.

(4) In sub-paragraph (2), "modular course" means a course of study which consists of two or more modules, the successful completion of a specified number of which is required before a person is considered by the educational establishment to have completed the course.

Treatment of students

74

This scheme has effect in relation to students who are not pensioners subject to the following provisions of this Part.

Students who are excluded from entitlement to a reduction under this scheme

75

(1) The students who are excluded from entitlement to a reduction under this scheme are, subject to sub-paragraphs (2) and (7)--

(a) full-time students, and

(b) students who are persons treated as not being in Great Britain.

(2) Sub-paragraph (1)(b) does not apply to a student--

- (a) who is a person on income support, an income-based jobseeker's allowance or an income-related employment and support allowance;
- (b) who is a lone parent;
- (c) whose applicable amount would, but for this paragraph, include the disability premium or severe disability premium;
- (d) whose applicable amount would include the disability premium but for his being treated as capable of work by virtue of a determination made in accordance with regulations made under section 171E of the SSCBA;
- (e) who is, or is treated as, incapable of work and has been so incapable, or has been so treated as incapable, of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work) for a continuous period of not less than 196 days; and for this purpose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;
- (f) who has, or is treated as having, limited capability for work and has had, or been treated as having, limited capability for work in accordance with the Employment and Support Allowance Regulations 2008 for a continuous period of not less than 196 days, and for this purpose any two or more separate periods separated by a break of not more than 84 days must be treated as one continuous period;
- (g) who has a partner who is also a full-time student, if he or that partner is treated as responsible for a child or young person;
- (h) who is a single applicant with whom a child is placed by a local authority or voluntary organisation within the meaning of the Children Act 1989 or, in Scotland, boarded out within the meaning of the Social Work (Scotland) Act 1968;
- (i) who is--
 - (i) aged under 21 and whose course of study is not a course of higher education,
 - (ii) aged 21 and attained that age during a course of study which is not a course of higher education, or
 - (iii) a qualifying young person or child within the meaning of section 142 of the SSCBA (child and qualifying young person);
- (j) in respect of whom--
 - (i) a supplementary requirement has been determined under paragraph 9 of Part 2 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003;
 - (ii) an allowance, or as the case may be, bursary has been granted which includes a sum under paragraph (1)(d) of regulation 4 of the Students' Allowances (Scotland) Regulations 1999 or, as the case may be, under paragraph (1)(d) of regulation 4 of the Education Authority (Bursaries) (Scotland) Regulations 1995, in respect of expenses incurred;
 - (iii) a payment has been made under or by virtue of regulations made under the Teaching and Higher Education Act 1998;
 - (iv) a grant has been made under regulation 13 of the Education (Student Support) Regulations 2005 or under regulation 13 of the Education (Student Support) Regulations (Northern Ireland) 2000; or
 - (v) a supplementary requirement has been determined under paragraph 9 of Schedule 6 to the Students Awards Regulations (Northern Ireland) 1999 or a payment has been made under Article 50(3) of the Education and Libraries (Northern Ireland) Order 1986,

on account of his disability by reason of deafness.

(3) Sub-paragraph (2)(i)(ii) only applies to an applicant until the end of the course during which the applicant attained the age of 21.

(4) For the purposes of sub-paragraph (2), once sub-paragraph (2)(e) applies to a full-time student, if he then ceases, for a period of 56 days or less, to be incapable, or to be treated as incapable, of work, that sub-paragraph must, on his again becoming so incapable, or so treated as incapable, of work at the end of that period, immediately thereafter apply to him for so long as he remains incapable or is treated as remaining incapable, of work.

(5) In sub-paragraph (2)(i) the reference to a course of higher education is a reference to a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.

(6) A full-time student to whom sub-paragraph (2)(i) applies must be treated as satisfying that sub-paragraph from the date on which he made a request for the supplementary requirement, allowance, bursary or payment as the case may be.

(7) Sub-paragraph (1)(b) does not apply to a full-time student for the period specified in sub-paragraph (8) if--

(a) at any time during an academic year, with the consent of the relevant educational establishment, he ceases to attend or undertake a course because he is--

(i) engaged in caring for another person; or

(ii) ill;

(b) he has subsequently ceased to be engaged in caring for that person or, as the case may be, he has subsequently recovered from that illness; and

(c) he is not eligible for a grant or a student loan in respect of the period specified in sub-paragraph (8).

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

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

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

whichever first occurs.

Chapter 2 Income

Calculation of grant income

76

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

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

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

- (b) in respect of the student's disability;
- (c) intended to meet additional expenditure connected with term time residential study away from the student's educational establishment;
- (d) on account of the student maintaining a home at a place other than that at which he resides during his course;
- (e) on account of any other person but only if that person is residing outside the United Kingdom and there is no applicable amount in respect of him;
- (f) intended to meet the cost of books and equipment;
- (g) intended to meet travel expenses incurred as a result of his attendance on the course;
- (h) intended for the child care costs of a child dependant;
- (i) of higher education bursary for care leavers made under Part 3 of the Children Act 1989.

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

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the costs of books and equipment,

whether or not any such costs are incurred.

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

(5) Subject to sub-paragraphs (6) and (7), a student's grant income must be apportioned--

- (a) subject to sub-paragraph (8), in a case where it is attributable to the period of study, equally between the weeks in that period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period of study and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period of study;
- (b) in any other case, equally between the weeks in the period beginning with the reduction week, the first day of which coincides with, or immediately follows, the first day of the period for which it is payable and ending with the reduction week, the last day of which coincides with, or immediately precedes, the last day of the period for which it is payable.

(6) Any grant in respect of dependants paid under section 63(6) of the Health Services and Public Health Act 1968 (grants in respect of the provision of instruction to officers of hospital authorities) and any amount intended for the maintenance of dependants under Part 3 of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 must be apportioned equally over the period of 52 weeks or, if there are 53 reduction weeks (including part-weeks) in the year, 53.

(7) In a case where a student is in receipt of a student loan or where he could have acquired a student loan by taking reasonable steps but had not done so, any amount intended for the maintenance of dependants to which neither sub-paragraph (6) nor paragraph 80(2) (other amounts to be disregarded) applies, must be apportioned over the same period as the student's loan is apportioned or, as the case may be, would have been apportioned.

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

Calculation of covenant income where a contribution is assessed

77

(1) Where a student is in receipt of income by way of a grant during a period of study and a contribution has been assessed, the amount of his covenant income to be taken into account for that period and any summer vacation immediately following must be the whole amount of the covenant income less, subject to sub-paragraph (3), the amount of the contribution.

(2) The weekly amount of the student's covenant must be determined--

(a) by dividing the amount of income which falls to be taken into account under sub-paragraph (1) by 52 or 53, whichever is reasonable in the circumstances; and

(b) by disregarding £5 from the resulting amount.

(3) For the purposes of sub-paragraph (1), the contribution must be treated as increased by the amount (if any) by which the amount excluded under paragraph 76(2)(g) falls short of the amount specified in paragraph 7(2) of Schedule 2 to the Education (Mandatory Awards) Regulations 2003 (travel expenditure).

Covenant income where no grant income or no contribution is assessed

78

(1) Where a student is not in receipt of income by way of a grant the amount of his covenant income must be calculated as follows--

(a) any sums intended for any expenditure specified in paragraph 76(2)(a) to (e) necessary as a result of his attendance on the course must be disregarded;

(b) any covenant income, up to the amount of the standard maintenance grant, which is not so disregarded, must be apportioned equally between the weeks of the period of study;

(c) there must be disregarded from the amount so apportioned the amount which would have been disregarded under paragraph 76(2)(f) and (3) had the student been in receipt of the standard maintenance grant; and

(d) the balance, if any, must be divided by 52 or 53 whichever is reasonable in the circumstances and treated as weekly income of which £5 must be disregarded.

(2) Where a student is in receipt of income by way of a grant and no contribution has been assessed, the amount of his covenanted income must be calculated in accordance with paragraphs (a) to (d) of sub-paragraph (1), except that--

(a) the value of the standard maintenance grant must be abated by the amount of such grant income less an amount equal to the amount of any sums disregarded under paragraph 76(2)(a) to (e); and

(b) the amount to be disregarded under sub-paragraph (1)(c) must be abated by an amount equal to the amount of any sums disregarded under paragraph 76(2)(f) and (g) and (3).

Relationship with amounts to be disregarded under Schedule 8

79

No part of a student's covenant income or grant income is to be disregarded under paragraph 19 of Schedule 8 (disregard of certain charitable and voluntary, etc, payments).

Other amounts to be disregarded

80

(1) For the purposes of ascertaining income other than grant income, covenant income and loans treated as income in accordance with paragraph 81 (treatment of student loans), any amounts intended for any expenditure specified in paragraph 76(2) (calculation of grant income), necessary as a result of his attendance on the course must be disregarded.

(2) But sub-paragraph (1) applies only if, and to the extent that, the necessary expenditure exceeds or is likely to exceed the amount of the sums disregarded under paragraph 76(2) or (3), 77(3), 78(1)(a) or (c) or 81(5) (calculation of grant income, covenant income and treatment of student loans) on like expenditure.

Treatment of student loans

81

(1) A student loan is to be treated as income.

(2) In calculating the weekly amount of the loan to be taken into account as income--

(a) in respect of a course that is of a single academic year's duration or less, a loan which is payable in respect of that period is to be apportioned equally between the weeks in the period beginning with--

(i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of the single academic year;

(ii) where the student is required to start attending the course in August or where the course is less than an academic year's duration, the reduction week, the first day of which coincides with, or immediately follows, the first day of the course,

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

(b) in respect of an academic year of a course which starts other than on 1st September, a loan which is payable in respect of that academic year is to be apportioned equally between the weeks in the period--

(i) beginning with the reduction week, the first day of which coincides with or immediately follows, the first day of that academic year, and

(ii) ending with the reduction week, the last day of which coincides with or immediately precedes, the last day of that academic year,

but excluding any reduction weeks falling entirely within the quarter during which, in the opinion of the authority, the longest of any vacation is taken and for the purposes of this paragraph, "quarter" has the same meaning as for the purposes of the Education (Student Support) Regulations 2005;

(c) in respect of the final academic year of a course (not being a course of a single year's duration), a loan which is payable in respect of that final academic year is to be apportioned equally between the weeks in the period beginning with--

(i) except in a case where sub-paragraph (ii) applies, the reduction week, the first day of which coincides with, or immediately follows, the first day of that academic year;

(ii) where the final academic year starts on 1st September, the reduction week, the first day of which coincides with, or immediately follows, the earlier of 1st September or the first day of the autumn term,

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

(d) in any other case, the loan is to be apportioned equally between the weeks in the period beginning with the earlier of--

- (i) the first day of the first reduction week in September; or
- (ii) the reduction week, the first day of which coincides with, or immediately follows the first day of the autumn term,

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

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

(3) A student is to be treated as possessing a student loan in respect of an academic year where--

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

(4) Where a student is treated as possessing a student loan under sub-paragraph (3), the amount of the student loan to be taken into account as income must be, subject to sub-paragraph (5)--

(a) in the case of a student to whom a student loan is made in respect of an academic year, a sum equal to--

- (i) the maximum student loan he is able to acquire in respect of that year by taking reasonable steps to do so; and
- (ii) any contribution whether or not it has been paid to him;

(b) in the case of a student to whom a student loan is not made in respect of an academic year, the maximum student loan that would be made to the student if--

- (i) he took all reasonable steps to obtain the maximum student loan he is able to acquire in respect of that year; and
- (ii) no deduction in that loan was made by virtue of the application of a means test.

(5) There must be deducted from the amount of income taken into account under sub-paragraph (4)--

- (a) the sum of £303 per academic year in respect of travel costs; and
- (b) the sum of £390 per academic year towards the cost of books and equipment,

whether or not any such costs are incurred.

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

Treatment of payments from access funds

(1) This paragraph applies to payments from access funds that are not payments to which paragraph 85(2) or (3) (income treated as capital) applies.

(2) A payment from access funds, other than a payment to which sub-paragraph (3) applies, must be disregarded as income.

(3) Subject to sub-paragraph (4) of this paragraph and paragraph 40 of Schedule 8 (disregards in the calculation of income other than earnings: persons who are not pensioners)--

(a) any payments from access funds which are intended and used for an item of food, ordinary clothing or footwear, household fuel, or rent of a single applicant or, as the case may be, of the applicant or any other member of his family, and

(b) any payments from access funds which are used for any council tax or water charges for which that applicant or member is liable,

must be disregarded as income to the extent of £20 per week.

(4) Where a payment from access funds is made--

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

(b) before the first day of the course to a person in anticipation of that person becoming a student,

that payment must be disregarded as income.

Disregard of contribution

83

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

Further disregard of student's income

84

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

Income treated as capital

85

(1) Any amount by way of a refund of tax deducted from a student's covenant income must be treated as capital.

(2) An amount paid from access funds as a single lump sum must be treated as capital.

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

Disregard of changes occurring during summer vacation

86

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

**Part 12
Extended Reductions**

**Chapter 1
Extended Reductions: Pensioners**

Extended reductions: pensioners

87

Paragraphs 88 to 93 apply in relation to applicants who are pensioners.

Extended reductions (qualifying contributory benefits): pensioners

88

(1) Except in the case of an applicant who is in receipt of state pension credit, an applicant who is entitled to a reduction under this scheme by virtue of falling within any of classes A to C is entitled to an extended reduction (qualifying contributory benefits) where--

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner--
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,

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

- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

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

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

- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

Duration of extended reduction period (qualifying contributory benefits): pensioners

89

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

Amount of extended reduction (qualifying contributory benefits): pensioners

90

- (1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) the applicant is entitled to is the greater of--
 - (a) the amount of council tax reduction to which the applicant was entitled by virtue of falling within any of classes A to C in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
 - (b) the amount of reduction under this scheme to which the applicant would be entitled under by virtue of falling within any of classes A to C for any reduction week during the extended reduction period, if paragraph 88 (extended reductions (qualifying contributory benefits): pensioners) did not apply to the applicant; or
 - (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes A to C, if paragraph 88 did not apply to the applicant.
- (2) Sub-paragraph (1) does not apply in the case of a mover.
- (3) Where an applicant is in receipt of an extended reduction (qualifying contributory benefits) under this paragraph and the applicant's partner makes an application for a reduction under this scheme, the authority must not award a reduction in pursuance of that application during the extended reduction period.

Extended reductions (qualifying contributory benefits)--movers: pensioners

91

- (1) This paragraph applies--
 - (a) to a mover; and

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

(2) The amount of the extended reduction (qualifying contributory benefits) awarded from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was payable to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

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

(a) the second authority; or

(b) the mover directly.

Relationship between extended reduction (qualifying contributory benefits) and entitlement to a reduction by virtue of classes A to C

92

(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 88(1)(b), that reduction does not cease to have effect until the end of the extended reduction period.

(2) Part 13 (when entitlement begins and change of circumstances) does not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 90(1)(a) or paragraph 91(2) (amount of extended reduction--movers: pensioners).

Continuing reductions where state pension credit claimed: pensioners

93

(1) This paragraph applies where--

(a) the applicant is entitled to a reduction under this scheme;

(b) sub-paragraph (2) is satisfied; and

(c) either--

(i) the applicant has attained the qualifying age for state pension credit or, if his entitlement to income-based jobseeker's allowance or income-related employment and support allowance continued beyond that age, has attained the age of 65; or

(ii) the applicant's partner has actually claimed state pension credit.

(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that--

(a) the applicant's award of--

(i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or

(ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit or the age of 65; and

(b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the applicant otherwise satisfies the conditions for entitlement to a reduction under this scheme.

(4) Where a reduction under this scheme is awarded for the period of 4 weeks in accordance with sub-paragraph (3) above, and the last day of that period falls on a day other than the last day of a reduction week, then a reduction under this scheme must continue to be awarded until the end of the reduction week in which the last day of that period falls.

(5) Throughout the period of 4 weeks specified in sub-paragraph (3) and any further period specified in sub-paragraph (4)--

(a) the whole of the income and capital of the applicant is to be disregarded;

(b) the maximum council tax reduction amount of the applicant is to be that which was applicable in his case immediately before that period commenced.

(6) The maximum reduction is to be calculated in accordance with paragraph 29(1) if, since the date it was last calculated--

(a) the applicant's council tax liability has increased; or

(b) a change in the deduction under paragraph 30 falls to be made.

Chapter 2 Extended Reductions: Persons Who are Not Pensioners

Extended reductions: persons who are not pensioners

94

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

Extended reductions: persons who are not pensioners

95

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

(a) the applicant or the applicant's partner was entitled to a qualifying income-related benefit;

(b) entitlement to a qualifying income-related benefit ceased because the applicant or the applicant's partner--

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

(ii) increased their earnings from such employment; or

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

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

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

(2) For the purpose of sub-paragraph (1)(c), an applicant or an applicant's partner is to be treated as having been entitled to and in receipt of a qualifying income-related benefit or jobseeker's allowance during any period of less than five weeks in respect of which the applicant or the applicant's partner was not entitled to any of those benefits because the applicant or the applicant's partner was engaged in remunerative work as a consequence of their participation in an employment zone programme.

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

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

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

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

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

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

Duration of extended reduction period: persons who are not pensioners

96

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

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

(3) The extended reduction period ends--

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

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

Amount of extended reduction: persons who are not pensioners

97

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

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

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

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

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

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

Extended reductions--movers: persons who are not pensioners

98

(1) This paragraph applies--

(a) to a mover; and

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

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

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

(a) the second authority; or

(b) the mover directly.

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

99

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

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

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

100

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

- (a) the applicant or the applicant's partner was entitled to a qualifying contributory benefit;
- (b) entitlement to a qualifying contributory benefit ceased because the applicant or the applicant's partner--
 - (i) commenced employment as an employed or self-employed earner;
 - (ii) increased their earnings from such employment; or
 - (iii) increased the number of hours worked in such employment,

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

- (c) the applicant or the applicant's partner had been entitled to and in receipt of a qualifying contributory benefit or a combination of qualifying contributory benefits for a continuous period of at least 26 weeks before the day on which the entitlement to a qualifying contributory benefit ceased; and
- (d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying income-related benefit in the last reduction week in which the applicant, or the applicant's partner, was entitled to a qualifying contributory benefit.

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

- (a) the applicant ceased to be entitled to a reduction under this scheme because the applicant vacated the dwelling in which the applicant was resident;
- (b) the day on which the applicant vacated the dwelling was either in the week in which entitlement to a qualifying contributory benefit ceased, or in the preceding week; and
- (c) entitlement to the qualifying contributory benefit ceased in any of the circumstances listed in sub-paragraph (1)(b).

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

101

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

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

(3) The extended reduction period ends--

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

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

102

(1) For any week during the extended reduction period the amount of the extended reduction (qualifying contributory benefits) payable to an applicant is to be the greater of--

- (a) the amount of reduction under this scheme to which the applicant was entitled by virtue of falling within any of classes D to F in the last reduction week before the applicant or the applicant's partner ceased to be entitled to a qualifying contributory benefit;
- (b) the amount of reduction under this scheme to which the applicant would be entitled by virtue of falling within any of classes D to F for any reduction week during the extended reduction period, if paragraph 100 (extended reductions (qualifying contributory benefits): persons who are not pensioners) did not apply to the applicant; or
- (c) the amount of reduction under this scheme to which the applicant's partner would be entitled by virtue of falling within any of classes D to F, if paragraph 100 did not apply to the applicant.

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

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

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

103

(1) This paragraph applies--

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

(2) The amount of the extended reduction (qualifying contributory benefit) payable from the Monday from which this paragraph applies until the end of the extended reduction period is to be the amount of reduction under this scheme which was awarded to the mover for the last reduction week before the mover, or the mover's partner, ceased to be entitled to a qualifying contributory benefit.

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

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

Relationship between extended reduction (qualifying contributory benefits) and entitlement to reduction by virtue of classes D to F

104

(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 100(1)(b), that reduction does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction--movers: persons who are not pensioners).

Extended Reductions: Movers in the Authority's Area

Extended reductions: applicant moving into the authority's area

105

Where--

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

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

**Part 13
When Entitlement Begins and Change of Circumstances**

Date on which entitlement begins

106

- (1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a reduction under this scheme is made and who is otherwise entitled to that reduction is so entitled from the reduction week following the date on which that application is made or is treated as made.
- (2) Where a person is otherwise entitled to a reduction under this scheme and becomes liable for the first time for the authority's council tax in respect of a dwelling of which he is a resident in the reduction week in which his application is made or is treated as made, he is so entitled from that reduction week.

Date on which change of circumstances is to take effect

107

- (1) Except in cases where paragraph 60 (disregard of changes in tax, contributions, etc) applies and subject to the following provisions of this paragraph and (in the case of applicants who are pensioners) paragraph 108 (change of circumstance where state pension credit in payment), a change of circumstances which affects entitlement to, or the amount of, a reduction under this scheme ("change of circumstances"), takes effect from the first day of the reduction week following the date on which the change actually occurs.
- (2) Where that change is cessation of entitlement to any benefit under the benefit Acts, the date on which the change actually occurs is the day immediately following the last day of entitlement to that benefit.
- (3) Subject to sub-paragraph (4), where the change of circumstances is a change in the amount of council tax payable, it takes effect from the day on which it actually occurs.
- (4) Where the change of circumstances is a change in the amount a person is liable to pay in respect of council tax in consequence of regulations under section 13 of the 1992 Act (reduced amounts of council

tax) or changes in the discount to which a dwelling may be subject under section 11 or 11A of that Act (discounts), it takes effect from the day on which the change in amount has effect.

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

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

(7) If two or more changes of circumstances occurring in the same reduction week would, but for this paragraph, take effect in different reduction weeks in accordance with sub-paragraphs (1) to (6) they take effect from the day to which the appropriate sub-paragraph from (3) to (6) above refers, or, where more than one day is concerned, from the earlier day.

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

(9) Without prejudice to sub-paragraph (8), where the change of circumstances is the payment of income, or arrears of income, in respect of a past period, the change of circumstances takes effect from the first day on which such income, had it been timeously paid in that period at intervals appropriate to that income, would have fallen to be taken into account for the purposes of this scheme.

(10) Sub-paragraph (11) applies if--

(a) the applicant or his partner has attained the age of 65; and

(b) either--

(i) a non-dependant took up residence in the applicant's dwelling; or

(ii) there has been a change of circumstances in respect of a non-dependant so that the amount of the deduction which falls to be made under paragraph 30 increased.

(11) Where this sub-paragraph applies, the change of circumstances referred to in sub-paragraph (10)(b) takes effect from the effective date.

(12) In sub-paragraph (11), but subject to sub-paragraph (13), "the effective date" means--

(a) where more than one change of a kind referred to in sub-paragraph (10)(b) relating to the same non-dependant has occurred since--

(i) the date on which the applicant's entitlement to a reduction under this scheme first began; or

(ii) the date which was the last effective date in respect of such a change,

whichever is the later, the date which falls 26 weeks after the date on which the first such change occurred;

(b) where paragraph (a) does not apply, the date which falls 26 weeks after the date on which the change referred to in sub-paragraph (10)(b) occurred.

(13) If in any particular case the date determined under sub-paragraph (12) is not the first day of a reduction week, the effective date in that case is to be the first day of the next reduction week to commence after the date determined under that sub-paragraph.

(14) Sub-paragraphs (15) to (19) apply to persons who fall within classes D, E and F.

(15) Where--

- (a) the change of circumstances is a change of circumstances that is required by this scheme to be notified, and
- (b) that change of circumstances is notified more than one month after it occurs, or such longer period as may be allowed under sub-paragraph (16), and
- (c) the superseding decision is advantageous to the claimant

the date of notification of the change of circumstances shall be treated as the date on which the change of circumstances occurred.

(16) Subject to sub-paragraph (18), for the purposes of making a decision under this scheme a longer period of time may be allowed for the notification of a change of circumstances in so far as it affects the effective date of the change where the conditions specified in sub-paragraph (17) are satisfied. An application for the purposes of this sub-paragraph shall include:

- (a) particulars of the change of circumstances and the reasons for the failure to notify the change of circumstances on an earlier date, and
- (b) be made within 3 months of the date on which the change occurred.

(17) In determining whether it is reasonable to grant an application for the purposes of sub-paragraph (16), the authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the change of circumstances occurred and the date the application for a superseding decision is made, the more compelling should be the special circumstances on which the application is based. An application shall not be granted unless the authority is satisfied that—

- (a) it is reasonable to grant the application;
- (b) that change of circumstances notified by the applicant is relevant to the decision which is to be superseded; and
- (c) special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to notify the change of circumstances within one month of the change occurring.

(18) In determining whether it is reasonable to grant an application, no account shall be taken of the following—

- (a) that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by this scheme); or
- (b) that the Valuation Tribunal or a court has taken a different view of the law from that previously understood and applied.

(19) An application under this part which has been refused may not be renewed.

Change of circumstances where state pension credit in payment

108

(1) Sub-paragraphs (2) and (3) apply where--

- (a) the applicant is in receipt of state pension credit;

- (b) the amount of state pension credit awarded to him is changed in consequence of a change in the applicant's circumstances or the correction of an official error; and
- (c) the change in the amount of state pension credit payable to the applicant results in a change in the amount of a reduction he receives under this scheme.

(2) Where the change of circumstance is that an increase in the amount of state pension credit payable to the applicant results in--

- (a) an increase in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the increased rate; or
- (b) a decrease in the reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which--
 - (i) the local authority receives notification from the Secretary of State of the increase in the amount of state pension credit; or
 - (ii) state pension credit is increased,

whichever is the later.

(3) Where the change of circumstance ("the relevant change") is that the applicant's state pension credit has been reduced and in consequence the reduction the applicant receives under this scheme reduces--

- (a) in a case where the applicant's state pension credit has been reduced because the applicant failed to notify the Secretary of State timeously of a change of circumstances, the relevant change takes effect from the first day of the reduction week from which state pension credit was reduced; or
- (b) in any other case the relevant change takes effect from the first day of the reduction week next following the date on which--
 - (i) the authority receives notification from the Secretary of State of the reduction in the amount of state pension credit; or
 - (ii) state pension credit is reduced,

whichever is the later.

(4) Where the change of circumstance is that state pension credit is reduced and in consequence of the change, the amount of a reduction he receives under this scheme is increased, the change takes effect from the first day of the reduction week in which state pension credit becomes payable at the reduced rate.

(5) Where a change of circumstance occurs in that an award of state pension credit has been made to the applicant or his partner and this would result in a decrease in the amount of reduction he receives under this scheme, the change takes effect from the first day of the reduction week next following the date on which--

- (a) the authority receives notification from the Secretary of State of the award of state pension credit; or
- (b) entitlement to state pension credit begins,

whichever is the later.

(6) Where, in the case of an applicant who, or whose partner, is or has been awarded state pension credit comprising only the savings credit, there is--

- (a) a change of circumstances of a kind described in any of sub-paragraphs (2) to (5) which results from a relevant calculation or estimate; and
- (b) a change of circumstances which is a relevant determination,

each of which results in a change in the amount of reduction the applicant receives under this scheme, the change of circumstances referred to in sub-paragraph (b) takes effect from the day specified in sub-paragraph (2), (3), (4) or (5) as the case may be, in relation to the change referred to in paragraph (a).

(7) Where a change of circumstance occurs in that a guarantee credit has been awarded to the applicant or his partner and this would result in an increase in the amount of a reduction the applicant receives under this scheme, the change takes effect from the first day of the reduction week next following the date in respect of which the guarantee credit is first payable.

(8) Where a change of circumstances would, but for this sub-paragraph, take effect under the preceding provisions of this paragraph within the 4 week period specified in paragraph 93 (continuing reductions where state pension credit claimed), that change takes effect on the first day of the first reduction week to commence after the expiry of the 4 week period.

(9) In this paragraph--

"official error" means an error made by--

- (a) the authority or a person--
 - (i) authorised to carry out any function of the authority relating to this scheme; or
 - (ii) providing services relating to this scheme directly or indirectly to the authority; or
- (b) an officer of--
 - (i) the Department for Work and Pensions; or
 - (ii) the Commissioners of Inland Revenue,

acting as such,

but excludes any error caused wholly or partly by any person or body not specified in paragraph (a) or (b) of this definition and any error of law which is shown to have been an error only by virtue of a subsequent decision of the court;

"relevant calculation or estimate" means the calculation or estimate made by the Secretary of State of the applicant's or, as the case may be, the applicant's partner's income and capital for the purposes of the award of state pension credit;

"relevant determination" means a change in the determination by the authority of the applicant's income and capital using the relevant calculation or estimate, in accordance with paragraph 36(1).

Part 14

Applications (Including Duties to Notify Authority of Change of Circumstances)

Making an application

109

(1) In the case of--

(a) a couple or (subject to paragraph (b)) members of a polygamous marriage an application is to be made by whichever one of them they agree should so apply or, in default of agreement, by such one of them as the authority determines; or

(b) in the case of members of a polygamous marriage to whom paragraph 37 (income and capital: award of universal credit) applies, an application is to be made by whichever one of the parties to the earliest marriage that still subsists they agree should so apply or, in default of agreement, by such one of them as the authority determines.

(2) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act, and--

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

(b) in Scotland, his estate is being administered by a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 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.

(3) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time being to act and sub-paragraph (2) does not apply to him, the authority may, upon written application made to them by a person who, if a natural person, is over the age of 18, appoint that person to exercise on behalf of the person who is unable to act, any right to which that person might be entitled under this scheme and to receive and deal on his behalf with any sums payable to him.

(4) Where a person who is liable to pay council tax in respect of a dwelling is for the time being unable to act and the Secretary of State has appointed a person to act on his behalf under regulation 33 of the Social Security (Claims and Payments) Regulations 1987 (persons unable to act), the authority may if that person agrees, treat him as if he had been appointed by them under sub-paragraph (3).

(5) Where the authority has made an appointment under sub-paragraph (3) or treated a person as an appointee under sub-paragraph (4)--

(a) it may at any time revoke the appointment;

(b) the person appointed may resign his office after having given 4 weeks notice in writing to the authority of his intention to do so;

(c) any such appointment must terminate when the authority is notified of the appointment of a person mentioned in sub-paragraph (2).

(6) Anything required by this scheme to be done by or to any person who is for the time being unable to act may be done by or to the persons mentioned in sub-paragraph (2) above or by or to the person appointed or treated as appointed under this paragraph and the receipt of any such person so appointed shall be a good discharge to the authority for any sum paid.

(7) The authority must--

(a) inform any person making an application of the duty imposed by paragraph 115(1)(a);

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

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

Date on which an application is made

110

- (1) Subject to sub-paragraph (7), the date on which an application is made is--

- (a) in a case where--

- (i) an award of state pension credit which comprises a guarantee credit has been made to the applicant or his partner, and
- (ii) the application is made within one month of the date on which the claim for that state pension credit which comprises a guarantee credit was received at the appropriate DWP office,

the first day of entitlement to state pension credit which comprises a guarantee credit arising from that claim;

- (b) in a case where--

- (i) an applicant or his partner is a person in receipt of a guarantee credit,
- (ii) the applicant becomes liable for the first time to pay council tax in respect of the dwelling which he occupies as his home, and
- (iii) the application to the authority is received at the designated office within one month of the date of the change,

the date on which the change takes place;

- (c) in a case where--

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

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

- (d) in a case where--

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

the date on which the change takes place;

- (e) in a case where--

- (i) the applicant is the former partner of a person who was, at the date of his death or their separation, entitled to a reduction under this scheme, and
- (ii) where the applicant makes an application for a reduction under this scheme within one month of the date of the death or the separation,

the date of the death or separation;

(f) except where paragraph (a), (b) or (e) is satisfied, in a case where a properly completed application is received within one month (or such longer period as the authority considers reasonable) of the date on which an application form was issued to the applicant following the applicant first notifying, by whatever means, the authority of an intention to make an application, the date of first notification;

(g) in any other case, the date on which the application is received at the designated office.

(2) For the purposes only of sub-paragraph (1)(c) a person who has been awarded an income-based jobseeker's allowance or an income-related employment and support allowance is to be treated as entitled to that allowance for any days which immediately precede the first day in that award and on which he would, but for regulations made under--

(a) in the case of income-based jobseeker's allowance, paragraph 4 of Schedule 1 to the Jobseekers Act 1995 (waiting days); or

(b) in the case of income-related employment and support allowance, paragraph 2 of Schedule 2 to the Welfare Reform Act 2007 (waiting days),

have been entitled to that allowance.

(3) Where the defect referred to in paragraph 7 of Schedule 1 to this scheme (application by telephone)-

(a) is corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance;

(b) is not corrected within one month (or such longer period as the authority considers reasonable) of the date the authority last drew attention to it, the authority must treat the application as if it had been duly made in the first instance where it considers it has sufficient information to decide on the application.

(4) The authority is to treat a defective application as if it had been validly made in the first instance if, in any particular case, the conditions specified in sub-paragraph (5)(a), (b) or (c) are satisfied.

(5) The conditions are that--

(a) where paragraph 4(a) of Schedule 1 (incomplete form) applies, the authority receives at its designated office the properly completed application or the information requested to complete it or the evidence within one month of the request, or such longer period as the authority may consider reasonable; or

(b) where paragraph 4(b) of Schedule 1 (application not on approved form or further information requested by authority) applies--

(i) the approved form sent to the applicant is received at the designated office properly completed within one month of it having been sent to him; or, as the case may be,

(ii) the applicant supplies whatever information or evidence was requested under paragraph 4 of that Schedule within one month of the request,

or, in either case, within such longer period as the authority may consider reasonable; or

(c) where the authority has requested further information, the authority receives at its designated office the properly completed application or the information requested to complete it within one month of the request or within such longer period as the authority considers reasonable.

(6) Except in the case of an application made by a person treated as not being in Great Britain, where a person has not become liable for council tax to the authority but it is anticipated that he will become so liable within the period of 8 weeks (the relevant period), he may apply for a reduction under this scheme at any time in that period in respect of that tax and, provided that liability arises within the relevant period, the authority is to treat the application as having been made on the day on which the liability for the tax arises.

(7) Except in the case of an application made by a person treated as not being in Great Britain, where the applicant is not entitled to a reduction under this scheme in the reduction week immediately following the date of his application but the authority is of the opinion that unless there is a change of circumstances he will be entitled to a reduction under this scheme for a period beginning not later than--

(a) in the case of an application made by--

(i) a pensioner, or

(ii) a person who has attained, or whose partner has attained, the age which is 17 weeks younger than the qualifying age for state pension credit,

the seventeenth reduction week following the date on which the application is made, or

(b) in the case of an application made by a person who is not a pensioner, the thirteenth reduction week following the date on which the application is made,

the authority may treat the application as made on a date in the reduction week immediately preceding the first reduction week of that period of entitlement and award a reduction accordingly.

(8) In this paragraph "appropriate DWP office" means an office of the Department for Work and Pensions dealing with state pension credit or an office which is normally open to the public for the receipt of claims for income support, a jobseeker's allowance or an employment and support allowance.

Back-dating of applications: pensioners

111

(1) Subject to sub-paragraph (2), the time for the making of an application under this scheme by a pensioner is as regards any day on which, apart from satisfying the condition of making an application, the applicant is entitled to such a reduction, that day and the period of three months immediately following it.

(2) In any case where paragraph 110(1)(a) applies, sub-paragraph (1) does not entitle a person to apply for a reduction under this scheme in respect of any day earlier than three months before the date on which the claim for state pension credit is made (or treated as made by virtue of any provision of the Social Security (Claims and Payments) Regulations 1987).

Back-dating of applications: persons who are not pensioners

112

(1) Where an applicant who is a person who is not a pensioner--

(a) makes an application under this scheme which includes (or which he subsequently requests should include) a period before the application is made; and

- (b) from a day in that period, up to the date he made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period),

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

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

Information and evidence

113

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

(2) This sub-paragraph is satisfied in relation to a person if--

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

(3) Sub-paragraph (2) does not apply--

- (a) in the case of a child or young person in respect of whom an application for a reduction is made;
- (b) to a person who--
 - (i) is a person treated as not being in Great Britain for the purposes of this scheme;
 - (ii) is subject to immigration control within the meaning of section 115(9)(a) of the Immigration and Asylum Act 1999; and
 - (iii) has not previously been allocated a national insurance number.

(4) Subject to sub-paragraph (5), a person who makes an application, or a person to whom a reduction under this scheme has been awarded, must furnish such certificates, documents, information and evidence in connection with the application or the award, or any question arising out of the application or the award, as may reasonably be required by the authority in order to determine that person's entitlement to, or continuing entitlement to a reduction under this scheme and must do so within one month of the authority requiring him to do so or such longer period as the authority may consider reasonable.

- (5) Nothing in this paragraph requires a person to furnish any certificates, documents, information or evidence relating to a payment to which sub-paragraph (7) applies.
- (6) Where a request is made under sub-paragraph (4), the authority must--
- (a) inform the applicant or the person to whom a reduction under this scheme has been awarded of his duty under paragraph 115 (duty to notify change of circumstances) to notify the authority of any change of circumstances; and
 - (b) without prejudice to the extent of the duty owed under paragraph 115, indicate to him either orally or by notice or by reference to some other document available to him on application and without charge, the kind of change of circumstances which is to be notified.
- (7) This sub-paragraph applies to any of the following payments--
- (a) a payment which is--
 - (i) disregarded under paragraph 28 of Schedule 8 (sums disregarded in the calculation of income other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or
 - (ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the London Bombings Relief Charitable Fund;
 - (b) a payment which is disregarded under paragraph 16 of Schedule 9 (payments made under certain trusts and certain other payments), other than a payment under the Independent Living Fund (2006);
 - (c) a payment which is disregarded under paragraph 30(9)(b) or (c) (payment made under certain trusts etc) or paragraph 2(b) or (c) of Schedule 4 (payments made under certain trusts etc) other than a payment under the Independent Living Fund (2006).
- (8) Where an applicant or a person to whom a reduction under this scheme has been awarded or any partner has attained the qualifying age for state pension credit and is a member of, or a person deriving entitlement to a pension under, a personal pension scheme, he must where the authority so requires furnish the following information--
- (a) the name and address of the pension fund holder;
 - (b) such other information including any reference or policy number as is needed to enable the personal pension scheme to be identified.

Amendment and withdrawal of application

114

- (1) A person who has made an application may amend it at any time before a decision has been made on it by a notice in writing delivered or sent to the designated office.
- (2) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the amendment may also be made by telephone.
- (3) Any application amended in accordance with sub-paragraph (1) or (2) is to be treated as if it had been amended in the first instance.
- (4) A person who has made an application may withdraw it by notice to the designated office at any time before a decision has been made on it.

(5) Where the application was made by telephone in accordance with Part 1 of Schedule 1, the withdrawal may also be made by telephone.

(6) Any notice of withdrawal given in accordance with sub-paragraph (4) or (5) has effect when it is received.

(7) Where a person, by telephone, amends or withdraws an application the person must (if required to do so by the authority) confirm the amendment or withdrawal by a notice in writing delivered or sent to the designated office.

Duty to notify changes of circumstances

115

(1) Subject to sub-paragraphs (3), and (9), the applicant (or any person acting on his behalf) must comply with sub-paragraph (2) if there is a relevant change of circumstances at any time--

(a) between the making of an application and a decision being made on it, or

(b) after the decision is made (where the decision is that the applicant is entitled to a reduction under this scheme) including at any time while the applicant is in receipt of such a reduction.

(2) The applicant (or any person acting on his behalf) must notify any change of circumstances which the applicant (or that person) might reasonably be expected to know might affect his entitlement to, or the amount of, a reduction under this scheme (a "relevant change of circumstances") by giving notice to the authority--

(a) in writing; or

(b) by telephone--

(i) where the authority has published a telephone number for that purpose or for the purposes of Part 1 of Schedule 1 unless the authority determines that in any particular case or class of case notification may not be given by telephone; or

(ii) in any case or class of case where the authority determines that notice may be given by telephone; or

(c) by any other means which the authority agrees to accept in any particular case,

within a period of 21 days beginning with the day on which the change occurs, or as soon as reasonably practicable after the change occurs, whichever is later.

(3) The duty imposed on a person by sub-paragraph (1) does not extend to notifying--

(a) changes in the amount of council tax payable to the authority;

(b) changes in the age of the applicant or that of any member of his family;

(c) in the case of an applicant in receipt of a relevant benefit, changes in circumstances which affect the amount of the benefit but not the amount of the reduction under this scheme to which he is entitled, other than the cessation of that entitlement to the benefit.

(4) For the purposes of sub-paragraph (3)(c) "relevant benefit" means income support, an income-based jobseeker's allowance or an income-related employment and support allowance or universal credit.

(5) Notwithstanding sub-paragraph (3)(b) or (c) an applicant is required by sub-paragraph (1) to notify the authority of any change in the composition of his family arising from the fact that a person who was a

member of his family is now no longer such a person because he has ceased to be a child or young person.

(6) The duty imposed on a person by sub-paragraph (1) includes--

(a) in the case of a person falling within class C (pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of state pension credit, the date when this occurs;

(b) in the case of a person falling within class F (persons who are not pensioners: alternative maximum council tax reduction) giving written notice to the authority of changes which occur in the number of adults in the dwelling or in their total gross incomes and, where any such adult ceases to be in receipt of income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the date when this occurs.

(7) A person who has been awarded a reduction under this scheme who is also on state pension credit must report--

(a) changes affecting the residence or income of any non-dependant normally residing with the applicant or with whom the applicant normally resides;

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

(8) In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only the savings credit must also report--

(a) changes affecting a child living with him which may result in a change in the amount of reduction under this scheme allowed in his case, but not changes in the age of the child;

(b) any change in the amount of the applicant's capital to be taken into account which does or may take the amount of his capital to more than £16,000;

(c) any change in the income or capital of--

(i) a non-dependant whose income and capital are treated as belonging to the applicant in accordance with paragraph 34 (circumstances in which income of a non-dependant is to be treated as applicant's); or

(ii) a person to whom paragraph 36(2)(e) (partner treated as member of the household under paragraph 8) refers,

and whether such a person or, as the case may be, non-dependant stops living or begins or resumes living with the applicant.

(9) A person who is entitled to a reduction under this scheme and on state pension credit need only report to the authority the changes specified in sub-paragraphs (7) and (8).

Part 15 Decisions by Authority

Decision by authority

116

The authority must make a decision on an application for a reduction under this scheme within 14 days of paragraphs 110 and 113 and Part 1 of Schedule 1 being satisfied, or as soon as reasonably practicable thereafter.

Notification of decision

117

- (1) The authority must notify in writing any person affected by a decision made by it under this scheme--
 - (a) in the case of a decision on an application, forthwith or as soon as reasonably practicable thereafter;
 - (b) in any other case, within 14 days of that decision or as soon as reasonably practicable thereafter.

- (2) Where the decision is to award a reduction the notification under sub-paragraph (1) must include a statement--
 - (a) informing the person affected of the duty imposed by paragraph 115(1)(b);
 - (b) explaining the possible consequences (including prosecution) of failing to comply with that duty; and
 - (c) setting out the circumstances a change in which might affect entitlement to the reduction or its amount.

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

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

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

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

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

- (8) This sub-paragraph applies to--
 - (a) the applicant;
 - (b) in the case of a person who is liable to pay council tax in respect of a dwelling and is unable for the time being to act--
 - (i) a deputy appointed by the Court of Protection with power to claim, or as the case may be, receive benefit on his behalf; or
 - (ii) in Scotland, a judicial factor or any guardian acting or appointed under the Adults with Incapacity (Scotland) Act 2000 who has power to apply or, as the case may be, receive benefit on the person's behalf; or
 - (iii) an attorney with a general power or a power to apply or, as the case may be, receive benefit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Powers of Attorney Act 1985 or the Mental Capacity Act 2005 or otherwise,

- (c) a person appointed by the authority under paragraph 109(3).

Part 16
Circumstances in Which a Payment May be Made

Payment where there is joint and several liability

118

(1) Where--

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

it may make a payment to him of the amount of reduction to which he is entitled, rounded where necessary to the nearest penny.

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

(3) Where a person other than the person who is entitled to the reduction under this scheme made the application for the reduction and that first person is a person acting pursuant to an appointment under paragraph 109(3) (persons appointed to act for a person unable to act) or is treated as having been so appointed by virtue of paragraph 109(5), the amount of the reduction may be paid to that person.

SCHEDULE 1
PROCEDURAL MATTERS

Paragraph 11

Part 1
Procedure for an Application for a Reduction Under this Scheme

Procedure by which a person may apply for a reduction under this scheme

1

Paragraphs 2 to 7 apply to an application for a reduction under this scheme.

2

An application may be made--

- (a) in writing,
- (b) by means of an electronic communication in accordance with Part 4 of this Schedule, or

(c) where the authority has published a telephone number for the purpose of receiving such applications, by telephone.

3

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

4

Where an application made in writing is defective because--

- (a) it was made on the form supplied for the purpose but that form is not accepted by the authority as being properly completed; or
- (b) it was made in writing but not on the form supplied for the purpose and the authority does not accept the application as being in a written form which is sufficient in the circumstances of the case having regard to the sufficiency of the written information and evidence,

the authority may, in a case to which sub-paragraph (a) applies, request the applicant to complete the defective application or, in the case to which sub-paragraph (b) applies, supply the applicant with the approved form or request further information and evidence.

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

5

- (1) If an application made by electronic communication is defective the authority must provide the person making the application with an opportunity to correct the defect.
- (2) An application made by electronic communication is defective if the applicant does not provide all the information the authority requires.

6

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

7

- (1) If an application made by telephone is defective the authority must provide the person making the application with an opportunity to correct the defect.
- (2) An application made by telephone is defective if the applicant does not provide all the information the authority requests during the telephone call.

Part 2
Procedure for Making an Appeal

Procedure by which a person may make an appeal against certain decisions of the authority

8

A person who is aggrieved by a decision of the authority which affects--

- (a) the person's entitlement to a reduction under this scheme, or
- (b) the amount of any reduction under this scheme,

may serve a written notice on the authority stating the matter by which, and the grounds on which, he is aggrieved.

9

The authority must--

- (a) consider the matter to which the notice relates;
- (b) notify the aggrieved person in writing--
 - (i) that the ground is not well founded, giving reasons for that belief; or
 - (ii) that steps have been taken to deal with the grievance, stating the steps taken.

10

Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the authority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

10A

An appeal to the authority under paragraph 8 of this Part must be signed by the appellant and should be made within one calendar month of the date of notification of the authority's decision or the date of a written statement in accordance with sub-paragraph 117, whichever is the later.

10B

Subject to paragraph 10D, a late appeal may be considered where the conditions specified in paragraph 10C are satisfied. An appeal for the purposes of this paragraph shall include:

- (a) particulars of the disputed decision and the reasons for the failure to request a reconsideration on an earlier date, and
- (b) be made within 13 months of the date on which the decision was notified.

10C

In determining whether it is reasonable to grant an appeal for the purposes of paragraph 10B, the authority shall have regard to the principle that the greater the amount of time that has elapsed between the date one month after the date of notification of the authority's decision or the date of a written statement and the date the appeal is made, the more compelling should be the special circumstances on which the appeal is based. An appeal shall not be granted unless the authority is satisfied that--

- (a) the appeal has merit;
- (b) it is reasonable to grant the appeal; and
- (c) special circumstances are relevant and as a result of those special circumstances it was not practicable for the applicant to appeal within the one month time limit.

10D

In determining whether it is reasonable to grant an appeal, no account shall be taken of the following—

- (a) that the applicant was unaware of, or misunderstood, the law applicable to his case (including ignorance or misunderstanding of the time limits imposed by this scheme); or
- (b) that the Valuation Tribunal or a court has taken a different view of the law from that previously understood and applied.

10E

An appeal under this part which has been refused may not be renewed.

**Part 3
Procedure for Applying for a Discretionary Reduction**

Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

11

- (1) An application to the authority for a reduction under section 13A(1)(c) of the 1992 Act may be made—
 - (a) in writing;
 - (b) by means of an electronic communication in accordance with Part 4 of this Schedule; or
 - (c) where the authority has published a telephone number for the purposes of receiving such applications, by telephone.
- (2) Where--
 - (a) the authority has made a determination under section 13A(1)(c) in relation to a class of case in which liability is to be reduced; and
 - (b) a person in that class would otherwise be entitled to a reduction under this scheme,

that person's application for a reduction under this scheme may also be treated as an application for a reduction under section 13A(1)(c).

**Part 4
Electronic Communication**

Interpretation

12

In this Part--

"information" includes an application, certificate, notice or other evidence;

"official computer system" means a computer system maintained by or on behalf of the authority for the sending, receiving, processing or storing of any information.

Conditions for the use of electronic communication

13

(1) The authority may use an electronic communication in connection with applications for, and awards of, reductions under this scheme.

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

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

(4) The second condition is that the person uses an approved method of--

- (a) authenticating the identity of the sender of the communication;
- (b) electronic communication;
- (c) authenticating any application or notice delivered by means of an electronic communication; and
- (d) subject to sub-paragraph (7), submitting to the authority any information.

(5) The third condition is that any information sent by means of an electronic communication is in a form supplied for the purposes of this Part of this Schedule.

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

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

(8) In this paragraph "approved" means approved by means of a direction given by the Chief Executive of the authority for the purposes of this Part of this Schedule.

Use of intermediaries

14

The authority may use intermediaries in connection with--

- (a) the delivery of any information by means of an electronic communication; and
- (b) the authentication or security of anything transmitted by such means,

and may require other persons to use intermediaries in connection with those matters.

Effect of delivering information by means of electronic communication

15

(1) Any information which is delivered by means of an electronic communication is to be treated as having been delivered in the manner or form required by any provision of this scheme, on the day the conditions imposed--

- (a) by this Part; and
- (b) by or under an enactment,

are satisfied.

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

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

Proof of identity of sender or recipient of information

16

If it is necessary to prove, for the purpose of any legal proceedings, the identity of--

- (a) the sender of any information delivered by means of an electronic communication to an official computer system; or
- (b) the recipient of any such information delivered by means of an electronic communication from an official computer system,

the sender or recipient, as the case may be, is to be presumed to be the person whose name is recorded as such on that official computer system.

Proof of delivery of information

17

(1) If it is necessary to prove, for the purpose of any legal proceedings, that the use of an electronic communication has resulted in the delivery of any information this must be presumed to have been the case where--

- (a) any such information has been delivered to the relevant authority, if the delivery of that information has been recorded on an official computer system; or
- (b) any such information has been delivered by the relevant authority, if the delivery of that information has been recorded on an official computer system.

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

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

Proof of content of information

18

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

SCHEDULE 2 APPLICABLE AMOUNTS: PENSIONERS

Paragraph 25

Part 1 Personal Allowances

Personal allowance

1

The amount specified in column (2) below in respect of each person or couple specified in column (1) is the amount specified for the purposes of paragraph 25(1)(a).

<i>Column (1)</i> <i>Person, couple or polygamous marriage</i>	<i>Column (2)</i> <i>Amount</i>
(1) Single applicant or lone parent--	(1)
(a) aged under 65;	(a) £159.35;
(b) aged 65 or over.	(b) £172.55.
(2) Couple--	(2)
(a) both members aged under 65;	(a) £243.25;
(b) one or both members aged 65 or over.	(b) £258.15.
(3) If the applicant is a member of a polygamous marriage and none of the members of the marriage has attained the age of 65--	(3)
(a) for the applicant and the other party to the marriage;	(a) £243.25;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £83.90.
(4) If the applicant is a member of a polygamous marriage and one or more members of the marriage are aged 65 or over--	(4)
(a) for the applicant and the other party to the marriage;	(a) £258.15;
(b) for each additional spouse who is a member of the same household as the applicant.	(b) £85.60.

Child or young person amounts

2

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of paragraph 25(1)(b).

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

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

Part 2 Family Premium

Family premium

3

The amount for the purposes of paragraph 25(1)(c) in respect of a family of which at least one member is a child or young person —

- (a) is £17.45 in respect of a reduction week which begins in the period beginning with 1st April 2016 and ending with 30th April 2016;
- (b) is nil in respect of a reduction week which begins after 1st May 2016.

Transitional provision

3 A

(1) Subject to paragraph (2), paragraph 3 does not apply to a person who, on 30th April 2016, is liable to pay council tax at a reduced rate by virtue of a council tax reduction under the authority's scheme established under section 13A(2) of the Act and is—

- (a) a member of a family of which at least one member is a child or young person; or
- (b) a partner in a polygamous marriage, where he or she, or another partner of the polygamous marriage, is responsible for a child or young person who is a member of the same household.

(2) Paragraph (1) does not apply if—

- (a) sub-paragraph (a) or (b) of that paragraph ceases to apply; or

(b) the person makes a new application for a reduction under the authority's scheme under section 13A(2) of the Act.

(3) For the purposes of this paragraph—

(a) “the Act” means the Local Government Finance Act 1992;

(b) “child”, “family”, “partner”, “polygamous marriage” and “young person” have the meanings given by Part 2 (‘Interpretation’) of this scheme.

Part 3 Premiums

4

The premiums specified in Part 4 are, for the purposes of paragraph 25(1)(d), applicable to an applicant who satisfies the condition specified in this Part in respect of that premium.

5

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for--

(a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provision of those Regulations, he would be in receipt of that benefit; and

(b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973, or by Skills Development Scotland, Scottish Enterprise or Highland and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 9, a person is to be treated as being in receipt of a carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 or an AFIP.

Severe disability premium

6

(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if--

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)--

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily liv-

ing component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; and

(ii) subject to sub-paragraph (6), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and

(iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA or has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 in respect of caring for him;

(b) in the case of an applicant who has a partner--

(i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP;

(ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, each other member of that marriage is in receipt of such an allowance; and

(iii) subject to sub-paragraph (6), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance or has an award of universal credit that includes the carer element in respect of caring for only one of the couple or, if he is a member of a polygamous marriage, for one or more but not all the members of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance or has such an award of universal credit in respect of caring for either member of a couple or any of the members of the marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of sub-paragraph (4), that partner is to be treated for the purposes of sub-paragraph (2) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (3), a person is blind if he is registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994.

(5) For the purposes of sub-paragraph (4), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(6) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of--

(a) a person receiving attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012, or an AFIP; or

(b) a person who is blind or is treated as blind within the meaning of sub-paragraphs (4) and (5).

(7) For the purposes of sub-paragraph (2)(b) a person is to be treated--

(a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;

(b) as being in receipt of the daily living component of personal independence payment paid at the rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012 if he would, but for his being a patient for a period exceeding 28 days, be so in receipt, notwithstanding section 86 of that Act and regulations made thereunder;

(c) as being in receipt of an AFIP if he would be so in receipt but for a suspension of payment in accordance with any terms of the armed and reserve forces compensation scheme which allow for a suspension because a person is undergoing medical treatment in a hospital or similar institution;

(d) as being entitled to and in receipt of a carer's allowance or having an award of universal credit which includes the carer element if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt or have such an award of universal credit.

(8) For the purposes of sub-paragraph (2)(a)(iii) and (b)--

(a) no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid; and

(b) a reference to a person being in receipt of a carer's allowance or as having an award of universal credit which includes the carer element include reference to a person who would have been in receipt of that allowance or had such an award of universal credit but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit).

Enhanced disability premium

7

(1) The condition is that--

(a) the care component of disability living allowance is, or would, but for a suspension of benefit in accordance with regulations under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation, be payable at the highest rate prescribed under section 73(2) of that Act; or

(b) (as the case may be) the daily living component of personal independence payment is, or would, but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012, be payable at the enhanced rate prescribed in accordance with section 78(2) of that Act,

in respect of a child or young person who is a member of the applicant's family.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

Disabled child premium

8

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household--

(a) is in receipt of disability living allowance, personal independence payment or is no longer in receipt of such allowance or payment because he is a patient, provided that the child or young person continues to be a member of the family; or

(b) is blind within the meaning of paragraph 6(4) or treated as blind in accordance with paragraph 6(5); or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person,

or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

9

- (1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance.
- (2) Where a carer premium has been awarded but--
 - (a) the person in respect of whose care the carer's allowance has been awarded dies; or
 - (b) the person in respect of whom the premium was awarded ceases to be entitled, or ceases to be treated as entitled, to a carer's allowance,

this paragraph is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

- (3) The relevant date for the purposes of sub-paragraph (2) is--
 - (a) in a case within sub-paragraph (2)(a), the Sunday following the death of the person in respect of whose care the carer's allowance has been awarded (or beginning with the date of death if the date occurred on a Sunday);
 - (b) in a case within sub-paragraph (2)(b), the date on which that person who was entitled to a carer's allowance ceases to be entitled to it.
- (4) For the purposes of this paragraph, a person is to be treated as being entitled to and in receipt of a carer's allowance for any period not covered by an award but in respect of which a payment is made in lieu of an award.

Persons in receipt of concessionary payments

10

For the purpose of determining whether a premium is applicable to a person under paragraphs 6 to 9, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Person in receipt of benefit

11

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

Part 4
Amounts of Premium Specified in Part 3

12

- (1) Severe Disability Premium--

<i>Provision</i>	<i>Amount</i>
(a) where the applicant satisfies the condition in paragraph 6(2)(a);	(a) £62.45;
(b) where the applicant satisfies the condition in paragraph 6(2)(b)--	(b)
(i) in a case where there is someone in receipt of a carer's allowance or who has an award of universal credit which includes the carer element under regulation 29 of the Universal Credit Regulations 2013 or if he or any partner satisfies that condition only by virtue of paragraph 6(7);	(i) £62.45;
(ii) in a case where there is no-one in receipt of such an allowance or such an award of universal credit.	(ii) £124.90.
(2) Enhanced disability premium.	(2) £24.78 in respect of each child or young person in respect of whom the conditions specified in paragraph 7 are satisfied.
(3) Disabled Child Premium.	(3) £60.90 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied
(4) Carer Premium.	(4) £34.95 in respect of each person who satisfies the condition specified in paragraph 9.

SCHEDULE 3
APPLICABLE AMOUNTS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 26

Part 1
Personal Allowances

1

The amounts specified in column (2) below in respect of each person or couple specified in column (1) are the amounts specified for the purposes of paragraphs 26(1)(a) and 27(1)(a) and (b)--

<i>Column (1)</i> <i>Person or couple</i>	<i>Column (2)</i> <i>Amount</i>
(1) A single applicant who--	(1)
(a) is entitled to main phase employment and support allowance;	(a) £71.70;
(b) is aged not less than 25;	(b) £71.70;
(c) is aged not less than 18 but less than 25.	(c) £56.80.
(2) Lone parent.	(2) £71.70.
(3) Couple.	(3) £112.55.

2

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

- (a) paragraph 18 is satisfied in relation to the applicant; or
- (b) the applicant is entitled to a converted employment and support allowance.

3

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraphs 26(1)(b) and 27(1)(c)--

<i>Column (1) Child or Young person</i>	<i>Column (2) Amount</i>
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;	£65.62
(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.	£65.62

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

**Part 2
Family Premium**

4

(1) The amount for the purposes of paragraphs 26(1)(c) and 27(1)(d) in respect of a family of which at least one member is a child or young person is--

- (a) where the applicant is a lone parent to whom sub-paragraph (2) applies, £22.20;
- (b) in any other case, £17.40.

(2) The amount in sub-paragraph (1)(a) is applicable to a lone parent--

- (a) who was entitled to council tax benefit on 5th April 1998 and whose applicable amount on that date included the amount applicable under paragraph 3(1)(a) of Schedule 1 to the Council Tax Benefit (Persons who have attained the qualifying age for state pension credit) Regulations 2006 as in force on that date; or
- (b) on becoming entitled to council tax benefit where that lone parent--
 - (i) had been treated as entitled to that benefit in accordance with sub-paragraph (3) as at the day before the date of claim for that benefit; and

(ii) was entitled to housing benefit as at the date of claim for council tax benefit or would have been entitled to housing benefit as at that date had that day not fallen during a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006,

and in respect of whom, all of the conditions specified in sub-paragraph (3) have continued to apply.

(3) The conditions specified for the purposes of sub-paragraph (2) are that, in respect of the period commencing on 6th April 1998--

(a) the applicant has not ceased to be entitled, or has not ceased to be treated as entitled, to

(i) council tax benefit (in relation to the period prior to 1st April 2013), and

(ii) a reduction under a scheme made by this authority (in relation to the period commencing on 1st April 2013);

(b) the applicant has not ceased to be a lone parent;

(c) where the applicant was entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has continuously, since that date, been entitled to income support, an income-based jobseeker's allowance or income-related employment and support allowance or a combination of those benefits;

(d) where the applicant was not entitled to income support or to an income-based jobseeker's allowance on 5th April 1998, he has not become entitled to income support, an income-based jobseeker's allowance or an income-related employment and support allowance; and

(e) a premium under paragraph 9 or a component under paragraph 21 or 22 has not become applicable to the applicant.

(4) For the purposes of sub-paragraphs (2)(b)(i) and (3)(a), an applicant is to be treated as entitled to council tax benefit during any period where he was not, or had ceased to be, so entitled and--

(a) throughout that period, he had been awarded housing benefit and his applicable amount included the amount applicable under paragraph 3(1)(a) of Schedule 3 to the Housing Benefit Regulations 2006 (lone parent rate of family premium); or

(b) he would have been awarded housing benefit during that period had that period not been a rent free period as defined in regulation 81 of the Housing Benefit Regulations 2006 and his applicable amount throughout that period would have included the amount applicable under paragraph 3(1)(a) of Schedule 3 to those Regulations.

Part 3 Premiums

5

Except as provided in paragraph 6, the premiums specified in Part 4 are, for the purposes of paragraphs 26(1)(d) and 27(1)(e) (premiums), applicable to an applicant who satisfies the condition specified in paragraphs 9 to 14 in respect of that premium.

6

Subject to paragraph 7, where an applicant satisfies the conditions in respect of more than one premium in this Part of this Schedule, only one premium is applicable to him and, if they are different amounts, the higher or highest amount applies.

7

The following premiums, namely--

- (a) a severe disability premium to which paragraph 11 applies;
- (b) an enhanced disability premium to which paragraph 12 applies;
- (c) a disabled child premium to which paragraph 13 applies; and
- (d) a carer premium to which paragraph 14 applies,

may be applicable in addition to any other premium which may apply under this Schedule.

8

(1) Subject to sub-paragraph (2), for the purposes of this Part of this Schedule, once a premium is applicable to an applicant under this Part, a person is to be treated as being in receipt of any benefit for--

- (a) in the case of a benefit to which the Social Security (Overlapping Benefits) Regulations 1979 applies, any period during which, apart from the provisions of those Regulations, he would be in receipt of that benefit; and
- (b) any period spent by a person in undertaking a course of training or instruction provided or approved by the Secretary of State under section 2 of the Employment and Training Act 1973 or by Skills Development Scotland, Scottish Enterprise or Highlands and Islands Enterprise under section 2 of the Enterprise and New Towns (Scotland) Act 1990 for any period during which he is in receipt of a training allowance.

(2) For the purposes of the carer premium under paragraph 14, a person is to be treated as being in receipt of carer's allowance by virtue of sub-paragraph (1)(a) only if and for so long as the person in respect of whose care the allowance has been claimed remains in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable under Part 4 of the Welfare Reform Act 2012.

Disability premium

9

The condition is that--

- (a) where the applicant is a single applicant or a lone parent, he has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10 is satisfied; or
- (b) where the applicant has a partner, either--
 - (i) the applicant has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) or (b) is satisfied by him; or
 - (ii) his partner has not attained the qualifying age for state pension credit and the additional condition specified in paragraph 10(1)(a) is satisfied by his partner.

Additional condition for the disability premium

10

(1) Subject to sub-paragraph (2) and paragraph 8, the additional condition referred to in paragraph 9 is that either--

(a) the applicant or, as the case may be, his partner--

(i) is in receipt of one or more of the following benefits: attendance allowance, disability living allowance, personal independence payment, an AFIP, the disability element or the severe disability element of working tax credit as specified in regulation 20(1)(b) and (f) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002, mobility supplement, long-term incapacity benefit under Part 2 of the SSCBA or severe disablement allowance under Part 3 of that Act but, in the case of long-term incapacity benefit or severe disablement allowance, only where it is paid in respect of him; or

(ii) was in receipt of long-term incapacity benefit under Part 2 of the SSCBA when entitlement to that benefit ceased on account of the payment of a retirement pension under that Act and the applicant remained continuously entitled to--

(aa) council tax benefit (in relation to the period prior to 1st April 2013, and

(bb) a reduction under a scheme made by this authority (in relation to the period commencing on 1st April 2013), and

if the long-term incapacity benefit was payable to his partner, the partner is still a member of the family; or

(iii) was in receipt of attendance allowance or disability living allowance but payment of benefit has been suspended in accordance with regulations made under section 113(2) of the SSCBA or otherwise abated as a consequence of the applicant or his partner becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(iv) was in receipt of personal independence payment, but payment of that benefit has been suspended in accordance with section 86 of the Welfare Reform Act 2012 as a consequence of the applicant becoming a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges); or

(v) was in receipt of an AFIP, but payment has been suspended in accordance with any terms of the armed and reserve forces compensation scheme which allow for suspension because a person is undergoing medical treatment in a hospital or similar institution; or

(vi) he has an invalid carriage or other vehicle provided to him by the Secretary of State or a clinical commissioning group under paragraph 9 of Schedule 1 to the National Health Service Act 2006 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; or

(vii) is blind and in consequence registered in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence he is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(b) the applicant--

(i) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work); and

(ii) has been incapable, or has been treated as incapable, of work for a continuous period of not less than--

(aa) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the SSCBA, 196 days;

(bb) in any other case, 364 days.

(2) For the purposes of sub-paragraph (1)(a)(vii), a person who has ceased to be registered as blind on regaining his eyesight is nevertheless to be treated as blind and as satisfying the additional condition set out in that sub-paragraph for a period of 28 weeks following the date on which he ceased to be so registered.

(3) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, if he then ceases, for a period of 8 weeks or less, to be treated as incapable of work or to be incapable of work he is, on again becoming so incapable of work, immediately thereafter to be treated as satisfying the condition in sub-paragraph (1)(b).

(4) For the purposes of sub-paragraph (1)(b), once the disability premium is applicable to an applicant by virtue of his satisfying the additional condition specified in that provision, he is to continue to be treated as satisfying that condition for any period spent by him in undertaking a course of training provided under section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990 or for any period during which he is in receipt of a training allowance.

(5) For the purposes of sub-paragraph (1)(b), where any two or more periods of incapacity are separated by a break of not more than 56 days, those periods are to be treated as one continuous period.

(6) For the purposes of this paragraph, a reference to a person who is or was in receipt of long-term incapacity benefit includes a person who is or was in receipt of short-term incapacity benefit at a rate equal to the long-term rate by virtue of section 30B(4)(a) of the Act (short-term incapacity benefit for a person who is terminally ill), or who would be or would have been in receipt of short-term incapacity benefit at such a rate but for the fact that the rate of short-term incapacity benefit already payable to him is or was equal to or greater than the long-term rate.

(7) In the case of an applicant who is a welfare to work beneficiary (a person to whom regulation 13A(1) of the Social Security (Incapacity for Work) (General) Regulations 1995 applies, and who again becomes incapable of work for the purposes of Part 12A of the SSCBA)--

- (a) the reference to a period of 8 weeks in sub-paragraph (3); and
- (b) the reference to a period of 56 days in sub-paragraph (5),

in each case is to be treated as a reference to a period of 104 weeks.

(8) The applicant is not entitled to the disability premium if he has, or is treated as having, limited capability for work.

Severe disability premium

11

(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if--

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)--

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and

- (ii) subject to sub-paragraph (4), he has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing; and
- (iii) no person is entitled to, and in receipt of, a carer's allowance under section 70 of the SSCBA in respect of caring for him;

(b) in the case of an applicant who has a partner--

- (i) the applicant is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP; and
- (ii) his partner is also in receipt of such an allowance or, if he is a member of a polygamous marriage, all the partners of that marriage are in receipt of such an allowance; and
- (iii) subject to sub-paragraph (4), the applicant has no non-dependants aged 18 or over normally residing with him or with whom he is normally residing,

and either a person is entitled to and in receipt of a carer's allowance in respect of caring for only one of a couple or, in the case of a polygamous marriage, for one or more but not all the partners of the marriage, or as the case may be, no person is entitled to and in receipt of such an allowance in respect of caring for either member of a couple or any partner of a polygamous marriage.

(3) Where an applicant has a partner who does not satisfy the condition in sub-paragraph (2)(b)(ii), and that partner is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) and (2), that partner is to be treated for the purposes of sub-paragraph (2)(b)(ii) as if he were not a partner of the applicant.

(4) For the purposes of sub-paragraph (2)(a)(ii) and (2)(b)(iii) no account is to be taken of--

- (a) a person receiving attendance allowance, or disability living allowance by virtue of the care component at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate prescribed in accordance with Part 4 of the Welfare Reform Act 2012; or
- (b) a person who is blind or is treated as blind within the meaning of paragraph 10(1)(a)(vii) and (2).

(5) For the purposes of sub-paragraph (2)(b) a person is to be treated--

- (a) as being in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment payable at either rate under Part 4 of the Welfare Reform Act 2012, or an AFIP if he would, but for his being a patient for a period exceeding 28 days, be so in receipt;
- (b) as being entitled to and in receipt of a carer's allowance if he would, but for the person for whom he was caring being a patient in hospital for a period exceeding 28 days, be so entitled and in receipt.

(6) For the purposes of sub-paragraph (2)(a)(iii) and (2)(b), no account is to be taken of an award of carer's allowance to the extent that payment of such an award is back-dated for a period before the date on which the award is first paid.

(7) In sub-paragraph (2)(a)(iii) and (b), references to a person being in receipt of a carer's allowance include references to a person who would have been in receipt of that allowance but for the application of a restriction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit provisions).

Enhanced disability premium

12

(1) Subject to sub-paragraph (2), the condition is that--

- (a) the Secretary of State has decided that the applicant has, or is to be treated as having, limited capability for work-related activity; or
- (b) the care component of disability living allowance is, or would be payable at the highest rate prescribed under section 72(3) of the SSCBA, but for a suspension of benefit in accordance with regulations made under section 113(2) of the SSCBA or but for an abatement as a consequence of hospitalisation be payable at the highest rate prescribed under section 72(3) of the SSCBA in respect of--
 - (i) the applicant; or
 - (ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit; or

- (c) the daily living component of personal independence payment is, or would be payable at either rate under Part 4 of the Welfare Reform Act 2012, but for a suspension of benefit in accordance with section 86 of the Welfare Reform Act 2012 in respect of--
 - (i) the applicant; or
 - (ii) a member of the applicant's family,

who has not attained the qualifying age for state pension credit.

(2) Where the condition in sub-paragraph (1) ceases to be satisfied because of the death of a child or young person, the condition is that the applicant or partner is entitled to child benefit in respect of that person under section 145A of the SSCBA (entitlement after death of child or qualifying young person).

(3) The condition is not satisfied if the person to whom sub-paragraph (1) refers is--

- (a) an applicant who--
 - (i) is not a member of a couple or a polygamous marriage; and
 - (ii) is a patient within the meaning of paragraph 58(11)(i) (treatment of child care charges) and has been for a period of more than 52 weeks; or
- (b) a member of a couple or a polygamous marriage where each member is a patient within the meaning of paragraph 58(11)(i) and has been for a period of more than 52 weeks.

Disabled child premium

13

The condition is that a child or young person for whom the applicant or a partner of his is responsible and who is a member of the applicant's household--

- (a) is in receipt of disability living allowance or personal independence payment or is no longer in receipt of such allowance because he is a patient, provided that the child or young person continues to be a member of the family; or
- (b) is blind or treated as blind within the meaning of paragraph 10; or

(c) is a child or young person in respect of whom section 145A of the SSCBA (entitlement after death of child or qualifying young person) applies for the purposes of entitlement to child benefit but only for the period prescribed under that section, and in respect of whom a disabled child premium was included in the applicant's applicable amount immediately before the death of that child or young person, or ceased to be included in the applicant's applicable amount because of that child or young person's death.

Carer premium

14

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allowance under section 70 of the SSCBA.

(2) Where a carer premium is awarded but--

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) in any other case the person in respect of whom a carer premium has been awarded ceases to be entitled to a carer's allowance,

the condition for the award of the premium is to be treated as satisfied for a period of eight weeks from the relevant date specified in sub-paragraph (3).

(3) The relevant date for the purposes of sub-paragraph (2) is--

- (a) where sub-paragraph (2)(a) applies, the Sunday following the death of the person in respect of whose care a carer's allowance has been awarded or the date of death if the death occurred on a Sunday;
- (b) in any other case, the date on which the person who has been entitled to a carer's allowance ceases to be entitled to that allowance.

(4) Where a person who has been entitled to a carer's allowance ceases to be entitled to that allowance and makes an application for a reduction, the condition for the award of the carer premium is to be treated as satisfied for a period of eight weeks from the date on which--

- (a) the person in respect of whose care the carer's allowance has been awarded dies; or
- (b) in any other case, the person who has been entitled to a carer's allowance ceased to be entitled to that allowance.

Persons in receipt of concessionary payments

15

For the purpose of determining whether a premium is applicable to a person under paragraphs 10 to 14, any concessionary payment made to compensate that person for the non-payment of any benefit mentioned in those paragraphs is to be treated as if it were a payment of that benefit.

Persons in receipt of benefit for another

16

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

Part 4
Amounts of Premiums Specified in Part 3

17

(1) Disability Premium--

<i>Premium</i>	<i>Amount</i>
(a) where the applicant satisfies the condition in paragraph 9(a);	(a) £31.00;
(b) where the applicant satisfies the condition in paragraph 9(b).	(b) £44.20.
(2) Severe Disability Premium--	(2)
(a) where the applicant satisfies the condition in paragraph 11(2)(a);	(a) £59.50;
(b) where the applicant satisfies the condition in paragraph 11(2)(b)--	
(i) in a case where there is someone in receipt of a carer's allowance or if he or any partner satisfies that condition only by virtue of paragraph 11(5);	(b)(i) £59.50;
(ii) in a case where there is no-one in receipt of such an allowance.	(b)(ii) £119.00.
(3) Disabled Child Premium.	(3) £57.89 in respect of each child or young person in respect of whom the condition specified in paragraph 13 is satisfied.
(4) Carer Premium.	(4) £33.30 in respect of each person who satisfies the condition specified in paragraph 14.
(5) Enhanced disability premium	(5)
	(a) £23.45 in respect of each child or young person in respect of whom the conditions specified in paragraph 12 are satisfied;
	(b) £15.15 in respect of each person who is neither--
	(i) a child or young person; nor
	(ii) a member of a couple or a polygamous marriage,
	in respect of whom the conditions specified in paragraph 12 are satisfied;
	(c) £21.75 where the applicant is a member of a couple or a polygamous marriage and the conditions specified in paragraph 12 are satisfied in respect of a member of that couple or polygamous marriage.

**Part 5
The Components**

18

Subject to paragraph 20 the applicant is entitled to one, but not both, of the components in paragraph 21 or 22 if--

- (a) the applicant or the applicant's partner has made a claim for employment and support allowance;
- (b) the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work or limited capability for work-related activity; and
- (c) either--
 - (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
 - (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 (circumstances where the condition that the assessment phase has ended before entitlement to the support component or the work related activity component arises does not apply) applies.

19

Subject to paragraph 20, the applicant is entitled to one, but not both, of the components in paragraphs 21 and 22 if the applicant or his partner is entitled to a converted employment and support allowance.

20

- (1) The applicant has no entitlement under paragraph 21 or 22 if the applicant is entitled to the disability premium under paragraphs 9 and 10.
- (2) Where the applicant and the applicant's partner each satisfies paragraph 21 or 22, the component to be included in the applicant's applicable amount is that which relates to the applicant.

The work-related activity component

21

The applicant is entitled to the work-related activity component if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work.

The support component

22

The applicant is entitled to the support component if the Secretary of State has decided that the applicant or the applicant's partner has, or is to be treated as having, limited capability for work-related activity.

**Part 6
Amount of Components**

23

The amount of the work-related activity component is £28.45.

24

The amount of the support component is £34.80.

**Part 7
Transitional Addition**

25

(1) The applicant is entitled to the transitional addition calculated in accordance with paragraph 28 where the applicant or the applicant's partner ("the relevant person")--

- (a) is entitled to a converted employment and support allowance; or
- (b) is appealing a conversion decision as described in regulation 5(2)(b) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2008 and--
 - (i) is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2008; and
 - (ii) is not in receipt of an income-related employment and support allowance,

unless the amount of the transitional addition calculated in accordance with paragraph 28 would be nil.

(2) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of reduction under this scheme;
- (c) the relevant person ceasing to meet the requirements of sub-paragraph (1)(a) or (b), as the case may be;
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5th April 2020.

26

(1) This paragraph applies where--

- (a) the applicant's entitlement to a transitional addition ends, by virtue of the termination of the applicant's award of reduction, under--
 - (i) paragraph 25(2)(b);
 - (ii) sub-paragraph (3)(b); or
 - (iii) paragraph 27(3)(b);
- (b) within 12 weeks of that termination but before 5th April 2020 the applicant again becomes entitled to a reduction under this scheme;
- (c) in the reduction week in which the applicant again becomes entitled to a reduction under this scheme the relevant person is entitled to an employment and support allowance which is not income-related; and

(d) at the date on which the applicant again becomes entitled to a reduction under this scheme, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day on which the applicant again becomes entitled to a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of a reduction under this scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(c);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5th April 2020.

27

(1) This paragraph applies where--

(a) the applicant's entitlement to a transitional addition ends, by virtue of the relevant person ceasing to be entitled to an employment and support allowance, under--

- (i) paragraph 25(2)(c);
- (ii) paragraph 26(3)(c); or
- (iii) sub-paragraph (3)(c);

(b) before 5th April 2020 the relevant person again becomes entitled to an employment and support allowance which is not income-related;

(c) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related regulation 145(1) of the Employment and Support Allowance Regulations 2008 applies to the relevant person; and

(d) at the date on which the relevant person again becomes entitled to an employment support allowance which is not income-related, neither the applicant nor the applicant's partner is entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support.

(2) Where this paragraph applies, the applicant is entitled, with effect from the day that the relevant person's entitlement to employment and support allowance takes effect for the purposes of a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have applied had the applicant's entitlement to a transitional addition not ended (but taking account of the effect which any intervening change of circumstances would have had by virtue of paragraph 29), unless the amount of the transitional addition would be nil.

(3) The applicant's entitlement to a transitional addition by virtue of this paragraph ends on any of the following--

- (a) the reduction of the transitional addition to nil in accordance with paragraph 29;
- (b) the termination of the applicant's award of a reduction under this scheme;
- (c) the relevant person no longer being entitled to the employment and support allowance referred to in sub-paragraph (1)(b);
- (d) the applicant or the applicant's partner becoming entitled to an income-related employment and support allowance, an income-based jobseeker's allowance or income support;
- (e) 5th April 2020.

Part 8
Amount of Transitional Addition

28

- (1) Subject to paragraph 29, the amount of the transitional addition is the amount by which Amount A exceeds Amount B.
- (2) Where a conversion decision as described in regulation 5(2)(a) of the Employment and Support Allowance (Transitional Provisions, Housing Benefit and Council Tax Benefit) (Existing Awards) (No 2) Regulations 2010 ("the 2010 Regulations") is made in respect of the relevant person--
 - (a) Amount A is the basic amount that would have applied on the day that decision took effect had that decision not been made; and
 - (b) Amount B is the basic amount that applied on that day as a result of that decision.
- (3) Where the relevant person is appealing a conversion decision as described in regulation 5(2)(b) of the 2010 Regulations and is treated as having limited capability for work by virtue of regulation 30 of the Employment and Support Allowance Regulations 2008 as modified by the 2010 Regulations--
 - (a) Amount A is the basic amount that would have applied on the day the relevant person was first treated as having limited capability for work if the relevant person had not been so treated; and
 - (b) Amount B is the basic amount that applied on that day as a result of the relevant person being so treated.
- (4) In this paragraph and paragraph 29, "basic amount" means the aggregate of such amounts as may apply in the applicant's case in accordance with paragraph 26(1)(a) to (e) or paragraph 27(1)(a) to (f) (applicable amounts).

29

- (1) Subject to sub-paragraph (2), where there is a change of circumstances which leads to an increase in the applicant's basic amount, the transitional addition that applies immediately before the change of circumstances must be reduced by the amount by which Amount C exceeds Amount D.
- (2) If Amount C exceeds Amount D by more than the amount of the transitional addition that applies immediately before the change of circumstances, that transitional addition must be reduced to nil.
- (3) Amount C is the basic amount that applies as a result of the increase.
- (4) Amount D is the basic amount that applied immediately before the increase.

SCHEDULE 4
AMOUNT OF ALTERNATIVE MAXIMUM COUNCIL TAX REDUCTION: PENSIONERS AND PERSONS WHO ARE NOT PENSIONERS

Paragraph 31

1

(1) Subject to paragraphs 2 and 3, the alternative maximum council tax reduction in respect of a day for the purpose of paragraph 31 (alternative maximum council tax reduction: pensioners and persons who are not pensioners) is determined in accordance with Table 1 and Table 2 and in these Tables--

(a) "second adult" means any person or persons residing with the applicant to whom paragraph 15(2) (class C) or 18(2) (class F) (as the case may be) applies; and

(b) "persons to whom paragraph 75(1) of this scheme applies" includes any person to whom that paragraph would apply were they, and their partner if they had one, below the qualifying age for state pension credit.

(2) In this Schedule "council tax due in respect of that day" means the council tax payable under section 10 of the 1992 Act less--

(a) any reductions made in consequence of any enactment in, or under, the 1992 Act (other than a reduction under this scheme); and

(b) in a case to which sub-paragraph (c) in column (1) of Table 1 or Table 2 below applies, the amount of any discount which may be appropriate to the dwelling under the 1992 Act.

Table 1**Pensioners**

<i>(1)</i> <i>Second adult</i>	<i>(2)</i> <i>Alternative maximum council tax reduction</i>
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance--	(b)
(i) is less than £194.95 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £194.95 per week but less than £252.50 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 75(1) of this scheme applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.	(c) 100 per cent of the council tax due in respect of that day.

Table 2

Persons who are not pensioners

<i>(1)</i> <i>Second adult</i>	<i>(2)</i> <i>Alternative maximum council tax reduction</i>
(a) Where the second adult or all second adults are in receipt of income support, an income-related employment and support allowance or state pension credit or are persons on an income-based jobseeker's allowance;	(a) 25 per cent of the council tax due in respect of that day;
(b) where the gross income of the second adult or, where there is more than one second adult, their aggregate gross income disregarding any income of persons on income support, an income-related employment and support allowance, state pension credit or an income-based jobseeker's allowance--	(b)
(i) is less than £183.00 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £183.00 per week but less than £239.00 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;
(c) where the dwelling would be wholly occupied by one or more persons to whom paragraph 75(1) of this scheme applies but for the presence of one or more second adults who are in receipt of income support, state pension credit, an income-related employment and support allowance or are persons on an income-based jobseeker's allowance.	(c) 100 per cent of the council tax due in respect of that day.

2

In determining a second adult's gross income for the purposes of this Schedule, the following must be disregarded from that income--

- (a) any attendance allowance, any disability living allowance, any personal independence payment under Part 4 of the Welfare Reform Act 2012 or an AFIP;
- (b) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006) which, had his income fallen to be calculated under paragraph 54 (calculation of income other than earnings: persons who are not pensioners), would have been disregarded under paragraph 28 of Schedule 8 (income in kind); and
- (c) any payment which, had his income fallen to be calculated under paragraph 54, would have been disregarded under paragraph 41 of Schedule 8 (payments made under certain trusts and certain other payments).

3

Where there are two or more second adults residing with the applicant for a reduction under this scheme and any such second adult falls to be disregarded for the purposes of discount in accordance with Schedule 1 to the 1992 Act, his income must be disregarded in determining the amount of any alternative maximum council tax reduction, unless that second adult is a member of a couple and his partner does not fall to be disregarded for the purposes of discount.

SCHEDULE 5
SUMS DISREGARDED FROM APPLICANT'S EARNINGS: PENSIONERS

Paragraph 40

1

Where two or more of paragraphs 2 to 5 apply in any particular case the overall maximum sum which falls to be disregarded in that case under those paragraphs is restricted to--

- (a) £25 in the case of a lone parent;
- (b) £20 in any other case.

2

In a case where an applicant is a lone parent, £25 of earnings.

3

(1) In a case of earnings from any employment or employments to which sub-paragraph (2) applies, £20.

(2) This paragraph applies to employment--

- (a) as a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by the Scottish Fire and Rescue Service established under section 1A of the Fire (Scotland) Act 2005;
- (c) as an auxiliary coastguard in respect of coast rescue activities;
- (d) in the manning or launching of a lifeboat if the employment is part-time;
- (e) as a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001.

(3) If--

- (a) any of the earnings of the applicant or, if he has a partner, his partner, or both of them, are disregarded under sub-paragraph (1); and
- (b) either of them has, or both of them have, other earnings,

so much of those other earnings as would not, in the aggregate with the earnings disregarded under that sub-paragraph, exceed £20.

4

(1) If the applicant or, if he has a partner, his partner is a carer, or both are carers, £20 of any earnings received from his or their employment.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

(3) In this paragraph the applicant or his partner is a carer if paragraph 14 of Part 3 of Schedule 3 (amount applicable for carers) is satisfied in respect of him.

5

(1) £20 is disregarded if the applicant or, if he has a partner, his partner--

(a) is in receipt of--

- (i) long-term incapacity benefit under section 30A of the SSCBA;
- (ii) severe disablement allowance under section 68 of that Act;
- (iii) attendance allowance under sections 64 of that Act;
- (iv) disability living allowance;
- (v) personal independence payment;
- (vi) an AFIP;
- (vii) any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983;
- (viii) the disability element or the severe disability element of working tax credit under Schedule 2 to the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002; or
- (ix) main phase employment and support allowance; or

(b) is or are registered as blind in a register compiled by a local authority under section 29 of the National Assistance Act 1948 (welfare services) or, in Scotland, has been certified as blind and in consequence is registered in a register maintained by or on behalf of a council constituted under section 2 of the Local Government (Scotland) Act 1994; or

(c) is, or is treated as, incapable of work in accordance with the provisions of, and regulations made under, Part 12A of the SSCBA (incapacity for work), and has been incapable, or has been treated as incapable, of work for a continuous period of not less than--

- (i) in the case of an applicant who is terminally ill within the meaning of section 30B(4) of the Act, 196 days;
- (ii) in any other case, 364 days; or

(d) has, or is treated as having, limited capacity for work within the meaning of section 1(4) of the Welfare Reform Act 1997 or limited capability for work-related activity within the meaning of section 2(5) of that Act and either--

- (i) the assessment phase as defined in section 24(2) of the Welfare Reform Act has ended; or
- (ii) regulation 7 of the Employment and Support Allowance Regulations 2008 or Regulation 7 of the Employment and Support Allowance Regulations 2013 (circumstances where the condition that the assessment phase has ended before entitlement to the support component arising does not apply) applies.

(2) Subject to sub-paragraph (3), £20 is disregarded if the applicant or, if he has a partner, his partner has, within a period of 8 weeks ending on the day in respect of which the applicant or his partner attains the qualifying age for state pension credit, had an award of housing benefit or council tax benefit or been in receipt of a reduction under this scheme and--

(a) £20 was disregarded in respect of earnings taken into account in that award; and

(b) the person whose earnings qualified for the disregard continues in employment after the termination of that award.

(3) The disregard of £20 specified in sub-paragraph (2) applies so long as there is no break, other than a break which does not exceed 8 weeks, in a person's--

- (a) entitlement to housing benefit; or
- (b) receipt of a reduction under a council tax reduction scheme; or
- (c) employment,

following the first day in respect of which that benefit is awarded under this scheme.

(4) £20 is the maximum amount which may be disregarded under this paragraph, notwithstanding that, where the applicant has a partner, both the applicant and his partner satisfy the requirements of this paragraph.

6

(1) Where--

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
- (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
- (c) paragraph 35 (applicant in receipt of guarantee credit: pensioners) does not apply,

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

(2) Where this paragraph applies, paragraphs 1 to 5 and 8 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 2, then paragraph 2 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

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

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

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

(6) "Exempt work" means work of the kind described in--

(a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008 or Regulation 39(1)(a), (b) or (c) of the Employment and Support Allowance Regulations 2013; or (as the case may be); or

(b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

7

Any amount or the balance of any amount which would fall to be disregarded under paragraph 18 or 19 of Schedule 6 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full amount disregarded thereunder.

8

Except where the applicant or his partner qualifies for a £20 disregard under the preceding provisions of this Schedule--

(a) £5 is to be disregarded if an applicant who has no partner has earnings;

(b) £10 is to be disregarded if an applicant who has a partner has earnings.

9

Any earnings, other than earnings referred to in paragraph 40(9)(b), derived from employment which ended before the day in respect of which the applicant first satisfies the conditions for entitlement to a reduction under this scheme.

10

(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be increased by £17.10.

(2) The conditions of this sub-paragraph are that--

(a) the applicant, or if he has a partner, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant--

(i) is, or any partner of his is, aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) if he is a member of a couple--

(aa) at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his family includes at least one child or young person; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he has a partner, one of them is, engaged in remunerative work for on average not less than 16 hours per week and paragraph 5(1) above is satisfied in respect of that person.

(3) The following are the amounts referred to in sub-paragraph (1)--

(a) any amount disregarded under this Schedule;

(b) the amount of child care charges calculated as deductible under paragraph 57(1)(c) (deductions from income of certain child care charges); and

(c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub-paragraph (1) of that paragraph was a reference to 30 hours.

11

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting to that payment into Sterling.

SCHEDULE 6

AMOUNTS TO BE DISREGARDED IN THE CALCULATION OF INCOME OTHER THAN EARNINGS: PENSIONERS

Paragraph 40

A1

The whole of any amount of the following--

(a) a war disablement pension;

(b) a war widow's pension or war widower's pension.

1

In addition to any sum which falls to be disregarded in accordance with paragraphs 2 to 6, £10 of any of the following--

(a) a 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;

(b) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 39(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2011, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

(c) 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;

- (d) 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;
- (e) a pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

2

The whole of any amount included in a pension to which paragraph 1 relates in respect of--

- (a) the applicant's need for constant attendance;
- (b) the applicant's exceptionally severe disablement.

3

Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.

4

Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

5

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

6

(1) Any payment which is--

- (a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person--
 - (i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and
 - (ii) whose service in such capacity terminated before 31st March 1973; and
- (b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

7

£15 of any widowed parent's allowance to which the applicant is entitled under section 39A of the SSCBA.

8

£15 of any widowed mother's allowance to which the applicant is entitled under section 37 of the SSCBA.

9

Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for whom such accommodation is provided for the whole or any part of a week, equal to--

- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent. of such payments; or
- (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent. of the excess over £20.

10

If the applicant--

- (a) owns the freehold or leasehold interest in any property or is a tenant of any property; and
- (b) occupies a part of that property; and
- (c) has an agreement with another person allowing that person to occupy another part of that property on payment of rent and--
 - (i) the amount paid by that person is less than £20 per week, the whole of that amount; or
 - (ii) the amount paid is £20 or more per week, £20.

11

Where an applicant receives income under an annuity purchased with a loan, which satisfies the following conditions--

- (a) that the loan was made as part of a scheme under which not less than 90 per cent. of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (in this paragraph referred to as "the annuitants") who include the person to whom the loan was made;
- (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65;
- (c) that the loan was secured on a dwelling in Great Britain and the person to whom the loan was made or one of the annuitants owns an estate or interest in that dwelling;
- (d) that the person to whom the loan was made or one of the annuitants occupies the dwelling on which it was secured as his home at the time the interest is paid; and
- (e) that the interest payable on the loan is paid by the person to whom the loan was made or by one of the annuitants,

the amount, calculated on a weekly basis, equal to--

- (i) where, or insofar as, section 369 of the Income and Corporation Taxes Act 1988 (mortgage interest payable under deduction of tax) applies to the payments of interest on the loan, the interest which is payable after deduction of a sum equal to income tax on such payments at the applicable percentage of income tax within the meaning of section 369(1A) of that Act;
- (ii) in any other case, the interest which is payable on the loan without deduction of such a sum.

12

- (1) Any payment, other than a payment to which sub-paragraph (2) applies, made to the applicant by Trustees in exercise of a discretion exercisable by them.
- (2) This sub-paragraph applies to payments made to the applicant by Trustees in exercise of a discretion exercisable by them for the purpose of--
 - (a) obtaining food, ordinary clothing or footwear or household fuel;
 - (b) the payment of rent, council tax or water charges for which that applicant or his partner is liable;
 - (c) meeting housing costs of a kind specified in Schedule 2 to the State Pension Credit Regulations 2002.
- (3) In a case to which sub-paragraph (2) applies, £20 or--
 - (a) if the payment is less than £20, the whole payment;
 - (b) if, in the applicant's case, £10 is disregarded in accordance with paragraph 1(a) to (g), £10 or the whole payment if it is less than £10; or
 - (c) if, in the applicant's case, £15 is disregarded under paragraph 7 or paragraph 8 and--
 - (i) he has no disregard under paragraph 1(a) to (g), £5 or the whole payment if it is less than £5;
 - (ii) he has a disregard under paragraph 1(a) to (g), nil.
- (4) For the purposes of this paragraph, "ordinary clothing or footwear" means clothing or footwear for normal daily use, but does not include school uniforms, or clothing and footwear used solely for sporting activities.

13

Any increase in pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 paid in respect of a dependent other than the pensioner's partner.

14

Any payment ordered by a court to be made to the applicant or the applicant's partner in consequence of any accident, injury or disease suffered by the person or a child of the person to or in respect of whom the payments are made.

15

Periodic payments made to the applicant or the applicant's partner under an agreement entered into in settlement of a claim made by the applicant or, as the case may be, the applicant's partner for an injury suffered by him.

16

Any income which is payable outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

17

Any banking charges or commission payable in converting to Sterling payments of income made in a currency other than Sterling.

18

Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating--

- (a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;
- (b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or
- (c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

19

(1) Where the applicant is the parent of a student aged under 25 in advanced education who either--

- (a) is not in receipt of any award, grant or student loan in respect of that education; or
- (b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 18, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

(2) For the purposes of sub-paragraph (1), the amount is to be equal to--

- (a) the weekly amount of the payments; or
- (b) £57.90 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

20

(1) Where an applicant's family includes at least one child or young person, £15 of any payment of maintenance, whether under a court order or not, which is made or due to be made by the applicant's spouse, civil partner, former spouse or former civil partner or the applicant's partner's spouse, civil partner, former spouse, or former civil partner.

(2) For the purposes of sub-paragraph (1), where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

21

Except in a case which falls under paragraph 10 of Schedule 5, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

22

Where the total value of any capital specified in Part 2 (capital disregarded only for the purposes of determining deemed income) of Schedule 9 does not exceed £10,000, any income actually derived from such capital.

23

Except in the case of income from capital specified in Part 2 of Schedule 9, any actual income from capital.

24

Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999 as in force at that date, the whole of his income.

SCHEDULE 7

SUMS DISREGARDED IN THE CALCULATION OF EARNINGS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 53

1

In the case of an applicant who has been engaged in remunerative work as an employed earner or, had the employment been in Great Britain, would have been so engaged--

(a) where--

(i) the employment has been terminated because of retirement; and

(ii) on retirement he is entitled to a retirement pension under the Act, or is not so entitled solely because of his failure to satisfy the contribution conditions,

any earnings paid or due to be paid in respect of that employment, but only for a period commencing on the day immediately after the date on which the employment was terminated;

(b) where before the first day of entitlement to a reduction under this scheme the employment has been terminated otherwise than because of retirement, any earnings paid or due to be paid in respect of that employment except--

(i) any payment of the nature described in--

(aa) paragraph 51(1)(e) (retainer), or

(bb) section 28, 64 or 68 of the Employment Rights Act 1996 (guarantee payments, suspension from work on medical or maternity grounds); and

(ii) any award, sum or payment of the nature described in--

(aa) paragraph 51(1)(g) or (i) (compensation etc relating to employment), or

(bb) section 34 or 70 of the Employment Rights Act 1996 (guarantee payments and suspension from work: complaints to employment tribunals),

including any payment made following the settlement of a complaint to an employment tribunal or of court proceedings;

(c) where before the first day of entitlement to a reduction under this scheme--

(i) the employment has not been terminated, but

(ii) the applicant is not engaged in remunerative work,

any earnings paid or due to be paid in respect of that employment except any payment or remuneration of the nature described in paragraph (b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc).

2

In the case of an applicant who, before the first day of entitlement to a reduction under this scheme--

(a) has been engaged in part-time employment as an employed earner or, where the employment has been outside Great Britain, would have been so engaged had the employment been in Great Britain; and

(b) has ceased to be engaged in that employment, whether or not that employment has been terminated,

any earnings paid or due to be paid in respect of that employment except--

(i) where that employment has been terminated, any payment of the nature described in paragraph 1(b)(i) or (ii)(bb);

(ii) where that employment has not been terminated, any payment or remuneration of the nature described in paragraph 1(b)(i) or (ii)(bb) or paragraph 51(1)(j) (statutory sick pay etc).

3

In the case of an applicant who has been engaged in remunerative work or part-time employment as a self-employed earner or, had the employment been in Great Britain, would have been so engaged and who has ceased to be so employed, from the date of the cessation of his employment, any earnings derived from that employment except earnings to which paragraph 53(3) and (4) (earnings of self-employed earners) apply.

4

(1) In a case to which this paragraph applies and paragraph 5 does not apply, £20; but notwithstanding paragraph 33 (calculation of income and capital of members of an applicant's family and of a polygamous marriage) if this paragraph applies to an applicant it does not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £20.

(2) This paragraph applies where the applicant's applicable amount includes an amount by way of the disability premium, severe disability premium, work-related activity component or support component under Schedule 3 (applicable amounts: persons who are not pensioners).

(3) This paragraph applies where--

(a) the applicant is a member of a couple and his applicable amount includes an amount by way of the disability premium under Schedule 3; and

(b) he or his partner has not attained the qualifying age for state pension credit and at least one is engaged in employment.

5

In a case where the applicant is a lone parent, £25.

6

(1) In a case to which neither paragraph 4 nor paragraph 5 applies to the applicant and, subject to sub-paragraph (2), where the applicant's applicable amount includes an amount by way of the carer premium under Schedule 3 (applicable amounts: persons who are not pensioners), £20 of the earnings of the person who is, or at any time in the preceding eight weeks was, in receipt of carer's allowance or treated in accordance with paragraph 14(2) of that Schedule as being in receipt of carer's allowance.

(2) Where the carer premium is awarded in respect of the applicant and of any partner of his, their earnings must for the purposes of this paragraph be aggregated, but the amount to be disregarded in accordance with sub-paragraph (1) must not exceed £20 of the aggregated amount.

7

Where the carer premium is awarded in respect of an applicant who is a member of a couple and whose earnings are less than £20, but is not awarded in respect of the other member of the couple, and that other member is engaged in an employment--

(a) specified in paragraph 9(1), so much of the other member's earnings as would not when aggregated with the amount disregarded under paragraph 6 exceed £20;

(b) other than one specified in paragraph 9(1), so much of the other member's earnings from such other employment up to £10 as would not when aggregated with the amount disregarded under paragraph 5 exceed £20.

8

In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant and he is one of a couple and a member of that couple is in employment, £10; but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to

an applicant it must not apply to his partner except where, and to the extent that, the earnings of the applicant which are to be disregarded under this paragraph are less than £10.

9

(1) In a case where paragraphs 4, 6, 7 and 9 do not apply to the applicant, £20 of earnings derived from one or more employments as--

- (a) a part-time fire-fighter employed by a fire and rescue authority constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies;
- (b) a part-time fire-fighter employed by a fire and rescue authority (as defined in section 1 of the Fire (Scotland) Act 2005) or a joint fire and rescue board constituted by an amalgamation scheme made under section 2(1) of that Act;
- (c) an auxiliary coastguard in respect of coast rescue activities;
- (d) a person engaged part-time in the manning or launching of a life boat;
- (e) a member of any territorial or reserve force prescribed in Part I of Schedule 6 to the Social Security (Contributions) Regulations 2001;

but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if this paragraph applies to an applicant it must not apply to his partner except to the extent specified in sub-paragraph (2).

(2) If the applicant's partner is engaged in employment--

- (a) specified in sub-paragraph (1), so much of his earnings as would not in aggregate with the amount of the applicant's earnings disregarded under this paragraph exceed £20;
- (b) other than one specified in sub-paragraph (1), so much of his earnings from that employment up to £10 as would not in aggregate with the applicant's earnings disregarded under this paragraph exceed £20.

10

Where the applicant is engaged in one or more employments specified in paragraph 9(1), but his earnings derived from such employments are less than £20 in any week and he is also engaged in any other employment, so much of his earnings from that other employment, up to £5 if he is a single applicant, or up to £10 if he has a partner, as would not in aggregate with the amount of his earnings disregarded under paragraph 9 exceed £20.

11

In a case to which none of the paragraphs 4 to 10 applies, £5.

12

(1) Where--

- (a) the applicant (or if the applicant is a member of a couple, at least one member of that couple) is a person to whom sub-paragraph (5) applies;
- (b) the Secretary of State is satisfied that that person is undertaking exempt work as defined in sub-paragraph (6); and
- (c) paragraph 14 does not apply,

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

(2) Where this paragraph applies, paragraphs 4 to 11 do not apply; but in any case where the applicant is a lone parent, and the specified amount would be less than the amount specified in paragraph 5, then paragraph 5 applies instead of this paragraph.

(3) Notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), if sub-paragraph (1) applies to one member of a couple ("A") it does not apply to the other member of that couple ("B") except to the extent provided in sub-paragraph (4).

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

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

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

(6) "Exempt work" means work of the kind described in--

- (a) regulation 45(2), (3) or (4) of the Employment and Support Allowance Regulations 2008; or (as the case may be)
- (b) regulation 17(2), (3) or (4) of the Social Security (Incapacity for Work) (General) Regulations 1995,

and, in determining for the purposes of this paragraph whether an applicant or a member of a couple is undertaking any type of exempt work, it is immaterial whether that person or their partner is also undertaking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision referred to in sub-paragraph (6) by virtue of which the work referred to in sub-paragraph (1) is exempt (or, where more than one such provision is relevant and those provisions mention different amounts of money, the highest of those amounts).

13

Any amount or the balance of any amount which would fall to be disregarded under paragraph 23 or 24 of Schedule 8 had the applicant's income which does not consist of earnings been sufficient to entitle him to the full disregard thereunder.

14

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, his earnings.

15

Any earnings derived from employment which are payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of those earnings.

16

Where a payment of earnings is made in a currency other than Sterling, any banking charge or commission payable in converting that payment into Sterling.

17

Any earnings of a child or young person.

18

(1) In a case where the applicant is a person who satisfies at least one of the conditions set out in sub-paragraph (2), and his net earnings equal or exceed the total of the amounts set out in sub-paragraph (3), the amount of his earnings that falls to be disregarded under paragraphs 4 to 12 must be increased by £17.10.

(2) The conditions of this sub-paragraph are that--

(a) the applicant, or if he is a member of a couple, either the applicant or his partner, is a person to whom regulation 20(1)(c) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 applies; or

(b) the applicant--

(i) is, or if he is a member of a couple, at least one member of that couple is aged at least 25 and is engaged in remunerative work for on average not less than 30 hours per week; or

(ii) is a member of a couple and--

(aa) at least one member of that couple, is engaged in remunerative work for on average not less than 16 hours per week; and

(bb) his applicable amount includes a family premium under paragraph 4 of Schedule 3; or

(iii) is a lone parent who is engaged in remunerative work for on average not less than 16 hours per week; or

(iv) is, or if he is a member of a couple, at least one member of that couple is engaged in remunerative work for on average not less than 16 hours per week; and--

(aa) the applicant's applicable amount includes a disability premium under paragraph 9, the work-related activity component under paragraph 21 or the support component under paragraph 22 of Schedule 3 respectively;

(bb) where he is a member of a couple, at least one member of that couple satisfies the qualifying conditions for the disability premium or either of the components referred to in paragraph (aa) above and is engaged in remunerative work for on average not less than 16 hours per week; or

(c) the applicant is, or if he has a partner, one of them is, a person to whom regulation 18(3) of the Working Tax Credit (Entitlement and Maximum Rate) Regulations 2002 (eligibility for 50 plus element) applies, or would apply if an application for working tax credit were to be made in his case.

(3) The following are the amounts referred to in sub-paragraph (1)--

- (a) the amount calculated as disregardable from the applicant's earnings under paragraphs 4 to 12;
- (b) the amount of child care charges calculated as deductible under paragraph 57(1)(c); and
- (c) £17.10.

(4) The provisions of paragraph 10 (remunerative work) apply in determining whether or not a person works for on average not less than 30 hours per week, but as if the reference to 16 hours in subparagraph (1) of that paragraph were a reference to 30 hours.

19

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

SCHEDULE 8

SUMS DISREGARDED IN THE CALCULATION OF INCOME OTHER THAN EARNINGS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 54

1

Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Pilot Scheme.

2

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme.

3

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme.

4

Any amount paid by way of tax on income which is to be taken into account under regulation 30 (calculation of income other than earnings).

5

Any payment in respect of any expenses incurred or to be incurred by an applicant who is--

- (a) engaged by a charitable or voluntary organisation, or
- (b) a volunteer,

if he otherwise derives no remuneration or profit from the employment and is not to be treated as possessing any earnings under paragraph 56(5) (notional income: persons who are not pensioners).

6

Any payment in respect of expenses arising out of the applicant's participation in a service user group.

7

In the case of employment as an employed earner, any payment in respect of expenses wholly, exclusively and necessarily incurred in the performance of the duties of the employment.

8

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his income.

9

Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act and his partner is on an income-based jobseeker's allowance, the whole of the applicant's income.

10

Where the applicant, or the person who was the partner of the applicant on 31st March 2003, was entitled on that date to income support or an income-based jobseeker's allowance but ceased to be so entitled on or before 5th April 2003 by virtue only of regulation 13 of the Housing Benefit (General) Amendment (No 3) Regulations 1999 as in force at that date, the whole of his income.

11

Any disability living allowance, personal independence payment or an AFIP.

12

Any concessionary payment made to compensate for the non-payment of--

- (a) any payment specified in paragraph 11 or 14;
- (b) income support;
- (c) an income-based jobseeker's allowance;
- (d) an income-related employment and support allowance.

13

Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians) Scheme 1983 or any payment intended to compensate for the non-payment of such a supplement.

14

Any attendance allowance.

15

Any payment to the applicant as holder of the Victoria Cross or of the George Cross or any analogous payment.

16

(1) Any payment--

(a) by way of an education maintenance allowance made pursuant to--

(i) regulations made under section 518 of the Education Act 1996 (payment of school expenses; grant of scholarships etc);

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980 (power to assist persons to take advantage of educational facilities);

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to--

(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act; or

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

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to--

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

17

Any payment made to the applicant by way of a repayment under regulation 11(2) of the Education (Teacher Student Loans) (Repayment etc) Regulations 2002.

18

(1) Any payment made pursuant to section 2 of the 1973 Act or section 2 of the Enterprise and New Towns (Scotland) Act 1990 except a payment--

(a) made as a substitute for income support, a jobseeker's allowance, incapacity benefit, severe disablement allowance or an employment and support allowance;

(b) of an allowance referred to in section 2(3) of the Employment and Training Act 1973 or section 2(5) of the Enterprise and New Towns (Scotland) Act 1990; or

(c) intended to meet the cost of living expenses which relate to any one or more of the items specified in sub-paragraph (2) whilst an applicant is participating in an education, training or other scheme to help him enhance his employment prospects unless the payment is a Career Development Loan paid pursuant to section 2 of the 1973 Act and the period of education or training or the scheme, which is supported by that loan, has been completed.

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

19

(1) Subject to sub-paragraph (2), any of the following payments--

(a) a charitable payment;

(b) a voluntary payment;

(c) a payment (not falling within paragraph (a) or (b) above) from a trust whose funds are derived from a payment made in consequence of any personal injury to the applicant;

(d) a payment under an annuity purchased--

(i) pursuant to any agreement or court order to make payments to the applicant; or

(ii) from funds derived from a payment made,

in consequence of any personal injury to the applicant; or

(e) a payment (not falling within paragraphs (a) to (d)) received by virtue of any agreement or court order to make payments to the applicant in consequence of any personal injury to the applicant.

(2) Sub-paragraph (1) does not apply to a payment which is made or due to be made by--

(a) a former partner of the applicant, or a former partner of any member of the applicant's family; or

(b) the parent of a child or young person where that child or young person is a member of the applicant's family.

19A

The whole of any amount of the following--

(a) a war disablement pension;

(b) a war widow's pension or war widower's pension.

20

Subject to paragraph 40, £10 of any of the following, namely--

(a) 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;

(b) a guaranteed income payment and, if the amount of that payment has been abated to less than £10 by a pension or payment falling within article 31(1)(a) or (b) of the Armed Forces and Reserve Forces (Compensation Scheme) Order 2005, so much of that pension or payment as would not, in aggregate with the amount of any guaranteed income payment disregarded, exceed £10;

(c) 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;

(d) a pension paid by the government of a country outside Great Britain which is analogous to any of the pensions or payments mentioned in paragraphs (a) to (d) above;

(e) pension paid to victims of National Socialist persecution under any special provision made by the law of the Federal Republic of Germany, or any part of it, or of the Republic of Austria.

21

Subject to paragraph 40, £15 of any--

(a) widowed mother's allowance paid pursuant to section 37 of the SSCBA;

(b) widowed parent's allowance paid pursuant to section 39A of the SSCBA.

22

(1) Any income derived from capital to which the applicant is or is treated under paragraph 70 (capital jointly held) as beneficially entitled but, subject to sub-paragraph (2), not income derived from capital disregarded under paragraphs 4, 5, 7, 11, 17 or 30 to 33 of Schedule 10.

(2) Income derived from capital disregarded under paragraphs 5, 7 or 30 to 33 of Schedule 10 but only to the extent of--

(a) any mortgage repayments made in respect of the dwelling or premises in the period during which that income accrued; or

(b) any council tax or water charges which the applicant is liable to pay in respect of the dwelling or premises and which are paid in the period during which that income accrued.

(3) The definition of "water charges" in paragraph 2(1) (interpretation) applies to sub-paragraph (2) of this paragraph with the omission of the words "in so far as such charges are in respect of the dwelling which a person occupies as his home".

23

Where the applicant makes a parental contribution in respect of a student attending a course at an establishment in the United Kingdom or undergoing education in the United Kingdom, which contribution has been assessed for the purposes of calculating--

(a) under, or pursuant to regulations made under powers conferred by, section 22 of the Teaching and Higher Education Act 1998, that student's award;

(b) under regulations made in exercise of the powers conferred by section 49 of the Education (Scotland) Act 1980, that student's bursary, scholarship, or other allowance under that section or under regulations made in exercise of the powers conferred by section 73 of that Act of 1980, any payment to that student under that section; or

(c) the student's student loan,

an amount equal to the weekly amount of that parental contribution, but only in respect of the period for which that contribution is assessed as being payable.

24

- (1) Where the applicant is the parent of a student aged under 25 in advanced education who either--
- (a) is not in receipt of any award, grant or student loan in respect of that education; or
 - (b) is in receipt of an award bestowed by virtue of the Teaching and Higher Education Act 1998, or regulations made thereunder, or a bursary, scholarship or other allowance under section 49(1) of the Education (Scotland) Act 1980, or a payment under section 73 of that Act of 1980,

and the applicant makes payments by way of a contribution towards the student's maintenance, other than a parental contribution falling within paragraph 23, an amount specified in sub-paragraph (2) in respect of each week during the student's term.

- (2) For the purposes of sub-paragraph (1), the amount must be equal to--
- (a) the weekly amount of the payments; or
 - (b) the amount by way of a personal allowance for a single applicant under 25 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

25

Any payment made to the applicant by a child or young person or a non-dependant.

26

Where the applicant occupies a dwelling as his home and the dwelling is also occupied by a person other than one to whom paragraph 25 or 27 refers and there is a contractual liability to make payments to the applicant in respect of the occupation of the dwelling by that person or a member of his family--

- (a) where the aggregate of any payments made in respect of any one week in respect of the occupation of the dwelling by that person or a member of his family, or by that person and a member of his family, is less than £20, the whole of that amount; or
- (b) where the aggregate of any such payments is £20 or more per week, £20.

27

Where the applicant occupies a dwelling as his home and he provides in that dwelling board and lodging accommodation, an amount, in respect of each person for which such accommodation is provided for the whole or any part of a week, equal to--

- (a) where the aggregate of any payments made in respect of any one week in respect of such accommodation provided to such person does not exceed £20, 100 per cent of such payments;
- (b) where the aggregate of any such payments exceeds £20, £20 and 50 per cent of the excess over £20.

28

(1) Any income in kind, except where paragraph 54(10)(b) (provision of support under section 95 or 98 of the Immigration and Asylum Act 1999 in the calculation of income other than earnings) applies.

(2) The reference in sub-paragraph (1) to "income in kind" does not include a payment to a third party made in respect of the applicant which is used by the third party to provide benefits in kind to the applicant.

29

Any income which is payable in a country outside the United Kingdom for such period during which there is a prohibition against the transfer to the United Kingdom of that income.

30

(1) Any payment made to the applicant in respect of a person who is a member of his family--

(a) pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002 or in accordance or with a scheme approved by the Scottish Ministers under section 51A of the Adoption (Scotland) Act 1978 (schemes for payments of allowances to adopters) or in accordance with an adoption allowance scheme made under section 71 of the Adoption and Children (Scotland) Act 2007 (adoption allowances schemes);

(b) which is a payment made by a local authority in pursuance of section 15(1) of, and paragraph 15 of Schedule 1 to, the Children Act 1989 (local authority contribution to a child's maintenance where the child is living with a person as a result of a residence order) or in Scotland section 50 of the Children Act 1975 (payments towards maintenance of children);

(c) which is a payment made by an authority, as defined in Article 2 of the Children (Northern Ireland) Order 1995, in pursuance of Article 15 of, and paragraph 17 of Schedule 1 to, that Order (contribution by an authority to child's maintenance);

(d) in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services);

(2) Any payment, other than a payment to which sub-paragraph (1)(a) applies, made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

31

Any payment made to the applicant with whom a person is accommodated by virtue of arrangements made--

(a) by a local authority under--

(i) section 23(2)(a) of the Children Act 1989 (provision of accommodation and maintenance for a child whom they are looking after),

(ii) section 26 of the Children (Scotland) Act 1995 (manner of provision of accommodation to child looked after by local authority), or

(iii) regulations 33 or 51 of the Looked After Children (Scotland) Regulations 2009 (fostering and kinship care allowances and fostering allowances); or

(b) by a voluntary organisation under section 59(1)(a) of the Children Act 1989 (provision of accommodation by voluntary organisations).

32

Any payment made to the applicant or his partner for a person ("the person concerned"), who is not normally a member of the applicant's household but is temporarily in his care, by--

- (a) a health authority;
- (b) a local authority but excluding payments of housing benefit made in respect of the person concerned;
- (c) a voluntary organisation;
- (d) the person concerned pursuant to section 26(3A) of the National Assistance Act 1948;
- (e) a primary care trust established under section 16A of the National Health Service Act 1977 or established by an order made under section 18(2)(c) of the National Health Service Act 2006; or
- (f) a Local Health Board established under section 11 of the National Health Service (Wales) Act 2006.

33

Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or section 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

34

(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A--

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

35

(1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to insure against the risk of being unable to maintain repayments--

- (a) on a loan which is secured on the dwelling which the applicant occupies as his home; or
- (b) under a regulated agreement as defined for the purposes of the Consumer Credit Act 1974 or under a hire-purchase agreement or a conditional sale agreement as defined for the purposes of Part 3 of the Hire-Purchase Act 1964.

(2) A payment referred to in sub-paragraph (1) is only to be disregarded to the extent that the payment received under that policy does not exceed the amounts, calculated on a weekly basis, which are used to--

- (a) maintain the repayments referred to in sub-paragraph (1)(a) or, as the case may be, (1)(b); and

- (b) meet any amount due by way of premiums on--
 - (i) that policy; or
 - (ii) in a case to which sub-paragraph (1)(a) applies, an insurance policy taken out to insure against loss or damage to any building or part of a building which is occupied by the applicant as his home and which is required as a condition of the loan referred to in sub-paragraph (1)(a).

36

Any payment of income which by virtue of paragraph 64 (income treated as capital: persons who are not pensioners) is to be treated as capital.

37

Any--

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

38

Any payment under Part 10 of the SSCBA (Christmas bonus for pensioners).

39

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

40

The total of an applicant's income or, if he is a member of a family, the family's income and the income of any person which he is treated as possessing under paragraph 33(3) (calculation of income and capital of members of applicant's family and of a polygamous marriage) to be disregarded under paragraph 77(2)(b) and paragraph 78(1)(d) (calculation of covenant income where a contribution assessed, covenant income where no grant income or no contribution is assessed), paragraph 81(2) (treatment of student loans), paragraph 82(3) (treatment of payments from access funds) and paragraphs 20 and 21 must in no case exceed £20 per week.

41

- (1) Any payment made under or by any of the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).
- (2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts to which sub-paragraph (1) refers and which is made to or for the benefit of--
 - (a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;
 - (b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

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

(a) the person who is suffering from haemophilia or who is a qualifying person;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

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

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either--

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

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

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

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

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

(b) the payment is made either--

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

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

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

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

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

42

Any housing benefit.

43

Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

44

Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

45

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax).

46

(1) Any payment or repayment made--

(a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);

(b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);

(c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No 2) Regulations 2003 (travelling expenses and health service supplies).

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1).

47

Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins).

48

Any payment made by either the Secretary of State for Justice or by the Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody.

49

(1) Where an applicant's applicable amount includes an amount by way of family premium, £15 of any payment of maintenance, other than child maintenance, whether under a court order or not, which is made or due to be made by the applicant's former partner, or the applicant's partner's former partner.

(2) For the purpose of sub-paragraph (1) where more than one maintenance payment falls to be taken into account in any week, all such payments must be aggregated and treated as if they were a single payment.

(3) A payment made by the Secretary of State in lieu of maintenance must, for the purpose of sub-paragraph (1), be treated as a payment of maintenance made by a person specified in sub-paragraph (1).

50

(1) Any payment of child maintenance made or derived from a liable relative where the child or young person in respect of whom the payment is made is a member of the applicant's family, except where the person making the payment is the applicant or the applicant's partner.

(2) In sub-paragraph (1)--

"child maintenance" means any payment towards the maintenance of a child or young person, including any payment made voluntarily and payments made under--

- (a) the Child Support Act 1991;
- (b) the Child Support (Northern Ireland) Order 1991;
- (c) a court order;
- (d) a consent order;
- (e) a maintenance agreement registered for execution in the Books of Council and Session or the sheriff court books;

"liable relative" means a person listed in regulation 54 (interpretation) of the Income Support (General) Regulations 1987, other than a person falling within sub-paragraph (d) of that definition.

51

Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

52

Any guardian's allowance.

53

(1) If the applicant is in receipt of any benefit under Part 2, 3 or 5 of the SSCBA, any increase in the rate of that benefit arising under Part 4 (increases for dependants) or section 106(a) (unemployability supplement) of that Act, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

(2) If the applicant is in receipt of any pension or allowance under Part 2 or 3 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006, any increase in the rate of that pension or allowance under that Order, where the dependant in respect of whom the increase is paid is not a member of the applicant's family.

54

Any supplementary pension under article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (pensions to surviving spouses and surviving civil partners) and any analogous payment made by the Secretary of State for Defence to any person who is not a person entitled under that Order.

55

In the case of a pension awarded at the supplementary rate under article 27(3) of the Personal Injuries (Civilians) Scheme 1983 (pensions to widows, widowers or surviving civil partners), the sum specified in paragraph 1(c) of Schedule 4 to that Scheme.

56

(1) Any payment which is--

(a) made under any of the Dispensing Instruments to a widow, widower or surviving civil partner of a person--

(i) whose death was attributable to service in a capacity analogous to service as a member of the armed forces of the Crown; and

(ii) whose service in such capacity terminated before 31st March 1973; and

(b) equal to the amount specified in article 23(2) of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006.

(2) In this paragraph "the Dispensing Instruments" means the Order in Council of 19th December 1881, the Royal Warrant of 27th October 1884 and the Order by His Majesty of 14th January 1922 (exceptional grants of pay, non-effective pay and allowances).

57

Any council tax benefit to which the applicant is entitled.

58

Except in a case which falls under sub-paragraph (1) of paragraph 18 of Schedule 7, where the applicant is a person who satisfies any of the conditions of sub-paragraph (2) of that paragraph, any amount of working tax credit up to £17.10.

59

Any payment made under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care) or under regulations made under section 57 of the Health and Social Care Act 2001 (direct payments).

60

(1) Subject to sub-paragraph (2), in respect of a person who is receiving, or who has received, assistance under the self-employment route, any payment to that person--

- (a) to meet expenses wholly and necessarily incurred whilst carrying on the commercial activity;
- (b) which is used or intended to be used to maintain repayments on a loan taken out by that person for the purpose of establishing or carrying on the commercial activity,

in respect of which such assistance is or was received.

(2) Sub-paragraph (1) applies only in respect of payments which are paid to that person from the special account.

61

(1) Any payment of a sports award except to the extent that it has been made in respect of any one or more of the items specified in sub-paragraph (2).

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

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

62

Where the amount of subsistence allowance paid to a person in a reduction week exceeds the amount of income-based jobseeker's allowance that person would have received in that reduction week had it been payable to him, less 50p, that excess amount.

63

In the case of an applicant participating in an employment zone programme, any discretionary payment made by an employment zone contractor to the applicant, being a fee, grant, loan or otherwise.

64

Any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001.

65

(1) Any payment made by a local authority or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes, in England, a county council.

66

Any payment of child benefit.

**SCHEDULE 9
CAPITAL DISREGARDS: PENSIONERS**

Paragraph 63

**Part 1
Capital to be Disregarded**

1

Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

2

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

3

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

4

Any premises occupied in whole or in part--

- (a) by a person who is a relative of the applicant or his partner as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
- (b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

5

Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

6

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

7

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

8

All personal possessions.

9

The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner or, if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of those assets.

10

The assets of any business owned in whole or in part by the applicant if--

- (a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but
- (b) he intends to become engaged (or, as the case may be, re-engaged) as a self-employed earner in that business as soon as he recovers or is able to become engaged, or re-engaged, in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

11

The surrender value of any policy of life insurance.

12

The value of any funeral plan contract; and for this purpose, "funeral plan contract" means a contract under which--

- (a) the applicant makes one or more payments to another person ("the provider");
- (b) the provider undertakes to provide, or secure the provision of, a funeral in the United Kingdom for the applicant on his death; and
- (c) the sole purpose of the plan is to provide or secure the provision of a funeral for the applicant on his death.

13

Where an ex-gratia payment has been made by the Secretary of State on or after 1st February 2001 in consequence of the imprisonment or internment of--

- (a) the applicant;

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

by the Japanese during the Second World War, an amount equal to that payment.

14

(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or an applicant's partner who is--

- (a) a diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the time of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(2) Where a trust payment is made to--

- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or an applicant's partner who is--

- (a) the diagnosed person;
- (b) a diagnosed person's partner or was a diagnosed person's partner at the date of the diagnosed person's death; or
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death.

(4) Where a payment such as referred to in sub-paragraph (3) is made to--

- (a) a person referred to in sub-paragraph (3)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which the payment is made and ending two years after that date.

(5) In this paragraph, a reference to a person--

- (a) being the diagnosed person's partner;
- (b) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home or an independent hospital.

(6) In this paragraph--

"diagnosed person" means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeldt-Jakob disease;

"relevant trust" means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeldt-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

15

The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or civil partner or the applicant's partner's deceased spouse or civil partner--

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

16

(1) Any payment made under or by--

- (a) the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special Payments) (No 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charitable Fund (collectively referred to in this paragraph as "the Trusts"); or
- (b) the Independent Living Fund (2006).

(2) Any payment by or on behalf of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person, which derives from a payment made under or by any of the Trusts and which is made to or for the benefit of that person's partner or former partner--

- (a) from whom he is not, or where that person has died was not, estranged or divorced, or
- (b) with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death.

(3) Any payment by or on behalf of the partner or former partner of a person who is suffering or who suffered from haemophilia or who is or was a qualifying person which derives from a payment made under or by any of the Trusts and which is made to or for the benefit of the person who is suffering from haemophilia or who is a qualifying person.

(4) Sub-paragraph (3) does not apply if--

- (a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

(5) Any payment by a person who is suffering from haemophilia or who is a qualifying person, which derives from a payment under or by any of the Trusts, where--

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child who is or had been a member of that person's household; and

(b) the payment is made either--

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

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

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

(6) Any payment out of the estate of a person who suffered from haemophilia or who was a qualifying person, which derives from a payment under or by any of the Trusts, where--

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

(b) the payment is made either--

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

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

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

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

17

(1) An amount equal to the amount of any payment made in consequence of any personal injury to the applicant or, if the applicant has a partner, to the partner.

(2) Where the whole or part of the payment is administered--

(a) by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998, or the Court of Protection, or on behalf of a person where the payment can only be disposed of by order or direction of any such court;

(b) in accordance with an order made under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules; or

(c) in accordance with the terms of a trust established for the benefit of the applicant or his partner,

the whole of the amount so administered.

18

Any amount specified in paragraph 19, 20, 21 or 25 for a period of one year beginning with the date of receipt.

19

Amounts paid under a policy of insurance in connection with the loss of or damage to the property occupied by the applicant as his home and to his personal possessions.

20

So much of any amounts paid to the applicant or deposited in the applicant's name for the sole purpose of--

- (a) purchasing premises which the applicant intends to occupy as his home; or
- (b) effecting essential repairs or alterations to the premises occupied or intended to be occupied by the applicant as his home.

21

(1) Subject to paragraph 22 any amount paid--

- (a) by way of arrears of benefit;
- (b) by way of compensation for the late payment of benefit;
- (c) in lieu of the payment of benefit;
- (d) to rectify, or compensate for, an official error, as defined for the purposes of paragraph 22, being an amount to which that paragraph does not apply;
- (e) by a local authority out of funds provided under either section 93 of the Local Government Act 2000 under a scheme known as "Supporting People" or section 91 of the Housing (Scotland) Act 2001;
- (f) by way of occasional assistance including arrears and payments in lieu of occasional assistance (and in this paragraph "occasional assistance" has the same meaning as in paragraph 16 of Schedule 1).

(2) In sub-paragraph (1), "benefit" means--

- (a) attendance allowance under section 64 of the Act;
- (b) disability living allowance;
- (c) personal independence payment;
- (d) an AFIP;
- (e) income support;
- (f) income-based jobseeker's allowance;
- (g) state pension credit;
- (h) housing benefit;
- (i) council tax benefit;

- (j) child tax credit;
- (k) an increase of a disablement pension under section 104 of the SSCBA (increase where constant attendance is needed), and any further increase of such a pension under section 105 of the Act (increase for exceptionally severe disablement);
- (l) any amount included on account of the applicant's exceptionally severe disablement or need for constant attendance in a war disablement pension or a war widow's or widower's pension;
- (m) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;
- (n) working tax credit;
- (o) income-related employment and support allowance;
- (p) social fund payments under Part 8 of the SSCBA; or
- (q) universal credit.

22

- (1) Subject to sub-paragraph (3), any payment of £5,000 or more which has been made to rectify, or to compensate for, an official error relating to a relevant benefit and which has been received by the applicant in full on or after the day on which he became entitled to a reduction under this scheme.
- (2) Subject to sub-paragraph (3), the total amount of any payments disregarded under--
 - (a) paragraph 7(2) of Schedule 10 to the Income Support (General) Regulations 1987;
 - (b) paragraph 12(2) of Schedule 8 to the Jobseeker's Allowance Regulations 1996;
 - (c) paragraph 9(2) of Schedule 5 to the Council Tax Benefit Regulations 2006;
 - (d) paragraph 20A of Schedule 5 to the State Pension Credit Regulations 2002,
 - (e) paragraph 11(2) of Schedule 9 to the Employment and Support Allowance Regulations 2008,
 - (f) paragraph 18 of Schedule 10 to the Universal Credit Regulations 2013;

where the award in respect of which the payments last fell to be disregarded under those Regulations either terminated immediately before the relevant date or is still in existence at that date.

- (3) Any disregard which applies under sub-paragraph (1) or (2) has effect until the award comes to an end.

- (4) In this paragraph--

"the award", except in sub-paragraph (2), means--

- (a) the award of a reduction under the authority's scheme during which the relevant sum or, where it is paid in more than one instalment, the first instalment of that sum is received; and
- (b) where that award is followed by one or more further awards which, or each of which, begins immediately after the previous award ends, such further awards until the end of the last such award, provided that, for such further awards, the applicant--
 - (i) is the person who received the relevant sum;
 - (ii) is the partner of that person; or
 - (iii) was the partner of that person at the date of his death;

"official error"--

(a) where the error relates to housing benefit, or council tax benefit (in respect of any period before 1st April 2013), has the meaning given by regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and

(b) where the error relates to any other relevant benefit, has the meaning given by regulation 1(3) of the Social Security and Child Support (Decisions and Appeals) Regulations 1999;

"the relevant date" means the date on which the application for a reduction under this scheme was made;

"relevant benefit" means any benefit specified in paragraph 21(2); and

"the relevant sum" means the total amount referred to in sub-paragraph (1).

23

Where a capital asset is held in a currency other than Sterling, any banking charge or commission payable in converting that capital into Sterling.

24

The value of the right to receive income from an occupational pension scheme or a personal pension scheme.

25

Any arrears of supplementary pension which is disregarded under paragraph 4 of Schedule 6 (amounts to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 5 or 6 of that Schedule.

26

The dwelling occupied as the home; but only one dwelling is to be disregarded under this paragraph.

27

(1) Subject to sub-paragraph (2), where an applicant falls within class C (alternative maximum council tax reduction: pensioners), the whole of his capital.

(2) Sub-paragraph (1) does not apply where an applicant falls within class B and class C.

28

Where a person elects to be entitled to a lump sum under Schedule 5 or 5A to SSCBA or under Schedule 1 to the Social Security (Graduated Retirement Benefit) Regulations 2005, or is treated as having made such an election, and a payment has been made pursuant to that election, an amount equal to--

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on account of that lump sum;

(b) the amount of that lump sum,

but only for so long as that person does not change that election in favour of an increase of pension or benefit.

29

Any payments made by virtue of regulations made under--

- (a) section 57 of the Health and Social Care Act 2001 (direct payments);
- (b) section 12B of the Social Work (Scotland) Act 1968 (direct payments in respect of community care services);
- (c) sections 12A to 12C of the National Health Service Act 2006 (direct payments for health care);
- (d) Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972 (general social welfare); or
- (e) section 8 of the Carers and Direct Payments Act (Northern Ireland) 2002 (direct payments).

29A

A payment made under the Age-Related Payments Regulations 2013.

29B

Any payments to an applicant made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments).

Part 2

Capital Disregarded Only for the Purposes of Determining Deemed Income

30

The value of the right to receive any income under a life interest or from a life rent.

31

The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

32

The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

33

Where property is held under a trust, other than--

- (a) a charitable trust within the meaning of the Charities Act 1993; or
- (b) a trust set up with any payment to which paragraph 16 applies,

and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

**SCHEDULE 10
CAPITAL DISREGARDS: PERSONS WHO ARE NOT PENSIONERS**

Paragraph 63

1

Any payment made to the applicant in respect of any child care, travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Work for Your Benefit Scheme but only for 52 weeks beginning with the date of receipt of the payment.

2

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Mandatory Work Activity Scheme but only for 52 weeks beginning with the date of receipt of the payment.

3

Any payment made to the applicant in respect of any travel or other expenses incurred, or to be incurred, by him in respect of his participation in the Employment, Skills and Enterprise Scheme but only for 52 weeks beginning with the date of receipt of the payment.

4

The dwelling together with any garage, garden and outbuildings, normally occupied by the applicant as his home including any premises not so occupied which it is impracticable or unreasonable to sell separately, but, notwithstanding paragraph 33 (calculation of income and capital of members of applicant's family and of a polygamous marriage), only one dwelling is to be disregarded under this paragraph.

5

Any premises acquired for occupation by the applicant which he intends to occupy as his home within 26 weeks of the date of acquisition or such longer period as is reasonable in the circumstances to enable the applicant to obtain possession and commence occupation of the premises.

6

Any sum directly attributable to the proceeds of sale of any premises formerly occupied by the applicant as his home which is to be used for the purchase of other premises intended for such occupation within 26 weeks of the date of sale or such longer period as is reasonable in the circumstances to enable the applicant to complete the purchase.

7

Any premises occupied in whole or in part--

- (a) by a partner or relative of a single applicant or any member of the family as his home where that person has attained the qualifying age for state pension credit or is incapacitated;
- (b) by the former partner of the applicant as his home; but this provision does not apply where the former partner is a person from whom the applicant is estranged or divorced or with whom he had formed a civil partnership that has been dissolved.

8

Where an applicant is on income support, an income-based jobseeker's allowance or an income-related employment and support allowance, the whole of his capital.

9

Where the applicant is a member of a joint-claim couple for the purposes of the Jobseekers Act 1995 and his partner is on income-based jobseeker's allowance, the whole of the applicant's capital.

10

Any future interest in property of any kind, other than land or premises in respect of which the applicant has granted a subsisting lease or tenancy, including sub-leases or sub-tenancies.

11

(1) The assets of any business owned in whole or in part by the applicant and for the purposes of which he is engaged as a self-employed earner, or if he has ceased to be so engaged, for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

(2) The assets of any business owned in whole or in part by the applicant where--

(a) he is not engaged as a self-employed earner in that business by reason of some disease or bodily or mental disablement; but

(b) he intends to become engaged or, as the case may be, re-engaged as a self-employed earner in that business as soon as he recovers or is able to become engaged or re-engaged in that business,

for a period of 26 weeks from the date on which the application for a reduction under this scheme is made, or is treated as made, or, if it is unreasonable to expect him to become engaged or re-engaged in that business within that period, for such longer period as is reasonable in the circumstances to enable him to become so engaged or re-engaged.

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

(4) In the case of a person who has ceased carrying on the commercial activity in respect of which assistance was received as specified in sub-paragraph (3), the assets relating to that activity for such period as may be reasonable in the circumstances to allow for disposal of any such asset.

12

(1) Subject to sub-paragraph (2), any arrears of, or any concessionary payment made to compensate for arrears due to the non-payment of--

(a) any payment specified in paragraphs 11, 13 or 14 of Schedule 8;

(b) an income-related benefit under Part 7 of the SSCBA;

(c) an income-based jobseeker's allowance;

(d) any discretionary housing payment paid pursuant to regulation 2(1) of the Discretionary Financial Assistance Regulations 2001;

- (e) working tax credit and child tax credit;
- (f) an income-related employment and support allowance,

but only for a period of 52 weeks from the date of the receipt of arrears or of the concessionary payment.

(2) In a case where the total of any arrears and, if appropriate, any concessionary payment referred to in sub-paragraph (1) relating to one of the specified payments, benefits or allowances amounts to £5,000 or more (referred to in this sub-paragraph and in sub-paragraph (3) as "the relevant sum") and is--

- (a) paid in order to rectify or to compensate for, an official error as defined in regulation 1(2) of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001; and
- (b) received by the applicant in full on or after 14th October 2001,

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

(3) For the purposes of sub-paragraph (2), "the period of an award of a reduction under this scheme" means--

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

13

Any sum--

- (a) paid to the applicant in consequence of damage to, or loss of the home or any personal possession and intended for its repair or replacement; or
- (b) acquired by the applicant (whether as a loan or otherwise) on the express condition that it is to be used for effecting essential repairs or improvement to the home,

which is to be used for the intended purpose, for a period of 26 weeks from the date on which it was so paid or acquired or such longer period as is reasonable in the circumstances to effect the repairs, replacement or improvement.

14

Any sum--

- (a) deposited with a housing association as defined in section 1(1) of the Housing Associations Act 1985 as a condition of occupying the home;
- (b) which was so deposited and which is to be used for the purchase of another home,

for the period of 26 weeks or such longer period as may be reasonable in the circumstances to enable the applicant to complete the purchase.

15

Any personal possessions except those which have been acquired by the applicant with the intention of reducing his capital in order to secure entitlement to a reduction under this scheme or to increase the amount of that reduction.

16

The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

17

Where the funds of a trust are derived from a payment made in consequence of any personal injury to the applicant or applicant's partner, the value of the trust fund and the value of the right to receive any payment under that trust.

18

(1) Any payment made to the applicant or the applicant's partner in consequence of any personal injury to the applicant or, as the case may be, the applicant's partner.

(2) But sub-paragraph (1)--

(a) applies only for the period of 52 weeks beginning with the day on which the applicant first receives any payment in consequence of that personal injury;

(b) does not apply to any subsequent payment made to him in consequence of that injury (whether it is made by the same person or another);

(c) ceases to apply to the payment or any part of the payment from the day on which the applicant no longer possesses it;

(d) does not apply to any payment from a trust where the funds of the trust are derived from a payment made in consequence of any personal injury to the applicant.

(3) For the purposes of sub-paragraph (2)(c), the circumstances in which an applicant no longer possesses a payment or a part of it include where the applicant has used a payment or part of it to purchase an asset.

(4) References in sub-paragraphs (2) and (3) to the applicant are to be construed as including references to his partner (where applicable).

19

The value of the right to receive any income under a life interest or from a life rent.

20

The value of the right to receive any income which is disregarded under paragraph 15 of Schedule 7 or paragraph 29 of Schedule 8.

21

The surrender value of any policy of life insurance.

22

Where any payment of capital falls to be made by instalments, the value of the right to receive any outstanding instalments.

23

Any payment made by a local authority in accordance with section 17, 23B, 23C or 24A of the Children Act 1989 or, as the case may be, section 12 of the Social Work (Scotland) Act 1968 or sections 22, 29 or 30 of the Children (Scotland) Act 1995 (provision of services for children and their families and advice and assistance to certain children).

24

(1) Subject to sub-paragraph (2), any payment (or part of a payment) made by a local authority in accordance with section 23C of the Children Act 1989 or section 29 of the Children (Scotland) Act 1995 (local authorities' duty to promote welfare of children and powers to grant financial assistance to persons in, or formerly in, their care) to a person ("A") which A passes on to the applicant.

(2) Sub-paragraph (1) applies only where A--

- (a) was formerly in the applicant's care, and
- (b) is aged 18 or over, and
- (c) continues to live with the applicant.

25

Any--

- (a) social fund payment made pursuant to Part 8 of the SSCBA (the social fund); or
- (b) occasional assistance.

26

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

27

Any capital which by virtue of paragraph 55 or 81 (capital treated as income: persons who are not pensioners, treatment of student loans) is to be treated as income.

28

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

29

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

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

(a) that person's partner or former partner from whom he is not, or where that person has died was not, estranged or divorced or with whom he has formed a civil partnership that has not been dissolved or, where that person has died, had not been dissolved at the time of that person's death;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

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

(a) the person who is suffering from haemophilia or who is a qualifying person;

(b) any child who is a member of that person's family or who was such a member and who is a member of the applicant's family; or

(c) any young person who is a member of that person's family or who was such a member and who is a member of the applicant's family.

(4) Sub-paragraph (3) does not apply if--

(a) the partner or former partner and that person are not, or if either of them has died were not, estranged or divorced, or

(b) where the partner or former partner and that person have formed a civil partnership, the civil partnership has not been dissolved or, if either of them has died, had not been dissolved at the time of the death.

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

(a) that person has no partner or former partner from whom he is not estranged or divorced or with whom he has formed a civil partnership that has not been dissolved, nor any child or young person who is or had been a member of that person's family; and

(b) the payment is made either--

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

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

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

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

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

(b) the payment is made either--

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

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

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

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

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

30

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

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

31

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

32

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

33

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

34

Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of entitlement to housing benefit.

35

The value of the right to receive an occupational or personal pension.

36

The value of any funds held under a personal pension scheme.

37

The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

38

Any payment in kind made by a charity or under or by the Trusts, the Fund, MFET Limited, the Skipton Fund, the Caxton Foundation or the Independent Living Fund (2006).

39

Any payment made pursuant to section 2 of the Employment and Training Act 1973 or section 2 of the Enterprise and New Towns (Scotland) Act 1990, but only for the period of 52 weeks beginning on the date of receipt of the payment.

40

Any payment in consequence of a reduction of council tax under section 13 of the 1992 Act (reduction of liability for council tax), but only for a period of 52 weeks from the date of the receipt of the payment.

41

Any grant made in accordance with a scheme made under section 129 of the Housing Act 1988 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.

42

Any arrears of supplementary pension which is disregarded under paragraph 54 of Schedule 8 (sums to be disregarded in the calculation of income other than earnings) or of any amount which is disregarded under paragraph 55 or 56 of that Schedule, but only for a period of 52 weeks from the date of receipt of the arrears.

43

(1) Any payment or repayment made--

- (a) as respects England, under regulation 5, 6 or 12 of the National Health Service (Travel Expenses and Remission of Charges) Regulations 2003 (travelling expenses and health service supplies);
- (b) as respects Wales, under regulation 5, 6 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Wales) Regulations 2007 (travelling expenses and health service supplies);
- (c) as respects Scotland, under regulation 3, 5 or 11 of the National Health Service (Travelling Expenses and Remission of Charges) (Scotland) (No 2) Regulations 2003 (travelling expenses and health service supplies),

but only for a period of 52 weeks from the date of receipt of the payment or repayment.

(2) Any payment or repayment made by the Secretary of State for Health, the Scottish Ministers or the Welsh Ministers which is analogous to a payment or repayment mentioned in sub-paragraph (1), but only for a period of 52 weeks from the date of receipt of the payment or repayment.

44

Any payment made to such persons entitled to receive benefits as may be determined by or under a scheme made pursuant to section 13 of the Social Security Act 1988 in lieu of vouchers or similar arrangements in connection with the provision of those benefits (including payments made in place of healthy start vouchers, milk tokens or the supply of vitamins), but only for a period of 52 weeks from the date of receipt of the payment.

45

Any payment made under Part 8A of the SSCBA (entitlement to health in pregnancy grant).

46

Any payment made either by the Secretary of State for Justice or by Scottish Ministers under a scheme established to assist relatives and other persons to visit persons in custody, but only for a period of 52 weeks from the date of the receipt of the payment.

47

Any payment (other than a training allowance) made, whether by the Secretary of State or any other person, under the Disabled Persons (Employment) Act 1944 to assist disabled persons to obtain or retain employment despite their disability.

48

Any payment made by a local authority under section 3 of the Disabled Persons (Employment) Act 1958 to homeworkers assisted under the Blind Homeworkers' Scheme.

49

- (1) Subject to sub-paragraph (2), where an applicant falls within class F (alternative maximum council reduction: persons who are not pensioners), the whole of his capital.
- (2) Sub-paragraph (1) does not apply where an applicant falls within class E and class F.

50

- (1) Any sum of capital to which sub-paragraph (2) applies and--
 - (a) which is administered on behalf of a person by the High Court or the County Court under Rule 21.11(1) of the Civil Procedure Rules 1998 or by the Court of Protection;
 - (b) which can only be disposed of by order or direction of any such court; or
 - (c) where the person concerned is under the age of 18, which can only be disposed of by order or direction prior to that person attaining age 18.
- (2) This sub-paragraph applies to a sum of capital which is derived from--
 - (a) an award of damages for a personal injury to that person; or
 - (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

51

Any sum of capital administered on behalf of a person in accordance with an order made under section 13 of the Children (Scotland) Act 1995, or under Rule 36.14 of the Ordinary Cause Rules 1993 or under Rule 128 of those Rules, where such sum derives from--

- (a) award of damages for a personal injury to that person; or
- (b) compensation for the death of one or both parents where the person concerned is under the age of 18.

52

Any payment to the applicant as holder of the Victoria Cross or George Cross.

53

In the case of a person who is receiving, or who has received, assistance under the self-employment route, any sum of capital which is acquired by that person for the purpose of establishing or carrying on

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

54

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

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

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

55

(1) Any payment--

(a) by way of an education maintenance allowance made pursuant to--

(i) regulations made under section 518 of the Education Act 1996;

(ii) regulations made under section 49 or 73(f) of the Education (Scotland) Act 1980;

(iii) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992;

(b) corresponding to such an education maintenance allowance, made pursuant to--

(i) section 14 or section 181 of the Education Act 2002 (power of Secretary of State and the Welsh Ministers to give financial assistance for purposes related to education or childcare, and allowances in respect of education or training); or

(ii) regulations made under section 181 of that Act; or

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

(2) Any payment, other than a payment to which sub-paragraph (1) applies, made pursuant to--

(a) regulations made under section 518 of the Education Act 1996;

(b) regulations made under section 49 of the Education (Scotland) Act 1980; or

(c) directions made under section 73ZA of the Education (Scotland) Act 1980 and paid under section 12(2)(c) of the Further and Higher Education (Scotland) Act 1992,

in respect of a course of study attended by a child or a young person or a person who is in receipt of an education maintenance allowance or other payment made pursuant to any provision specified in sub-paragraph (1).

56

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

57

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

58

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

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

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

59

(1) Subject to sub-paragraph (2), the amount of any trust payment made to an applicant or a member of an applicant's family who is--

- (a) a diagnosed person;
- (b) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (c) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
- (d) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death.

(2) Where a trust payment is made to--

- (a) a person referred to in sub-paragraph (1)(a) or (b), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (1)(c), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending two years after that date;
- (c) a person referred to in sub-paragraph (1)(d), that sub-paragraph applies for the period beginning on the date on which the trust payment is made and ending--
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person--
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,

whichever is the latest.

(3) Subject to sub-paragraph (4), the amount of any payment by a person to whom a trust payment has been made or of any payment out of the estate of a person to whom a trust payment has been made, which is made to an applicant or a member of an applicant's family who is--

- (a) the diagnosed person's partner or the person who was the diagnosed person's partner at the date of the diagnosed person's death;
- (b) a parent of a diagnosed person, a person acting in place of the diagnosed person's parents or a person who was so acting at the date of the diagnosed person's death; or
- (c) a member of the diagnosed person's family (other than his partner) or a person who was a member of the diagnosed person's family (other than his partner) at the date of the diagnosed person's death,

but only to the extent that such payments do not exceed the total amount of any trust payments made to that person.

(4) Where a payment as referred to in sub-paragraph (3) is made to--

- (a) a person referred to in sub-paragraph (3)(a), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending on the date on which that person dies;
- (b) a person referred to in sub-paragraph (3)(b), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending two years after that date; or
- (c) person referred to in sub-paragraph (3)(c), that sub-paragraph applies for the period beginning on the date on which that payment is made and ending--
 - (i) two years after that date; or
 - (ii) on the day before the day on which that person--
 - (aa) ceases receiving full-time education; or
 - (bb) attains the age of 20,

whichever is the latest.

(5) In this paragraph, a reference to a person--

- (a) being the diagnosed person's partner;
- (b) being a member of a diagnosed person's family;
- (c) acting in place of the diagnosed person's parents,

at the date of the diagnosed person's death includes a person who would have been such a person or a person who would have been so acting, but for the diagnosed person residing in a care home, an Abbeyfield Home or an independent hospital on that date.

(6) In this paragraph--

"diagnosed person" means a person who has been diagnosed as suffering from, or who, after his death, has been diagnosed as having suffered from, variant Creutzfeld-Jakob disease;

"relevant trust" means a trust established out of funds provided by the Secretary of State in respect of persons who suffered, or who are suffering, from variant Creutzfeld-Jakob disease for the benefit of persons eligible for payments in accordance with its provisions;

"trust payment" means a payment under a relevant trust.

60

The amount of any payment, other than a war pension, to compensate for the fact that the applicant, the applicant's partner, the applicant's deceased spouse or deceased civil partner or the applicant's partner's deceased spouse or deceased civil partner--

- (a) was a slave labourer or a forced labourer;
- (b) had suffered property loss or had suffered personal injury; or
- (c) was a parent of a child who had died,

during the Second World War.

61

(1) Any payment made by a local authority, or by the Welsh Ministers, to or on behalf of the applicant or his partner relating to a service which is provided to develop or sustain the capacity of the applicant or his partner to live independently in his accommodation.

(2) For the purposes of sub-paragraph (1) "local authority" includes in England a county council.

62

Any payment made under regulations made under section 57 of the Health and Social Care Act 2001 or under section 12B of the Social Work (Scotland) Act 1968, or under sections 12A to 12D of the National Health Service Act 2006 (direct payments for health care).

63

Any payment made to the applicant pursuant to regulations under section 2(6)(b), 3 or 4 of the Adoption and Children Act 2002.

64

Any payment made to the applicant in accordance with regulations made pursuant to section 14F of the Children Act 1989 (special guardianship support services).

EXPLANATORY NOTE

(This note is not part of the Scheme)

Section 13A of the Local Government Finance Act 1992 ("the 1992 Act"), substituted by section 10 of the Local Government Finance Act 2012 ("the 2012 Act"), requires each billing authority in England to make a

scheme specifying the reductions which are to apply to amounts of council tax payable by persons, or classes of person, whom the authority considers are in financial need.

Haringey Council's Scheme as set out above was approved by the authority on **[INSERT DATE]**. It is based upon the default scheme prescribed by the Secretary of State, with local amendment.

The Scheme

Parts 1 and 2 contain introductory provisions and definitions of key words and phrases. Part 3 and Schedule 1 contains the procedure for reduction applications and appeals. Parts 4 and 5 specify the classes of person entitled and not entitled to a reduction under the scheme, respectively. At Part 4 a minimum weekly Council Tax Support award of £1 has been introduced.

Parts 6 to 9 and Schedules 2 to 4 set out matters relevant to determining eligibility for a reduction and the amount of reduction under the scheme. Part 7 provides for applicants of working-age to have their Council Tax support assessed against 80.2% of their council tax liability, save for this is receipt of defined disability benefits.

Part 10 and Schedules 5 to 10 set out how income and capital of the applicant and others is treated in calculating eligibility for a reduction, including in cases where an applicant or partner has an award of universal credit. Schedules 6 and 8 provide for war pensions to be fully disregarded for the purposes of calculating income for all claimants. Part 11 provides for the application of the scheme to students. Part 12 provides for extended reductions in certain circumstances and Part 13 sets out when entitlement begins and how a change in circumstances affects any reduction.

Part 14 of the scheme provides for the making of an application for a reduction. Part 15 sets out the time within which an authority must make its decision on the application and provides for notification of the decision. Part 16 makes provisions about the payment of a reduction in certain circumstances.



Appendix D – Breakdown of Options Considered

We have considered a number of options for the overall scheme. Some of these were proposed by respondents to the consultation for the 2013/14 scheme. These options are listed below with a short summary indicating why it is felt they are not appropriate.

1. Increase the overall % level of Council Tax Support

The Council recognises that this option would reduce the financial burden for those in receipt of Council Tax Support. However, if we increased the level of support (so customers pay less) this would need to be funded by the Council and there is already a projected shortfall in the Council's 2017/18 budget of approximately £7m if the current year's MTFS savings are delivered in full. Unless the Council is able to adopt additional mitigating measures, this financial pressure is likely to continue into 2018/19 and beyond.

Increasing or providing 100% protection to working age claimants would result in monies having to be found from other sources namely

- i. Cutting services
- ii. Using reserves
- iii. Increasing Council Tax

These options were not considered viable for the reasons set out below.

- i. Cutting services would have a negative impact on residents who could potentially suffer from reduced services as a result. A decision to either increase or provide 100% support on council tax will add to the underlying MTFS/budget shortfall.
- ii. The total estimated level of reserves at end of March 2017 is £63m, £48m (76%) of these are restricted or earmarked with only £15m (24%) estimated for general use. This general reserve is held to cover unexpected (one-off) liabilities and risks, it is not to support on-going revenue shortfalls. Funding additional support by way of utilising reserves is not a viable option and goes against financial prudence.
- iii. There are financial pressures being managed in the current 2017/18 financial year associated with delivering the approved savings/budget as a result of sustained reduction in central government funding. Further significant savings are required in 2018/19 and beyond, therefore any increases in council tax support will translate to additional savings being needed to balance the budget.

2. Decrease the overall level of Council Tax Support

If we reduced the level of support (so customers pay more) we could increase the amount of council tax collected by the Council, which will have a positive impact on the Council's budget. However, this is likely to be detrimental to residents that would have to pay a higher amount in council tax and for this reason this option is not recommended.



3. Protecting Additional Vulnerable Groups

In addition to protecting those in receipt of certain disability benefits, other groups were considered for 100% protection within the current funding envelope for CTRS as listed below. The figures below show the additional amount remaining claimants would have to pay if any of the following options were implemented. The below exemplifications are based on current average weekly payment of £8.71 by claimants.

i. Households with children

- This option would leave the remaining claimant paying an average additional amount of £4.91 per week

ii. Households with a child under one

- This option would leave the remaining claimant paying an average additional amount of £3.33 per week

iii. Households with a child under five

- This option would leave the remaining claimant paying an average additional amount of £3.93 per week

*iv. Households with **more than** three children*

- This option would leave the remaining claimant paying an average additional amount of £3.06 per week

v. Households with a lone parent

- This option would leave the remaining claimant paying an average additional amount of £3.49 per week

4. Protecting band A-C properties

This option would leave the remaining claimant paying an average additional amount of £11.75 per week

5. Protecting claimants who are working but on low income.

This option would leave the remaining claimant paying an average additional amount of £5.37 per week

6. Protecting claimants in receipt of Single Person's Discount

This option would leave the remaining claimant paying an average additional amount of £11.53 per week

The above options are all not recommended as providing additional support for some groups will need to be funded by the Council or by other claimants paying more, this is not viable for the reasons set out above.



7. Absorb shortfall from restoring level pre-CTRS level of support

The projected shortfall if Haringey were to fully absorb the cost of providing maximum entitlement to a Council Tax reduction (therefore allowing affected claimants to receive 100% support) would be an estimated £2.3m for 2017/18.

We also modelled financial data looking at a level of 85% support (by way of an increase from the current 80.2% support). This would result in increased scheme costs of £0.56m to the Council.

8. Increase council tax

Finally, the Council is allowed to increase council tax by up to 2% only without triggering a referendum which would be costly both in terms of time and financial resources and may not be approved. The freezing of council tax has had the effect of moving Haringey down the league table of highest tax authorities in London. However, in 2017/18 the Council still had the 8th highest council tax in London – any increase will likely move the Council up the table.

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Equality Impact Assessment

Name of Project	Council Tax Reduction Scheme for 2018/19	Cabinet meeting date <i>If applicable</i>	14 th November 2017
Service area responsible	Corporate Finance		
Name of completing officer	Oladapo Shonola	Date EqIA created	September 2017
Approved by Director / Assistant Director	Clive Heaphy	Date of approval	

The Equality Act 2010 places a ‘**General Duty**’ on all public bodies to have ‘**due regard**’ to:

- **Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act**
- **Advancing equality of opportunity between those with ‘protected characteristics’ and those without them**
- **Fostering good relations between those with ‘protected characteristics’ and those without them.**

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Haringey Council also has a ‘**Specific Duty**’ to publish information about people affected by our policies and practices.

All assessments must be published on the Haringey equalities web pages. All Cabinet papers MUST include a link to the web page where this assessment will be published.

This Equality Impact Assessment provides evidence for meeting the Council’s commitment to equality and the responsibilities outlined above, for more information about the Councils commitment to equality; please visit the Council’s website.

Stage 1 – Names of those involved in preparing the EqIA		
1. Project Lead	Oladapo Shonola	5.
2. Equalities / HR	Paul Green	6.
3. Legal Advisor	Gina Clarke	7.
4. SSC	Rupinder Shergill / Helen Kent	8.

Stage 2 - Description of proposal including the relevance of the proposal to the general equality duties and protected groups. Also carry out your preliminary screening (Use the questions in the Step by Step Guide (The screening process) and document your reasoning for deciding whether or not a full EqIA is required. If a full EqIA is required move on to Stage 3.

As per the information contained within the main report, the proposal to maintain the current Council Tax Reduction Scheme into 2018/19, will mean that all working-age non protected claimants will have to pay something towards their Council Tax bill. Pensioners and those in receipt of certain disability benefits will continue to be protected

As detailed in this EQIA, there is mitigation in place for those impacted by the changes, however it is recognised and understood that the reduction of Council Tax Support has had and will continue to have a negative impact on many vulnerable groups. As no change is proposed for 2018/19, it is expected that people will be similarly affected as at present, so we will continue to use existing support mechanisms for our residents, and will seek to build upon these. We will routinely check our progress with those residents who tell us they have difficulty in paying, to ensure that we can come up with the best solution to meet their needs. We note the cumulative impact that may arise alongside other welfare reform changes such as the benefit cap and Local Housing Allowance rate changes which are likely to put additional pressure on vulnerable groups.

The Government guidelines protect pensioners whose entitlement will be maintained at their current rates, hence they are excluded from this EqIA.

Duty to vulnerable groups

In “Localising Support for Council Tax: Vulnerable People – key local authority duties,” the Government was clear that in addition to their public sector equality duty, there were additional duties which the Council would have to have in regards to developing its Council tax Support scheme. These are described in that document as “Vulnerable people – key local authority duties” and include the following key areas:

- **Duty under the Child Poverty Act 2010**
- **Public sector equality duty – disability**
- **Armed Forces Covenant - war pension and compensation payments**
- **Duty to prevent homelessness**

This Equalities Impact Assessment reviews each of these areas in more detail and gives statistics where they are held. Although equalities data is routinely

asked for new applicants, this data is not mandatory and so the information we hold does not give a complete picture of claimants.

For this EqlA, we have used available equality data on claimants on the Council's Revenues and Benefits IT system: I-World. Our records shows that as at September 2017 there are a total of 26,000 households receiving Council Tax Support, of which 11,300 are not protected and as a result have an amount to pay.

Approximately 58% are pensioners or in receipt of certain disability premiums and as such will continue to receive the same level of support as they did previously. Approximately 25% of current claimants receive support for Council Tax payments capped at 80.2%. Families are particularly affected with almost 24% having at least one dependent under 16.

The table at Appendix A shows the available breakdown of claimants as at September 2017.

Unrecorded protected characteristics

The protected characteristics of gender reassignment, sexual orientation, marriage and civil partnership, religion and belief and pregnancy and maternity are not currently recorded in the Revenues and Benefits IT system as they do not form part of the application criteria. Prior to the Equality Act 2010, these characteristics were not covered by public sector equality duty, hence there was no requirement to record them in the system and as a result, no historical data exists relating to them. This data is routinely asked for as part of the new application processes, however it is not mandatory.

Although the full extent of the impact of the proposed scheme on individuals with these characteristics is not able to be fully shown in this EqlA, we have been able to make estimates of impact and proposed mitigation.

Recorded unprotected characteristics

This EqlA also covers the impact on claimants with dependents, lone parents, economically inactive claimants and a comparison of impact between the east and the west of the borough.

Our analysis shows that of the claimants most likely to be impacted by the continuation of the scheme:

- 48% are in the 25-44 age group
- 42% are in the 45-59 age group
- 7% have 3 or more dependents
- 56% of claimants' have children aged 0-16
- 37% are lone parents
- 62% are women

53% of those with ethnicity recorded are non white and 47% white British and other white

Stage 3 – Scoping Exercise - Employee data used in this Equality Impact Assessment

Identify the main sources of the evidence, both quantitative and qualitative, that supports your analysis. This could include for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of recent relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national.

Data Source (include link where published)	What does this data include?
This change relates to Haringey residents and not employees.	

Stage 4 – Scoping Exercise - Service data used in this Equality Impact Assessment
This section to be completed where there is a change to the service provided

Data Source (include link where published)	What does this data include?
Northgate iWorld Council Tax Reduction Analysis tool. This data is shown in this document as Appendix A	Age, Disability, Gender, Ethnicity, responsibility for children

Stage 5a – Considering the above information, what impact will this proposal have on the following groups in terms of impact on residents and service delivery:
Positive and negative impacts identified will need to form part of your action plan.

	Positive	Negative	Details	None – why?
Sex		More women (62%) will be affected than men.	4,194 Lone parents are impacted by the scheme, the majority of lone parents are women. Lone parents are likely to be disproportionately affected by any changes to the scheme as they are on a low income and may already be impacted by other welfare reform changes.	
Gender Reassignment				No data is available as this information is not collected as part of the CTRS application process.
Age	Pensioners will be protected.	Working age claimants will be affected, mostly within the age range		

		25-44 with 48%, followed by the age range 45 – 59, with 42%		
Disability	<p>Disabled people will continue to be protected from any proposed changes if they are in receipt of certain disability related benefits.</p> <p>26% of recipients of CTRS are in receipt of these disability related benefits</p>		There are no plans to change the protection for disabled people	
Race & Ethnicity		Of the information we hold, it appears that non white British would be most affected (53%)	Of the information we hold, 47% of CTR recipients are either white British or white (other)	The data does not reflect the complete picture as this information is not a mandatory part of the application process.
Sexual Orientation				No data is available as this information is not collected as part of the CTRS application process.
Religion or Belief (or No Belief)				No data is available as this information is not collected as part of the CTRS application process.
Pregnancy & Maternity			Although this data is not collected as part of the CTRS application process, we have used the information we hold to make an estimate of the likely impact. 1,016 claimants impacted by the scheme have a child under 1.	

Marriage and Civil Partnership (note this only applies in relation to eliminating unlawful discrimination (limb 1))				No data is available as this information is not collected as part of the CTRS application process.
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Stage 5b – For your employees and considering the above information, what impact will this proposal have on the following groups: Positive and negative impacts identified will need to form part of your action plan.

	Positive	Negative	Details	None – why?
Sex				Employees not affected
Gender Reassignment				Employees not affected
Age				Employees not affected
Disability				Employees not affected
Race & Ethnicity				Employees not affected
Sexual Orientation				Employees not affected
Religion or Belief (or No Belief)				Employees not affected
Pregnancy & Maternity				Employees not affected
Marriage and Civil Partnership				Employees not affected

Stage 6 - Initial Impact analysis **Actions to mitigate, advance equality or fill gaps in information**

Protected characteristic: Age	
<ul style="list-style-type: none"> 48% of claimants (excluding pensioners and those in receipt of certain disability premiums) are aged 25-44 42% of claimants (excluding pensioners and those in receipt of certain disability premiums) are aged 45-59 56% of people who will be affected by the continuation of the scheme have children under the age of 16. If unemployed or on low income their households would be exposed to additional financial pressures as a result to the changes. It could also impact adversely on child poverty 	<ul style="list-style-type: none"> Pensioners are protected from these changes so will not see any amendment in their current entitlement When calculating entitlement, all premiums, disregards and applicable amounts remain the same: <ul style="list-style-type: none"> ➤ Premiums are included in the Applicable Amount for all claimants where there are dependent children or qualifying young persons in the household. ➤ Capital belonging to a child or qualifying young person is fully disregarded ➤ Child Benefit and maintenance payments in respect of a child or qualifying young person are fully disregarded ➤ Child care costs are disregarded where appropriate ➤ More generous Applicable Amounts for 'non-passported', working-age and pensioner lone parents are given ➤ There is no change to the level of non-dependant deduction amounts. ➤ There is no change to the application of the deduction exemption for non-dependant students ➤ There is no change to Second Adult Rebate

	<ul style="list-style-type: none"> • It is recognised that certain people may find it difficult to find work due to their age; they will continue to be signposted to employment and re-skilling programmes that provide targeted support to find work. These include focused training provided by Haringey Adult Learning Services, CONEL and other Haringey based providers. • Where people have been affected by multiple welfare reform changes, they will continue to receive individual assistance including one-to-one interviews with colleagues from Housing Services and JobCentrePlus and direct referrals to support providers such as Money Advice Service or the Quaker Social Action Group.
Protected characteristic: Sex (formerly gender)	
<ul style="list-style-type: none"> • Both sexes will continue to be subject to the same rate of reduction in support and to the same rule changes. • However the majority of claimants who will be affected are female. 	<p>Female claimants will continue to be signposted to the various appropriate women specific employment and skills development initiatives in the borough, in addition to generic programmes to help people into work e.g. Haringey Adult Learning Services (HALS) and the College of North East London (CONEL)</p> <p>Where appropriate there will continue to be targeted signposting in place for local groups offering support that is gender specific such as Supamums, Jan Trust and Skills and Training Network</p>
Protected characteristic: Disability (includes people in receipt of Disability Living Allowance, Personal Independence Payment, Severe Disablement Allowance and Higher Rate Incapacity Benefit and Chronically Sick Disabled Persons Act duty)	
<ul style="list-style-type: none"> • 26% of claimants are receiving a disability related benefit. 	<p>During the consultation period for the 2013/14 scheme, respondents were asked if there was any group that they felt should be protected in addition to pensioners. The majority wanted disabled claimants to be protected and this was agreed by Full Council for the 2013/14 scheme and remained unchanged since. It is recommended that this protection continue for the 2018/19 scheme.</p> <p>Those in receipt of one or more of the following disability benefits will have their entitlement maintained at its current rate:</p> <ul style="list-style-type: none"> • Attendance Allowance • Constant Attendance Allowance • DLA - Care component (lower or middle or higher rate) • DLA – Mobility component • PIP – Daily living component • PIP – Mobility component • Exceptionally Severe Disablement Allowance • Long Term Rate Incapacity Benefit • Mobility Allowance • Mobility Supplement • Severe Disablement Allowance • WTC – Disability element

Protected characteristic: Race (formerly ethnicity)	
<ul style="list-style-type: none"> Of those who declared their ethnicity, 53% are Black and Minority Ethnic groups combined; 47% are White British and Other White category 	<p>Claimants will continue to be signposted to employment and skills training programmes to enhance employment opportunities, especially in the east of the Borough where there is a high concentration of BMEs and high levels of deprivation.</p> <p>Relationships have been built with local JobCentrePlus sites where claimants can receive information about opportunities relating to both employment and skills development. There is also access to budgeting loans to help with any work related costs (such as clothing or equipment). These will continue going forward.</p>
Protected characteristic: Pregnancy and maternity	
<p>We do not collect information about claimants' maternity status so the full impact on this characteristic is not known, however we have used the data we hold to make an estimate of the impact.</p> <p>Our records show that 1,016 claimants (9%) have children under one, as such we can assume this group of people will have been impacted by maternity leave.</p>	<ul style="list-style-type: none"> In support of the Government's initiative to promote working, provisions will continue to apply for 'non-passported' working-age claimants to delay/reduce the impact of stopping work as a result of pregnancy, maternity or paternity leave. Child care cost disregards will continue to apply where appropriate. The Government's "Healthy Start" scheme provides vouchers to pregnant women and those with children under four which can be exchanged for food, fruit and formula milk. Haringey has a number of Children Centres located across the borough bringing together a range of services such as childcare, family support, health and education and information on local services. Women who are pregnant or on maternity leave are unable to work for a set period of time and are likely to be in receipt of statutory maternity pay which may help to supplement their income. <p>Where appropriate there will continue to be targeted signposting in place for those needing support with children such as the Child Poverty Action Group (CPAG), Family Action Group and referrals to the Sure Start Maternity Grant department of the DWP.</p>
Protected characteristic: Marriage & Civil Partnership	
<p>We do not collect detailed information about claimants' marriage and civil partnership status so the full impact on this characteristic is not known, however we have used the data we hold to make an estimate of the impact.</p> <p>10% of claimants (excluding pensioners and those in receipt of certain disability premiums) have a partner</p>	<p>We will assist all customers who are facing difficulty in paying, by offering to try to alleviate any financial difficulties they may have. We hold drop-in sessions with people concerned about their ability to pay. We make extended arrangements to pay off the balance, extending into the following year if need be. We have utilised other methods of collection, such as payment direct from state benefits. We have signposted people to other sources of advice where impartial advice can be provided.</p>
Child poverty	
<ul style="list-style-type: none"> Approximately 36% of Haringey children are living in poverty (DWP 2014). High risk groups include children in workless families; children in families with 4 or more children; children in single parent families; children of teenage mothers and BME children (national data shows that poverty rates are 	<p>Child Poverty will be addressed through the Haringey 54,000 Programme with outcomes which include:</p> <ul style="list-style-type: none"> Ensuring all children in Haringey are safe and that they thrive and achieve. Ensuring families can access a high quality educational offer. Promoting resilient families by acting as a catalyst for a wide selection of high quality universal or targeted borough-based child and family activities.

<p>higher for all BME groups than for white families)</p> <ul style="list-style-type: none"> • Our records show that 3,008 CTRS claimants (27%) have children under five 	<ul style="list-style-type: none"> • Providing high quality safeguarding. <p>It is recognised that there is a need to focus efforts on addressing child needs in a different way and Haringey departments are working on inclusive strategies that look to address this.</p>
<p>Households with dependent children</p>	
<ul style="list-style-type: none"> • Over 32% of households have at least one child. • 7% of claimants have 3 or more dependents • Approximately 37% of affected claimant households are lone parents, most of whom are female. 	<p>In addition to the Child Poverty mitigation set out above, when calculating entitlement, all premiums, disregards and applicable amounts remain the same:</p> <ul style="list-style-type: none"> ➢ Premiums are included in the Applicable Amount for all claimants where there are dependent children or qualifying young persons in the household. ➢ There will be no change to the applicable amount for 'non-passported' working-age (and pensioner) claimants which includes Premiums based on household composition as well as an additional Family Premium with more generous rates for lone parents and the disabled ➢ Capital belonging to a child or qualifying young person is fully disregarded ➢ Child Benefit and maintenance payments in respect of a child or qualifying young person are fully disregarded ➢ Child care costs are disregarded where appropriate ➢ More generous Applicable Amounts for 'non-passported', working-age and pensioner lone parents are given ➢ There is no change to the level of non-dependant deduction amounts. ➢ There is no change to the application of the deduction exemption for non-dependant students ➢ Protection from non-dependant deductions where Attendance Allowance and the Care Component of PIP are received by the claimant/partner(s) will continue. ➢ There is no change to Second Adult Rebate ➢ In support of the Government's initiative to promote working, provisions will continue to apply for 'non-passported' working-age claimants to delay/reduce the impact of stopping work as a result of pregnancy, maternity or paternity leave.
<p>Unemployed (on maximum CTR entitlement)</p>	
<p>The continuation of the scheme will impact more on claimants who are currently not in work and claim maximum CTRS, this constitutes approximately 60%.</p>	<p>We will work with unemployed and people on low income to try to alleviate any financial difficulties they may have. We hold drop-in sessions with people concerned about their ability to pay. We make extended arrangements to pay off the balance, extending into the current year if need be. We have utilised other methods of collection, such as payment direct from state benefits. We have signposted people to other sources of advice where impartial advice can be provided. We encourage customers through Council employment and regeneration strategies and plans. The Tottenham Regeneration Programme is one of the core focuses of the Corporate Plan. It has people as its main objective focusing on job creation and the skilling of local people to enable them take up job opportunities.</p> <p>Claimants will continue to be signposted to employment and skills training programmes to enhance their</p>

	employment opportunities.
Claimants by area of residence (east/west of the borough)	
<ul style="list-style-type: none"> Census records show 67% of affected claimants reside in the east of the borough. The high levels of claimants in the east correlate strongly with areas of multiple deprivation, most acute in the north-east of the borough. 	Assistance for the unemployed and people on low income will continue to be addressed through various employment and regeneration strategies and plans. The Tottenham Regeneration Programme is one of the core focuses of the Haringey Corporate Plan. It has people as its main objective, focusing on job creation and the skilling of local people to enable them take up job opportunities. Through these strategies and plans the Council aims to tackle unemployment and worklessness especially in the more deprived east of the borough.
Homelessness	
<p>Of those accepted as being unintentionally homeless and being in priority housing need in 2013/14:</p> <ul style="list-style-type: none"> 40% were young people aged 16 – 30; 43% were Black or Black British; Just over 63% were lone female parents <p>Source: Haringey Council P1E returns</p>	<p>The requirement to pay Council Tax and therefore the ability to be eligible for Council Tax support is less prominent with this vulnerable group. However, it is recognised that this group will be disadvantaged by the other Welfare Reform changes.</p> <p>Haringey's Corporate Plan has the reduction and prevention of homelessness as a key priority objective with targets set against temporary accommodation placements and homelessness acceptances.</p> <p>Where appropriate there will continue to be targeted signposting in place for those presenting as homeless including organisations such as Crisis, No Second Night Out, Centrepoin, Alone in London, Causeway and CARIS (Christian Action and Response in Society). There has also been close working with the local Foodbanks in terms of physical support (assisting with shifts / managing donations) and claimant referrals, this will continue going forward.</p>
Armed Forces Covenant - war pension and Armed Forces Compensation payment	
<ul style="list-style-type: none"> 14 people in Haringey are in receipt of war disablement pension and are protected under the scheme. 	Income received from a war pension will continue to be disregarded when calculating entitlement
Welfare Reform Issues	
<p>Many claimants of Council Tax Support are reliant on state benefits. The future of many benefits is under threat from the Governments stated requirement to cut £12 billion from the national welfare bill.</p> <p>Starting in 2016, there are plans to reduce Tax Credit thresholds, thus reducing the amount of Tax Credit due to claimants.</p> <p>Other changes will begin to take effect from April 2017 and later.</p>	<p>It is recognised and understood that the Government's intent is to lift the poorest off benefits by supporting them into work and various initiative and incentives are in place to move towards this. However the barriers in place relating to unemployment, deprivation, disability and homelessness prevent this move to self reliance and self support.</p> <p>It is not anticipated that these barriers would be immediately removed and claimants achieve self reliance as a result of this scheme. Their removal will form part of longer term plans and programmes aimed at assisting claimants so they become less reliant on benefit support.</p> <p>It is recognised and understood that these changes will have a detrimental affect on individuals and where possible signposting and targeted support will be offered to those in need.</p>

	<p>Although the government has proposed to reduce the level of Tax Credits paid from April 2016, we do not propose to change our scheme to say that these customers now need less money to live on. This means that no one will have to pay more than the existing 19.8% contribution towards their Council Tax. However, customers may have more difficulty in paying the 19.8% contribution, as they will have less family income to live on. We shall continue to support all customers who tell us that they will have difficulty in paying, by offering longer payment periods, and signposting to services which can help them find a way out of poverty.</p>
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Stage 7 - Consultation and follow up data from actions set above

Data Source (include link where published)	What does this data include?
	<p>Prior to the scheme being approved by Full Council in January 2013, public consultation took place between 22 August and 19 November 2012, the outcomes of which were fed into the final scheme.</p> <p>As the scheme is not changing for 2018/19 there is no requirement to re-consult.</p> <p>Claimants will be informed with their annual Council Tax bill, that the scheme is continuing without change. The bill will also include information about the different ways to pay and advice about what to do if they think they will have difficulty paying.</p> <p>All Revenues, Benefits and Customer Services staff who deal with claimants either face to face, on the phone or in the Back Office when processing applications have been trained in assisting claimants who tell us they will have difficulty paying. Scripts and IT systems have been appropriately updated.</p> <p>Refresher briefings will be given and will incorporate any other appropriate Welfare Reform updates.</p> <p>All data connected to the Council Tax Reduction Scheme, including collection levels, is reviewed and monitored on a regular basis.</p> <p>The Scheme has to be reviewed each year and monitoring data will always be used to assess whether it should be amended or not.</p>

Stage 8 - Final impact analysis

We recommend that the Council Tax Reduction Scheme continues unchanged for 2018/19. In addition to protection for pensioners, it is recommended that the scheme continues to protect claimants in receipt of specified disability benefits.

We cannot afford to further protect any other claimants.

Around 42% of Council Tax Reduction claimants will be expected to pay towards their Council Tax – an average of £8.71 per claimant per week. The Council is under severe financial pressure and unable to further fund changes to the Council Tax Reduction Scheme.

Actions are in place to reduce possible hardship to working age claimants and families with dependents. We will make arrangements to extend the payment period, and reduce payment amounts where possible. We will signpost affected customers to services which can best assist them to help themselves out of financial difficulty. We also plan to undertake significant analysis of the effect of welfare reform and debt on our community, which will in future enable us to better support our residents. This is consistent with government intentions that people dependent on state benefits are assisted towards work, and making work pay.

We will continue to monitor the impact of the scheme in terms of individual hardship and collection rates, and where necessary make arrangements which meet the needs of the individuals yet achieve collection objectives.

These actions will be owned by the Head of Revenues and the Assistant Director, Shared Services and will be reviewed regularly

Stage 9 - Equality Impact Assessment Review Log

Review approved by Director / Assistant Director

Date of review

Review approved by Director / Assistant Director

Date of review

Stage 10 – Publication

Ensure the completed EqIA is published in accordance with the Council's policy.



Appendix A

Category	All Council Tax Reduction Scheme claimants	Impacted by Scheme (excluding pensioners and those in receipt of certain disability premiums)	% All Council Tax Reduction Scheme claimants	% Impacted by Scheme (excluding pensioners and those in receipt of certain disability premiums)	Borough of Haringey (where applicable)
Households	26,927	11,290	100%	42%	116,900
Claimant Age					Mid-yr estimate 2016
18-24	410	359	2%	3%	9%
25-44	7,177	5,431	27%	48%	38%
45-59	8,739	4,752	32%	42%	18%
60-64	2,016	731	7%	6%	4%
65+	8,583	17	32%	0%	9%
Dependents Age					Mid-yr estimate 2016
Those with dependants aged 1 and under	1,442	1,016	5%	9%	
Those with dependants aged 5 and under	3,463	3,008	13%	27%	
Those with dependants aged under 16	8,014	6,268	30%	56%	21%
Those with more than 3 dependants	951	747	3%	7%	
Count of all lone parents with dependants	5,318	4,194	20%	37%	10% (Census 2001)
Disability (based on modelling tool which counts claimants who had been awarded a disability premium as at September 2017)					Nomis (Feb 2014)
No	20,002	11,290	74%	100%	97%
Yes	6,925		26%		3%
Gender					Mid-yr estimate 2016
Male	10,629	3,988	39%	35%	50%
Female	15,658	6,986	58%	62%	50%
Unknown	640	316	Excluded (2%)	Excluded (3%)	
Ethnicity	(12,000 records had an ethnicity recorded in the 2011 Census)				Census 2011
White British	990	455	4%	4%	35%
Other White	1,285	667	5%	6%	23%
Non White	2,160	1,288	8%	11%	42%
Unknown	22,492	8,879	Excluded (83%)	Excluded (79%)	

* Source: i-World (Revenue and Benefits IT system) September 2017

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Appendix F – Equality Act 2010 – The Public Sector Equality Duty

Section 149 of the Equality Act 2010 Public Sector Equality Duty states

(1) A public authority must, in the exercise of its functions, have due regard to the need to –

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

(2) – A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).

(3) – Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to –

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4) – The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) – Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to –

- (a) tackle prejudice, and
- (b) promote understanding.

(6) – Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.



(7) – The relevant protected characteristics are – age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

(8) – A reference to conduct that is prohibited by or under this Act includes a reference to –

- (a) a breach of an equality clause or rule;
- (b) a breach of a non-discrimination rule.

Report for: Cabinet
14 November 2017

Item number: 10

Title: Haringey Education Partnership

Report authorised by : Tracie Evans, Deputy Chief Executive
Margaret Dennison, Interim Director of Children's Services

Lead Officer: James Page, Joint Assistant Director for Schools and Learning
Contact No: x3424

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1. The rapid improvement in schools and learning since the Outstanding for All report was published in 2013 has been a powerful success story in Haringey. Close partnership working between schools, the Council and unions has underpinned this success and now needs to be reinforced to build an exceptional system with the best outcomes for all of our children and young people. National policy, which aims to reduce the role of local authorities in school improvement and push schools to convert to multi-academy trusts, along with reductions in funding for Council run school improvement services, threatens to undermine this and leave our schools more isolated and fragmented. In response, the Council has been working in partnership with schools across the Borough over the past 18 months to develop detailed proposals for a not for profit 'schools company', known as the Haringey Education Partnership (HEP), to drive school improvement from 1st September 2018. Cabinet decision is required to confirm the Council's support for establishing HEP; committing to commission ongoing statutory and strategic school improvement functions through HEP; to accept the one-off cost of transition and to provide technical and financial assistance to support the set-up of the new organisation.

2. Key milestones going forward would include:

- a) November 2017 – Cabinet decision on recommendations regarding HEP
- b) January 2018 – HEP established as a legal entity and develops in transitional form
- c) February 2018 – schools' commitment for two years is secured
- d) September 2018 – HEP fully operational in time for the new academic year.

3. Potential Issues

- 3.1. The most important risks to the Council are:
 - a) Poorer outcomes for Haringey's children and young people as set out in Priority 1 / Best Start in Life if HEP is not able to maintain or improve standards in Haringey's schools
 - b) Financial loss to the Council through sunk costs if, for any reason, HEP were to fail
 - c) Reputational risk if, for any reason, HEP was not successful or the relationship between the Council and HEP were to break down.
- 3.2. As a result, Cabinet will want to be assured that HEP would both deliver high quality school improvement services and be financially sustainable. The service offer has been developed in partnership with headteachers and governors across all phases and types of schools, building on the strengths of the current service, and has been tested against the offer in similar school improvement companies in other high performing boroughs. Detailed financial modelling has been undertaken to ensure the service offer is thoroughly costed and is affordable based on the income from member schools and the Council.
- 3.3. It is also important to balance the risks against the opportunity which HEP represents and the greater risk of doing nothing as the status quo is not financially sustainable.

4. Cabinet Member Introduction

- 4.1. Every child and young person deserves the best start in life and the best opportunities to reach their full potential. Access to a great education is vital to that goal and I am immensely proud that in Haringey over 90% of early years settings and 99% of our schools are now rated Good or Outstanding by Ofsted.
- 4.2. Education in Haringey is a real success, but we know there is still more to do. We want all our young people, wherever they live in the borough and whatever their background, to do as well as they can. And we must work to close attainment gaps where they persist. We want to build on the success of Outstanding for All, and deliver on the recommendations set out in the STEM Commission.
- 4.3. Haringey Education Partnership (HEP) will support these next steps, and will help to build a truly exceptional school system. These proposals exemplify and formalise the partnership working that has been at the heart of our success so far. Headteachers, governors and the Council have worked together for over 18 months to design this model. The ownership and direction provided by our schools throughout this process means HEP will meet the needs and requirements of our schools, creating a sustainable school-to-school system of school improvement.
- 4.4. In the context of Government-imposed policy which seeks drastically to reduce the role of Councils in school improvement, and changes to the national schools funding formula, HEP will enable us to maintain Haringey's

family of schools and the collaborative relationships between them that have driven our schools system to its current position of strength.

- 4.5. We have high ambitions for our children and young people and we now have a real opportunity to develop world class education in Haringey. Haringey Education Partnership will be a key part of making this possible.

5. Recommendations

- 5.1. Cabinet is asked to agree the following recommendations:

- a) that future school improvement in Haringey should take place through a schools led school improvement company (known as Haringey Education Partnership) in collaboration with the Council
- b) the Council, along with schools buying in as members, should establish Haringey Education Partnership in early 2018 as a not for profit schools company limited by guarantee
- c) that the Council enter into a three-year contract with Haringey Education Partnership to deliver the Council's ongoing statutory and strategic school improvement functions from September 2018
- d) to provide technical and financial assistance to support the set-up of Haringey Education Partnership
- e) to maintain the current school improvement service offer until August 2018 and bear the cost of any redundancies
- f) that the Council would encourage maintained and voluntary schools to be members of Haringey Education Partnership and challenge any schools that do not buy in as to how they are accessing appropriate challenge and support
- g) to delegate to the Director of Children's Services, after consultation with the Assistant Director of Corporate Governance, to finalise and enter into an agreement with Haringey Education Partnership and take any other necessary action to give effect to the recommendations set out in this report.

6. Reasons for decision

- 6.1. There are three key reasons for establishing Haringey Education Partnership:

- a) Moving to exceptional in Haringey: Haringey Education Partnership will facilitate a schools led school improvement model to develop. This will build on the existing strengths of schools in Haringey to develop an exceptional school system with a higher proportion of outstanding schools and continue to tackle the remaining attainment gaps within and across schools in the borough
- b) National policy: the Department of Education has set out its intention to reduce the role of local authorities in providing school improvement services and driving schools towards joining multi-academy trusts. Establishing Haringey Education Partnership will maintain the partnership working between our schools and the Council, while building a schools led model of improvement

- c) Schools funding: the loss of funding to the Council through the Education Services Grant and potentially the Dedicated Schools Grant means the current service is financially unsustainable. Haringey Education Partnership will allow school improvement services to continue, and the Council to commission its ongoing statutory and strategic functions, at no ongoing cost the General Fund.

7. Alternative options considered

7.1. Three other options have been considered:

- a) Do nothing / maintain existing services: the Council could choose to maintain the current school improvement model, committing to maintain existing resources and ways of working. To date, the current model has served us well and maintained a strong partnership between the local authority and schools. However, given the reduction in funding to the local authority, this would require the Council to use the General Fund to meet the costs of school improvement. Maintaining the current model would also be counter to the direction of policy that schools will be empowered to take the lead in the system for continuing to drive up standards. And, as local authorities step back from running schools and school improvement, the ability to lead the system would be greatly diminished.
- b) Reduce or withdraw from school improvement: alternatively, the Council could choose to reduce the financial burden by providing a lower cost school improvement service or, as some local authorities have, withdraw from providing all but the minimum statutory functions. The former would not prevent the fragmentation of the school system in Haringey and would still require the Council to meet significant costs, while not delivering a school-led model. Withdrawing would reduce the costs to the Council but fundamentally weaken the ability of the local authority to influence and support schools in the borough in line with our vision for Priority 1: Best Start in Life. It would leave schools without support or challenge unless they joined a MAT (as is happening in Bromley, for example, where all schools are being encouraged to join a MAT). The local authority would also have such a limited relationship and knowledge of its schools that it would struggle to exercise its powers of intervention effectively.
- c) Trade or commission an external provider of school improvement: the Council could aim to trade school improvement services more broadly than it does currently. This would empower schools to make choices over how they use their resources for school improvement. However, purchasing services would become more transactional and choice would sit with individual schools rather than building a collaborative school led system. The Council could not trade services which are funded by schools via the DSG and would therefore either be small scale or merely substitute for DSG income. Similarly, commissioning an external provider of school improvement services would allow for transactional relationships but would not foster school collaboration and there would be no guarantee of universal coverage, leading to fragmentation.

- 7.2. A large majority of our schools (represented by their Headteachers and Chairs of Governors) have proposed progressing the future of school improvement via the HEP model. This conclusion was reached following extensive consultation and discussion on how best to develop the best possible school improvement service for the future.

8. Background information

- 8.1. We can rightly be proud of the quality of education in Haringey. Improvement has been rapid and sustained across all of our schools over the past four years since the Outstanding for All report was published in 2013. Parents are currently able to choose from good or outstanding provision in over 90% of early years settings and 99% of schools (including all our nursery, secondary and special schools). In 2016, Haringey bucked the national trend with a large increase in GCSE results; pupil progress was in the top 10 local authorities nationally; and our looked after children achieved the best GCSE results in the country. Provisional results in 2017 again show strong attainment and progress for Haringey's learners, though we are still waiting for final data and national comparators to be made available.
- 8.2. This represents a real success story for the borough and we can say confidently we now have a solidly good school system right through from early years to post-16. Our progress also received national recognition when Haringey won the LGC award for children's services in 2016. Yet our ambition is to push further and develop a truly exceptional system for all of our children and young people. We want to continue to increase the proportion of outstanding schools in Haringey; we want our children to be performing not just above national averages but well above London averages and in at least the top quartile. And every child must mean every child: despite our recent achievements, we know unequal outcomes (including on wider measures such as exclusions) remain within and across our schools.
- 8.3. Having exceptional schools for all our children and young people is the most effective means not only of closing the attainment gap but providing the best possible opportunities for our children and young people. Irrespective of each young person's circumstances, through their education we want them to be able to enter good, sustainable employment and achieve their full potential.
- 8.4. The need for change:
Working in close partnership with our early years settings, schools and Further Education settings, Haringey's school improvement services have been critical to our current achievements in the Borough. School Improvement Advisers and the early years quality team are linked to every school in the borough to work with schools leaders to set high standards, track progress and assess risk across the system as well as driving strategic priorities including the STEM commission recommendations, improving black and minority ethnic (BME) achievement and reading at Key Stage 2. This is supported by detailed data analysis, which is among the best

nationally, alongside excellent governor support services, CPD and delivery of statutory functions.

8.5. Whilst we need to retain and build on these strengths, the status quo cannot continue. There are three reasons change is now required:

8.6. *National policy*

The Department for Education (DfE) set out its vision in the 2016 White Paper 'Educational Excellence Everywhere'¹ based on the idea that "good schools will lead school improvement across the country, spreading the interventions and approaches which really work, taking charge of their own improvement and collaborating with others in a genuinely school-led system." Whilst DfE has rowed back on its stated ambition for all schools to join a multi-academy trust (MAT), there remains a strong drive to push maintained and voluntary schools towards academisation. DfE also wants to develop a comprehensive national network of teaching schools and national, local and specialist leaders in education (known as NLEs, LLEs and SLEs) as the engine for school improvement.

8.7. In this model, despite retaining a number of statutory functions, the role of local authorities would be much more limited as over time they are required to "step back from running schools and school improvement". Despite recognising that some local authorities have been effective in promoting high standards in schools, the DfE has said that it will review local authorities' responsibilities with a view to limiting this to just three areas: ensuring every child has a school place; ensuring the needs of vulnerable pupils are met; and acting as champions for parents and families. There is currently no timeline for this, leaving local authorities like Haringey which retain a strong relationship with schools, in a position of uncertainty.

8.8. *Schools funding*

Following the direction of national policy, school funding is also changing significantly. Funding is being diverted from local authorities to teaching schools, MATs and developing NLEs, LLEs and SLEs. The Education and Skills Funding Agency (ESFA) has already removed the Education Services Grant (ESG) from local authorities as of September 2017, which has led to a funding reduction in Haringey from £2.784m in 2016/17 to £1,345k (including transitional funding) in 2017/18 and £550k in 2018/19 and beyond. This represents a loss of £795k for school improvement specifically, which has had to be mitigated through the General Fund.

8.9. Simultaneously, the government is removing the option for local authorities to top-slice the Dedicated Schools Grant (DSG) to fund school improvement initiatives through the National Funding Formula (NFF). The potential loss of 'de-delegated' budgets from schools in 2018/19 would put at risk a further £612k used by the Council for school improvement, bringing the total potential loss of schools improvement resource to the Council from 2018/19

¹ Department for Education: Educational Excellence Everywhere (2016)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508447/Educational_Excellence_Everywhere.pdf

to £1.407m. Without mitigating action, this would place an unsustainable pressure on the General Fund.

- 8.10. Whilst some funding for school improvement could potentially be protected in future DSG allocations under the new NFF (up to £484k which is centrally retained) and a new School Improvement Monitoring and Brokering Grant (worth £136k in Haringey in 2017/18 and still to be confirmed by DfE in future years) is being introduced, this would not nearly replace the funding lost by the Council and leave a net pressure of £1.277m.
- 8.11. Haringey schools, as elsewhere, are already facing severe financial constraints even before the introduction of the NFF. In 2016/17, 66% of Haringey's schools ran an in-year deficit and a significant minority have already requested emergency loans and licensed deficits from the Council. As a result, every pound is under pressure with less money available for school improvement.
- 8.12. *Moving to exceptional in Haringey*
In line with the vision set out in the Corporate Plan, our ambition is not to use reduced resources as a reason to manage decline. Instead we want to use the opportunity to build on our current successes to develop a truly exceptional school system and give our children and young people the best start in life.
- 8.13. The national picture provides both challenge and opportunity so we will need to take control of the future of school improvement and design a model that works for Haringey. We know from international evidence² that sustainably outstanding systems are driven by schools, so it is right that our schools are empowered to lead together, with support from the local authority. However, there is a real danger of the Haringey school system fragmenting, with the local authority no longer able to provide universal, high quality school improvement services and our schools being left isolated. Forcing our schools to join MATs (where they are not already a member of one) or purchase services school by school on a transactional basis, as envisioned by national policy makers, risks undermining the key feature of successful school improvement in Haringey.
- 8.14. Close partnership working between our schools and with the local authority and unions, recognising what each can offer, has been a cornerstone of the improvement journey in Haringey and is our biggest asset going forward. Moreover, strong relationships between the Council and schools sit at the heart of delivering Priority 1 in the Corporate Plan: enabling every child and young person to have the best start in life, with high quality education. Excellent outcomes in early years, schools and post-16 provision make up the first three objectives in Priority 1. More widely, maintaining strong relationships with schools is also fundamental to delivering the Council's wider objectives for children and young people in terms of being healthier and happier, providing early help and safeguarding.

² Hargreaves, D: A self-improving school system in international context (2012)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325905/a-self-improving-system-in-international-context.pdf

- 8.15. The future model of school improvement in Haringey:
Officers and members have worked closely with our schools over the last 18 months to develop options for the future of school improvement services. As set out in paragraph 7.1 above, three options have been considered and discounted.
- 8.16. Instead, working in partnership with headteachers and governors across the borough through the School Improvement Steering Group, we have developed a fourth and optimal option that the future of school improvement in Haringey should be developed through a schools led school improvement company.
- 8.17. A 'schools company' is broadly defined under the Schools Companies Regulations 2002 as a company set up to provide, facilitate or purchase services for schools and exercise relevant local authority functions. Schools companies are owned, governed and led by a group of schools in partnership with the local authority, with full membership open to schools that are located in a particular geographical area and a wider associated membership open to other schools and agencies with an interest.
- 8.18. The main benefit for a group of schools owning and leading such a company is that it allows the local schools as the principal beneficiaries and customers to directly shape the services and agendas that the company delivers. Joint ownership of the company would also help consolidate closer collaborative working between schools, particularly if (as in Haringey) the group reflects a diverse range of maintained schools, voluntary aided schools and academies. And, at a time when all school budgets are under severe pressure, financial modelling demonstrates that schools would be able to access school improvement services at significantly lower cost.
- 8.19. For the Council specifically, this model has the potential to:
- a) Ensure a deep partnership continues with the vast majority of schools in the borough across early years, primary, secondary, special and post-16 settings
 - b) Deliver excellent school improvement services across the borough at no ongoing cost to the General Fund
 - c) Provide a simple solution for commissioning statutory and strategic functions in relation to schools.
- 8.20. More broadly, continuing to work with schools to create an exceptional school system is key to realising the ambitious outcomes for Haringey's children and young people set out in Priority 1: Best Start in Life in the Corporate Plan.
- 8.21. Several boroughs have already established, or are in the process of developing, their own school led partnerships (see Appendix 1 for examples across seven other local authorities). There is no single blueprint and we are working with headteachers and governors to 'co-design' a school company fit for purpose in Haringey – currently known as the Haringey Education Partnership (HEP).

- 8.22. Haringey Education Partnership:
Building on the work of the School Improvement Steering Group (SISG) over the past 18 months, the Strategic Planning and Partnership Board (SPPB) was established in April 2017 to develop detailed proposals for HEP on behalf of the Council and schools across the Borough. The Board is chaired by the Lead Member for Children's Services (LMCS) and includes the Assistant Director for Schools and Learning, along with nine headteachers and governors elected to represent each phase and type of school. SISG continues to operate, chaired by Fran Hargrove, headteacher at St Mary's Church of England Primary School, in parallel in order to continue to consult widely with other headteachers and governors on decisions relating to HEP and to inform decision-making at SPPB.
- 8.23. A huge amount of progress has been made on setting out the vision for HEP and designing, testing and validating the offer. This culminated in a draft brochure for HEP being agreed by SPPB and presented to Heads at the annual headteacher conference in July, where the feedback was highly positive.
- 8.24. The decisions taken by SPPB are set out below:
- 8.25. *Legal and governance*
As a schools company, HEP would be owned by the local authority and schools buying in to the membership offer.
- 8.26. HEP would be set up as a company limited by guarantee. This is because:
- a) It is relatively straightforward to set up, limits the risk to individual members and has a low burden of administration
 - b) There is a well-founded precedent in other local areas
 - c) Companies limited by guarantee attract a lighter burden of regulation than companies limited by shares and have an extremely flexible model of membership and governance that can be easily tailored to local requirements
- 8.27. The company would by default be a school company. This is because the regulations on school companies automatically apply to any company which includes maintained schools in its membership.
- 8.28. Once constituted, schools would become members of HEP with a high degree of control and oversight over the organisation. Schools would have the right to vote for non-executive directors and on a range of decisions that are of significance.
- 8.29. In the event of the company becoming insolvent members would be liable for only a nominal contribution (normally set at £10) to the winding up of the company.
- 8.30. Governance would take place through a board of directors, comprising both executive and non-executive directors:

- a) Non-executive directors are normally unpaid posts. They would collectively be responsible for: setting the strategic direction of the company; holding the management of the company to account; providing a creative contribution to the board by providing objective criticism; and ensuring that the company is financially sound
 - b) Executive directors have the same legal responsibilities in the provision of good governance and strategic leadership of the company as non-executive directors. However, executive directors are paid posts and would be delegated the management responsibility for the organisation.
- 8.31. It would be the responsibility of the non-executive directors to appoint a Managing Director to be an executive director on the Board and to oversee the effective management of the company on a day-to-day basis. It is also likely HEP will want to appoint an independent chair of the Board.
- 8.32. Whilst the Council would retain at least one officer on the Board, it would not have a controlling interest in HEP. In line with taking a schools led approach, elected representatives from schools (both headteachers and chairs of governors) would collectively make up the majority of the non-executive directors on the Board.
- 8.33. *Scope, offer and cost to schools*
Membership of HEP would be open to all schools in Haringey across each phase (early years, primary, secondary, post-16) and type (maintained, academies, voluntary aided / controlled, special schools and FE colleges).
- 8.34. Reflecting the collective ownership and responsibility, the new organisation must provide more than a purely transactional service offer. Schools would be buying into a core membership offer which is tied to an agreed way of working and ensures an open and accountable environment with no school left behind. Over and above this, there would also be a traded element so schools can tailor the specific support they want to receive, either from other schools in the borough or from the best nationally. A draft of the detailed membership offer and traded elements are set out in Appendix 2.
- 8.35. *Finance*
The membership offer for HEP has been designed to be as lean and cost effective as possible, leaving schools to choose to commission additional bespoke services as required.
- 8.36. The financial viability of HEP is set out in more detail in Appendix 3. The key variable is securing the buy-in of the large majority of schools across phases and types. This will only be sustained if HEP is properly resourced and manages to deliver consistently high quality results.
- 8.37. Having worked extremely closely with our headteachers and governors to test their level of commitment, we are confident that HEP would achieve the initially required level of buy-in to be financially sustainable over the medium term. We expect schools to buy-in initially for two years to provide sufficient stability for HEP to develop with a secure income. Over time HEP would also expect to grow, potentially beyond Haringey, and find additional sources of income including through the traded offer.

- 8.38. On the assumption this is achieved, the current core offer can be delivered within a pricing framework to schools based on:
- a) £19 per pupil for nursery, special and primary schools, with a £12,500 cap. This works out approximately as follows:
 - i) 1FE primary with nursery - £4,978
 - ii) 2FE primary with nursery - £8,474
 - iii) 3FE primary with nursery - likely to reach the cap of £12,500 depending on numbers
 - b) £12,500 per secondary school without a sixth form
 - c) £15,000 per secondary school with a sixth form
 - d) £7,500 for FE Colleges.
- 8.39. Although this pricing framework is higher than in some other school improvement companies, it is nonetheless significantly lower than the amount currently paid to the Council by schools to deliver school improvement services. It also represents a fully costed and sustainable model in contrast to some other local authorities which have substantially subsidised the initial cost to schools of buying in.
- 8.40. Currently, this does not include a working budget for NLCs, but does include payment to the Chairs for co-ordinating the work. Should each NLC elect to hold a working budget of £10,000 in addition, this could either continue to be top sliced through the centrally retained element of the DSG or the per pupil price would rise to approximately £24 with the caps remaining the same in order for HEP to maintain the same operating margin.
- 8.41. Additional services would continue to be delivered at additional cost through the traded offer. However, this also creates an opportunity for schools in the borough to trade their services for a fee and therefore to develop an income. Teaching Schools would be well placed to do this, but this option would be encouraged and supported for all schools.
- 8.42. The current modelling also assumes an income stream from the local authority to commission statutory and strategic functions. This will be met through the new School Improvement Monitoring and Brokering Grant, which is expected to be worth £136k in Haringey in 2017/18, with allocations for future years to be announced by ESFA. In addition, traded services including CPD, additional school improvement and governor support services (which produce a modest income that is reinvested in the schools and learning budget) would transfer from the local authority to HEP.
- 8.43. Operating margins are tight on this modelling and proposals for the Council to provide further technical and financial assistance to support the set-up of HEP are set out below.
- 8.44. *Staffing*
The staffing model for HEP has been established on the basis of having a small team of approximately 10 directly employed staff (as set out below) to carry out functions that support the core offer. This capacity would retain a core understanding of the system and win the trust of schools by co-

ordinating a high quality core offer. On top of this, HEP would be looking to commission a further number of days from the best possible improvement professionals to enhance the offer to schools.

- 8.45. The initial expectation is that the following roles would be required in the core model. While some assumptions have been made in the finance modelling to cover the core membership offer, there are still significant variables (such as the number of schools buying in and the scale of demand for traded elements on top of the core offer) which would determine the exact capacity requirements:
- a) **Managing Director:** who would lead the organisation, oversee the quality assurance and health check of all schools and get involved if needed with schools in difficulty, oversee termly categorisation, and lead and support the brokering of access to high quality support from others.
 - b) **Data Manager (part-time):** who would lead the analysis of school data and provide inputs to HT briefings, and limited advice to schools and governors around data issues.
 - c) **Lead Improvement Partner(s):** who would oversee the annual health check process and lead conversations with schools in difficulty, lead the categorisation process and participate at NLC level in support for the Peer Review process. They would be heavily involved in the brokering and commissioning of support and they would also oversee and support the ITT and NQT Accreditation.
 - d) **Contracted Improvement Partners:** who would undertake the annual health checks, validation of the School Evaluation Form (SEF) and School Development Plan (SDP), safeguarding checks and website compliance. They would provide inputs into brokering conversations, briefings and RAG ratings. The core model assumes a pot of over 70 days to be used on a flexible basis to procure the services of external consultants to carry out these activities, though this would need to be flexible based on demand.
 - e) **Administrator:** would support schools in undertaking annual website and safeguarding compliance checks. Would also be heavily involved in the brokering and commissioning of support and in facilitating and organising subject network meetings and moderation. Significant amount of their time would be supporting the ITT and NQT accredited body function.
 - f) **Finance Manager (part-time):** who would be responsible for the financial health of the partnership. They would produce financial reports and conduct related accounts administration. The Finance Manager would also advise the Managing Director and the board.
 - g) **Statutory Lead Officer:** would undertake the range of statutory functions that the Local Authority commissioned the partnership to undertake on its behalf such as Statutory moderation, SATs process checks, SACRE plus maintaining professional links and providing relevant briefings for its schools.

8.46. As above, governor support services (two full time staff and clerks on rolling fixed term contracts) would also transfer 'as is' from the Council to HEP by September 2018. HEP would also expect to purchase capacity from the current Early Years quality team to work with nursery and primary schools.

8.47. In addition, whilst there is no legal requirement to have a company secretary, there would still be a need to discharge statutory duties such as filing accounts and annual returns at Companies House, keeping the statutory books up to date, filing resolutions and forms at Companies House such as when a director resigns, is appointed or moves home. This could be an appointee or bought in.

8.48. HEP will be fully operational by September 2018 and this will have implications for staff currently delivering school improvement services in the Council. Any staff transfers will follow advice on TUPE regulations and follow all Council HR policies and procedures.

8.49. Key decisions and considerations for Cabinet:

8.49.1. Agree that future school improvement in Haringey should take place through a schools led school improvement company (known as Haringey Education Partnership) in collaboration with the Council

a) What is being requested?

- i) The Council is being asked to change the way it delivers its statutory and strategic functions for school improvement and that these would in future be delivered through a 'schools company'
- ii) To continue working with SPPB to design the offer and structure of HEP up until the organisation is established with its own governance and Managing Director in place
- iii) To continue working with schools to promote HEP and maximise buy-in.

b) Key considerations

- i) Establishing a school led school improvement company entails an important shift from in-house service provision. Whilst this will require contracting out services, this would be on a non-competitive basis to a company for which the Council would be the supervising authority and be represented on the Board
- ii) There are risks with setting up a new company – as set out below. However, we believe these are limited and can be significantly mitigated. The status quo is also no longer viable
- iii) HEP is being co-designed with schools and the Council does not have ultimate control of decision-making
- iv) LMCS and the Assistant Director for Schools and Learning are members of SPPB and vote on all matters on behalf of the Council. However, it is worth noting that schools (collectively) represent the majority of votes at SPPB.

8.49.2. Agree the Council, along with schools buying in as members, should establish Haringey Education Partnership in early 2018 as a not for profit schools company limited by guarantee

a) What is being requested?

- i) To set up a legally separate entity called Haringey Education Partnership as a 'school company', which would be not for profit and limited by guarantee
- ii) As set out in the 2002 School Companies Regulations, the Council is required to act as the 'supervising authority' to ensure the school company is run on a sound footing and to enable maintained schools to become members. This does not, however, entail any financial liability for the Council, a specific role in running the day to day organisation or responsibility for managing HEP's accounts
- iii) The Council would be a member of the new company and play a full role in the governance of the organisation in line with its Articles of Association. Whilst the Council would be the supervising authority and the Council would retain at least one officer on the Board, it would not have a controlling interest in HEP and the Board is likely to be chaired by an independent appointee
- iv) The setup would take place in advance of September 2018 in order for the company to be fully staffed and operational by that point. It is expected this would take place in January 2018 in order to receive funding from member schools and the LA from April 2018.

b) Key considerations

- i) Following the arguments set out in Appendix 4, SPPB is proposing that a company limited by guarantee is the right vehicle for HEP. Alternatives to becoming constituted as a company have been discounted, including setting up as a limited liability partnership or a cooperative or community benefit society. Similarly, alternatives to being limited by guarantee have been discounted, including being limited by shares (preferable for redistributing profits) or becoming a community interest company
- ii) Also covered in Appendix 4, SPPB has decided that HEP should not pursue cooperative status and, at present, there is no advantage to seeking charitable status (though this does not preclude doing so in future)
- iii) It is currently proposed the non-executive board would closely match the membership structure of SPPB. This would entail the Council continuing to be represented on the board of HEP through the Director of Children's Services or Assistant Director for Schools and Learning alongside headteachers and governors elected to represent the sector.

8.49.3. That the Council enter into a three-year contract with Haringey Education Partnership to deliver the Council's ongoing statutory and strategic school improvement functions from September 2018

a) What is being requested?

- i) For the local authority to take a decision to commit to a clearly defined set of functions being provided by HEP. These are set out in Appendix 5 and include responsibilities relating to curriculum and assessment, religious education, governor support, inspection and intervention, CPD and providing safeguarding advice amongst others
- ii) The annual cost of providing these services through HEP has would be met by the Council through the new School Improvement Monitoring and Brokering Grant (worth £136k in Haringey in 2017/18 with future allocations to be announced by ESFA)
- iii) Traded services including governor support services, CPD and school improvement would transfer from the Council to HEP as these are integral to school improvement
- iv) Schools will be required to commit to membership of HEP for two years initially. The Council is asked to contract with HEP for three years to provide stability for the organisation at the point of renegotiating membership with schools
- v) Funding for school improvement which is currently received by the Council through the centrally retained element of the schools block in the DSG would also need to be passported to HEP in future minus any remaining costs with the Council. This is currently worth £484k per annum, £150k of which is used to fund networked learning community activity.

b) Key considerations

- i) The Council has already lost £795k for school improvement as part of the ESG. The pressure on the schools and learning budget has had to be mitigated through the General Fund in the short term but needs a long term financially sustainable solution
- ii) There is no ongoing cost to the General Fund from commissioning services through HEP as the new School Improvement Grant would cover the cost of the statutory and strategic functions carried out by HEP
- iii) Based on the current DSG profile, two principal elements would be passported across from the Council to HEP: £484k centrally retained / central services and £612k de-delegated element. Schools forum would need to decide if this remains the right allocation of funding (including differences between academies and maintained / voluntary schools) in the budget for the new financial year (2018/19) and how it fits with the membership fee for schools outlined above
- iv) There would be an impact on three areas of traded services: governor support, CPD and school improvement, each of which would transfer to HEP. This would have only a marginal impact on the Council's budget (and make no difference to current DSG arrangements). Governor support currently receives £130k from the DSG and £10k for servicing schools forum, on top of which the service generates an income of approximately £70k. School improvement and CPD generate income of approximately £30k. The income generated is used to subsidise school improvement, so this would not have a material impact on the Council budget and would remove the risk of additional costs if traded income was to reduce.

- v) In order to be exempt from legal restrictions on procurement and competitive tendering, the company would need to have equal representation of members, no external private investment and cannot trade in excess of 20% externally (ie not with members). None of these are expected to be a problem and therefore the Council and schools are free to commission services through HEP on a non-competitive basis.

Table 1 – summary of school improvement funding relating to HEP

Funding source	Proposed future arrangement	Comments
£795k – ESG	Partly covered by transitional funding to September 2017, then lost entirely	Shortfall has had to be mitigated from the General Fund and is not financially sustainable
£484k – DSG centrally retained (ie top sliced from all schools)	£484k retained in central schools services block in DSG (subject to Schools Forum agreement)	This funding would be passported in its entirety from the Council to HEP. Schools forum would need to decide how this is used against the membership fees for schools. This funding would also continue to be used to support Networked Learning Communities and other school to school support
£612k – DSG de-delegated (i.e. top sliced from maintained schools) for support to underperforming ethnic minorities	£612k retained (subject to Schools Forum agreement)	In principle this would be passported in full from the Council to HEP. However, schools forum would need to decide on the level of funding that continues to be de-delegated and how this counts against HEP membership costs over and above the centrally retained
£130k – DSG governor services £10k – DSG servicing schools forum	£140k retained (subject to schools forum agreement)	This funding, along with the governor service and servicing of schools forum, would be passported in full from the Council to HEP. This would include the traded income generated by governor support (as below)
£136k – new School Improvement Monitoring	£136k retained (future allocations from 2018/19)	This funding is received directly by the Council. It

and Brokering Grant	still to be announced by ESFA)	would be paid to HEP to cover the delivery of the Council's ongoing statutory and strategic functions
£9k – DSG school improvement from the High Needs Block	£9k retained (subject to schools forum agreement)	In principle this would be passported in full from the Council to HEP. However, schools forum would need to decide on the level of funding that continues to be de-delegated and how this counts against HEP membership costs
Traded services income generated by: additional school improvement and CPD	Continues with HEP	Current income generation on traded services in these specific areas (ie not areas such as HR, Education Welfare etc which would remain with the Council) would transition to HEP and form part of the traded element

8.49.4. Agree to provide initial technical and financial assistance to support the set-up of Haringey Education Partnership

a) What is being requested?

- i) To provide financial support to HEP through one-off funding to provide £150k working finance and £200k for business development and innovation
- ii) To provide the financial support through one-off capital funding for the initial development of HEP, including the recruitment to the Managing Director post, salaries and capacity prior to April 18, and legal, HR and financial advice to establish the company. This is expected to cost up to £250k
- iii) Allow HEP to use Council accommodation and IT for staff and provide access to a suitable venue for delivering CPD and briefings

b) Key considerations

- i) The financial modelling for HEP has been undertaken on a lean model to reduce the cost to schools. However, this means that operating margins are thin and, to build financial resilience, HEP would almost certainly require upfront support and access to working capital while the business develops and strengthens. HEP has been designed and costed to deliver a financially sustainable service
- ii) We know that other local authorities are providing extensive financial support and income streams to their schools company. For example, Camden local authority is providing support worth £1.722m to the Camden Schools Led Partnership (CSLP) by the end of 2017/18,

- covering set up costs, hosting arrangements and facilitating staffing arrangements such as secondments
- iii) Regulations on restricting state aid to companies have been considered in relation to the support requested above. Other local authorities have provided significant financial support to the develop their school improvement companies. Having taken legal advice, state aid rules are not considered to be a barrier to these proposals
 - iv) The understanding in putting this paper together is that it is preferable to use the capital budget rather than revenue, so this would not worsen the Council's revenue position.

Table 2 – Summary of support for HEP from the local authority

Support	Amount requested	Comments
Working finance (loan to be repayed)	<u>£150k</u>	The operating margins are thin and for HEP to have realistic financial resilience it would need to have access to additional funding as it grows and gets stronger in the early years. There is no other obvious source for this.
Development costs 1. <i>Recruitment</i> 2. <i>Capacity pre-September 2018</i> 3. <i>Accommodation, website, legal, HR, website, office supplies</i>	<u>£250k</u> £40k £105k £105k	1. Recruitment costs 2. 5 months of MD cost (£55k) + £50k to buy additional capacity 3. Estimate based on 3x full year of 'fixed costs' in financial modelling
Business development 1. <i>Developing core offer and traded element</i> 2. <i>Enhanced innovation fund for schools to bid for</i>	<u>£200k</u> £150k £50k	HEP would need to refine the core offer and develop a highly effective traded element with initial investment in capacity to do so. An innovation fund for schools would support evolution of NLCs and secondary school improvement focus

8.49.5. Agree to maintain the current school improvement service offer until August 2018 and bear the cost of any redundancies

- a) What is being requested?
 - i) To keep current staff and services in place for the remainder of the 2017/18 academic year before HEP is fully operational in September 2018 in order to maintain service continuity and support handover to HEP
 - ii) To bear the cost of keeping current staff in post from April to August 2018, estimated at £250k. This represents a saving against

maintaining services for the remaining seven months of the financial year which would have to be found from the General Fund

- iii) To bear the cost of any redundancies for current members of staff through capital funding. The cost of this cannot be known before the staffing structure in HEP is finalised along with legal advice on TUPE requirements and potential staffing arrangements between HEP and the Council.

b) Key considerations

- i) HEP would not be operational before September 2018 and the Council would need to continue to deliver its statutory and strategic functions up until that point
- ii) It may be possible to come to an arrangement with Schools Forum to maintain funding for current services for five months as part of the transition to HEP, but this would have to be negotiated and cannot be assumed
- iii) Modelling suggests the maximum redundancies could cost the Council is £275k, but this figure is for risk planning purposes only and is not in any way to predetermine the staffing arrangements with HEP in future.

8.49.6. Agree that the Council would encourage maintained and voluntary schools to be members of Haringey Education Partnership and challenge any schools that do not buy in as to how they are accessing appropriate challenge and support

a) What is being requested?

- i) For the Council to actively promote membership of HEP to all schools in the borough (including academies)
- ii) For the Council to challenge maintained and voluntary schools to provide evidence that they are able to access an equivalent level of challenge and support if they do not seek to take up membership of HEP.

b) Key considerations

- i) It is a central argument for establishing HEP that the Council and schools wish to maintain partnership working and not allow the school system to fragment
- ii) Whilst the Council has no powers to direct maintained or voluntary schools to become members of HEP, the Council does retain responsibility for ensuring schools have adequate support and challenge and to intervene where there are concerns over standards.

8.49.7. To delegate to the Director of Children's Services, after consultation with the Assistant Director of Corporate Governance, to finalise and enter into an agreement with Haringey Education Partnership and take any other necessary action to give effect to the recommendations set out in this report.

8.50. Summary of risks for the Council

There are a number of risks to the Council that Cabinet would wish to consider in making decisions on the recommendations in this paper. We believe these are limited or can be significantly mitigated.

- 8.51. It is also important to balance the risks against the opportunity which HEP represents to develop the next stage of school improvement in Haringey and the risk of doing nothing when we know the status quo is not sustainable.

Table 3 – Risk and mitigation

Risk	Mitigation
<p>Transition to HEP and government changes result in poorer outcomes for Haringey's children and young people as set out in Priority 1: Best Start in Life</p>	<p>HEP fits with the international evidence that sustainably exceptional systems empower schools to lead improvement and work collaboratively. It also fits with the direction of policy with teaching schools and other system leaders to play a more prominent role and access new funding streams</p> <p>The Council's statutory powers of intervention are not changed and HEP maintains the relationship / knowledge of schools to enable the Council to exercise these powers effectively</p> <p>Maintaining a partnership with schools is necessary to continue achieving Priority 1 outcomes which are educational outcomes and more widely in relation to health, early help and safeguarding</p> <p>The Council would maintain existing personnel and school improvement services to cover the 2017/2018 academic year before HEP is fully operational</p> <p>The Council would have representation on the Board of HEP and would be able to contribute to challenging and holding the Managing Director to account for performance</p>
<p>Schools do not continue to buy into HEP services in sufficient numbers to maintain a financially viable services</p>	<p>Schools will make a choice as to whether or not to buy in again every two years, which will be determined by the quality of the service provided and school to school support</p> <p>The service offer has been tested with schools to ensure the core membership offer meets the needs of each phase and type of school</p> <p>The service offer is financially sustainable so the price is unlikely to increase significantly in year 3, unlike some other comparator boroughs where initial</p>

Risk	Mitigation
	<p>prices have been artificially lowered through large Council subsidies</p> <p>HEP will also be able to build an increasing revenue through the traded services over time to develop a more robust income and operating margin.</p>
<p>Additional costs are borne by the Council in the transition to HEP</p>	<p>No decisions have yet been taken on recruitment, so the precise cost of redundancies is not yet known. Cost projections have been modelled on a least favourable case scenario</p> <p>We will present the case to Schools Forum to continue current funding arrangements up to September 2018 to support the cost of maintaining the current school improvement service for the 2017/18 academic year before transitioning to HEP. Schools forum could decline this, leaving a potential funding pressure for the Council. We are working to develop full budget proposals to take to Schools Forum in December for budget setting. If this is not agreed, the Council could decide to reduce the offer available between April 2018 and August 2018</p> <p>There is a potential funding gap for the Council when HEP is fully operational in September 2018 as overheads (charged corporately to the Schools and Learning budget) would no longer be available to the Council. This will need to be clarified in the budget setting for the Central Schools Services Block with Schools Forum</p> <p>If changes to DSG funding for HEP are agreed at Schools Forum there could potentially be a knock on impact for other Council services supported through Schools Block. However, (i) there is no direct relationship between school improvement funding and other areas and (ii) there is no request for increasing funding for school improvement due to HEP, therefore there should not be a squeeze on other areas of funding.</p>
<p>Additional costs are borne by the Council if HEP is not financially sustainable</p>	<p>There is no ongoing request for funds through the General Fund. The contribution to HEP from the Council would require the passporting of the new School Improvement Monitoring and Brokering Grant and any DSG funds designated for school standards and governor support through to HEP</p> <p>Whilst, on current modelling, operating margins for</p>

Risk	Mitigation
	<p>HEP are tight on the core membership offer alone, this does not include any traded income or assume that set up costs would be supported by the Council. Both of these would make HEP more financially sustainable, along with developing a wider income as a core part of business development</p> <p>School buy-in will be the key variable for the financial sustainability of the organisation. Schools have not at this stage confirmed they will buy-in. However, we have worked extensively with schools to secure ownership and buy-in to the model and confidence is high that we will meet the targets which have been modelled</p> <p>As HEP would be a company limited by guarantee, the Council and each member school would face only a nominal cost (likely to be £10) if HEP were to become insolvent</p> <p>There is a risk, if HEP were for any reason to be in financial distress, the Council might choose to provide further support. This has been mitigated through developing a financially sustainable model for HEP.</p>
<p>Inability to collaborate effectively leads to a breakdown of relationship between LA and / or schools and HEP</p>	<p>The Council and schools make up the Board of HEP and would therefore be able to challenge and hold the Managing Director to account jointly for both collaborating effectively and delivering the highest standards</p> <p>The Council would have a legally binding contract with HEP setting out the outcomes required for delivering the statutory and strategic services provided</p> <p>If the Council decided HEP was not delivering wider benefits across Haringey or adequately supporting partnership working between the Council and schools, the Council would be free to explore different options at the end of the contract.</p>
<p>Failure of HEP leads to reputational damage for the Council</p>	<p>Failure of HEP or a drop in standards would have a negative impact on the Council's reputation for excellence with residents, DfE and more widely</p> <p>However, maintaining the status quo is not possible and HEP represents the best opportunity not only to maintain standards but to push further to deliver an</p>

Risk	Mitigation
	<p>exceptional school system</p> <p>It is therefore in all the stakeholders' interests to work collaboratively to ensure success.</p>
<p>Long term failure of HEP to be financially viable or to achieve improved outcomes leaves</p>	<p>Should HEP fail due to lack of buy in, it is unlikely the Council would want to bring a service back in-house. A more viable solution would be to support schools to commission their support and challenge from an alternative provider of school improvement services.</p>
<p>Staffing of HEP is not affordable or sufficiently high quality to carry the confidence of the LA and schools</p>	<p>No decisions have yet been taken on staffing in HEP or tested with existing Council staff who might be affected. Options (including alternatives such as secondments) can only be addressed when the HEP staffing structure is finalised and appointed to</p> <p>TUPE implications are still being worked through, but could potentially risk (i) unsustainable costs to HEP and / or (ii) undermine a key benefit to schools in being involved in appointing staff in HEP</p>

8.52. Timeline:

Key milestones include:

- a) November 2017 – Cabinet decision on recommendations regarding HEP
- b) January 2018 – HEP established as a legal entity and develops in transitional form
- c) February 2018 – schools' commitment for two years is secured
- d) September 2018 – HEP fully operational

8.53. A timeline for key activities is attached in Appendix 6.

9. Contribution to strategic outcomes

9.1. The creation of a Haringey Strategic Partnership would contribute towards Priority 1 of the Corporate Plan by ensuring that all schools retain challenge and support from outside of the school to further raise and develop standards and the delivery of education in our schools.

10. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

11. Finance comments

11.1. Current approach

The Council has to date funded school improvement services from a combination of ESG and the delegated element of DSG but is facing both a

withdrawal of ESG from September 2017 and the loss of DSG resulting from changes to the National Funding Formula from April 2018.

11.2. Offsetting these losses will be new money coming in through the School Improvement Monitoring and Brokering grant from DfE. However, this will be insufficient to mitigate the pressures on the General Fund, making the current position unsustainable.

11.3. Future position

The creation of HEP would mean providing £1.381m of resources from the Council and schools to HEP made up of:

Table 4 – Future Position

Spending block	£	Comments
DSG Central School Services Block for School Standards	£484k	To be agreed with Schools Forum against HEP membership costs
DSG Central School Services Block for Governor Support	£130k	To be agreed with Schools Forum
DSG Central School Services Block for Servicing of Schools Forum	£10k	To be agreed with Schools Forum
De-delegated for support for underperforming ethnic minority groups in schools	£612k	To be agreed with Schools Forum against HEP membership costs
School Improvement Monitoring and Brokering grant	£136k	New funding direct to the Council to go to HEP in full
School Improvement from DSG High Needs Block	£9k	To be agreed with Schools Forum

11.4. The Council would also lose traded service income from governor services, CPD and school improvement. This currently generates a surplus of approximately £100k, though this is variable, which is reinvested in the schools and learning budget.

11.5. However, the new position with HEP would mean there was no call on the General Fund and therefore the cost pressures and the risk of losing de-delegated funding from the DSG would disappear.

11.6. There is also no material liability to the Council if HEP is unsuccessful as a trading model hence there is no direct financial risk to the Council.

Table 5 – Transition cost / savings of HEP over the next 3 Years

Date	Description		2018-19	2019-20	2020-21
		£'000	£'000	£'000	£'000

	One off payment from the Council				
Apr-18	A. Working Capital Loan			150	
Apr-18	B. Development costs				
	1. <i>Recruitment</i>	40			
	2. <i>Capacity pre-September 2018</i>	105			
	3. <i>Accommodation, website, legal, HR, website, office supplies</i>	105			
Apr-18	C. Business development			250	
	1. <i>Developing core offer and traded element</i>	150			
	2. <i>Enhanced innovation fund for schools to bid for</i>	50			
Aug-18	D. Potential Redundancy Costs – Capital Cost			200	
				275	
				875	
Apr-Aug 2018	Risks of Revenue Costs 5 months of School Improvement Costs <i>- Risk to the Council - Could fall on General Fund unless Schools Forum to agree continuation of funding for this period</i>			250	
Sep-18	Recurring - Annual passport of grant received to HEP <i>School Improvement Monitoring and Brokering Grant</i>			Currently £136k (ESFA to announce future allocations)	Currently £136k (ESFA to announce future allocations)
				Currently £136k (ESFA to announce future allocations)	Currently £136k (ESFA to announce future allocations)

- 11.7. There are also one-off capital costs of £875k which it is believed could be funded wholly or in part through the Schools Capital Fund to meet the Council's savings priority.
- 11.8. These costs include:
- a) The provision of working capital finance loan (£150k) offered at a commercial rate of interest, which would be repayable over three years, starting no later than year 3 of trading (2020/21). The terms of repayment will be reviewed dependent on HEP's financial position.
 - b) Support for business development/innovation (£200k)
 - c) Financial support for the recruitment of the managing director post, salaries and capacity prior to April 2018, and legal, HR and financial advice to establish the company (up to a maximum of £250k)
 - d) The cost of redundancies (up to a maximum of £275k).
- 11.9. Against these costs would be a 7 month saving related to staff costs for School Improvement and Governors' Services in 2018/19 – as the transition to HEP would be in September 2018 with the start of the new academic year thus reducing pressure on the General Fund and ongoing full year savings for both School Improvement and Governors Services thereafter as both services would cease at the Council.
- 11.10. Financial sustainability of Haringey Education Partnership
Current financial modelling for HEP suggests the organisation is self-financing and sustainable. HEP is expected to generate an annual trading margin of £115k based on the expected income from the Council, school membership and known traded income. The first year of trading is not expected to generate a surplus given set up costs and business development requirements. The modelling is subject to change and includes a number of key assumptions which will need to be revisited .

Table 6 – Trading (operating) position

Year	Traded profit / loss	Cumulative position
Year 1 (includes set up and development)	£0k	£0k
Year 2	£115k	£115k
Year 3	£115k	£230k
Year 4	£115k	£345k
Year 5	£115k	£460k

12. Procurement Comments

- 12.1. Regulation 12 of the Public Contracts Regulations 2015 permits the Council to award contracts without going through procurement to a company which the Council jointly controls with other contracting authorities as long as the following conditions are fulfilled:

- a) the contracting authority exercises jointly with other contracting authorities a control over that legal person which is similar to that which they exercise over their own departments
- b) more than 80% of the activities of that legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authorities or by other legal persons controlled by the same contracting authorities
- c) there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

12.2. By definition under the Public Contracts Regulations 2015, schools are contracting authorities and if they jointly with the Council sets up a company that meets the requirement of paragraph 12.1 (a)-(c) above, the Council may subject to the provisions of the Council's Contract Standing Order, award a contract to such company without going through a procurement exercise.

12.3. The report proposes that the Council provides technical and financial assistance to support the setting up of HEP. This raises the issue of whether European Union regulations restricting state aid would prevent the proposed financial assistance being given by the Council to HEP. These Regulations are enforced exclusively by the European Commission.

12.4. "State aid" is assistance:-

- a) which is granted by the state or through state resources. The "State" includes local government in the UK. The "assistance" can take many forms, including grants, loans or tax breaks and use of a state asset for free or at less than market price.
- b) which gives an advantage to one or more undertakings over others, An "undertaking" is any organisation engaged in economic activity i.e putting goods and services on a market
- c) which distorts or threatens to distort competition. The European Commission is required to carry out at least some analysis of the situation of the relevant market and the position of the aid recipient and its competitors to show that aid had an impact on competition. It must show that the aid would have a real rather than a wholly theoretical effect on the market. Further the Commission must show that the aid recipient had obtained an appreciable advantage over its competitors.
- d) which affects trade between Member States. The Commission has stated it considers certain activities to be "local activities" i.e activities which could be considered not to affect intra- community trade. These activities, where carried out by small enterprises, include "health and social work", "other community social and personal service activities" and "social services". The products or services provided by the recipient

of the assistance must be tradable between the Member States. It seems the assistance must be likely to or capable of affecting intra-community trade.

All four of these tests must be met for assistance to be “ State aid”.

- 12.5. Tests (a) and (b) above appear to be met in respect of the proposed financial assistance to HEP. It is questionable whether tests (c) and (d) above would be met. Test (c) raises the issue of what if any competitors HEP would have, whether providing the proposed one-off capital funding would have a real effect on the market of the providers of school improvement services, and whether the funding can be said to give HEP an appreciable advantage over its competitors. Given the funding is one-off and relatively modest in amount, test (c) may not be met. As regards test (d), on the face of it it would seem unlikely that any organisation in the EU outside the United Kingdom would be prejudiced by the Council providing HEP with the proposed financial assistance, given it seems unlikely that any such organisation would ever be interested in seeking to contract with the Council or with school governing bodies in Haringey to deliver school improvement services on their behalf.
- 12.6. The European Commission’s primary focus is on assistance which distorts competition and trade between Member States. It is hard to see in what circumstances the Commission would be concerned with the proposed financial assistance, given it would appear to have no impact at all on competition and trade between Member States. Therefore the risk that the Commission would consider whether the proposed financial assistance was state aid would seem a low one. If the Commission did determine the proposed financial assistance was state aid, HEP would have to repay it to the Council with interest.
- 12.7. If the Council was to provide HEP with the proposed financial assistance in a way that a rational private investor motivated by return and not policy objectives would, by for example providing the assistance by way of loans on commercial interest rates, then such assistance would not be state aid. HEP would not be considered as obtaining an advantage from the State as it would be getting funding on the same terms that it could have obtained on the market.
- 12.8. State aid can be granted legally in a variety of circumstances. For example, the De Minimis Regulation allows up to 200,000 Euros over 3 rolling years to be given to an undertaking for a wide range of purposes. The Commission’s approval is not required, nor is it necessary to notify the Commission. Further, assistance can be granted under the General Block Exemption Regulation. That allows, inter alia, aid to be provided to small and medium-sized enterprises in the form of investment aid, operating aid and their access to finance. The Commission must be notified within 20 working days of giving the aid.

13. Legal Comments

- 13.1. For the reasons stated in the report, the most advantageous legal structure by which HEP could be constituted would be for it to be a company limited by guarantee, particularly bearing in mind that HEP is not being set up to make a profit to be distributed to its members. In addition to the company's memorandum and articles of association, consideration should be given to producing a collaboration agreement to be entered into by all members of the company (i.e. by the Council and all school governing bodies that join HEP) which would capture the details of the composition of the board of directors and other operational issues, such as the expected duties that fall to members of the company.
- 13.2. If constituted as a company, then HEP will be a "school company" as defined by section 11 of the Education Act 2002. Section 11 gives the governing bodies of local authority maintained schools the power to form, or to participate in forming companies, to:
 - a) provide services or facilities for any schools,
 - b) exercise relevant local authority functions, being the education functions of any local authority that are or may become exercisable by the company in accordance with an authorisation given or direction made by virtue of any enactment, or
 - c) make, or facilitate the making of, arrangements under which facilities or services are provided for any schools by other persons.
- 13.3. Section 11 further gives these governing bodies the power to invest in such companies, with a view to securing or facilitating the activities in (a), (b) or (c) above. It also gives these governing bodies the power to form, or to participate in forming, companies to purchase services or facilities for the participating schools.
- 13.4. Section 12 of the Education Act 2002 requires a governing body wishing to exercise any of these powers to first obtain the consent of its maintaining local authority. The school must also have a delegated budget. In addition, the School Companies Regulations 2002 (as amended) must also be complied with.
- 13.5. The Regulations allow the proprietors or governing bodies of academy schools, in addition to the governing bodies of local authority maintained schools, and English local authorities, to be members of a school company. They set out various provisions which must be contained in the company's constitution (i.e. in its memorandum and articles of association), and which therefore will need to be contained in HEP's memorandum and articles of association. These include:
 - a) restrictions on the company entering into contracts in which a director of the company has an interest
 - b) procedures to be followed in meetings of the directors if a director has an interest in a matter to be discussed
 - c) a requirement that at least 40% of the directors at any one time are non-executive directors,

- d) the setting up of a remuneration committee made up solely of non-executive directors whose role is to recommend to the board of directors the terms of service and remuneration of the executive directors
 - e) procedures to be followed for deciding the remuneration and benefits of directors
 - f) a requirement that any surplus or profits of the company may only be applied to further the objects of the company and/or to be distributed among the members according to proportions or procedures set out in the constitution
 - g) the company not being allowed to borrow funds without the permission of its supervising authority.
- 13.6. The Regulations also require every school company to designate a local authority as its “supervising authority”. The company must serve written notice of designation on the supervising authority within 28 days of the Regulations applying to it. In HEP’s case the supervising authority would initially be the Council, because initially all the governing bodies of local authority maintained schools who were members of HEP would be governing bodies of Council maintained schools. If , as the report envisages, HEP was to grow beyond Haringey , then it is possible that another local authority would become the supervising authority. For example, this would occur if the governing body of a school maintained by another local authority became a member of HEP, and that other local authority did not become a member of HEP. In other circumstances where the governing body of a school maintained by another local authority became a member of HEP, then in the absence of the local authorities agreeing who should be the supervising authority, this would be decided by the Secretary of State.
- 13.7. Where a local authority becomes the supervising authority for a school company it must under the Regulations inform the Secretary of State in writing , within 28 days of becoming the supervising authority, of the members of the company, the company’s name and registered number, and the fact it is the company’s supervising authority. It must also inform the Secretary of State , in writing within 28 days, of any changes to the company’s membership, name and registered number, and if it ceases to maintain any schools whose governing bodies are members of the company.
- 13.8. The duties of the supervising authority under the Regulations are to monitor the management and finances of the company. It must also notify the members of the company, as well as any local authorities which maintain schools whose governing bodies are members of the company, if it considers that the company is poorly managed or there is a risk of the company becoming insolvent. The Regulations give the supervising authority the power to direct :-
- a) the company to give it such information about the company’s constitution, finances, management and contracts as it requests;
 - b) the company to take specified steps to comply with the Regulations;
 - c) the governing body of a local authority maintained school, who is a member of the company, to resign as a member of the company or to reduce its involvement in the management of the company

- 13.9. The Regulations do not prevent a local authority being both the supervising authority of the company and having representatives on the company's board of directors. However on the face of it, a Council officer who was an executive director of the company, and who therefore was responsible for the day-to-day management of the company, would have a conflict of interest if s/he was also responsible for carrying out the Council's responsibility as supervising authority to monitor the company's management and finances. Therefore it would be advisable to ensure that Council officers on the board of directors were non-executive directors only.
- 13.10. Leading Counsel has advised that the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") would not apply to "the transfer of administrative functions between public administrative authorities". Accordingly those Council employees who are assigned to the carrying out of those functions would not transfer to HEP's employment from September 2018. The Council would no longer require employees to carry out these functions so, unless the Council was able to redeploy those employees, they would have to be dismissed by way of redundancy in September 2018.
- 13.11. Leading Counsel has also advised that TUPE would apply to transfer from the Council of any other functions set out in this report which are economic, not administrative, in nature. Accordingly those Council employees who are assigned to the carrying out of these other functions would transfer to HEP's employment from September 2018, unless they objected to transferring. If they objected to transferring, then normally they would be treated as resigning with effect from the date of the transfer.
- 13.12. Further advice is being sought to clarify the distinction between administrative and economic functions in relation to the services which will be delivered by Haringey Education Partnership.
- 13.13. In September 2000 the Council entered into an agreement with the trade unions on their involvement in outsourcing. Under that agreement whenever a decision is taken to outsource or to consider the option to outsource the Council shall immediately establish appropriate consultation machinery with the trade unions and carry out regular staff briefings, Accordingly under this agreement , if the Cabinet agrees this report's recommendations, such consultation machinery would need establishing. Although the agreement is not incorporated into the contracts of Council employees, if it has been followed in practice since 2000, the trade unions could argue that they have a legitimate expectation that it will be followed in this case, and take action to enforce the agreement through judicial review proceedings if the Council does not abide by the agreement.
- 13.14. Regulation 13 of TUPE requires the Council, long enough before the transfer of these other functions to enable it to consult the relevant trade unions (UNISON, GMB and UNITE) , to inform them , amongst other matters, about the fact the transfer will take place, its proposed date, the reasons for the transfer, and the legal, economic and social implications of the transfer for any affected Council employees. If the Council envisaged

taking measures in relation to an affected employee , in connection with the transfer, it would need to consult with the trade unions with a view to seeking their agreement to the intended measures. This duty to consult would arise in connection with any Council employees who would not be transferring to HEP , but concerning whom as a result of the transfer the Council envisaged taking measures ,such as a staffing restructure .

13.15. With the exception of pension rights, under TUPE the terms and conditions of employment of the Council employees transferring to HEP would transfer with them. The Council would also be required, by the Best Value Authorities Staff Transfers (Pensions) Direction 2007, to secure pension protection for the transferring employees in its contract with HEP. In this case , pension protection would most likely be secured by ensuring the employees had continued access to the Local Government Pension Scheme by HEP becoming an admitted body under that Scheme.

13.16. Following transfer, HEP would be able to change the terms and conditions of employment of the Council employees that had transferred to it by terminating their existing contracts and offering them new contracts. However it is likely that such terminations would be automatically unfair dismissals, being dismissals where the sole or main reason for the dismissal was the TUPE transfer.

14. Equalities comments

14.1. Haringey Education Partnership would maintain the same focus on closing the gaps in attainment and progress between key groups, including: gender, ethnicity, special educational needs and disadvantaged (as identified for free school meals). Detailed data analysis would be used to track progress within and across schools, comparing against the differences found across the borough and nationally.

14.2. It is anticipated that Haringey Education Partnership would fall under the public sector equality duty as it delivers public functions. The organisation would therefore need to adopt equalities policies, which may be based on existing policies used by Haringey Council.

14.3. Once the staffing structure in Haringey Education Partnership is known, it would be necessary to complete an equality impact assessment ahead of any potential restructure and consider equality concerns as part of the process.

15. Use of Appendices

Appendix 1 – Summary of schools companies in other local authorities

Appendix 2 – (Draft) Membership offer for Haringey Education Partnership

Appendix 3 – Financial modelling for Haringey Education Partnership

Appendix 4 – Summary of advice on legal structure and governance for HEP

Appendix 5 – Statutory and strategic functions of the local authority in relation to school improvement

Appendix 6 – Summary timeline for Haringey Education Partnership

Appendix 7 – Initial screening tool for equalities impact assessment

16. Local Government (Access to Information) Act 1985

16.1. The following documents have been used in developing this report:

- a) Department for Education: Educational Excellence Everywhere (2016)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508447/Educational_Excellence_Everywhere.pdf
- b) Hargreaves, D: A self-improving school system in international context (2012)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325905/a-self-improving-system-in-international-context.pdf

Appendix 1 – Summary of schools companies in other local authorities

A number of new delivery models for school improvement services are beginning to emerge. These models range from establishing area-wide school collaboration partnerships, to spinning out previously 'in-house' local authority services to form newly established enterprises or school owned companies. Seven examples from across the country are set out below; more detail is available on each of these.

Local Authority	Emerging Model
<p>Camden: The Camden Schools Led Partnership (CSLP)</p>	<ul style="list-style-type: none"> ➤ Currently an unincorporated association that is led by schools, set up to promote standards and collaboration. <p>Single trading arrangement has been reached with CSLP members to purchase school improvement services from the Council's Traded Schools Service and two Teaching School Alliances</p> <ul style="list-style-type: none"> ➤ Is set to become a Schools Company limited by guarantee without charitable status, that will in the future directly trade school improvement services with schools and the local authority
<p>Tower Hamlets: THE Partnership</p>	<ul style="list-style-type: none"> ➤ THE Partnership will become established as a Schools Company limited by guarantee with charitable status. <p>It is to be tasked with both promoting standards and collaboration in Tower Hamlets, as well as trading school improvement services</p>
<p>Liverpool City: School Improvement Liverpool and the Liverpool Learning Partnership</p>	<ul style="list-style-type: none"> ➤ School Improvement Liverpool has been established as a Local Authority Trading Company, trading school improvement services to schools and also commissioned to deliver some of Liverpool City Council's statutory responsibilities ➤ The Liverpool Learning Partnership is established as a not for profit company limited by guarantee with charitable status. It is tasked with promoting educational excellence and collaboration among learner settings (including schools and FE) in the city – members get special offers from School Improvement Liverpool
<p>Kingston and Richmond: Achieving for Children and SPARK</p>	<ul style="list-style-type: none"> ➤ Achieving for Children has been established as a not-for-profit social enterprise, owned by Kingston and Richmond local authorities. <p>It is commissioned to deliver Children's Services for Kingston and Richmond (including safeguarding and early help), and also trades school improvement services and consultancy to schools and other local authority areas</p> <ul style="list-style-type: none"> ➤ SPARK is a cross-borough collaboration network whose membership is open to state-funded schools in Kingston and Richmond, tasked with promoting standards and collaboration – members get special offers from Achieving for Children

<p>Lincolnshire: Lincolnshire Learning Partnership</p>	<p>➤ The Lincolnshire Learning Partnership (LLP) is an unincorporated association led by schools set up to promote standards and collaboration between schools.</p> <p>The county council has commissioned peer review training organisations as well as Teaching School Alliances to work through the LLP structures</p>
<p>Hertfordshire: Herts for Learning</p>	<p>➤ Herts for Learning has been established as a Schools Company, that is not-for-profit and limited by shares without charitable status – 80% shares owned by schools, 20% retained by the county council.</p> <p>It trades school improvement services to schools, and also commissioned to deliver some of Hertfordshire County Council’s responsibilities</p>
<p>Croydon: Octavo partnership</p>	<p>➤ The Octavo Partnership has been established as a mutual trading company, 40% owned by Croydon Council, 40% owned by the Croydon Headteachers Association and 20% owned by staff.</p> <p>It trades school improvement services to schools, and is also commissioned to deliver some of Croydon Council’s statutory responsibilities</p>

Appendix 2 – (Draft) Membership offer for Haringey Education Partnership

Membership of the organisation is membership of a system that commits to working together to improve all of its 'parts' and to ensuring that all children achieve the very best outcomes.

Members would receive the offer outlined below for a membership fee. The offer has been designed to provide schools, colleges and the wider education system with the information and support to know both its strengths and areas for development.

The partnership work and system leadership undertaken by the NLCs is integral to the self-improving system and so membership of an NLC requires full membership of the organisation.

Members would also be signing up to some key principles including a willingness to share data and an openness to peer challenge and support.

1. External Challenge and Support

1.1 Improvement Partners

Improvement Partners would be made up of a small central staff and a handful of high quality contractors or heads (either within or out of borough). The intention is for this group to be interviewed by heads to ensure the best possible skills and experience covering each phase and type of school.

Aims	Offer	Delivery mechanisms
Ensure schools have an accurate understanding of the strengths and weaknesses of their data.	Analysis of school data , comparisons with local and national data- annual report. (Primary including nursery, Special, Secondary and Post 16)	Data Manager MD/Improvement partners (IP) - data analysis
<p>Ensure SEFs are clear, accurate evaluations of the school.</p> <p>Ensure SDPs are fit for purpose.</p> <p>Ensure schools are meeting their statutory responsibilities in terms of safeguarding etc.</p>	<p>Annual data school profiles (bespoke as requested)</p> <p>Annual Health Check visit from Improvement Partner (IP) to provide challenge in relation to school data comparing; to local and national, all, groups etc. (Termly visits for 'schools causing concern' or schools in the OFSTED window – 4th year after inspection)</p> <p>Annual Validation of SEF – challenge to school's own judgements using data, plus information received from any peer challenge reports (desk top)</p> <p>Support and validation of School Development Plan priorities (Desk top)</p> <p>Annual Website compliance checks (Desk top)</p> <p>Annual Safeguarding compliance check (half day visit)</p>	Improvement Partners (specific to Nursery, Primary, Secondary, Post 16 and Special Schools)

	<p>Termly RAG rating of school against an agreed set of risk factors</p> <p>Discounted membership of support organisations e.g. The Key, Safeguarding-Pro</p> <p>Access to briefings and meeting as required to keep up to date on specific national agendas</p>	
<p>Ensure the system has mechanisms in place to know itself and to be able to provide system challenge and support as required</p> <p>All HTs and schools are kept up to date with local and national education updates and agendas</p>		<p>MD and Improvement partners with LA service leads MD to broker</p> <p>Organisation to coordinate</p>

1.2 NLC and Peer to Peer Challenge

Aims	Offer	Delivery mechanisms
<p>School to school challenge is robust and carried out within an agreed framework</p> <p>Outcomes of review are shared within an agreed framework to ensure the system knows its strengths and areas for development</p>	<p>Membership of an NLC and access to joint working on local priorities</p> <p>Membership of a school peer challenge group at a reduced cost (e.g. SPP)</p> <p>Support for new HTs - via a 'buddy system' alongside tailored workshops</p> <p>Access to subject leader networks - led by schools within NLCs</p>	<p>NLCs</p> <p>Schools Partnership Program (EDT) / Challenge Partners</p>
<p>Provide a QA function across the system for school to school support quality</p>	<p>Additionally Secondary, Post 16, Nursery and Special schools networks across the partnership</p>	
<p>Ensure that schools are working together to develop accurate assessment judgements in the core subjects</p>	<p>Access to joint moderation opportunities – NLC or cluster led with specific groups for Secondary, Post 16 and Special Schools</p>	

<p>Ensure there is an agreed system should a school wish to access school to school improvement support</p>	<p>Access to a brokerage function for school to school support as required- within an agreed protocol and payment structure</p>	<p>MD and Improvement Partners to co-ordinate, broker and sign post from TSAs and NLCs</p>
<p>Local approaches to curriculum opportunities and foci e.g. STEM are shared and strengthen practice in the system</p>		
<p>To ensure the system can respond to schools who need school improvement support due to unforeseen circumstances</p>	<p>Access to an application for contingency funds if school should find itself requiring intense school improvement support</p>	<p>Member schools apply to the Board if they meet a pre-set set of criteria for accessing any contingency</p>

2. CPD

Aims	Offer	Delivery Mechanisms
<p>Ensure schools in the organisation have access to high quality CPD and to research and development opportunities.</p> <p>Support for schools in strategic decisions for example around federations or MATs</p>	<p>Access to high quality CPD - delivered by members of the partnership at best value cost, including quality assured National Programmes. CPD would cover all school phases. Secondary, Post 16, Primary, EYFS and Special Schools</p> <p>Access to a system to trade school's own CPD - with other schools in the partnership</p>	<p>The organisation would compile and market the offer delivered via - Teaching schools, NLCs, SLEs, NLEs</p> <p>MD to keep abreast of current National and Local agendas and advise school accordingly</p>

3. Data

Aims	Offer	Delivery Mechanisms
<p>To provide bespoke school data profiles, comparing schools with local and national data sets</p> <p>Enable the system to identify emerging strengths or weaknesses within it so that it can react and respond quickly</p>	<p>Annual school profiles – Primary, Special and Secondary as required</p> <p>Access to data reports which support leaders to be able to quickly make comparisons between schools, NLC, national data sets</p> <p>Access to expert advice in regards to data</p> <p>Access to discounted bespoke training with regards to data analysis</p> <p>1 data workshop for leaders of all phases including sessions for governors</p> <p>Access to an open and transparent RAG rating system which enables the system to make an early identification of issues arising and to know where its strengths are</p> <p>Target setting advice and challenge</p>	<p>Data manager</p> <p>MD and Improvement Partners do the data analysis and the risk assessment</p>

4. HT Half Termly Updates

Aims	Offer	Delivery Mechanisms
<p>HT half termly briefings to keep HT up to speed with:</p> <ul style="list-style-type: none"> • Ofsted updates • DfE developments • Statutory duties • CPD opportunities • Budget and finance updates • Curriculum updates • Safeguarding updates • Legal updates and HR 	<p>Half termly Primary, Special, Secondary and Post 16 briefings</p>	<p>MD to keep abreast of current National and Local agendas and advise school accordingly</p> <p>Service leads from the LA service areas contribute to briefings</p>

<ul style="list-style-type: none"> • Governance updates • Health and safety 		
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5. Governor Support

Aims	Offer	Delivery Mechanisms
Ensure all member schools have high quality effective Governing bodies	<p>Access to Governor support section of website - Chairs of Governors provided with timely information and updates via e forum</p> <p>Access for governors to a discounted quality CPD programme and annual conference</p>	Governor services
Establish a pool of Governors who can support in 'schools causing concern' (interim) and who can mentor new governors	<p>Access to a high quality pool of governors</p> <p>Access to a discounted quality clerking services</p> <p>Support to complete self evaluation</p>	

6. ITT and NQT Recruitment and Induction

Aims	Offer	Delivery Mechanisms
To ensure that Haringey is able to recruit, train and retain high quality NQTs	Access to an NQT pool - Primary and Secondary. Exploration into Special and Post 16 service	Improvement Partners Administrative support staff
Recruit high quality NQTs to the local partnership	Access to high quality discounted NQT training programme	Teaching Schools
Make effective links with Teach First and other ITT institutions	Access to discounted rates for supply teachers from preferred provider	

7. Hotline Phone Support

Aims	Offer	Delivery Mechanisms
Ensure that all HTs can receive timely advice and signposting if issues arise, including: <ul style="list-style-type: none"> - Buildings - HR - Ofsted, - Safeguarding - Exclusions - SEND - Legal - Leadership and management 	Phone support for signposting to relevant LA services and outside agencies as required.	Administrative Staff

8. Additional traded offer

Aims	Offer	Delivery Mechanisms
<p>Ensure schools have access to further support and /or training as requested for example:</p> <ul style="list-style-type: none"> - Understanding and analysing in depth data questions - Preparing for ofsted 	<p>Bespoke training sessions provided for senior leadership teams, staff teams or Governing bodies</p> <p>Additional face to face Improvement partner visits - focus identified by the school at point of booking</p>	<p>Improvement Partners</p> <p>Commissioned</p> <p>School to school brokered</p> <p>Teaching Schools</p>
<p>Ensure schools have access to quality school improvement advice and support, beyond that in the membership offer, if required</p>	<p>Focused school or specific focus reviews</p> <p>Secondary and Post 16 Subject focus reviews and support (brokered)</p> <p>HT appraisal support</p>	
<p>Ensure all schools have access to high quality CPD at all levels and to research and development opportunities.</p>	<p>HT conference</p> <p>Careers fair</p> <p>CPD offer to non-member schools at full price</p>	

Appendix 3 – Financial modelling for Haringey Education Partnership

Haringey Education Partnership has been designed and costed to deliver a financially sustainable business model in the short and long term. Financial modelling has been undertaken to ensure the cost of delivering the core membership offer is well understood and can be met through the income derived from its members (schools and the local authority). HEP is therefore expected to be fully self-financing without any ongoing subsidy from the Council and without any call on the General Fund.

The current financial modelling is summarised below.

1. Set up costs

As set out in Table 2 above in the report, HEP will require financial support at the outset as follows:

Support	Amount requested	Comments
Working finance	<u>£150k</u>	The operating margins are thin and for HEP to have realistic financial resilience it would need to have access to additional funding as it grows and gets stronger in the early years. There is no other obvious source for this.
Development costs 4. Recruitment 5. Capacity pre-September 2018 6. Accommodation, website, legal, HR, website, office supplies	<u>£250k</u> £40k £105k £105k	1. Recruitment costs 2. 5 months of MD cost (£55k) + £50k to buy additional capacity 3. Estimate based on 3x full year of 'fixed costs' in financial modelling
Business development 3. Developing core offer and traded element 4. Enhanced innovation fund for schools to bid for	<u>£200k</u> £150k £50k	HEP would need to refine the core offer and develop a highly effective traded element with initial investment in capacity to do so. An innovation fund for schools would support evolution of NLCs and secondary school improvement focus

2. Annual cost / revenue against the core membership offer:

The cost of delivering the core membership offer specifically for a full year is £620k in the first full year of trading. This is made up of:

- a) Staffing - £550k in the first year based on conservative modelling (and with pay increases of approximately £5k per year over the following two years)

- b) Fixed costs / overheads - £42k (including premises, IT, HR support and payroll, legal advice, hospitality, website hosting and support, travel and a small operating contingency)
- c) Business development – £28k (including marketing, an innovation fund for schools, funding for NLC chairs and a small fund for schools in need)

Annual revenue is anticipated to be £635k, providing an operating margin of £15k on the core membership offer alone. Revenues are based on the following assumptions:

- a) Local authority – c.£130k income to deliver ongoing statutory and strategic functions, funded through the new School Improvement Monitoring and Brokering Grant (with the full amount passported annually)
- b) School membership - £505k

Revenues could be higher or lower in reality. The two key variables for determining the revenue side are: (i) the proportion of schools buying into HEP as members, and (ii) the cost of membership.

Revenues are currently forecast on the basis of achieving:

- a) 90% of primary and nursery places
- b) 6 secondary schools (three with a sixth form and three without)
- c) 1 FE college

School membership of HEP has been priced as follows:

- a) £19 per pupil for nursery, special and primary schools, with a £12,500 cap. This works out approximately as:
 - i) 1FE primary with nursery - £4,978
 - ii) 2FE primary with nursery - £8,474
 - iii) 3FE primary with nursery - likely to reach the cap of £12,500 depending on numbers
- b) £12,500 per secondary school without a sixth form
- c) £15,000 per secondary school with a sixth form
- d) £7,500 for FE Colleges.

Whilst we are confident of achieving this level of buy-in based on feedback from headteachers and governors, it is important to understand the impact of higher or lower than anticipated buy-in.

- a) An increase / decrease of 5% for primary, nursery and special schools would impact on revenue up or down by £13k
- b) As above, each secondary school would amount to an increase / decrease of £12.5k or £15k with a sixth form

Increasing the per pupil price or the capped cost to schools is challenging, given the financial pressure schools are under. However, for each pound the per pupil cost of membership is increased would improve the revenue by approximately £15k.

3. Additional and future sources of revenue:

The traded service element has not been accounted for in the above analysis. If the following services move across from the Council to HEP, we can assume that approximately £100k net income would also be added to the company's revenue:

- a) Governor services – approximate net annual income of £70k
- b) CPD – approximate net annual income of £15k
- c) Additional school improvement services – approximate net annual income of £15k

This would provide a total operating margin of £115k when added to the core membership offer. As a not-for-profit company, any surplus would be reinvested in school improvement services through HEP.

In addition, once the school to school traded element is established, HEP will seek to generate a net income from organising and administering the market for service provision. This is most likely to take the form of a reasonable margin charged on top of the cost charged / earned directly by the school providing the service.

HEP will look to develop trade with schools outside of Haringey to further increase income. Governor support services already trade with schools in Enfield and are looking to sell their offer to more schools. Similarly, HEP will be able to market CPD, school improvement and school to school support. HEP will also offer core membership to schools beyond Haringey, increasing revenue both through the income received directly from membership and through increasing the traded element.

HEP will also look to access national and other sources of funding for member schools to be administered through the company. We are currently developing two bids to the DfE Strategic School Improvement Grant for c.£500k and there will be further opportunities as national policy looks to drive a school led model of school improvement.

Appendix 4 - Summary of advice on legal structure and governance for HEP

Question 1: Does Haringey need a separate legal entity?

One of the first key questions to address is whether the partnership needs its own separate legal entity (as distinct from individual schools or the local authority). Among the existing local school improvement partnerships there is quite a clear distinction between those which have opted to establish a legal vehicle in which the partnership is located (Herts for Learning, Newham, Brent, Harrow, Camden, North Tyneside, Croydon) and those which have opted for a collaborative arrangement which is not legally binding (Lincolnshire, Wigan, Oldham, Birmingham). The former tend to be partnerships which have some form of trading relationship between the partnership and schools, whereas the latter tend to focus more on promoting school to school collaboration.

There are four key reasons why Haringey may wish to establish a legal entity for its school improvement partnership:

- 1) It enables the new body to enter into contracts (either as a provider or a commissioner)
- 2) It enables the new body to employ staff in its own right
- 3) It can provide some longevity in terms of governance, when individuals move on
- 4) It may provide a locus for the continued engagement of democratically elected members in school improvement in the face of the further change in the local authority education remit.

Question 2: What type of legal entity is best suited to Haringey?

If the decision is taken to establish the partnership as a legal entity, then the form of this body needs to be determined. This is an issue on which there is, arguably, greater consensus than there might originally appear. Although the different local school improvement partnerships that have been established have different names (Trust, Collaborative etc.) the large majority which have some formal legal basis are a type of limited company. The main alternatives to a limited company that have been considered by other local areas are listed below, along with the main reasons why each is less suitable than a limited company:

- a) **A limited liability partnership** – an independent vehicle registered at Companies House established by those who wish to work in partnership for profit which benefits from tax transparency, i.e. returns are taxed in the hands of the partners not the vehicle. This offers no real benefit to a limited company unless schools wish to profit differentially from their engagement in the partnership.
- b) **A cooperative or community benefit society** (formerly known as an industrial and provident society) – a corporate vehicle registered with the Financial Conduct Authority which is established for a social purpose rather than a profit-making purpose and which complies with certain conditions or principles identifying it as a cooperative or for a community benefit. This vehicle is not typically used for school-led organisations and is therefore unfamiliar and not been used by others to date.
- c) **A trust corporation** – a corporate body established to act as a trustee of charitable assets. This is not relevant unless the partnership is planning to hold substantial assets on behalf of schools.
- d) **An academy trust** - a company limited by guarantee that has entered into “academy arrangements” with the Secretary of State for Education, the primary purpose of which is to operate a school or schools. This is not relevant unless the purpose of the

partnership is chiefly the *provision* rather than the *improvement* of schools. See Question 8 for more on this.

The key benefits of establishing the partnership as a limited company is that it is relatively quick and simple to set up, it limits the risk of individual members, the burden of administration is not great and there is a well-founded precedent in other local areas.

Question 3: What type of company might best meet Haringey's needs?

Whatever form of company is established it would, by default, be a School Company. This is because the regulations on school companies automatically apply to any company which includes maintained schools in its membership. The regulations which apply to school companies are not onerous. A school company simply refers to a company established by one or more maintained schools exercising their powers under Section 11 of the Education Act 2002 and the School Companies Regulations 2002. This power is given to maintained schools only in relation to specified activities, which include:

- a) to provide services or facilities for any schools;
- b) to exercise relevant local authority functions; and
- c) to make, or facilitate the making of, arrangements under which facilities or services are provided for any schools by other persons.

The regulations set out requirements for the constitution and operation of school companies. These include:

- a) who can be the members of the company – limited to educational providers;
- b) the composition of the board of directors – which must include appointments by the Council;
- c) funding and borrowing;
- d) circumstances where a school must withdraw – when a school is causing concern; and
- e) designation of a local authority as a supervising authority. Supervising authorities have certain duties to notify the Secretary of State about the school company and to monitor the management and finances of the company.

In deciding which form of company the Haringey partnership is to take, it must be flexible enough to accommodate the requirements of the Schools Companies Regulations. There are three main forms of limited company which should be considered, all of which are compatible with the requirements of the school company regulations. These are:

- 1) **A company limited by shares.** This is an 'ordinary' company registered and regulated by Companies House. Membership is determined according to shares which may have a small nominal value. The purpose of such a company is to carry on a trade or activity for profit for the benefit of the shareholders and profits must be distributed according to the shareholding.
- 2) **A company limited by guarantee.** This is also an 'ordinary' company registered and regulated by Companies House. However, it differs from a company limited by shares in that liability is limited to the extent of the guarantee provided by members (typically £10), rather than the nominal value of the share. Members have voting rights (just like shareholders) and typically profits are not distributed, hence it is a common vehicle for a charitable venture.
- 3) **A community interest company.** This is a form of company limited by shares or by guarantee, which is set up to fulfil a specific community purpose. It is suitable for social enterprises that do not have charitable status but wish to demonstrate their value and

commitment to the community. An ‘asset lock’ limits the distribution of profits which must be reinvested in the social enterprise.

The majority of school-led improvement partnerships which have established themselves as legal entities have become companies limited by guarantee. This is because companies limited by guarantee attract a lighter burden of regulation than companies limited by shares and have an extremely flexible model of membership and governance that can be easily tailored to local requirements. Only a very small number of improvement partnerships have chosen to become companies limited by shares. These tend to be those (eg Herts for Learning) in which a significant profit from trading activity is anticipated and the shares provide a means to redistribute this profit to member schools.

Although community interest companies may also look an attractive option they have not been used widely in the education sector, perhaps because the company would have to abide not only by the regulations set out by Companies House but also the standards set out by the Office of the Regulator of Community Interest Companies, creating an additional administrative burden.

Question 4: Should the company apply for charitable or cooperative status?

A second order decision, which comes after the decision about the basic legal form of the partnership, is whether there is an appetite to register the partnership as a charity or a cooperative. There is a frequent misunderstanding that charitable or cooperative status is an alternative to being a limited company. It is not. Charities and cooperatives are not legal entities in themselves. They represent a “status” awarded to a legal entity, such as a company or a community benefit society.

A charity is a specific type of voluntary organisation, established to fulfil a charitable purpose for the benefit of the community and subject to oversight by the Charity Commission. A charity must comply with charity law and whatever other regulation applies to the form of vehicle used (e.g. company law for companies). Charities cannot change their fundamental purpose without the consent of the Charity Commission. Whilst often described as “not for profit” underlining the fact that charities are not established to carry on a trade but to undertake a social function, charitable vehicles can generate financial surpluses over the year (and indeed should do so to ensure financial robustness from one year to the next). Such surpluses should however be reinvested back into the organisation and be used to further the aims of the organisation.

A cooperative is a business owned by its members which adheres to the Cooperative Principles established by the International Cooperative Alliance (“ICA”). These principles consist of: Voluntary and Open Membership; Democratic Member Control; Member Economic Participation; Autonomy and Independence; Education, Training and Information; Co-operation among Cooperatives; Concern for Community. Subject to those principles, a cooperative can take any legal form.

The main benefit in becoming either a charity or a cooperative is that it can send a powerful message about the type of organisation that you intend to be – your vision, your principles, and how you intend to work. Charitable status also means that the organisation would be exempt from corporation tax meaning that any profits generated can be ploughed back into education in Haringey.

Legal advice sought by other local authorities has suggested that there may be particular disadvantages in pursuing cooperative status. Specifically, setting up as a formal cooperative, may require Haringey's schools (who are members of the company) to also become cooperative schools, which might be impractical. This requirement probably outweighs any perceived advantage in becoming a cooperative.

The arguments for and against charitable status are more finely balanced. In general, the more separate 'registrations' an organisation has, the greater the potential regulatory burden. A company limited by guarantee must be registered with Companies House, and a school company must adhere to the School Company Regulations. Charitable status would impose a further set of requirements which would have to be both met and demonstrated. On the flip-side, charitable status may help to cement the partnership around a social vision, it may confer tax advantages and the rigour required by the charities commission to achieve charitable status can help organisations in refining their strategic vision. The decision to pursue charitable status could be taken at a later stage once the organisation is operational.

Question 5: Issues to consider concerning membership

In most cases where the partnership is constituted as a company the membership (or shareholders) would be individual schools in the local area or an umbrella body representing schools. Membership would confer a range of rights on the school (with member rights and responsibilities set out in the articles of association and membership rules). These could be:

- a) The right to vote for non-executive directors.
- b) The right to vote on a range of decisions that are of such significance they must be put to the whole membership body. These might include: the approval of the annual business plan; changes to the classes of membership; a significant change in strategic direction; and the remuneration of senior executive officers of the partnership (should it have any). In practice, the directors would recommend action or the approval of policy at an annual general meeting (AGM) and the membership would vote on it when they vote to approve the annual report. Specific one-off resolutions could be taken to the membership at an extraordinary general meeting (EGM).

Membership would also confer a range of responsibilities for the school. These would be:

- a) The oversight of directors.
- b) In the event of the company becoming insolvent members would be liable for a nominal contribution (normally set at £10) to the winding up of the company. In the event of any litigation or other financial claims on the company a member's liability would also be limited to the nominal sum.

Partnerships have taken different approaches in terms of how they construct their membership particularly around whether every school is given a single equal vote or whether voting is distributed differently across phases or size of school.

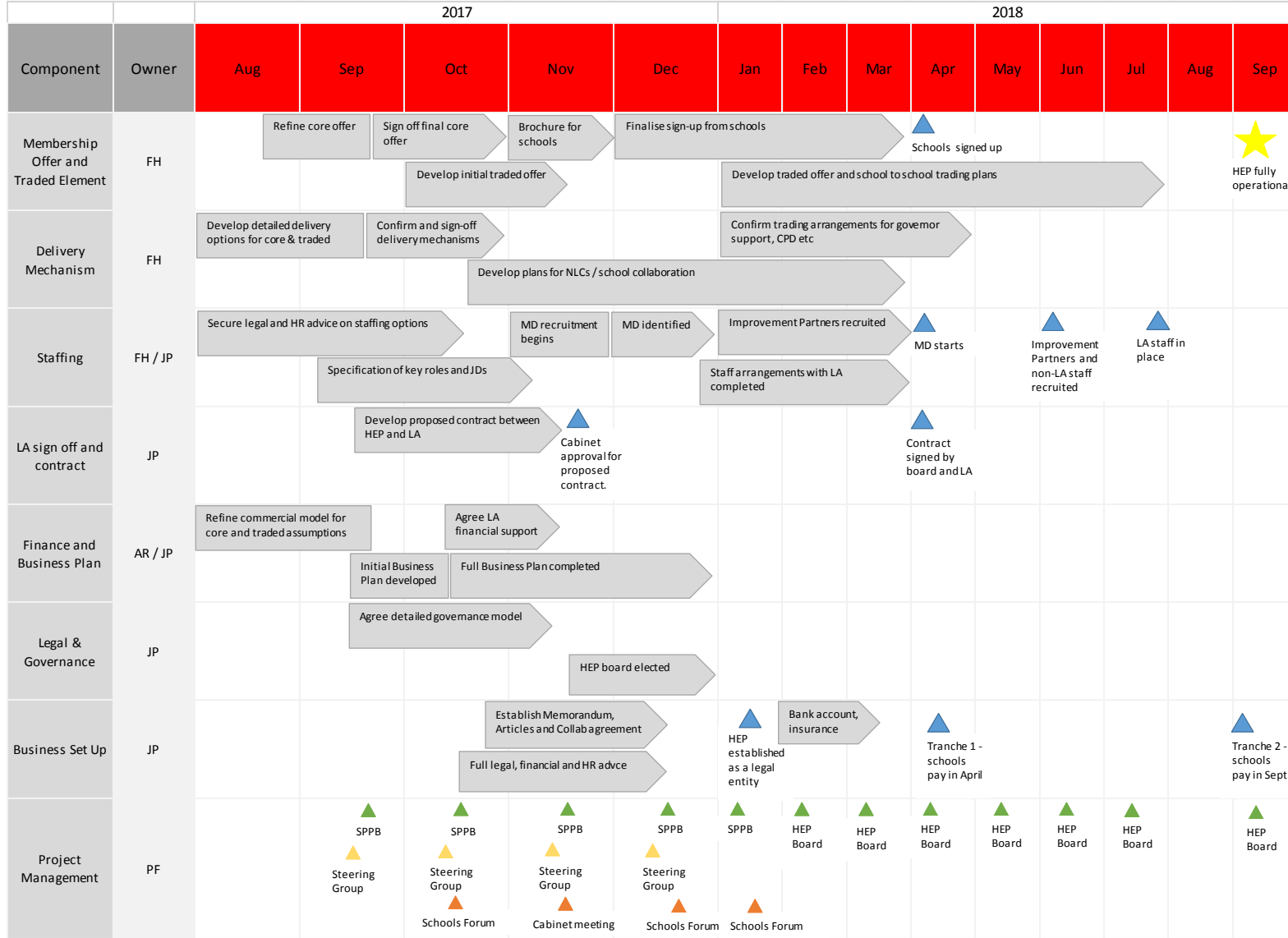
Appendix 5 – Statutory and strategic functions of the local authority in relation to school improvement

The Council has broad regulatory duties to secure school effectiveness across all phases in the Borough. The functions delivered through HEP will continue to discharge this duty. There are specific statutory and strategic functions outlined below which fall underneath the Council's duties and powers.

Statutory Function	Strategic Function
Audit of Foundation Stage Profile Assessments	Professional contact between the Local Authority and each of its schools.
<p>Curriculum and Assessment The local authority, and governing bodies have a duty to exercise their functions with a view to securing that the curriculum provided is;</p> <ul style="list-style-type: none"> a) broad and balanced b) comprises the National Curriculum, including implementing key stage test arrangements (SATs) c) includes provision for religious education and for pupils in secondary school, sex education <p>In relation to key stage 1 assessment, the local authority must:</p> <ul style="list-style-type: none"> a) make provision for moderating teacher assessments in respect of 25% of relevant schools b) collect teacher assessment information from relevant schools and quality assure it, and submit it to the DfE c) ensure schools have training and advice in all aspects of key stage 1 assessment and electronic systems to submit data d) monitor at least 10% of relevant schools, to ensure Yr 1 phonics screening check is being administered correctly. <p>In relation to key stage 2 assessment, local authorities' must</p> <ul style="list-style-type: none"> a) visit 10% of schools administering tests for monitoring purposes. b) make provision for moderating teacher writing assessments in respect of 25% of relevant schools. <p>Statutory publication of local results</p>	Attendance at Ofsted Inspections and feedback meetings
	Data Analysis and target setting Advice, guidance and support for individual school statutory and non-statutory performance targets
	Risk assessment of school performance in a range of areas (standards, finance, HR, admissions) in order to identify and intervene early if a school is causing concern
	Safeguarding support and advice
	Ensuring schools have access to high quality CPD
	Support for governing bodies in schools causing concern
Support for corporate priorities such as STEM and careers.	

<p>Religious Education The local authority must establish a body called a standing advisory council on religious education. (s390-391 Education Act 1996).</p> <p>The local authority must ensure that head teachers comply with their duties to secure due provision of religious education, and that all pupils take part in a daily act of collective worship. (ss 69-70 School Standards and Framework Act 1998)</p>	
<p>Governor support The local authority has a duty to;</p> <ul style="list-style-type: none"> a) Appoint parent governor representatives to local authority committees dealing with education (s499 Education Act 1996) b) Appoint local authority governors to all maintained school governing bodies (s19 School Standards and Framework Act 1998) c) Provide training and information for school governors (s22 Education Act 2002) 	
<p>Inspection/Intervention The local authority has a duty to:</p> <ul style="list-style-type: none"> a) Provide information, distribute report and to produce and distribute a post-inspection action plan for OFSTED inspections b) Produce an action plan if a school goes into special measures following an OFSTED inspection c) Comply with statutory requirements if the authority decides to use its powers to intervene (s64-66 of the Education and Inspections Act 2006) d) To comply with a direction of the Secretary of state to give a school a warning notice (s60A and 69B of the Education & Inspections Act 2006) e) Consult governors and submit as required applications for an interim executive board (IEB) in a school eligible <p>Manage RSC/ Ofsted meetings</p>	

Appendix 6 – Summary timeline for Haringey Education Partnership



Appendix 7 – Initial screening tool for equalities impact assessment

Equality Impact Assessment Screening Tool				
1	Lead officer contact details: James Page			
2	Date: 06/11/2017			
3	Summary of the proposal: Developing a not-for-profit 'schools company', known as the Haringey Education Partnership (HEP), to deliver statutory and strategic school improvement functions.			
Response to Screening Questions		Yes	No	Please explain your answer.
a) Type of proposal				
4.	Is this a new proposal or a significant change to a policy or service, including commissioned service?	Yes		The service will be developed into a not-for-profit company. It will continue to deliver the same statutory and strategic school improvement functions as before. Although there will be minor changes to the way the service is delivered, there are no identified equality issues associated with the nature of HEP's service.
5.	Does the proposal remove, reduce or alter a service or policy?		No	
6.	Will there be a restructure or significant changes in staffing arrangements? Please see the restructure pages for guidance for restructure EqIAs .	Yes		A restructure EqIA will be undertaken to assess the impact on staffing arrangements under the HEP. The EqIA will be progressed as we develop the details of the changes to staffing arrangements. We do not have data on the protected characteristics of the employees impacted by this decision. However, we are aware, from our equality data of all staff, that it is likely women, BAME communities and people over 45, who will be impacted by this decision as they are disproportionately represented within the staff of

				<p>Haringey.</p> <p>The Council is improving its employee equality data processes to enable a robust analysis on the impact of the different protected groups. This will be done to ensure that the Director of Children's Services pays due regard to the Public Sector Equality Duty when making any further decisions.</p>
7.	If the service or policy is not changing, have there been any known equality issues or concerns with current provision. For example, cases of discrimination or failure to tackle inequalities in outcomes in the past?		No	The company will adopt Council policies regarding discrimination, harassment and victimisation in the workplace.
b) Known inequalities				
8.	Could the proposal disproportionately impact on any particular communities, disadvantaged or vulnerable residents?		No	The same set and scope of services will be delivered as the HEP will continue to deliver the ongoing statutory and strategic school improvement functions, including monitoring the educational outcomes based upon gender, SEND, ethnicity and pupils who receive free school meals. The proposal is likely to have minimal impact on groups that share the protected characteristics.
9.	<p>Is the service targeted towards particular disadvantaged or vulnerable residents?</p> <p><i>This can be a service specifically for a group, such as services for people with Learning Disabilities. It can also be a universal service but has specific measures to tackle inequalities, such as encouraging men to take up substance misuse services.</i></p>		No	<p>The service is universal but regularly monitors the educational performance of children and young people, including those with protected characteristics, including gender, race, disability and pupils who receive free school meals.</p> <p>The HEP will continue to monitor this progress and use the data on educational attainment to improve the performance of all children and young people in Haringey, particularly those most disadvantaged.</p>
10.	Are there any known inequalities? For	Yes		There is a lower educational attainment among

	example, particular groups are not currently accessing services that they need or are more likely to suffer inequalities in outcomes, such as health outcomes.			BAME pupils and particularly those in the east of the borough, who are impacted by socio-economic inequality. There is disparity for gender, disability and pupils who receive free school meals. The service will continue to monitor and tackle these inequalities.
11	If you have answered yes to at least one question in both sections a) and b), Please complete an EqIA.			<p>If a decision is taken not to proceed with a full EqIA, please document carefully your reasons here: A restructure EqIA has not been undertaken yet because it is not known the likely impact on current staff members. This EqIA will be done to inform the Director of Children's Services when making any further delegated decision.</p> <p>The HEP will continue to monitor the educational outcomes and inequalities for gender, ethnicity, disability and pupils who are entitled to Free School Meals, as required through exam results and the School Census.</p>

Report for: Cabinet 14th November 2017

Item number: 11

Title: Property Licensing – Additional and Selective.

Report authorised by: Stephen McDonnell Interim Director of Commercial and Operations.



Lead Officer: Alison Crowe ext. 6934 alison.crowe@haringey.gov.uk.

Ward(s) affected: All

**Report for Key/
Non Key Decision: Key Decision**

1. Describe the issue under consideration

- 1.2 This report seeks a decision from Cabinet to carry out a public consultation exercise in respect of the roll out of a borough wide additional licensing scheme and introduce a part borough selective licensing scheme. The consultation will be carried out over a 12-week period starting in December 2017. A final report detailing the analysis of the consultation feedback and a recommendation on the way forward will be presented to Cabinet in June 2018.
- 1.3. As part of the consultation exercise, the local authority must present evidence to support the proposal to roll out a borough wide additional licensing scheme and introduce a part borough selective licensing scheme. The evidence base to support this report is set out as Appendix 1 and will form part of the consultation exercise.

2. Cabinet Member Introduction

- 2.1. Demand for housing is at an all-time high and Haringey needs a wide range of homes, in terms size, type and tenure to meet the diversity of current and future needs. Rather than compromise the housing standards and conditions of both new and existing housing to meet the ever increasing demand, we want to ensure that all who live in our borough have access to decent, secure housing.
- 2.2. We need more homes, but those homes need to be of a high quality. We believe that a safe, warm and well maintained home should be available to all and not influenced by the person's level of income or background. We want

the private sector, which makes up a third of Haringey's housing, to thrive and be part of that offer.

2.3. Equally we need to improve people's surroundings and their local environment by reducing crime and anti-social behaviour. This includes fly-tipping, rubbish left on the highway and untidy front gardens. All these forms of ASB blight communities and become a barrier to creating homes and communities where people choose to live. This type of anti-social behaviour contributes to a perception of an area being unsafe which can subsequently encourage further disorder and crime.

2.4 Evidence gathering work has been carried out to establish if there are grounds for extending our additional licensing scheme borough wide and introducing a part borough selective licensing scheme. Extensive analysis of the evidence against each of the criteria as identified in paragraphs 7. to 7.12. was undertaken. The evidence that has been gathered supports a designation for both schemes based on the following grounds:

- A significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public.

The area:

- Has a significant and persistent problem caused by anti-social behaviour.
- Is experiencing poor property conditions.
- Is suffering high levels of crime.

2.5. We consider that extending our additional licensing scheme and introducing a selective licensing scheme are the best tools available to tackle problems of poor housing management practices and conditions. Licensing will become part of a wider strategic approach to drive up living standards for all and improve the local environment by tackling property related crime and ASB. Based on the findings, it is appropriate to undertake a public consultation exercise.

3. Recommendations

3.1. The Cabinet is recommended to: -

- a) Authorise the Interim Director for Commercial and Operations, in consultation with the Cabinet Member for Environment, to finalise and commence a statutory consultation, as outlined in section 13, on the proposal to roll out a borough wide additional licensing scheme and introduce a selective licensing scheme to 29 Lower Super Output Areas based on the evidence attached as Appendix 1.

- b) Approve the proposed licensing fees and charges detailed at Appendix 2

- c) Approve the proposed set of licensing conditions for both the additional and selective licensing scheme, attached as Appendix 3a and 3b.

4. Reasons for decision

- 4.1. It is necessary for the Cabinet to agree to the public being consulted on the licensing scheme proposals, including the licensing fees and conditions.

5. Alternative options considered

- 5.1. **Do nothing and continue with existing legal powers** - Existing powers available to the council are largely reactive with officers responding to tenants' complaints. Many tenants are reluctant to complain through fear of retaliatory eviction. Although current enforcement activity has been successful in remedying problems in individual dwellings, it is not felt to have raised the standard of private sector dwellings generally.

- 5.2. **Voluntary Accreditation** - Although the voluntary accreditation scheme is helpful in driving up standards, it relies on the willingness of landlords to sign up to it. It is likely therefore that conscientious landlords will continue to support the scheme, but that rogue landlords will remain difficult to identify and will avoid joining the scheme, preferring instead to operate with the minimum regulation.

6. Background information

- 6.1. Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities:

- a) Mandatory Licensing of certain HMOs

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have three or more storeys and are occupied by five or more people who are not living together as a single household.

- b) Additional Licensing – HMO

Local authorities can introduce a discretionary additional scheme for other types of HMOs not subject to mandatory licensing in part or whole of the area within its district.

- c) Selective Licensing

A discretionary selective licensing scheme covers all other private sector dwellings and can be introduced in part or whole of the borough.

All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action. Schemes run for a maximum period of five years and a fee is payable for each license.

7. Statutory conditions and evidence

7.1. Additional HMO Licensing

7.2. Before making an additional HMO licensing designation for a particular type of HMO, or for a particular area, the local authority must:

- Consider that a significant proportion of the HMOs (that will be subject to the proposed designation) in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public.
- Consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.
- Consider that the making of the designation will significantly assist them to deal with the problem or problems.

7.3. Selective Licensing

7.4 Changes in the general approval in April 2015 mean that local authorities are now required to obtain approval from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of private rented houses in the local authority area.

7.5. In order for selective licensing to be considered one or more of the following 6 statutory grounds have to be met:

- i. Is an area of low housing demand (or is likely to become such an area)
- ii. Is experiencing a significant and persistent problem caused by anti-social behaviour and that some or all of the private landlords letting premises in the area are failing to take appropriate action to combat that problem.
- iii. Is experiencing poor property conditions in the privately rented sector.

- iv. Is experiencing or has recently experienced an influx of migration and the migrants occupy a significant number of properties in the privately rented sector.
 - v. Is suffering high levels of deprivation affecting those in the privately rented sector.
 - vi. Is suffering high levels of crime affecting those in the privately rented sector.
- 7.6. For the purposes of criterion ii, the definition of “anti-social behaviour” is restricted to conduct on the part of occupiers or visitors to residential premises which EITHER causes or is likely to cause a nuisance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of the premises OR which involves or is likely to involve the use of such premises for illegal purposes.
- 7.7. Criteria iii – vi can only be applied where the area contains a high proportion of private sector dwellings. The national average is currently 19%.
- 7.8. Conditions for both Additional and Selective Licensing.
- 7.9. For both additional and selective licensing, there is also a requirement on the local authority to:
- Ensure that the exercise of the power is consistent with their overall Housing Strategy.
 - Adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
 - Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objectives that the designation would be intended to achieve.
 - Consider that the making of the designation when combined with other measures taken by the authority alone or with other persons will significantly assist them to resolve the problem identified (whether or not they take any other course of action as well).
 - Take reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.
- 7.10. Department of Communities and Local Government - Guidance
- 7.11. In May 2017, officers met with colleagues from the Department for Communities and Local Government (DCLG) to discuss our initial proposals for licensing and to seek further guidance on how best to present an evidence base. DCLG reiterated their guidance above and further confirmed:

- Where possible, analysis of evidence to support a selective licensing scheme should be by road/street level, rather than ward based level – their preference is to see a scheme that addresses problems in *selective* areas, for example, one or two roads in multiple wards.
- That the local authority should first identify the problems it is trying to address and how the introduction of a selective licensing scheme will deliver the desired outcomes.

7.12. The Council has considered the above and believes that it has met all of the required tests. More details can be found in our evidence base (Appendix 1) and a summary of findings from our data analysis is discussed more fully under section 11.

8. The Benefits of Licensing

8.1. Existing Additional Licensing schemes in Haringey.

8.2. Since the introduction of the Housing Act 2004, two additional licensing schemes have been introduced within the borough – Haringay ward (now expired) and the Tottenham scheme. The schemes include smaller HMO's and self-contained flats which have been unlawfully converted without planning and building regulation approval. This type of accommodation is problematic within Haringey and generally tend to be overcrowded, poorly constructed and often unsafe. Through the operation of the Haringay scheme 527 properties were licensed. Where poor property conditions were identified, these were remedied through a combination of working alongside the landlord offering guidance and enforcing the licensing conditions. Issues identified included:

- **Fire/Mean of Escape** - 483 (92%) lacked adequate means of escape and fire safety measures.
- **Security** - 289 (55%) lacked adequate security measures to front/rear doors and windows and the actual room doors of the individual rooms.
- **Heating** - 141(27%) lacked adequate heating within the property and individual rooms. This ranged from no heating at all, expensive systems, no heating controls and key meter issues.
- **Management** - 373 (71%) lacked adequate management. Such as fire alarm not working, fire equipment damaged, heating and hot water broken down, dirty conditions to common parts, poor waste arrangements, failing to deal with anti-social issues and general lack of dealing with basic repairs.
- **Kitchen Provision** - 82 (16%) lacked adequate kitchen facilities e.g. inadequate numbers of cookers, sinks, work surfaces and kitchen cupboards/refrigerators.
- **Bathroom provision** - 22 (4%) lacked adequate bathroom facilities such as insufficient bathrooms for the number of occupants, lack of wash hand basins or additional separate toilets required.

- 8.3. The Harringay Licensing scheme has enabled us to gain access into properties and tackle severe health and safety breaches and poor management practices. It has made it easier for us to identify portfolio landlords who own multiple substandard housing units across the borough. The scheme has also led to the development of a cross-service approach to the licensing process. Following receipt of a licensing application, services are now contacted and consulted on issues relating to that particular property. This has greatly improved cross-service working and problem solving.
- 8.4. Landlords and managing agents often feedback that they feel disadvantaged because they believe that unscrupulous landlords appear to go undetected. The outcomes of the Harringay scheme, demonstrated to compliant landlords and managing agents that poor quality properties and unlawful management practices will be addressed.
- 8.5. Experience of licensing schemes in other boroughs.
- 8.6. Similar to Haringey, the majority of London boroughs have experienced a significant increase in the number of private sector dwellings. Many boroughs have used licensing to address the growing problems associated with the sector. The London Borough of Newham was the first authority in England to take the step to introduce licensing in an attempt to control and better regulate their private sector. Newham initially estimated that there were 5000 landlords operating in their borough and approximately 28,000 private sector properties. By the end of the 5-year scheme both numbers had grown significantly; Newham have licenced 36,000 properties and now estimate that over 24,000 landlords operate in the borough. Key outputs from Newham's scheme include:
- 779 prosecutions against landlords – largely for failing to licence and poor housing conditions.
 - 338 Cautions issued for technical offences.
 - 28 landlords refused licences as they have been found not to be “fit and proper”
 - 326 multi-agency operations with the police and other enforces.
 - 14.000 warning letters sent to landlords,
 - 2800 licence audit checks.
 - 125 rent repayment order cases for Housing Benefit repayment.
 - £1.1M additional council tax collected through targeting HMOs.
- 8.7. Newham report that ASB and poor property management connected to the private rented sector has significantly reduced. They evidence a 61% reduction in the number of ASB notices served on licensed properties, improved housing conditions and rogue landlords addressed by preventing them from operating in the borough.
- 8.8. Licensing imposes a set of standards/conditions, makes it easier for officers to gain access into a property and can allow the tenant to make a complaint

without being identified. Licensing conditions offer a landlord clear guidance on appropriate levels of property and tenancy management. For landlords who chose to ignore their responsibilities, there is no excuse and for those who lack the appropriate knowledge and experience it raises much needed awareness. Compliant landlords who voluntarily licence will receive a 5-year licence. If they apply during the first 3 months of the scheme being introduced, they will receive an early bird discount of 50%. Landlords who fail to licence or fail to operate within the terms of the conditions will be granted a license for a shorter period at the full cost.

8.9. A licensing scheme can also play a much needed role in supporting good landlords. Support and guidance to landlords; low level mediation between tenants and landlords and adopting a risk based approach to compliance and enforcement, ensuring that good landlords experience a light touch approach, are all necessary as part of a scheme that offers a carrot and stick approach. Licensing conditions introduce a universal set of standards that all landlords have to adhere to. This offers a level playing field and makes it harder for unscrupulous landlords to undercut good landlords by cutting corners to reduce operating costs.

8.10. Also, the introduction of selective and additional licensing will enable a significant change in the way that ASB and poor management associated with the private sector is tackled. Through licensing we will know who is responsible for the management of properties that are rented out and who in the first instance is responsible for dealing with problems associated with the dwelling. It also allows local authorities to easily check that landlords have the necessary documentation in respect of tenancy conditions; tenancy deposits and gas safety certificates. Licensing has the potential to make significant improvements to housing standards and the local environment generally.

8.11. In summary officers believe that licensing offers the following benefits:

8.12. The benefits for a private landlord

- Good landlords will be rewarded for their responsible letting practices by paying a reduced fee for the service and receiving a light touch inspection and compliance approach.
- Creation of a level trading environment for private sector landlords.
- Their reputation will be enhanced by holding a licence, while those bad landlords who have given private renting a poor status, will either be made to bring their properties up to the standard of the others or risk losing the right to let their properties.
- Landlords can promote their licensed status and find it easier to attract tenants who know that a licensed property is well managed and safe.
- Better management and tenancy agreements will enable the landlord to have better control over the property and will be supported in dealing with tenants who commit anti-social behaviour.

- Advice and guidance will be available on all aspects of private renting especially to those landlords who are inexperienced, from a dedicated discretionary licensing team of officers.

8.13. The benefits for private tenants

- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities, space standards and fire safety.
- Protection from possible retaliatory eviction as licensing enables the proactive checking of properties and management practices, rather than relying on the tenant to report poor conditions.
- The standards imposed will ensure that the landlord is not permitted to have more tenants than recommended for the size of the property and the facilities provided, so tenants can be assured that they are not living in cramped overcrowded accommodation.
- Advice and guidance will be available to tenants so that they can understand their rights to a decent home.
- Added protection for tenants as a result of better landlord management practices and greater protection from unlawful eviction.

8.14. The benefits for the community

- There is no cost to the tax payer as the scheme is self-funding.
- Reduction in the number of overcrowded properties, these can lead to anti-social behaviour especially relating to noise and rubbish.
- The register of landlords / managing agents will be made public and can be accessed by neighbours who wish to report anti-social behaviour and by the Police when they are dealing with these individuals.

9. Consideration of Risks

9.1. The Council has carefully considered the potential negative impact that licensing may have. As stated above, it is intended that the least compliant landlords will pay more for a license and the most compliant landlords will receive a discount if they apply within the first 3 months and be awarded with a 5-year license. Good landlords will also receive a lighter touch approach in terms of inspection and compliance checking.

9.2. Consideration has also been given to the potential impact of the cost of licensing being passed on to tenants through rent increases. It is proposed that the cost of an additional license will be £208 per unit of accommodation and a selective licence will cost £500. Assuming that the costs were passed on to tenants this would amount to 80p per week for tenants living within a

HMO and £1.92 per week for tenants living in a single family dwelling. Where licensing has been introduced in other boroughs, feedback suggests that increases in rent have been in line with market conditions and that licensing has had a minimal impact.

- 9.3. Another consideration is that landlords may chose to leave Haringey in favour of operating in a neighbouring borough. We consider this to be a very minimal risk. The majority of our neighbouring boroughs have either already introduced licensing or are considering introducing a scheme. Also, market conditions within Haringey mean that the private sector is buoyant and landlords who invest in the borough can enjoy high returns.

10. Strategic Context

- 10.1 Before deciding whether a licensing scheme is appropriate, the local authority must consider whether the approach is consistent with its Housing Strategy and how it will support dealing with homelessness, empty properties and anti-social behaviour.

10.2. Housing Strategy 2017 to 2022

- 10.3. Haringey's Housing Strategy sets out the strategic direction for housing activity in the borough, including housing need, supply and approach to quality and management of existing and new stock. Our 2017 to 2022 Housing Strategy recognises that the housing landscape has changed significantly and that radical change is necessary to meet the demand for quality housing.

- 10.4. Haringey's housing strategy has four key strategic objectives:

- Achieve a step change in the number of new homes being built.
- Improve support and help to prevent homelessness
- Drive up quality of housing for all residents
- Ensure that housing delivers wider community benefits.

- 10.5. In terms of driving up the quality of housing in the borough, our priority is to improve the quality and reliability of homes in the private rented sector. To meet this priority, we have committed to continue encouraging private rented sector landlords and lettings agents to sign up with the London Landlord Accreditation Scheme. For the landlords who are unwilling to make changes voluntarily we see licensing as an important statutory power to drive up quality.

- 10.6. Haringey's Housing Strategy recognises that housing is interlinked with a number of other issues. Some of these are particularly relevant to the private rented sector and the effect well-maintained, good quality housing has on the borough as a whole. Our priorities include promoting independence, health and wellbeing, and providing stable, safe well-managed homes in decent

environments. We have committed to improving health by tackling poor quality homes in the private sector, where the highest levels of serious repairs and hazards often occur.

10.7. The priorities for the private rented sector articulated in the Council's Housing Strategy go hand in hand with licensing. Interventions such as licensing can bring about an uplift in the quality of the sector through eliminating poor management practices and property conditions and reducing ASB that can adversely affect a neighbourhood. It offers private sector tenants added protection and supports a thriving, much needed, private rented sector through working with landlords to address concerns, raising awareness of good practice and driving out rogue landlords.

10.8. Homelessness

10.9. Within London, Haringey has the second highest number of households living in temporary accommodation because they are homeless. The main reason for homelessness in Haringey is loss of a private rented sector tenancy. Often because households experience financial difficulties that lead to rent arrears or because a landlord's wish to charge increased rents that are not affordable for the current tenant.

10.10. Our focus is on sustaining current housing where practical and preventing housing problems escalating to crisis point. This usually means sustaining licences or existing tenancies in the private rented sector. Where appropriate we work closely with each person or family in housing crisis to assist with benefits, gaining employment or financial management advice to prevent homelessness through rent arrears.

10.11. In addition, we build relationships with local landlords and offer a range of packages and incentives to enable households to move into or remain in the private rented sector.

10.12. Licensing, by raising standards of management and property conditions will further help to increase the supply of good quality homes in the private rented sector. At the same time, it can address instances of poor management that may lead to households losing their homes and presenting as homeless. Licensing also helps the Council to build a relationship with local landlords and identify those who may be willing to work alongside the council's homelessness team to enable easier access to temporary accommodation.

10.13. More importantly, licensing offers additional protection for assured short-hold tenants. Licensing precludes a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) if the landlord has failed to licence the property.

10.14. Empty Homes

- 10.15. Whilst the Council is not pursuing a licensing scheme on the grounds of low housing demand there is a clear relationship between our approach to empty homes management and improving the private rented sector. The Council takes a proactive approach to empty homes, using a combination of encouragement and enforcement in order to bring empty homes back into use.
- 10.16. Better quality and managed private sector dwellings will be delivered via a licensing scheme, which will be less likely to become vacant for long periods.
- 10.17. Anti-Social Behaviour
- 10.18. Last year the Council brought together a number of enforcement activities under one management umbrella and increased front line resources in this area. Promoting partnership working, the unit now operates under an area based structure that geographically mirrors the three Metropolitan Police Cluster Areas. Three newly created Enforcement Manager posts play a pivotal role in coordinating services, using intelligent led data and information to tackle hot spot areas.
- 10.19. We know through our evidence gathering that there is a significant and persistent problem with ASB directly linked to private sector properties. Licensing will support existing anti-social behaviour initiatives by requiring landlords to take action against their tenants, by ensuring that household waste is correctly disposed of and that front gardens are maintained and free from rubbish.

11. Evidence – Summary of findings

- 11.1. In order to establish a true picture of how all the statutory grounds (as outlined in section 7 above) impact on Haringey, various data sets were brought together and analysed at both a ward level and a Lower Super Output Area (LSOA).
- 11.2. **Ward level analysis – Stage 1**
- 11.3. Haringey is made up of 19 Wards. Wards offer a recognisable geographical area and are typically used by local authorities to analyses and compare data within the borough boundary.
- 11.4. **The size of the private sector housing** - Census data was used as a basis for assessing both the total number and growth of the private sector. The 2011 census identified just over 32,000 private sector dwellings across the borough.
- 11.5. **Supporting data** - Data to establish the extent of ASB, (as defined for the purposes of the Act) crime, immigration, deprivation and housing conditions within the private rented sector in Haringey was sourced from the following:

- Council held records – Environmental reports – fly tipping, litter, flyposting and Graffiti and reports of problems with pest (mice, rats, bed bugs etc.)
- ASB and noise reported to both the Council and the local Police.
- Crime reports - Haringey crime recorded by the Metropolitan Police Service.
- Housing Conditions - Complaints about private sector properties, including the condition, safety and management problems together with category 1 and 2 reports.
- London Fire Brigade incidents.
- IMD 2015 - The index of multiple deprivation report for 2015 was used to establish the level of deprivation in the borough.
- National Insurance Registrations (NINOs) were used to establish levels of overseas migration.

11.6. Data from April 2014 to March 2017 was then analysed as follows:

- Duplicates were removed and an equal weighting applied to each indicator.
- A ward index score was generated for each indicator to identify high scoring wards relative to the borough average.
- The average index score across all indicators was then calculated to identify the top scoring wards.
- The priority of each ward was based on the number of incidents – the more incidents of crime, ASB, complaints etc. the higher the priority.

11.7. The table attached as Appendix 4 sets out the findings as summarised below:

- The scores entered under each indicator by ward represent the ranking.
- An index score of 100 indicates that the ward has an average rate when compared with the borough average.
- Any score above 100 indicates that there is a higher than average rate – this suggests that the area suffers from a higher number of incidents.
- A score below 100 indicates a lower than borough average – fewer incidents.

11.8. Ward Findings

11.9. The analysis of the data at a ward level confirmed that:

- There has been a 45.6% increase in private rental households in Haringey between 2001 and 2011
- All wards have experienced an increase in private sector dwellings between 2001 and 2011.
- 33% of households in Haringey are privately rented. This is 14% more private rental properties than the national average of 19%.

- Of the 19 wards, 11 wards have 30% or more private sector dwellings with only 1 ward – White Hart Lane -scoring below the national average of 19%.
- Northumberland Park and Tottenham Green score highest, at 3 times the average, for category 1 and 2 complaints (high risk hazards)
- Noel Park has the highest ranking for crime (over twice the London average) and ASB and environmental crime.
- The top 4 priority wards overall are: Northumberland Park, Tottenham Green, Noel Park and Bruce Grove.
- Of the 10 wards with an overall score of 100 or below, 8 attract an above average ranking for at least one of the indices, with two wards scoring above average for 6 of the 10 indices.
- Significant and persistent problems of crime, ASB, environmental crime and housing conditions are evident borough wide.

11.10. Ward level data conclusion

11.11. Analysis of data at a ward level was useful and confirmed that the growth in the private sector was borough wide. It also suggested that at various levels, crime, ASB, poor housing conditions, deprivation and migration were having a significant impact in nearly all of the wards. This was helpful in supporting a borough wide additional licensing scheme for HMOs.

11.12. However, equally weighting the data and analysing it at a ward level has limitations when establishing whether there is sufficient evidence to support a selective licensing scheme for single family dwellings. The above findings would suggest that 4 wards should make up a selective licensing programme. Yet we know from our analysis and local intelligence that whole wards are not necessarily classed as hot spot areas for crime ASB and problems associated with private sector dwellings. Instead, Haringey has pockets of problems across the borough with both good and badly managed single family dwellings existing across the 19 wards.

11.13. In addition, the Housing Act requires us to ensure that any selective licensing scheme complements the Council's Housing Strategy and any other initiatives and plans to improve the local area.

11.14. For this reason, we decided to further refine our data and apply a weighting and analyse the data at a smaller geographical area to identify the areas in greatest need. The next section explains our approach in more detail.

11.15. **Lower Super Output Areas – Stage 2 analysis.**

11.16. Our analysis for stage 2 included:

- Establishing an up to date figure for the size of the private sector in Haringey.
- Identifying the location of private sector dwellings and the split between HMOs and single family dwellings.

- Identifying the objectives for a selective licensing scheme and how it dovetails with the Council's other strategies and plans.
- Establishing the areas of need for a selective licensing scheme.

11.17. Growth of the private rented sector

11.18. Evidence suggests that the private sector has continued to grow in Haringey since the 2011 Census. In order to establish an up to date figure for the size of the private sector in Haringey, data was extracted from the following source:

- Haringey Council Tax records
- Housing benefit records
- Known licensed houses in multiple occupation (HMO)
- Council properties sold under the right to buy where the leaseholder obtained permission from the council to rent out their home.
- Planning applications involving HMOs
- Complaints made to the Housing Improvement team
- Noise complaints relating to residential properties.

11.19. Location of private sector dwellings and the split between HMO and single family dwellings.

11.20. The exact location of private sector properties was established by using a Unique Property Reference Number (UPRN) – this is a unique 12-digit number assigned to every property in the borough.

11.21. Where no UPRN was available, we used a predictive model that has been tested extensively by other boroughs. The methodology uses a range of property indicators to assign a probability that a property is private rented or not. For example, claiming housing benefit, occupant turnover, changes of ownership and entitlement to Council Tax Benefit (now called Council Tax Reduction Scheme). The risk factors are considered appropriate as Housing Benefit is associated with renting and low income; occupant turnover and changes of ownership are associated with transient populations and multiple people with different surnames are usually associated with multiple households.

11.22. Through this exercise, we identified approximately 35,500 private sector dwellings – a noticeable increase since the 2011 Census of 32,000.

11.23. Growth of HMOs and the case for additional licensing

11.24. The map attached as appendix 5 details the spread of HMOs across the borough. A red dot indicates that the private sector property is highly likely to be a HMO, a green dot indicates that the property is a licensed HMO and a blue dot indicates that it is a known HMO. Traditionally the distribution of HMOs, particularly smaller HMOs not subject to mandatory licensing have been concentrated in the East of the borough. However, the map shows that there is now a concentration of HMOs in the West of the borough. The West

of the borough typically has larger houses that lend themselves to conversion to HMO properties. Officers estimate that the number of HMOs in the borough could be as high as 50% of the overall total of private sector dwellings.

11.25. Many HMOs operate under the radar and consist of some of the poorest housing conditions in the borough. Traditionally HMOs present a higher level of risk to the occupants, due to the size, layout of the building and more intensive use of electrical and cooking appliances; increasing the risk of fire. Our current licensing scheme has uncovered poorly managed buildings, absent landlords and appalling housing conditions. They are often occupied by some of our most deprived and vulnerable residents. A borough wide additional licensing scheme would increase our powers and go some way to improving the lives of the residents.

11.26. The case for selective licensing - priority and weighting

11.27. In order to satisfy the legislative criteria and feedback from DCLG, officers identified the following priority outcomes for the selective licensing scheme:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, including environmental crimes such as fly tipping.
- Reduced levels of property related crime.

11.28. Targeting areas of need

11.29. In order to achieve the targeting of areas in greatest need, we analysed the data at a Lower Super Output Area (LSOA) level. LSOAs are recognised geographical areas which average approximately 700 households – Haringey has 145 LSOAs. The Office of National Statistics (ONS) collects and analyses economic and demographic data at an LSOA level across the country to compare differences across boroughs and other regions. LSOAs are most noticeably used for conducting the census.

11.30. Having identified the 145 LSOAs in Haringey we applied the weighted data. We then identified the priority areas based on:

- LSOAs with equal to or higher than the London average for private sector dwellings – this is currently 26%, significantly higher than the national average of 19%.
- LSOAs scoring the highest for poor housing conditions, ASB and crime.

11.31. The exercise identified that 29 LSOA areas would benefit from the introduction of a selective licensing scheme. The map attached as appendix 6 illustrates the coverage of a combined borough wide additional licensing scheme and a 20% selected scheme.

11.32. The advantages and disadvantages of using LSOA areas over a ward level based scheme (in Haringey's case this would be 4 wards) are discussed below:

11.33. Advantages – LSOAs

- Partial scheme across the majority of wards – 29 LSOAs included.
- Supports the roll out of further selective licensing schemes.
- Robust methodology that strengthens our evidence base.
- Avoids a blanket approach covering only 4 wards when pockets of problems exist.

11.34. Disadvantages

- Operationally more difficult to manage.
- Will split roads – two private sector properties side by side treated differently.
- Consultation and the public's ongoing understanding of the scheme will be challenging.

11.35. Although an LSOA based scheme offers some challenges, we already have a mandatory licensing scheme and an additional licensing scheme that only regulates certain types of HMOs – Two HMOs in the same street can therefore be treated differently. The introduction of a borough wide additional licensing scheme will capture all HMOs – the dwellings that present the greatest risk. The pepper potted coverage of a selective licensing scheme will target single dwelling properties flagged problematic in each ward and complement the additional scheme. If evidence gathered during the roll out suggests that other areas present a need, further selective licensing schemes can be introduced in a phased approach, subject to the agreement of the Secretary of State (DCLG).

12 The Proposal

12.1. **Proposed designation** – Based on the analysis and findings, officers believe that a borough wide additional licensing scheme and a selective licensing scheme at an LSOA level covering no more than 20% of the geographical area of Haringey is appropriate.

12.2. For the purpose of this scheme, HMOs will include the category of HMO which is often referred to as a section 257 HMO. Section 257 HMOs are where the building was converted into self-contained flats before the 1991 Building Regulations came into force on 1st June 1992 and have not been subsequently improved to at least the 1991 standards. It could also include conversions done without Building Regulation consent in the first place; in this case the 1991 deadline does not apply. The purpose of bringing this group of properties into the HMO category is to give local authorities extra powers to

ensure good management and standards of safety. It is recognised that a significant proportion of conversions were constructed well before modern Building Regulations required proper fire safety measures, including smoke detection.

- 12.3. **The Proposed Fee** – Financial modelling has been carried out to establish the operating cost of the scheme over a 5-year period. The fee for an additional licence will be £208 per unit of accommodation and the fee for selective licensing will be £500 per property. An early bird discount of 50% will be offered for a period of 3 months before the designation comes into force. This is intended to recognise those landlords who take their responsibilities seriously and apply for a licence at the earliest opportunity.
- 12.4. A higher fee of £500 per year for selective licensing and £208 per year per unit of accommodation for additional licensing will be charged to landlords who fail to licence their property and have sought to evade the licensing process or have come to the notice of the Council for failing to manage their property effectively.
- 12.5. A copy of the proposed schedule of fees and associated charges is contained in Appendix 2 and will form part of the public consultation exercise.
- 12.6. **Proposed Licence Conditions** – The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Councils also have the power to include other discretionary conditions which they consider appropriately for tackling the problems associated with private sector dwellings.
- 12.7. The proposed licensing conditions are attached as Appendix 3a and 3b
- 12.8. **Support for Landlords** – The proposed operating model and fee structure includes the support of Outreach officers who will work with landlords and private tenants to provide advice and assistance.
- 12.9. **Penalties for Non-compliance**
- 12.10. It is a criminal offence to let out a property in a designated licensing area without a license, or for failure to comply with any condition of the licence. Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a fixed penalty notice with a financial penalty of up to £30,000.
- 12.11. The level of any financial penalty issued will be based on factors including:
- Severity of the offence,
 - Culpability and track record of the offender,
 - Harm caused, or the potential for harm to be caused, to the tenant(s),
 - An appropriate and proportionate punishment of the offender,
 - A suitable deterrent to committing the offence,

- Removal of any financial benefit the offender may have obtained as a result of committing the offence.

12.12. In addition, the Council or the tenants of the property could apply to the First Tier Tribunal (Property Chamber) for a Rent Repayment Order, requiring the landlord to repay an amount equivalent to up to twelve months of any rent received in respect of a property.

12.13. If a license applicant or property manager has been convicted of a specified criminal offence or issued with a financial penalty, s/he may be considered as not *'fit and proper'* to hold a licence and may be refused a licence. Similarly, in such cases, an existing licensee may have their licence revoked. In cases where the person applying for the licence is not considered fit and proper and the property is to continue to be rented, an alternative, unrelated person will have to apply to be the licence holder. If a suitable licence holder cannot be found then the council may have to take over management of the property itself by, for example, making an interim management order under Part 4 of the Housing Act 2004.

12.14. Licensing – Outcomes

12.15. Our main driver for introducing a selective licensing scheme and extending our additional licensing scheme is to improve housing conditions and the quality of life for residents by tackling ASB and environmental crime associated with poorly managed private sector properties. Our aim is that over the 5-year period the licensing schemes will offer the following outcomes:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, including environmental crimes such as fly tipping.
- Reduced levels of property related crime.
- An increase in good landlords and an elimination of rogue landlords.

12.16. If, following consultation the Council decides to introduce selective licensing and extend our additional licensing scheme, we will work up a suite of performance indicators to measure the success of the schemes over a 5-year period. The data contained in our evidence base will provide base line data from which we can measure the outcomes.

13. Consultation

13.1. The Council is required to conduct a full consultation exercise, including consultation with local residents, tenants, landlords, managing agents and other members of the community who live in or operate businesses within the proposed designation. It should also include local residents and those who operate businesses or provide services in the area outside of the proposed designation who may be affected. The consultation must be widely published using various channels of communication.

- 13.2. During the consultation, the Council is required to give a detailed explanation of the proposed designation, explaining the reasons for the designation, how it will tackle specific problems, the potential benefits, etc. In relation to anti-social behaviour, the Council must demonstrate the evidence showing how the area is suffering from ASB, how those factors are currently being tackled and how the selective licensing will improve matters. The proposed licensing fee and licencing conditions must form part of the consultation.
- 13.3. The results from the consultation must be published and made available to the local community.
- 13.4. The Council will use an on-line questionnaire which will be available for 12 weeks from December 2017 to February 2018. Every effort will be made to make direct contact with landlords, letting and managing agents and private tenants. Our approach will include direct mail outs to landlords and private tenants and focus groups. Printed information will be made available in the form of posters and flyers to be distributed in public places. The Council will publish the project via social media, adverts in both local and trade papers. It will also work with neighbouring authorities and landlord representative bodies to publish the proposed scheme and target landlords living outside of the borough.
- 13.5. For a large part, the Council intends to use in house resources for the consultation exercise. However, external support, by way of M.E.L. Research will be provided for elements of the exercise. MEL Research is one of the UK's leading Social Research and Behaviour Change consultancies and have experience in conducting property licensing consultation exercises for a number of local authorities. M.E.L Research will provide support in the following areas: quality assurance of the consultation material; hosting the questionnaire; chairing public meetings and analysing the results of the consultation responses.
- 13.6. Following the consultation exercise, a report detailing the analysis of the consultation feedback and a recommendation on the way forward will be presented to Cabinet in June 2018. A summary of the consultation results will be available on-line and shared with the Council's partners, Haringey's Landlord Forum and landlord representative bodies.

14. Contribution to strategic outcomes

- 14.1. Extending our Additional Licensing scheme to cover the remaining HMOs in the Borough and introducing Selective licensing to part of the borough will compliment and work alongside the Council's other strategies and priorities. Licensing will support the following Corporate Plan objectives:
- Priority 3 - A clean and safe borough where people are proud to live.
 - Priority 4 - Sustainable Housing, Growth and Employment.
 - Priority 5 - Create homes and communities where people choose to live and are able to thrive

- 14.2. Haringey's wide ranging plans not only seek to improve the physical environment but aim to build resilience and offer residents and businesses the personal, social and economic tools to overcome challenges. From the aims within our Housing Strategy to Planning Policy and our regeneration plans we are striving to improve the quality of housing in the borough. Licensing will complement this aim.
- 14.3. Through our work with Housing Associations and through the management of our own housing stock we can promote good housing management and ensure that tenants have protected rights and enjoy a safe, warm and decent environment to live. We believe that licensing will go some way to ensuring that private tenants are afforded the same.
- 14.4. We will no longer tolerate fly-tipping and we will be proactive in reducing ASB and crime through working closely with our partners. Licensing conditions will enable us to set clear standards of behaviours for both landlords and tenants.
- 14.5. We want to see health in-equalities reduced and more people accessing decent accommodation when unfortunate enough to find themselves homeless. We know that some of the borough's most vulnerable tenants live in privately rented accommodation, we believe that licensing will add an additional layer of protection and go some way to improving their lives.

15. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

15.1. Finance - Funmi Olagbaiye, Finance Business Partner.

- 15.2. An initial budget for the external support in the consultation process will be £20,000 and this will be met from existing budget in the Housing Improvement Team.
- 15.3. There are no direct capital consequences to the Council arising from this report except for a one-off IT infrastructure cost of £39,000. The supporting technology was recently procured for the Mandatory Licensing Scheme.
- 15.4. The full financial implications of Licensing scheme will be determined by the extent of the designation if approved, and the adoption of the proposed fee structure set out in Appendix 2.
- 15.5. The fee has been calculated to ensure the ability of the Council to levy a reasonable charge for a licence that would ensure that the full costs including administration in relation to any final proposal will be financially neutral for the authority and tax payer.

16.2. Procurement - Barry Phelps – Interim Head of Strategic Procurement.

- 16.1. Strategic Procurement notes the contents of this report; however, there is no procurement input required.

17. Legal - Robin Levett – Senior Litigation Lawyer.

- 17.1. Corporate Governance has been consulted in the preparation of this report and comments as follows.
- 17.2. The 3 types of licensing provided for under the Housing Act 2004 are set out in the **Background** above (paragraph 6.1), and the conditions for designation of an area for additional or selective licensing are set out in **Statutory conditions and evidence**.
- 17.3. Unless the scheme meets the requirements set by the Secretary of State for a general approval, his confirmation is required before a designation of an area subject either to additional (s58(1)) or selective (s82(1)) licensing can come into force.
- 17.4. The licensing schemes proposed in this report are intended to meet the requirements of the general approval (The Housing Act 2004: Licensing of houses in multiple occupation and selective licensing of other residential accommodation (England) General Approval 2015) which are (in summary):
- 17.5. Both additional and selective licensing:
- That the local housing authority making the designation has consulted persons likely to be affected by it for a period of not less than 10 weeks
- 17.6. Selective licensing only:
- That the designation (alone, or in combination with other selective licensing designations by that local housing authority) **neither** covers more than 20% of the authority's geographical area **nor** would affect more than 20% of privately rented homes (based on census data) in the authority's area.
- 17.7. In formulating its consultation plan, the Council must bear in mind that not all those affected live or work within the borough and take steps to ensure that those affected within immediately neighbouring boroughs are properly consulted.
- 17.8. The consultation must comply with what have become known as the Sedley criteria, namely that the consultation:
- Must take place when the proposals are still at a formative stage
 - Must give sufficient reasons for the proposal to permit intelligent consideration and response
 - Must allow adequate time for consideration and response
 - Product must be conscientiously taken into account in finalising the proposal

17.9. The consultation plan described above and attached has been developed to meet the criteria set out above.

18. Equality

18.1 All groups who own, manage or live in privately rented accommodation are likely to be affected. People of ethnic minority origin, single parents, young children and certain vulnerable people are key tenant groups and are therefore likely to be affected as they are over-represented in private rented sector and notably in properties which are in poorer condition. In terms of the impact on private sector tenants generally, we expect the proposal to be positive as they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

18.2. The Communications Strategy has been influenced by the findings of the Equalities Impact Assessment to ensure that the consultation exercise is accessible to all sections of the community and local businesses. The Equalities Impact Assessment is attached as Appendix 7.

19. Use of Appendices

- Appendix 1 Evidence Base
- Appendix 2 Schedule of fees and charges
- Appendix 3a Additional Licensing Conditions
- Appendix 3b Selective Licensing Conditions
- Appendix 4 Ward Based Analysis – all data
- Appendix 5 Location of HMOs Borough wide
- Appendix 6 Proposed Additional and Selective Licensing Scheme.
- Appendix 7 Equalities Impact Assessment.

20. Local Government (Access to Information) Act 1985

- Housing Act 2004.
- http://england.shelter.org.uk/_data/assets/pdf_file/0008/57779/Selective_licensing_for_local_authorities.pdf
- The Selective Licensing of Houses (Additional Conditions) (England) Order 2015.
- https://www.legislation.gov.uk/ukdsi/2015/9780111131435/pdfs/ukdsi_9780111131435_en.pdf
- Department for Communities and Local Government - Selective licensing in the private rented sector - A Guide for local authorities.

- <https://www.gov.uk/government/publications/selective-licensing-in-the-private-rented-sector-a-guide-for-local-authorities>
- UK Migrants and the private sector (John Perry) – Joseph Rowntree Foundation 2012.
- <https://www.jrf.org.uk/report/uk-migrants-and-private-rented-sector>
- Shelter – Selective Licensing for Local Authorities – A good practice guide
- http://england.shelter.org.uk/_data/assets/pdf_file/0008/57779/Selective_licensing_for_local_authorities.pdf
- London Borough of Haringey – Additional and Selective Licensing, Evidence Base. October 2017 (Appendix 1)

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Appendix 1

London Borough of Haringey

**Additional and Selective
Licensing**

Evidence Base

October 2017

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1. Forward

Haringey is part of North London, covers an area of 30 square kilometres and shares its borders with six other London boroughs. Clockwise from the north they are: Enfield, Waltham Forest, Hackney, Islington, Camden and Barnet. Some of Haringey's more familiar local landmarks include: Alexandra Palace, Bruce Castle and Tottenham Hotspurs. Of surprise to many visiting Haringey for the first time, the borough includes large areas of wood land and green spaces. In contrast, it has a busy network of roads and bus routes, is served well by public transport and has many successful local businesses - On many fronts it is a thriving borough.

The geographical contrasts are matched by the contrasts in its demographics. Areas in the west of the borough such as Highgate, Muswell Hill and Crouch End are among the most prosperous in the country, whereas in the east of the borough some wards are classified as being among the most deprived in the country. Regeneration is a key priority for the borough and many of these areas will undergo a significant change in the coming years. Our residents come from many different cultures and we are proud of our diverse communities, many of whom have chosen to settle and remain in Haringey.

Haringey is a place of great opportunity. Growth is at the heart of our ambition and we recognise that the changes affecting the borough provide both exciting opportunities and significant challenges.

Demand for housing is at an all-time high and Haringey needs a wide range of homes, in terms of size, type and tenure to meet the diversity of current and future needs. Rather than compromise the housing standards and conditions of both new and existing housing to meet the ever increasing demand, we want to ensure that all who live in our borough have access to decent, secure housing.

We need more homes, but those homes need to be of a high quality. We believe that a safe, warm and well maintained home should be available to all and not influenced by the person's level of income or background. We want the private sector, which makes up a third of Haringey's housing, to thrive and be part of that offer.

Equally we need to improve peoples' surroundings and their local environment by reducing crime and anti-social behaviour. This includes fly-tipping, rubbish left on the highway and untidy front gardens. All blight communities and become a barrier to creating homes and communities where people choose to live. This type of anti-social behaviour contributes to a perception of an area being unsafe which can subsequently encourage further disorder and crime.

We consider that extending our additional licensing scheme and introducing a selective licensing scheme are the best tools available to tackle problems or poor housing management practices and conditions. Licensing will become part of a wider strategic approach to drive up living standards for all, improve the environment and make Haringey the best place to live in London.

Councillor Peray Ahmet

CABINET MEMBER FOR ENVIRONMENT.

2. Introduction - Licensing the private sector

2.1. Background information

Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities.

2.2. Mandatory Licensing of certain HMOs.

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have three or more storeys and are occupied by five or more people who are not living together as a single household.

2.3. Additional Licensing – HMO

Local authorities can introduce a discretionary additional scheme for other types of HMOs not subject to mandatory licensing in part or whole of the area within its district.

2.4. Selective Licensing

A discretionary selective licensing scheme covers all other private sector dwellings and can be introduced in part or whole of the borough.

All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action. Schemes run for a maximum period of five years and a fee is payable for each license.

2.5. Statutory conditions and evidence

2.6. Additional HMO Licensing

Under Part II of the Housing Act 2004, local authorities can designate areas or the whole of the area within their district as subject to additional licensing in respect of some or all of the HMOs in its area that are not already subject to mandatory licensing.

Before making an additional HMO licensing designation for a particular type of HMO, or for a particular area, the local authority must:

- Consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public.
- Consider whether there are any other courses of action available to them that might provide an effective method of dealing with the problem or problems in question.
- Consider that the making of the designation will significantly assist them to deal with the problem or problems.

2.7. Selective Licensing

Under Part III of the Housing Act 2004, local authorities can designate areas or the whole of the area within their district as subject to selective licensing in respect of privately rented properties, provided certain conditions are met.

Changes in legislation in April 2015 mean that local authorities are now required to obtain approval from the Secretary of State for any selective licensing scheme that would cover more than 20% of their geographical area or would affect more than 20% of private rented houses in the local authority area.

In order for selective licensing to be considered one or more of the following 6 statutory grounds have to be met:

The area:

- i. Is an area of low housing demand (or is likely to become such an area)
- ii. Suffers from or has a significant and persistent problem caused by anti-social behaviour not being adequately addressed by landlords of privately rented accommodation.
- iii. Is experiencing poor property conditions.
- iv. Is experiencing or has recently experienced an influx of migration.
- v. Is suffering high levels of deprivation.
- vi. Is suffering high levels of crime.

Criteria iii – vi can only be applied where the area contains a high proportion of private sector dwellings. The national average is currently 19%.

2.8. Conditions for both Additional and Selective Licensing.

For both additional and selective licensing, there is also a requirement on the local authority to:

- Ensure that the exercise of the power is consistent with their overall Housing Strategy.
- Adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objectives that the designation would be intended to achieve.
- Consider that the making of the designation will significantly assist them to achieve the objectives (whether or not they take any other course of action as well).
- Take reasonable steps to consult persons who are likely to be affected by the designations and consider any representations made.

3. Haringey's Proposal – Selective and Additional Licensing

Our main driver for introducing a selective licensing scheme and extending our additional licensing scheme is to improve housing conditions and the quality of life for residents by tackling ASB and environmental crime associated with poorly managed private sector properties. Our aim is that over the 5-year period the licensing schemes will offer the following outcomes:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, including environmental crimes such as fly tipping.
- Reduced levels of property related crime.
- An increase in good landlords and an elimination of rogue landlords.

Based on the evidence outlined in section 7 of this report, Haringey is proposing to implement a 5-year licensing scheme as follows:

3.1. Houses in multiple occupation – HMOs

A borough wide additional licensing scheme to include **all** HMOs that are currently excluded from the mandatory licensing scheme.

For the purpose of this scheme, HMOs will include the category of HMO which is often referred to as a section 257 HMO. Section 257 HMOs are where the building was converted into self-contained flats before the 1991 Building Regulations came into force on 1st June 1992 and have not been subsequently improved to at least the 1991 standards. It could also include conversions done without complying with then current Building Regulation (i.e. without Consent); in this case the 1991 deadline does not apply. The purpose of bringing this group of properties into the HMO category is to give local authorities extra powers to ensure good management and standards of safety. It is recognised that a significant proportion of conversions were constructed well before modern Building Regulations required proper fire safety measures, including smoke detection.

The inclusion of section 247 HMOs will result in every HMO in the borough being regulated through a licensing regime.

3.2. Selective licensing scheme – single dwelling properties.

In order to target the areas in greatest need, we are proposing a partial selective licensing scheme covering 20% of the geographical area. The areas identified are based on Lower Super Output Areas (LSOAs) – 29 LSOAs have been selected for the scheme. More information on LSOAs can be found in section 7 of this report.

The introduction of a borough wide additional licensing scheme will capture all HMOs – the dwellings that present the greatest risk. The pepper potted coverage of a selective licensing scheme will target single dwelling properties flagged problematic and complement the additional scheme.

A map detailing the designation of both schemes is attached (**To be included**)

3.3. Licensing fees

Financial modelling has been carried out to establish the operating cost of the scheme over a 5-year period. The fee for an additional licence will be £208 per unit of accommodation and the fee for selective licensing will be £500 per property. An early bird discount of 50% will be offered for a period of 3 months before the designation comes into force. This is intended to recognise those landlords who take their responsibilities seriously and apply for a licence at the earliest opportunity.

A higher fee will be charged to landlords who fail to licence their property and have sought to evade the licensing process or have come to the notice of the Council for failing to manage their property effectively.

The proposed schedule of fees and associated charges is set out below:

Selective Licensing	
Selective Licensing fee for a 5- year licence - applicants applying before the licensing designation comes into force (50% discount)	£250
Selective Licensing fee for a 5-year licence – applicants applying after the designation comes into force.	£500
Additional Licensing (HMOs outside of the Mandatory Licensing scheme)	
Additional Licensing Fee for a 5-year licence - applicants applying before the licensing designation comes into force (50% discount)	£104. Per unit of accommodation
Additional Licensing fee for a 5-year licence – applicants applying after the designation comes into force.	£208. Per unit of accommodation
Other Fees (fees apply to both Selective and Additional licensing unless otherwise stated.	
Paper applications	£100
Assistance with completing the application form	£60
Assistance with completing the application form, including the drawing of floor plans (<i>HMOs only</i>)	£390
Change of licence holder – new application fee	£500 Selective licensing / £208 per unit of accommodation for HMOs

Application refused by the council – no refund	
Temporary Exemption Notice	£30.00
Variation of Licence period* (<i>see below</i>)	£500 Selective licensing / £208 per unit of accommodation for HMOs

* *Variation of Licence*

The licence period may also be varied from 1 year to 5 years depending on the level of compliance. The full licencing fee will be payable whatever the duration of the licence. Factors taken into account will be e.g.

- *landlords who have failed to licence voluntarily*
- *failing to have planning permission*
- *Council tax arrears*
- *providing false information.*
- *failing to manage their property effectively*

This variation will be applied along with any enforcement action that is required and will result in the property requiring re-licensing when that time period has expired.

3.4. Licence Conditions

The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Councils also have the power to include other discretionary conditions which they consider appropriately for tackling the problems associated with private sector dwellings.

The proposed conditions are attached as appendix 1a and 1b

3.5. Penalties for non-compliance

It is a criminal offence to let out a property in a designated licensing area without a license, or for failure to comply with any condition of the licence. Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a fixed penalty notice with a financial penalty of up to £30,000.

The level of any financial penalty issued will be based on factors including:

- Severity of the offence,
- Culpability and track record of the offender,
- Harm caused, or the potential for harm to be caused, to the tenant(s),
- An appropriate and proportionate punishment of the offender,
- A suitable deterrent to committing the offence,

- Removal of any financial benefit the offender may have obtained as a result of committing the offence.

In addition, the Council or the tenants of the property could apply to the First Tier Tribunal (Property Chamber) for a Rent Repayment Order, requiring the landlord to repay an amount equivalent to up to twelve months of any rent received in respect of a property.

If a license applicant or property manager has been convicted of a specified criminal offence or issued with a financial penalty, s/he may be considered as not '*fit and proper*' to hold a licence and may be refused a licence. Similarly, in such cases, an existing licensee may have their licence revoked. In cases where the person applying for the licence is not considered fit and proper and the property is to continue to be rented, an alternative, unrelated person will have to apply to be the licence holder. If a suitable licence holder cannot be found then the council may have to take over management of the property itself by, for example, making an interim management order under Part 4 of the Housing Act 2004.

3.6. Support for Landlords

The proposed operating model and fee structure includes the following support for landlords:

- Outreach officers will work with landlords and private tenants to provide advice and assistance.
- A dedicated web page will be set up with helpful standard letters/tenancy agreements and signposts to independent organisations that provide support and assistance to landlords.

4. Why the Council is considering a borough wide additional licensing scheme and a part borough selective licensing scheme.

We know that there has been a dramatic increase in the number of private rented properties within Haringey. We estimate that we have approximately 35,500 private sector dwellings. Much of the sector provides decent accommodation and is reasonably well managed and plays an important key role in the provision of accommodation to meet homelessness. However, there are problems associated with parts of the sector arising from poor management and property conditions and related problems of anti-social behaviour. Poor property conditions are particularly prevalent within HMOs. We know that increasingly more and more smaller houses are being poorly converted into shared accommodation, these properties are problematic and currently fall outside of the Mandatory Licensing scheme.

The rise in the private rented sector within Haringey is mirrored nationally with the majority of all boroughs reporting an increase in private sector accommodation. The change in tenure is also accompanied by the change in the type of private sector landlords. The proportion of part time landlords – those who supplement their day job with rental income has reached its highest level. The National Landlords Association (NLA) estimate that part time landlords now make up more than 70% of the sector – the sector no longer consists of experienced landlords who are aware of and fully understand their obligations to their tenants.

An increasing number of our residents, many of whom are vulnerable, either live in private rented property or live adjacent to it. Failure to effectively manage private sector housing can adversely affect the health and safety of tenants and can have a wider impact on the local community. In addition to poor management, a number of landlords positively exploit their tenants and often the public purse through housing benefit, by renting substandard and dangerous accommodation.

The private sector traditionally offered an alternative to social housing or home ownership. For many the private sector was seen as a short term need while they waited for an offer of council owned accommodation or were in a financially stronger position to take their first steps onto the property ladder. The increase in house prices, reduction in social housing and reduced access to mortgage funding means that this is no longer the case. Increasingly, private sector accommodation now provides a longer term or “life” home for many residents.

The continued growth in the population of Haringey, the lack of alternative housing solutions for many, means that the private rented sector will continue to play a significant role in providing accommodation. More than ever, the sector needs to be properly managed and supported to fulfil its important role.

Licensing imposes a set of standards/conditions, makes it easier for officers to gain access into a property and can allow the tenant to make a complaint without being identified. A licensing scheme can also play a much needed role in supporting landlords. Resourcing support and guidance to landlords; low level mediation between tenants and landlords and adopting a risk based approach to compliance and enforcement are all necessary as part of a scheme that offers a carrot and stick approach.

Also, the introduction of Selective and Additional licensing will enable a significant change in the way that ASB and poor management associated with the private sector is tackled. Through licensing we will know who is responsible for the management of properties that are rented out and who in the first instance is responsible for dealing with problems associated with the dwelling. It also introduces an added protection for private sector tenants. Licensing has the potential to make significant improvements to housing standards and the local environment.

We believe that licensing offers the following benefits:

4.1. The benefits for a private landlord

- Good landlords will be rewarded for their responsible letting practices by paying a reduced fee for the service and receiving a light touch inspection and compliance approach.
- Creation of a level trading environment for private sector landlords.
- Their reputation will be enhanced by holding a licence, while those bad landlords who have given private renting a poor status, will either be made to bring their properties up to the standard of the others or risk losing the right to let their properties.
- Landlords can promote their licensed status and find it easier to attract tenants who know that a licensed property is well managed and safe.
- Better management and tenancy agreements will enable the landlord to have better control over the property and will be supported in dealing with tenants who commit anti-social behaviour.
- Advice and guidance will be available on all aspects of private renting especially those landlords who are inexperienced from a dedicated discretionary licensing team of officers.

4.2. The benefits for private tenants

- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities, space standards and fire safety.
- Protection from possible retaliatory eviction as licensing enables the proactive checking of properties and management practices, rather than relying on the tenant to report poor conditions.
- The standards imposed will ensure that the landlord is not permitted to have more tenants than recommended for the size of the property and the facilities provided so tenants can be assured that they are not living in cramped overcrowded accommodation.
- Advice and guidance will be available to tenants so that they can understand their rights to a decent home.
- Added protection for tenants as a result of better landlord management practices and greater protection from unlawful eviction.

4.3. The benefits for the community

- There is no cost to the tax payer as the scheme is self-funding.
- Reduce the number of overcrowded properties that can lead to anti-social behaviour especially relating to noise and rubbish.
- The register of landlords / managing agents will be made public and can be accessed by neighbours who wish to report anti-social behaviour and by the Police when they are dealing with these individuals.

4.4. Existing Additional Licensing Schemes.

Since the introduction of the Housing Act 2004, two additional licensing schemes have been introduced within the borough – Harringay ward (now expired) and the Tottenham scheme. The schemes include smaller HMO's and self-contained flats which have been unlawfully converted without planning and building regulation approval. This type of accommodation is problematic within Haringey and generally tend to be overcrowded, poorly constructed and often unsafe. Through the operation of the Harringay scheme 527 properties were licensed. Where poor property conditions were identified, these were remedied through a combination of working alongside the landlord offering guidance and enforcing the licensing conditions. Issues identified included:

- **Fire/Mean of Escape** - 483 (92%) lacked adequate means of escape and fire safety measures.
- **Security** - 289 (55%) lacked adequate security measures to front/rear doors and windows and the actual room doors of the individual rooms.
- **Heating** - 141(27%) lacked adequate heating within the property and individual rooms. This ranged from no heating at all, expensive systems, no heating controls and key meter issues.
- **Management** - 373 (71%) lacked adequate management. Such as fire alarm not working, fire equipment damaged, heating and hot water broken down, dirty conditions to common parts, poor waste arrangements, failing to deal with anti-social issues and general lack of dealing with basic repairs.
- **Kitchen Provision** - 82 (16%) lacked adequate kitchen facilities e.g. inadequate numbers of cookers, sinks, work surfaces and kitchen cupboards/refrigerators.
- **Bathroom provision** - 22 (4%) lacked adequate bathroom facilities such as insufficient bathrooms for the number of occupants, lack of wash hand basins or additional separate toilets required.

The Harringay Licensing scheme has enabled us to gain access into properties and tackle severe health and safety breeches and poor management practices. It has made it easier for us to identify portfolio landlords who own multiple substandard housing units across the borough. The scheme has also led to the development of a cross-service approach to the licensing process. Following receipt of a licensing application, services are now contacted and consulted on issues relating to that particular property. This has greatly improved cross-service working and problem solving.

Landlords and managing agents often feedback that they feel disadvantaged because they believe that unscrupulous landlords appear to go undetected. The Harringay scheme has

demonstrated to compliant landlords and managing agents that poor quality properties and unlawful management practices will be addressed.

5. Alternative options considered.

Before introducing an additional Licensing and/or selective licensing we are obliged to consider whether or not there are other courses of action we can take to effectively deal with the problem. We have considered the following:

5.1. Mandatory HMO Licensing only

Through our mandatory HMO licensing scheme, we will continue to identify properties that require licensing – it will run alongside the proposed additional licensing and selective licensing schemes. However, mandatory HMO Licensing will only apply to those HMOs which are three or more storeys, occupied by five or more people forming two or more households. This type of HMO makes up only a small percentage of the overall HMO stock within the borough. It will not tackle the problems associated with other types of HMO accommodation, many of which are in poor condition.

5.2. Designate an Additional Licensing scheme only

We could designate just an additional licensing scheme to deal with the smaller HMOs across the area. However, this would exclude non HMO private sector dwellings that we have identified as causing a problem. Through our evidence gathering, we have identified areas where the number of private sector dwellings is high – equal to or above 26% of the overall housing stock - and have above average problems such as crime, ASB and fly tipping.

5.3. Do nothing and continue with existing legal powers.

Existing powers available to the council are largely reactive with officers responding to tenants' complaints. Many tenants are reluctant to complain through fear of retaliatory eviction. Although current enforcement activity has been successful in remedying problems in individual dwellings, it is not felt to have raised the standard of private sector dwellings generally. Responding to complaints often involves coordinated investigation and enforcement by numerous departments, using various pieces of legislation, before a final resolution is obtained.

5.4. Voluntary Accreditation

Although the voluntary accreditation scheme is helpful in driving up standards, it relies on the willingness of landlords to sign up to it. It is likely therefore that conscientious landlords will continue to support the scheme, but that rogue landlords will remain difficult to identify and will avoid joining the scheme, preferring instead to operate with the minimum regulation "under the radar"

We believe that the combination of a borough wide additional licensing scheme with a targeted selective licensing scheme will achieve the maximum benefit and best outcomes for the private tenants in the borough.

6. Haringey – Demographics and the Housing Stock.

6.1. Haringey's People

Haringey is an exceptionally diverse and fast-changing borough. We have a population of 267,540 according to 2014 Office for National Statistics Mid-Year Estimates. Almost two-thirds of our population, and over 70% of our young people are from ethnic minority backgrounds, and over 100 languages are spoken in the borough. Our population is the fifth most ethnically diverse in the country.

The borough ranks among the most deprived in the country with pockets of extreme deprivation in the east. Haringey is the 30th most deprived borough in England and the 6th most deprived in London.

The population of Haringey is growing and is estimated to reach 286,900 by 2020, an increase of 5.9% from 2015. By 2025 – 5 years later, it is estimated that the population will reach 300,600, an increase of 10.9% from 2015.

Population growth locally is due to higher annual births than annual deaths, and net migration gain driven by high annual international migration. Haringey has a proud history of new migrant communities living within its area, this has resulted in a vibrant and diverse borough. The top three countries for new international migrant national insurance number allocations are Romania, Bulgaria and Italy.

The table below details some key headlines from the 2011 Census:

Households	<ul style="list-style-type: none"> • Increase in lone parent households, now accounting for over 10% of households. Of these around 50% are not in employment. • A third of Haringey's households are one person households.
Ethnicity and Identity	<ul style="list-style-type: none"> • A decline in the White British population, but less than the decline seen across London. • 3rd highest proportion of White Other of all London boroughs. • Some of the highest levels of households with mixed identities in the country. • 45% of residents were born outside Britain, the main nationalities being: Polish, Turkish, Jamaican, Irish, Ghanaian and Somalian. • 5.1% of residents have lived in the UK for less than 2 years, higher than the London average. • Christian and Muslim are the main religions and a quarter of residents have no religion.
Health	<ul style="list-style-type: none"> • Similar to the London average over 4 in 5 residents consider themselves to be in good or very good health, but 14% of residents report they have a condition that limits their day to day activities.

Housing Tenure	<ul style="list-style-type: none"> Home ownership has decreased to 38.9%; the London rate remains considerably higher than Haringey at 48.3%. The proportion of households that are privately rented has seen a major increase to 31.5%. This is amongst the highest of all London Boroughs. Over occupancy is up significantly, with 16.3% of households now over occupied by at least one bedroom. This is much higher than the London rate of 11.6%.
Qualification and Labour Market.	<ul style="list-style-type: none"> Significant reduction in the proportion of residents over 16 with no qualifications. A reduction in full time workers and a big increase in part time and self-employed workers. More people have never worked or are long term unemployed than in the London average.

6.2. Overview of housing in Haringey

The type of housing tenure in the borough has changed significantly in the period between the 2001 and the 2011 Census. In 2001 the overall number of properties totalled 92,170, this increased to 101,955 in 2011. Owner occupied properties accounted for 45.8% in 2001, decreasing to 38.8% by 2011. The table below confirms that the number of private rented properties has increased in the borough by 45.6% during the 10-year period.

Change in tenure type – 2001 to 2011

Tenure group 2011	Number	Change 2011 v 2001		
		%	+/-	+/- (%)
Owner occupied	39,603	38.8	-2,637	-6.2%
Social housing	27,242	26.8	-648	-2.3%
Private renting	32,095	31.4	10,055	45.6%
Living rent free	1,482	1.5		
Total	101,955	100	9,785	10.6%

6.3. House prices, affordability and demand

Demand for housing has reached such high levels in Haringey that to address both projected newly arising need and the current backlog, Haringey's 2014 Strategic Housing Market Assessment (SHMA) identified that between 2011 to 2026 over 20,000 new homes are needed.

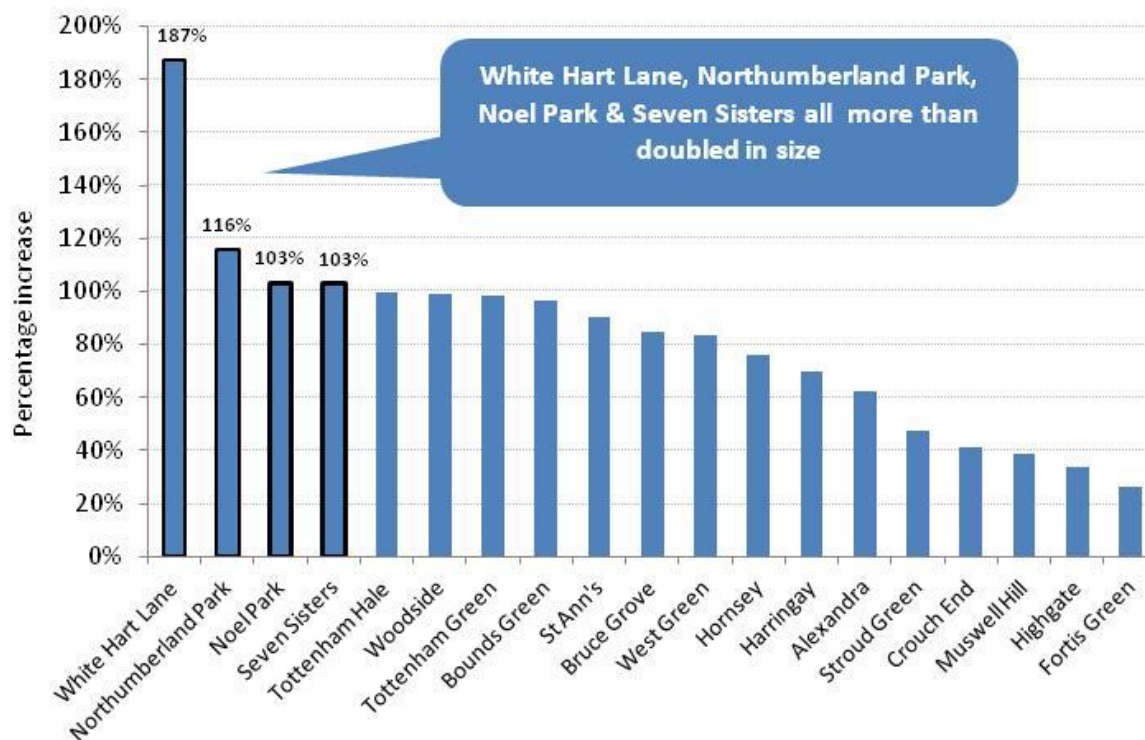
Even if we could meet the demand for housing, for many owning a property is becoming increasingly unaffordable. An estimated median household income in Haringey of around £35,400 means that an average two-bedroom flat costing £440,947 is too expensive.

The demand for owner occupied housing is matched by the demand for social housing. The Council currently has a duty to over 3000 homeless households – the second highest number of homeless households in temporary accommodation in London. Increasingly, social housing is becoming an option only for those in the most acute need.

6.4. The private sector

The private sector in Haringey is growing; a third of our residents already rent privately. Lettings of private rented homes in Haringey now outnumber lettings becoming available through the Council or Housing associations. As the graph below illustrates, the increase in the private sector between the 2001 and 2011 Census has been a feature in all wards within the borough.

Increase in the private sector by ward level



Nationally the private rented sector makes up 19% of the total housing stock in England and 26% in London. In Haringey the borough average is 31% with 18 of the 19 wards scoring above the national average and 15 wards scoring above the London average. Harringay ward in the south east of the borough is now made up of over 45% private sector dwellings. Overall, the growth in the private rented sector between the 2001 and 2011 Census is 45.6%

Private rent levels are also rising sharply in Haringey with the average weekly rent for a two-bedroom property (measured in June 2016) being £430. 4485 private sector tenants in the borough are in receipt of housing benefit.

There is a growing demand for low cost private rented accommodation. This is partly fuelled by the Government's welfare reforms and the rise in migrant workers coming to Haringey. In 2015/16 the Department for Work and Pensions completed just over 15000 new national insurance registrations for overseas nationals in Haringey. This demand has, in itself, created a housing market that is very lucrative for rogue landlords.

Restrictions on the amount of Housing Benefit that can be claimed by single people under the age of 35 has substantially increased the demand for shared HMO type housing. We estimate that up to 50% of the total number of private sector dwellings in the borough are now HMOs. Many are smaller HMOs that have been poorly converted; often carried out without planning permission.

The increase in the number of people renting privately has increased the demand for advice and assistance. An analysis of tenants contacting the Housing Advice Centre over a 3-year period confirmed that nearly 4000 tenants had approached the service. Queries included unlawful eviction, harassment and rent arrears. In 2015/16, there were 603 new statutorily homeless households of which 60% were evicted from a private rented property. In over half these cases, the landlords ended the tenancy without declaring any grounds relating to a breach of tenancy.

6.5. Conclusion

It is clear that access to social and affordable housing will remain scarce. The ability for our residents to buy their own home has decreased over the years. Reduced access to mortgage funding, the need for a sizable deposit and the average house price for a two - bedroom flat costing £440,947 against an average household income of around £35,400, means that home ownership is for many no longer a reality.

The continued growth in the population of Haringey, the lack of alternative housing solutions means that the private rented sector will continue to play a significant role in providing accommodation. We know that many of our households are on low income – levels of deprivation in Haringey are high. We also know that overseas migrants tend to strongly rely on the private sector market, a report by the Joseph Rowntree Foundation estimated that nationally 75% of migrants use private sector accommodation.

Low cost shared accommodation offers a good solution to those who are unable to rent larger properties or who live alone. But the property needs to be of a reasonable condition and offer a safe environment. The level of case work picked up by the Housing Advice Centre suggests that many landlords either lack the necessary experience and expertise needed to manage properties or wilfully neglect their responsibilities. The demand for private sector accommodation is such, that even properties in the poorest of conditions can be readily let – demand heavily outstrips supply.

More than ever, the sector needs to be properly managed and supported to fulfil its important role.

7. Links to other strategies

Extending our Additional Licensing scheme to cover the remaining HMOs in the borough and introducing selective licensing to part of the borough will complement and work alongside the Council's other strategies and priorities. We do not see licensing as a panacea to remedy all that is wrong or needs fixing in the borough. Rather it is part of a wider ambitious set of plans that will, over time, improve the lives of our residents. All our strategies have clear inter-linked aims and all recognise that decent housing is the bedrock of people's lives and leads to improved community relations, less anti-social behaviour, increased job prospects and better health outcomes.

7.1. The Council's Housing Strategy

Haringey's Housing Strategy sets out the strategic direction for housing activity in the borough, including housing need, supply and approach to quality and management of existing and new stock. Our 2017 to 2022 Housing Strategy recognises that the housing landscape has changed significantly, and that radical change is necessary to meet the demand for quality housing.

Haringey's housing strategy has four key strategic objectives:

- Achieve a step change in the number of new homes being built.
- Improve support and help to prevent homelessness.
- Drive up quality of housing for all residents.
- Ensure that housing delivers wider community benefits.

To meet the need for more homes we will require developers to provide up to 40% on site affordable housing on schemes of ten units or more. To further encourage a thriving private rented sector, we will support *private rented housing development* through:

- Encouraging new sources of private investment to enable the development of new high quality purpose built private rented accommodation.
- Promote with developers of large schemes the inclusion of private rented accommodation as part of an overall mix of housing.
- Covenant new private rented development for an appropriate period to ensure it remains available long term.

Haringey's ambitious growth agenda is equally matched in its commitment to ensure that the borough's existing homes are maintained and managed to the highest standards.

The Council has most control over its own stock of 16000 rented properties and 4500 leasehold properties. As at 31st March 2017, 79.85% of the Council's stock met the Government's decent homes standard, and through the Council's Capital investment programme and reactive repair service, the stock will continue to be well maintained and improved.

In terms of our role with Housing Associations we will continue to achieve shared high standards for managing homes, based on common management standards such as housing management, repairs and customer care.

In terms of the private rented sector, our priority is to improve the quality and reliability of homes in this sector. To meet this priority, we have committed to continue encouraging private rented sector landlords and lettings agents to sign up with the London Landlord Accreditation Scheme. We have also committed to use our statutory powers, including the various options for licensing schemes.

Haringey's Housing Strategy recognises that housing is interlinked with a number of other issues. Some of these are particularly relevant to the private rented sector and the effect well-maintained, good quality housing has on the borough as a whole. Our priorities include promoting independence, health and wellbeing, and providing stable, safe well-managed homes in decent environments. We have committed to improving health by tackling poor quality homes in the private sector and especially the private rented sector, where the highest levels of serious repairs and hazards occur.

7.2. How does licensing help?

The priorities for the private rented sector articulated in the Council's Housing Strategy go hand in hand with licensing. Interventions such as licensing can bring about an uplift in the quality of the sector through eliminating poor management practices and property conditions and reducing ASB that can adversely affect a neighbourhood. It offers private sector tenants added protection and supports a thriving, much needed, private rented sector through working with landlords to address concerns, raising awareness of good practice and driving out rogue landlords.

7.3. Empty properties

The Council takes a dual track approach of advice and assistance to help owners return their property into use, combined with tough enforcement interventions where the owner refuses to engage or is unwilling or unable to take action. The number of empty properties has reduced as a result of the above and the buoyancy of the housing market in Haringey.

7.4. How does licensing help?

Licensing will help us to identify empty properties more easily. Through enforcing housing conditions and educating landlords, we will improve the private sector offer in Haringey. A thriving private sector should lead to less properties becoming vacant for longer periods.

7.5. Physical, social and economic regeneration.

Haringey's wide ranging regeneration plans not only seek to improve the physical environment but aim to build community resilience and offer residents and businesses the personal, social and economic tools to overcome challenges. Plans include:

- **Tottenham Regeneration**

Tottenham is the next chapter of London's regeneration story. It's one of the first of the Mayor's flagship housing zones and is already seeing the benefit of more than £1 billion of public and private investment to transform the area. Our aim is to deliver at least 10,000 new homes and 5,000 new jobs by 2025.

Underpinning the vision are the following 7 strategies for success:

- **World-class education and training** – to complement our outstanding rated schools we will attract new schools and new providers – including a major educational institution.
- **Improved access to jobs and business opportunities** – working to attract major investment and to deliver local business growth to provide new jobs in and for Tottenham.
- **A different kind of Housing Market** – an ambitious programme of estate renewal and a range of houses at a range of prices to ensure that people get access to a quality home.
- **A fully connected community with even better transport links** – Crossrail 2 and further rail improvements will see high frequency rail services connecting Tottenham with central and other parts of London.
- **A strong and healthy community** – Tottenham's community is its strength. We will build an even stronger community pride and provide better and more connected public, voluntary and youth services.
- **Great places** – through investment and bold planning measures we will create great town centres, public spaces and streets.
- **The right investment and high quality development** – we will work with the local community to ensure that any investment is of the highest quality and best design.

Through the Housing Zone, the Council will seek to place an emphasis on accelerated delivery and supporting an increased range of housing options in Tottenham. In support of this, the proposed delivery target for the Housing Zone is a 50:50 split between private and affordable provision. The private provision includes an emphasis on home ownership and on supporting an improved private rented sector.

- **The Haringey Development Vehicle (HDV)**

The HDV is a proposed 50/50 partnership between Haringey Council and property developer Lendlease to oversee the transformation of council-owned land and assets and deliver thousands of new homes and opportunities to the borough. The HDV is expected to deliver more than 6,000 new homes during the coming 15-20 years, alongside other major improvements such as new schools, health facilities, open spaces and town centres.

- **Wood Green Regeneration**

Wood Green is the borough's biggest town centre and although already a thriving shopping and eating place, we believe it has massive potential. Planned improvements to the

Piccadilly Line will increase capacity by 2025 and further investment is also planned on the Great Northern Line which runs through nearby Alexandra Palace. We are also hopeful that Crossrail 2 will include Wood Green.

Our local plan highlighted Wood Green as a growth area; it will also be confirmed as a new opportunity area in the next London Plan. Our regeneration plans for the area include:

- Revitalizing and refreshing the town centre
 - Bringing more restaurants, cafés and places to socialise whether in the day or the evening
 - Creating more welcoming public spaces
 - Making the most of Wood Green's location for our neighbours in Alexandra Palace and the rest of London
 - Building 7,700 new homes that current and future residents can afford
 - Redeveloping unused industrial sites and other utilities to create local and London-based businesses
 - Creating 4,000 jobs
 - Making Wood Green one the best places to shop, eat and drink in London
 - Making residents proud to live in Wood Green
- **Economic Development and Growth - A plan for jobs, growth and prosperity.**

Matching our ambition for physical regeneration is our ambition for economic growth and our approach is that any benefit brought about by our major regeneration programmes translate into great opportunities and prosperity for our residents. Haringey's Economic Development and Growth Strategy sets out a vision to carve out a unique role for the borough within London; securing our own economic future and contributing to the capital's too.

Our long-term aim for the borough is to ensure that, by 2030, we are:

A fully employed borough, by which we mean:

- 75% of Haringey's working age population is in work.
- Residents' full time earnings are in line with London averages for bottom quartile and median earners.
- The proportion of working age residents qualified to NVQ Levels 3 and 4 is increased from 65% (2013 figures) to 70%.

A more dynamic borough, by which we mean:

- The number of jobs in Haringey has increased by 20,000 from the 2011 London Plan baseline position.
- The profile of Haringey-based jobs changes so that retail and public sector employment are less dominant, and there is a better range of jobs, including a greater proportion of jobs in more highly skilled sectors, such as sustainable technology, digital design and skilled/craft manufacturing.
- The number of jobs per square metre of employment land has increased by 20%, reflecting a shift to more intensive and productive employment.

7.6. How does licensing help?

Licensing will complement our regeneration plans by ensuring that more people have access to decent accommodation. Failing standards identified through compliance checks will be addressed through guidance and enforcement of the housing conditions.

Landlords will benefit from the Council's regeneration plans – the sector will continue to grow and thrive in a borough where people will choose to live. Under licensing landlords will have to take the same responsibility for their properties as they would for any other business - landlords will have to either improve their practice or leave the market. Improved landlord practices should reduce the number of evictions and unplanned moves. Populations should be less transient and improvements for the borough should become more sustainable, benefiting the better landlords, tenants and Haringey as a whole. Licensing supports our regeneration aims.

7.7. Homelessness and temporary accommodation

Within London, Haringey has the second highest number of households living in temporary accommodation because they are homeless. The main reason for homelessness in Haringey is loss of a private rented sector tenancy. Often because households experience financial difficulties that lead to rent arrears or because a landlord's wish to charge increased rents that are not affordable for the current tenant.

Our focus is on sustaining current housing where practical and preventing housing problems escalating to crisis point. This usually means sustaining licences or existing tenancies in the private rented sector. Where appropriate we work closely with each person or family in housing crisis to assist with benefits, gaining employment or financial management advice to prevent homelessness through rent arrears.

In addition, we build relationships with local landlords and offer a range of packages and incentives to enable households to move into or remain in the private rented sector.

Where homelessness cannot be prevented, we provide emergency temporary accommodation. Competition for affordable good quality private sector housing provides a significant challenge for Haringey. We maximise the supply of temporary accommodation and work closely with landlords and managing agents within Haringey to provide private sector leased accommodation and annexes (nightly-charged self-contained accommodation)

7.8. How does licensing help?

Licensing, by raising standards of management and property conditions will further help to increase the supply of good quality homes in the private rented sector. At the same time, it can address instances of poor management that may lead to households losing their homes and presenting as homeless. Licensing also helps the Council to build a relationship with local landlords and identify those who may be willing to work alongside the council's homelessness team to enable easier access to temporary accommodation.

More importantly, licensing offers additional protection for assured short-hold tenants. Licensing precludes a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) if the landlord has failed to licence the property.

7.9. Crime, Anti-Social Behaviour and fly tipping

Last year the Council brought together a number of enforcement activities under one management umbrella and increased front line resources in this area. Promoting partnership working, the unit now operates under an area based structure that geographically mirrors the three Metropolitan Police Cluster Areas. Three newly created Enforcement Manager posts play a pivotal role in coordinating services, using intelligent led data and information to tackle hot spot areas.

Fly-tipping remains a top priority for our residents. During the first three months of 2017 over 2,700 fly-tips were reported by residents in Haringey. These reports are up by 29% on the same period last year. Fly-tipping costs taxpayers in Haringey more than £3million a year.

Supporting our joined up enforcement model and to tackle the increasing problem of fly tipping and littering the Council has engaged the services of Kingdom Security Ltd. Kingdom provide a uniformed warden service offering a visible deterrent against littering and an enforcement function through the issuing of Fixed Penalty Notices (FPNs) A responsive service is deployed to tackle:

- Litter enforcement.
- Dog fouling.
- Timed collection enforcement.
- Fly tipping and trade waste enforcement.

The above are largely governed by the Community Safety Partnerships' annual Strategic Assessment findings and the delivery of MOPAC 2017 priorities.

Burglary, Property Crime and Anti-Social Behaviour are all high priorities for the Police in Haringey. Together with partners, they work to combat and reduce these issues, which are often more acutely observed in denser housing settings with higher turnover of residents.

Property marking schemes using invisible smartwater DNA solutions have proved very effective in reducing and detecting property crime and has led to successful prosecutions of those handling stolen goods in the Borough.

Prolific offenders are monitored and supported to tackle their re-offending while being intrusively supervised to prevent, deter and detect crime.

The Police, council and housing associations work closely together to tackle anti-social behaviour, sharing information and using the powers and lever of the various agencies to effect a change in behaviour and reduce the impact of crime and ASB.

7.10. How does licensing help?

We know through our evidence gathering that there is a significant and persistent problem with ASB directly linked to private sector properties. Licensing will support existing anti-social behaviour initiatives by requiring landlords to take action against their tenants, by ensuring that household waste is correctly disposed of and that front gardens are maintained and free from rubbish.

Licensing will give the Council additional powers to deal with housing related crime. The existence of a landlord register will make it easier for the both the Police and the Council to trace the owner of the property.

7.11. Article 4 Planning

In 2013 Haringey implemented an Article 4 direction to manage the growing trend of over concentrations of HMOs in the east of the borough and the resulting loss of single family dwelling houses. Prior to the Article 4, current planning legislation allowed a family dwelling to change to a small HMO without planning permission. Through the Article 4 the Council is able to better manage the impact of small HMOs and ensure that through the planning application process, they are meeting high standards.

7.12. How does licensing help?

Planning policy plays an important role in tackling poor housing design and the Article 4 direction has been helpful to halt the growing concentrations of HMO in the east of the borough. Licencing will ensure that property and tenancy management practices are improved. Our compliant checks and inspections will identify landlords who choose to operate unlawful HMO's in breach of planning and building control regulations.

7.13. Conclusion

From the aims within our Housing Strategy to Planning Policy and our regeneration plans we are striving to improve the quality of housing in the borough. Licensing will complement this aim.

Through our work with Housing Associations and through the management of our own housing stock we can promote good housing management and ensure that tenants have protected rights and enjoy a safe, warm and decent environment to live. We believe that licensing will go some way to ensuring that private tenants are afforded the same.

We will no longer tolerate fly-tipping and we will be proactive in reducing ASB and crime through working closely with our partners. Licensing conditions will enable us to set clear standards of behaviours for both landlords and tenants.

We want to see health in-equalities reduced and more people accessing decent accommodation when unfortunate enough to find themselves homeless. We know that some of the borough's most vulnerable tenants live in privately rented accommodation, we believe that licensing will add an additional layer of protection and go some way to improving their lives.

8. Methodology

In order to meet the requirements of the Housing Act 2004 for introducing additional and selective licencing (as outlined in section 2 of this report) the local authority must establish:

- The existence of a significant and persistent problem of anti-social behaviour (selective licensing only)
- That problems of ASB are directly related to private sector properties (selective only)
- That some or all private sector landlords who have let premises in the area (whether under leases or licence) are failing to take action to combat the problem.
- A significant proportion of the HMOs in the borough are being managed sufficiently ineffectively.

For the purposes of the above, we have analysed data at both a ward level and a Lower Super Output Area (LSOA). In order to establish a true picture of how all the statutory grounds (as outlined above) impact on Haringey, we gathered together all available appropriate data sets and analysed them accordingly.

8.1. Ward level analysis – Stage 1

Haringey is made up of 19 wards. Wards offer a recognisable geographical area and are typically used by local authorities to analyse and compare data within the borough boundary.

8.2. The size of the private sector housing

Census data was used as a basis for assessing both the total number and growth of the private sector. The 2011 census identified just over 32,000 private sector dwellings across the borough.

8.3. Supporting data

Data to establish the extent of ASB, crime, immigration deprivation and housing conditions within the private rented sector in Haringey was sourced from the following:

- Council held records – Environmental reports – fly tipping, litter, flyposting, graffiti and reports of problems with pest (mice, rats, bed bugs etc.)
- ASB and noise reported to both the Council and the local Police.
- Crime reports – Haringey crime recorded by the Metropolitan Police Service.
- Housing Conditions - Complaints about private sector properties, including the condition, safety and management problems together with category 1 and 2 (high risk) reports.
- London Fire Brigade incidents.
- IMD 2015 - The index of multiple deprivation report for 2015 was used to establish the level of deprivation in the borough.
- National Insurance Registrations (NINOs) were used to establish levels of overseas migration.

Data was then analysed from April 2014 to March 2017 as follows:

- Duplicates were removed and an equal weighting applied to each indicator.

- A ward index score was generated for each indicator to identify high scoring wards relative to the borough average.
- The average index score across all indicators was then calculated to identify the top scoring wards.
- The priority of each ward was based on the number of incidents – the more incidents of crime, ASB, complaints etc. the higher the priority.

The table overleaf details the findings and represents the following: -

- The scores entered under each indicator by ward represent the ranking.
- An index score of 100 indicates that the ward has an average rate when compared with the borough average.
- Any score above 100 indicates that there is a higher than average rate – this suggests that the area suffers from a higher number of incidents.
- A score below 100 indicates a lower than borough average – fewer incidents.

Also listed in the table for each ward are:

- The estimated ratio of private sector dwellings within each ward.
- The percentage of Haringey area (Hectares).
- The number of private sector dwellings at the last census count in 2011.
- The borough percentage of private sector dwellings.

Example – Northumberland Park.

For example, if we consider the ward of Northumberland Park and look at the ranking under each heading, the findings are:

- It ranks above average (scores are over 100) for: deprivation; overseas migration; crime; London Fire Brigade incidents; ASB reported to the Police; housing conditions, environmental crime, noise and problems with pests.
- 24% of all properties in the ward are private sector dwellings.
- The area covered by the ward of Northumberland Park makes up 6.4% of the overall size of Haringey.
- It has 1435 private sector properties which accounts for 4% of the overall number of private sector properties in the borough.

Ward	IMD (Deprivation) Rank	NINO (Migration – oversees)	Crime	LFB Incidents	Police CAD ASB	Cat 1&2 (H&S) Index	Private sector housing complaint	Enviro Crime	Noise Index	Pest Index	% (ward level) ratio of PRS	Mean Index	% of Haringey Area (Hectares)	PRS count (2011 Census)	Borough % of Census PRS count
Northumberland Park	175	137	149	193	157	314	183	83	100	229	24%	172	6.4%	1,435	4%
Tottenham Green	145	153	177	139	171	358	127	138	129	129	28%	167	4.6%	1,779	6%
Noel Park	127	162	222	95	175	136	110	174	141	82	27%	142	4.2%	1,620	5%
Bruce Grove	134	144	100	107	103	178	170	116	90	82	30%	122	3.1%	1,758	5%
St Ann's	108	183	90	99	91	206	116	119	84	93	33%	119	3.7%	1,938	6%
Harringay	97	167	103	92	120	95	105	123	124	44	42%	107	5.3%	2,493	8%
Woodside	102	143	97	76	80	118	115	145	98	83	34%	106	5.0%	2,021	6%
White Hart Lane	153	83	100	74	98	136	93	87	96	129	17%	105	5.7%	888	3%
West Green	121	122	107	103	119	0	90	102	72	211	26%	105	4.7%	1,441	4%
Tottenham Hale	138	136	120	88	108	0	97	78	107	128	24%	100	6.5%	1,416	4%
Seven Sisters	109	124	92	122	102	49	94	84	102	118	31%	99	4.4%	1,838	6%
Bounds Green	96	96	85	92	100	0	75	106	85	75	30%	81	4.7%	1,895	6%
Hornsey	91	27	77	145	90	0	68	89	139	64	26%	79	3.6%	1,585	5%
Stroud Green	70	55	63	98	74	85	32	86	84	114	30%	76	3.7%	1,661	5%
Crouch End	47	39	70	87	72	0	91	88	103	38	35%	63	4.9%	2,169	7%
Highgate	51	45	62	83	42	31	87	71	101	56	35%	63	8.4%	1,966	6%
Muswell Hill	45	29	71	81	82	0	26	74	105	67	28%	58	5.6%	1,372	4%
Fortis Green	47	41	60	75	69	81	26	66	58	39	31%	56	6.7%	1,703	5%
Alexandra	44	16	56	50	47	0	141	35	72	64	22%	53	8.8%	1,117	3%

8.3. Ward Findings

The analysis of the data at a ward level confirmed that:

- There has been a 45.6% increase in private rental households in Haringey between 2001 and 2011
- All wards have experienced an increase in private sector dwellings between 2001 and 2011.
- 33% of households in Haringey are privately rented. This is 14% more private rental properties than the national average of 19%*.
- Of the 19 wards, 11 wards have 30% or more private sector dwellings with only 1 ward – White Hart Lane -scoring below the national average of 19%.
- Northumberland Park and Tottenham Green score highest, at 3 times the average, for category 1 and 2 complaints.
- Noel Park has the highest ranking for crime (over twice the London average) and ASB and environmental crime.
- The top 4 priority wards overall are: Northumberland Park, Tottenham Green, Noel Park and Bruce Grove.
- Of the 10 wards with an overall score of 100 or below, 8 attract an above average ranking for at least one of the indices, with two wards scoring above average for 6 of the 10 indices.

8.5. Persistent and Significant

The ward level data was further examined to ensure compliance with DCLG guidance and to test whether problems associated with private sector dwellings were both significant and persistent. DCLG guidance suggests that the following categories are used for crime and ASB:

- **Crime** – Burglary, criminal damage and arson, theft (excluding theft from shops and handling stolen goods).
- **ASB relating to tenants' behaviour** – neighbour nuisance, noise, animal related problems, vehicle related nuisance
- **Environmental crime** – Graffiti, fly tipping and litter around the property.

In addition to the above, we further analysed complaints received directly from the public relating to private sector dwellings and category 1 & 2 hazards.

In order to prove that there is a significant and persistent problem, we were able to make a direct match to a private sector dwelling where a Unique Property Reference Number (UPRN) was available. A UPRN is a unique 12-digit number assigned to every property in the borough. Where we were unable to use a UPRN (for example incidence of fly tipping) we applied a 25 metre buffer around the property. Crime data is only available at a borough level and therefore comparisons were made with the national average. Where available, we analysed 3 years' worth of data to consider the trend.

8.6. Crime and Anti-Social Behaviour

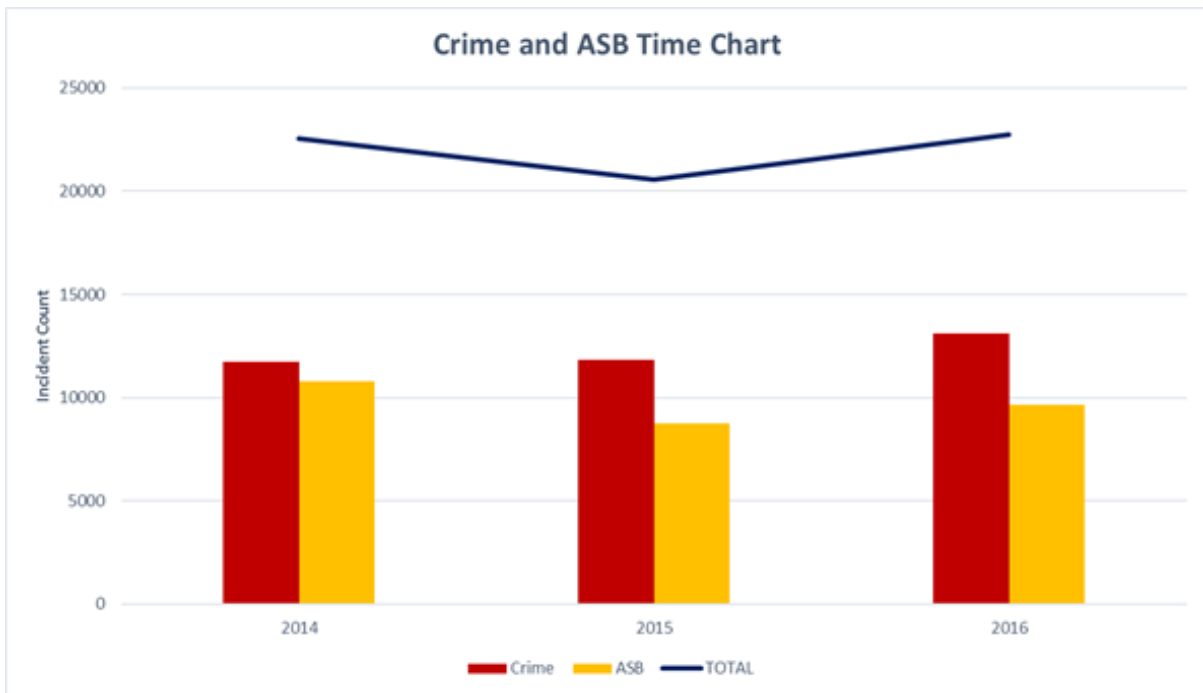
The overall crime and anti-social behaviour (ASB) rate in Haringey is above that of the national average. For overall recorded crime i.e. Total Notifiable Offences (TNO), there were an average of 101.8 incidents per 1,000 people in Haringey, compared to 70.0 per 1,000 people nationally, in 2015-16.

This is also the case for several sub-categories of crime; the domestic burglary rate in Haringey was recorded at 6.8 per 1,000 people, which is double that of the national average (3.4 per 1,000 people). Overall theft offences were recorded at a rate of 38.7 per 1,000 people in Haringey, compared to 30.8 per 1,000 people nationally. When theft from shops and handling stolen goods are removed from this category, Haringey's rate of 31.3 per 1,000 people remains above the London average (29.9 per 1,000 people).

Haringey's recorded rate of criminal damage and arson - 8.1 per 1,000 people, is slightly below the national average of 9.5 per 1,000 people.

The rate of anti-social behaviour reported to the police in Haringey is above that of the London average, with 34.9 incidents reported annually per 1,000 residents, compared to 33.7 for London.

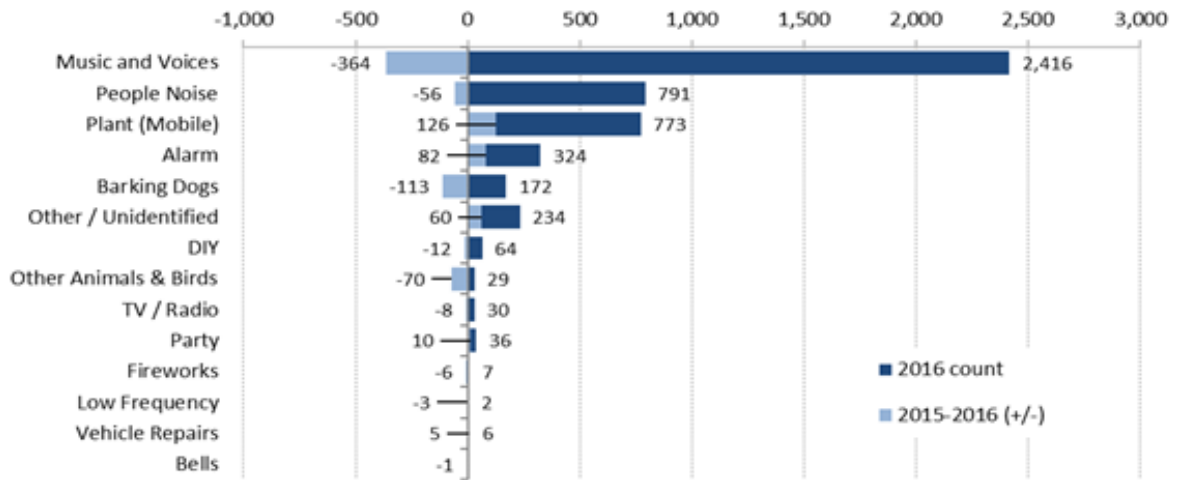
As shown in the time chart below, recorded crime (burglary, theft and criminal damage) and ASB levels have remained relatively consistent between 2014 and 2016. A small reduction was experienced in reports made in 2015, but these increased once again in 2016.



8.7. Noise complaints

Noise complaints received directly by the Council were analysed between the period January 2016 to December 2016. The total number of complaints recorded during this period totalled 19,942. From the total we extracted and analysed complaints recorded as: private rented; unknown and blank - the number of complaints totalled 15,923, (80%) of the overall total.

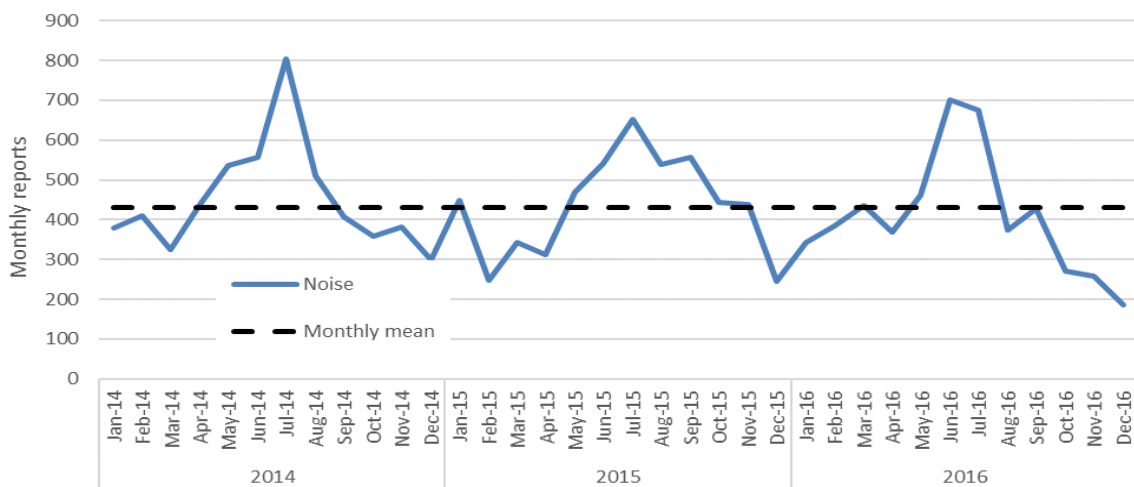
Noise complaints: Jan 16 – Dec 16



Removing data relating to machinery and public address systems left a total of 15,522 complaints. Of these, music and voices accounts for over half (53%) of all complaints over the period. This is more than three times higher than the next highest ranked complaint for people noise (16%). These two complaint types alone comprise almost 7 out of 10 of all complaints from private rented properties for this period.

The graph below illustrates the trend over a 3-year period. Over the 3 years 15,000 noise complaints were received, averaging around 431 per month. The volume of complaints peaks during the summer months and although showing a slight reduction over the period levels remain high.

Monthly trend for Noise complaints: Jan 14 – Dec 16

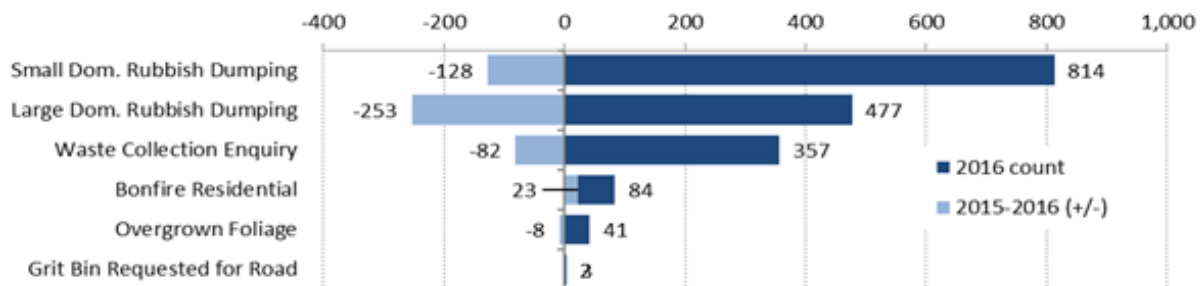


8.8. Environmental Crime

Reports of environmental crime/queries were analysed from January 2016 to December 2016, a total of 13,585 recorded complaints were received. Of the 13, 585, we could confidently identify 6,641 relating to private sector dwellings.

The graph below details the findings:

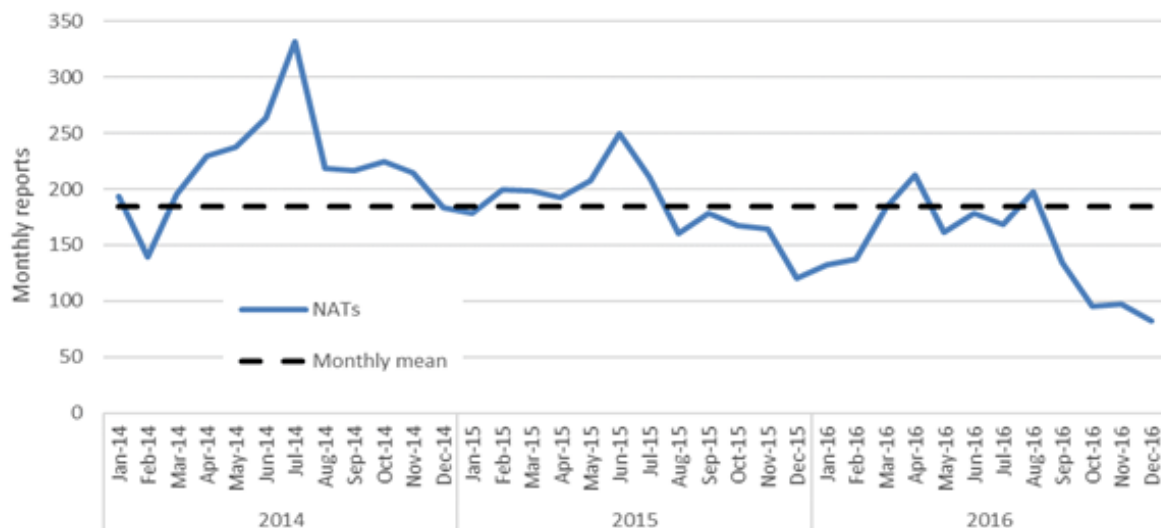
Environmental crime/queries January 2016 to December 2016.



The above confirms that small domestic rubbish dumping and large domestic rubbish dumping account for nearly three-quarters (72%) of all complaints.

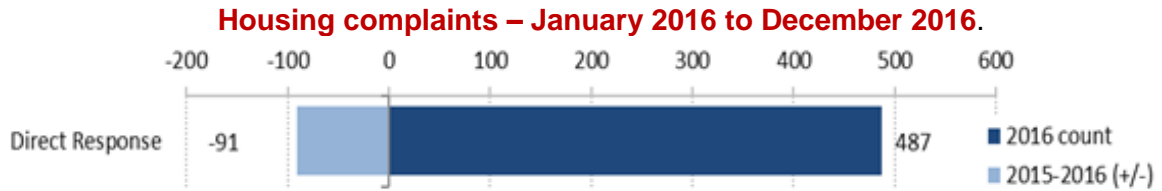
Analysis over a 3-year period confirms a decline in the number of complaints, but domestic rubbish dumping makes up the majority of complaints with seasonal peaks in the summer period.

Monthly trends - January 2014 to December 2016



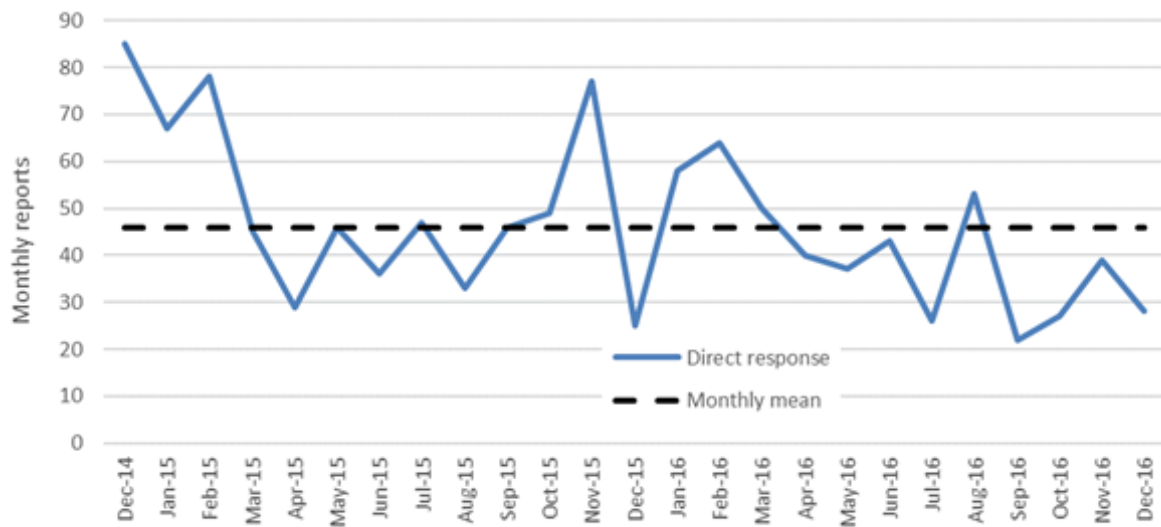
8.9. Housing Conditions

Three data sets were evaluated to assess poor housing conditions: housing disrepair; Category 1 & 2 hazards and pest control. For the period January 2016 to December 2016, 1,904 housing complaints were received. Of those, 1,150 (59%) related to housing disrepair.



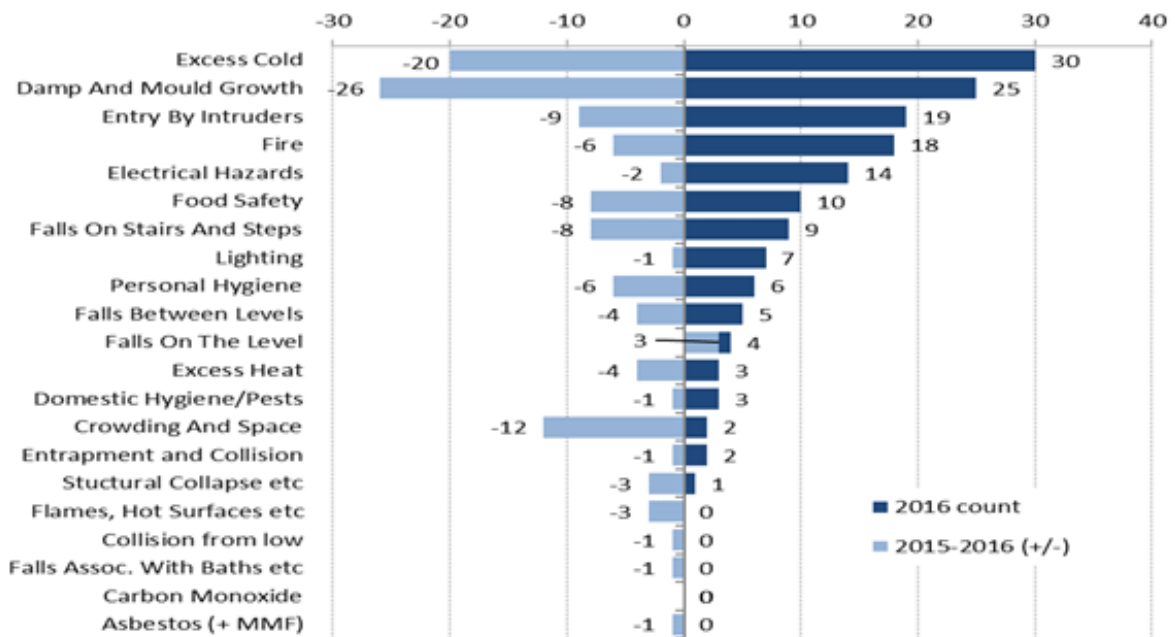
Analysing the data over a 3-year period confirms that on average 46 reports are received monthly. Again, seasonal peaks are evident with the majority of complaints received during the winter months. A dip sample confirms that the majority relate to damp and lack of heating.

Housing disrepair monthly trends - January 2014 to December 2016



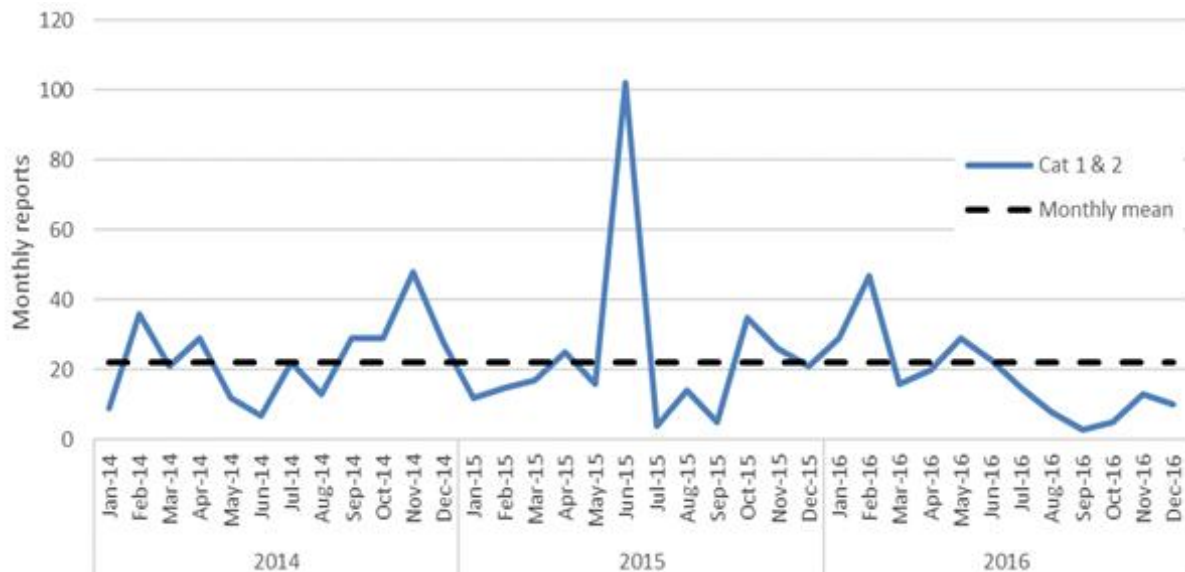
1,041 category 1 & 2 hazards were recorded between January 2016 and December 2016. 719, 69% related to private sector dwellings. The two most common types were excess cold (19%) and damp and mould growth (16%). Entry by intruders and fire are ranked third and fourth highest with 12% and 11% respectively. Collectively these four hazards make up over 58% of all hazards.

Category 1 & 2 Hazards – January 2016 to December 2016



The monthly trend illustrated in the graph below, shows an overall consistent level of reporting over the three years with three distinct peaks for November 2014, June 2015 and February 2016. The main spike in June 2015 related to 102 reports, more than four times the monthly average of 22 and driven mainly by reports of excess cold (19), damp & mould growth (15), fire/entry by Intruders (8) and electrical hazards.

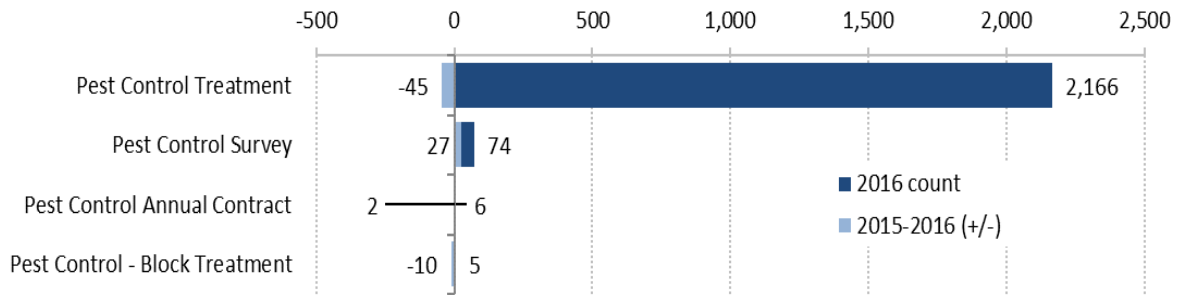
Category 1 & 2 Hazards monthly trends - January 2014 to December 2016



Pest control complaints received during January 2016 and December 2016 confirmed a total of 7,168 recorded incidents made up of 26 types: bed bugs; cockroaches; fleas; mice/rats; pigeons and wasps. Mice complaints account for 41% followed by complaints about rats at

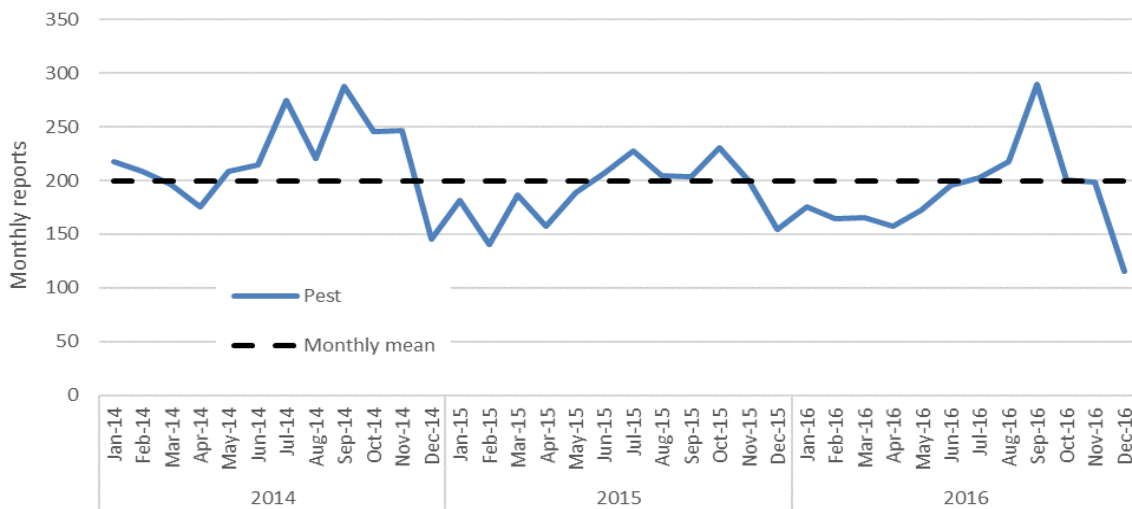
6%. Collectively these two types make up over half (57%) of all pest complaints for the period. Cockroaches and bed bugs make up a further 16% and 12% respectively.

Pest control complaints: January 2016 to December 2016



Over a 3-year period, 7,000 pest control complaints were received, averaging 199 per month. The trend shows the pattern to be seasonal with raised activity levels during the summer period from July to September each year.

Monthly trend for pest complaints: January 2014 – December 2016



8.10. Ward conclusion

Analysis of data at a ward level was useful and confirmed that the growth in the private sector was borough wide. It also suggested that at various levels, crime, ASB, poor housing conditions, deprivation and migration were having a significant impact in nearly all of the wards. Where national and comparable data was available, it confirmed that levels within Haringey were significant and trends measured over a 3-year period proved that the problems were persistent.

This was helpful in supporting a borough wide additional licensing scheme for HMOs.

However, equally weighting the data and analysing it at a ward level has limitations when establishing whether there is sufficient evidence to support a selective licensing scheme for single family dwellings. The above ward level findings would suggest that 4 wards should make up a selective licensing programme. Yet we know from our analysis and local intelligence that whole wards are not classed as hot spot areas for crime ASB and problems associated with private sector dwellings. Instead, Haringey has pockets of problems across the borough with both good and badly managed single family dwellings existing across the 19 wards.

In addition, the Housing Act requires us to ensure that any selective licensing scheme complements the Council's Housing Strategy and any other initiatives and plans to improve the local area.

For this reason, we decided to further refine our data and apply a weighting (in line with the Council's priorities) and selected a smaller geographical area for analysis, to identify the areas in greatest need.

8.11. Lower Super Output Areas – Stage 2 Analysis.

Our analysis for stage 2 included:

- Establishing an up to date figure for the size of the private sector in Haringey.
- Identifying the location of private sector dwellings and the split between HMOs and single family dwellings.
- Identifying the objectives for a selective licensing scheme and how it dovetails with the Council's other strategies and plans.
- Establishing the areas of need for a selective licensing scheme.

Growth of the private rented sector.

Evidence suggests that the private sector has continued to grow in Haringey since the 2011 Census. In order to establish an up to date figure for the size of the private sector in Haringey, data was extracted from the following source:

- Haringey Council Tax records
- Housing benefit records
- Known licensed houses in multiple occupation (HMO)
- Council properties sold under the right to buy where the leaseholder obtained permission from the council to rent out their home.
- Planning applications involving HMOs
- Complaints made to the Housing Improvement team
- Noise complaints relating to residential properties.

Through this exercise, we identified approximately 35,500 private sector dwellings – a noticeable increase since the 2011 Census of 32,000.

8.12. Location of private sector dwellings and the split between HMO and single family dwellings.

The exact location of private sector properties was established by using a Unique Property Reference Number (UPRN) Where no UPRN was available, we used a predictive model that has been tested extensively by other boroughs. The methodology uses a range of property indicators to assign a probability that a property is private rented or not. For example, claiming housing benefit, occupant turnover, changes of ownership and entitlement to Council Tax Benefit (now called Council Tax Reduction Scheme). The risk factors are considered appropriate as Housing Benefit is associated with renting and low income; occupant turnover and changes of ownership are associated with transient populations and multiple people with different surnames are usually associated with multiple households.

The risk factors for identifying HMOs are as follows:

- No current CTRS (Council Tax Reduction Scheme) recipient at address: A property not receiving CTRS is estimated to be 3.1 times more likely to be HMO status than a property receiving CTRS. A possible explanation for this is that properties receiving CTRS tend to be older person households or owner occupied rather than a landlord.
- Change in Council Tax liable surname between 2013 and 2014: This is proxy for ownership turnover
- Two or more changes in electoral roll registrants between 2012 and 2015: Properties in which the surnames of at least one current registrant at an address were not present at the start of the period
- Three or more adults at an address 2015: This is the most predictive of all the risk factors selected

The risk factors for single family rented properties are as follows:

- No CTRS recipient at address: A single family privately rented household is less likely to receive CTRS but more likely to receive Housing Benefit.
- Change in Council Tax liable surname between 2013 and 2014: This is proxy for ownership turnover
- Two or less adults at address: Two or less adults at an address are predictive of single family status rather than HMO status.
- Housing Benefit recipient at address: Rented single family households can be partly identified by their Housing Benefit status. This is the strongest of the four predictive risk factors

Through this exercise (high risk categories added to the known private rented sector of 6,787) we were able to locate 27,723 private sector dwellings, 11,883 are likely to be HMO and 9,053 are likely to be single dwellings. This is less than the 35,000, the main reason being lack of recent data for the following;

- Two or more changes in electoral roll registrants was only available between 2012 and 2015
- Three or more adults at an address on the electoral roll was only available for 2015
- Change in Council Tax liable surname only available between 2013 and 2014

8.13. Growth of HMOs and the case for additional licensing

The map overleaf details the spread of HMOs across the borough. A red dot indicates that the private sector property is highly likely to be a HMO, a green dot indicates that the property is a licensed HMO and a blue dot indicates that it is a known HMO. Traditionally the distribution of HMOs, particularly smaller HMOs not subject to mandatory licensing have been concentrated in the East of the borough. However, the map shows that there is now a concentration of HMOs in the West of the borough. The West typically has larger houses that lend themselves to conversion to HMO properties. Officers estimate that the number of HMOs in the borough could be as high as 50% of the overall total of private sector dwellings.

Many HMOs operate under the radar and consist of some of the poorest housing conditions in the borough. Traditionally HMOs present a higher level of risk to the occupants, due to the size, layout of the building and more intensive use of electrical and cooking appliances; increasing the risk of fire. Our current licensing scheme has uncovered poorly managed buildings, absent landlords and appalling housing conditions. They are often occupied by some of our most deprived and vulnerable residents. A borough wide additional licensing scheme would increase our powers and go some way to improving the lives of the residents.

All HMO properties by type



8.14. Selective licensing - priority and weighting

The data used to inform ward level analysis was equally weighted – this means that all the accepted criteria for introducing selective licensing received the same priority ranking.

However, our main driver for introducing a selective licensing scheme is to improve housing conditions and the quality of life for residents by tackling ASB and environmental crime associated with poorly managed private sector properties. Furthermore, any scheme should complement the investment the borough is making in regenerating areas, attracting growth and supporting improved living standards for all.

With this in mind we agreed that any licensing scheme should offer the following outcomes, in order of priority:

- Improved housing conditions
- A reduction in significant persistent problems caused by anti-social behaviour, including environmental crimes such as fly tipping.
- Reduced levels of property related crime.

In order to ensure that a selective licensing scheme delivers the desired outcomes we applied the following weighting:

PRIORITY 1		PRIORITY 2		PRIORITY 3	
Indicator	Multiplying factor	Indicator	Multiplying factor	Indicator	Multiplying factor
Housing conditions (cat 1 & 2)	X2	Noise	X1.5	Crime	X1
Complaints about private sector properties.	X2	Fly-tips	X1.5		
Environmental Complaints	X2	ASB	X1.5		
HMO complaints	X2				
Pests	X2				

8.15. Targeting areas of need

In order to achieve the targeting of areas in greatest need, we analysed the data at a Lower Super Output Area (LSOA) level. LSOAs are recognised geographical areas which average approximately 700 households – Haringey has 145 LSOAs. The Office of National Statistics (ONS) collects and analyses economic and demographic data at an LSOA level across the country to compare differences across boroughs and other regions. LSOAs are most noticeably used for conducting the census.

Having identified the 145 LSOAs in Haringey we applied the weighted data. We then identified the priority areas based on:

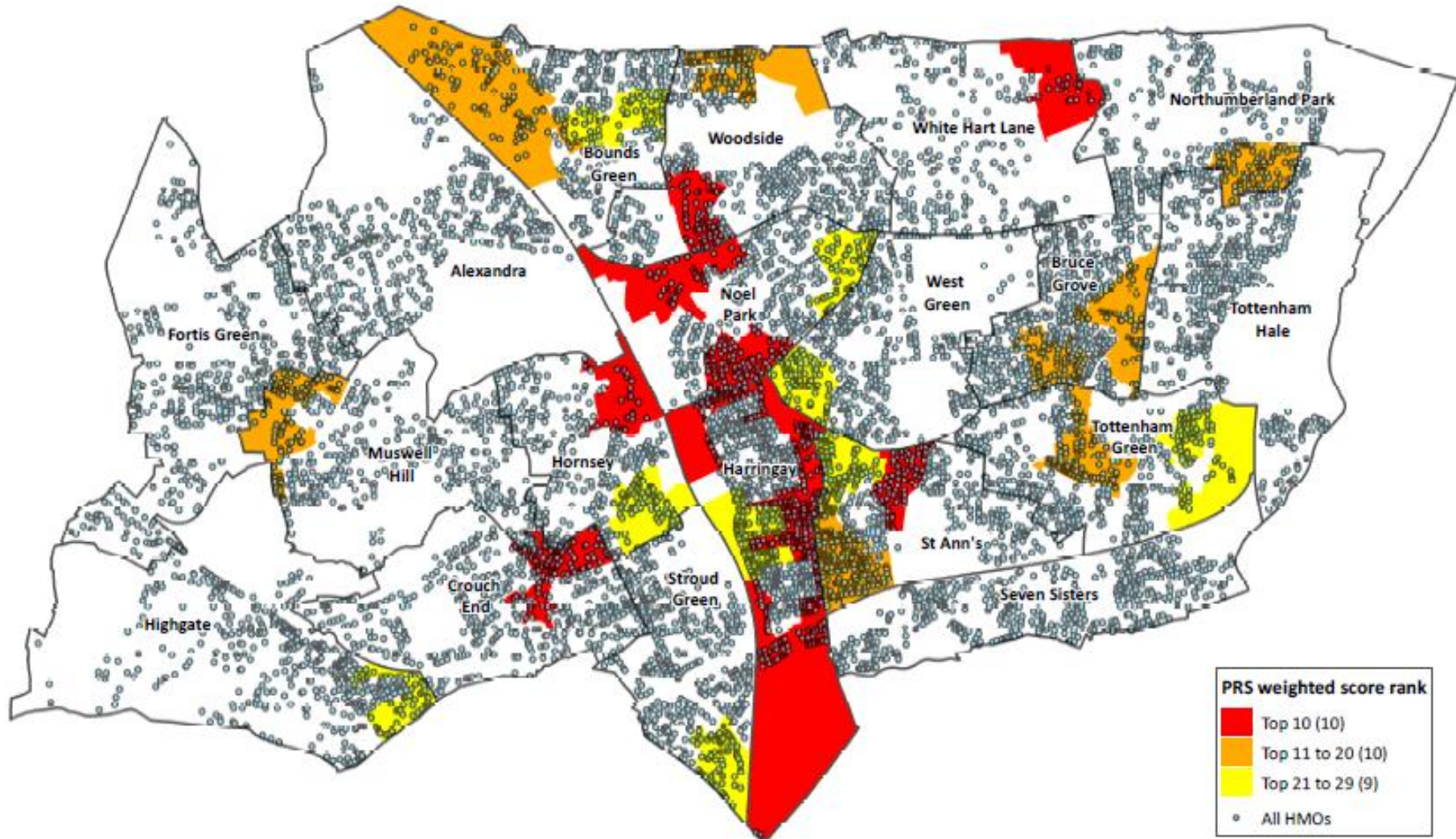
- LSOAs with equal to or higher than the London average for private sector dwellings – this is currently 26%, significantly higher than the national average of 19%.
- LSOAs scoring the highest for poor housing conditions, ASB, crime and environmental crime.

The map overleaf details the results.

At this stage there is no evidence to support a blanket wide selective licensing scheme, but evidence does suggest that there are pockets of problems in need of addressing. The 29 LSOA areas have the highest number of private sector dwellings and are the most problematic areas in terms of: poor housing conditions, problems with ASB, environmental crime and crime reported to the Police.

The pepper-potted coverage of a selective licensing scheme will target single dwelling properties flagged problematic in each ward and complement the borough wide additional scheme.

All HMO properties overlaid on top 29 PRS weighted score by LSOA



9. Conclusion

Through our evidence building, we believe that we have satisfied the legislative test for introducing a selective licensing scheme to selective areas in the borough and extending our additional licensing scheme borough wide. The key findings of our various data analysis are summarised below:

9.1. Growth in the private rented sector.

- There has been a 45.6% increase in private rental households in Haringey between 2001 and 2011. 33% of households in Haringey are now privately rented. This is 14% more private rental properties than the national average of 19%*.
- We estimate that the number of private sector households stands at 35,500 and up to 50% could be HMOs.

9.2. Poor Housing Conditions

- For the period January 2016 to December 2016, 1,904 housing complaints were received. Of those, 1,150 (59%) related to housing disrepair.
- 1041 category 1 & 2 (high risk) hazards were recorded between January 2016 and December 2016, 69% related to private sector dwellings. The two most common types were excess cold (19%) and damp and mould growth (16%).
- Pest control complaints received during January 2016 and December 2016 confirmed a total of 7,168 recorded incidents relating to private sector dwellings.

9.3. ASB and Noise

- The rate of anti-social behaviour reported to the police in Haringey is above that of the London average, with 34.9 incidents reported annually per 1,000 residents, compared to 33.7 for London.
- Noise complaints received directly by the Council between January 2016 to December 2016. totalled 19,942. From the total we extracted and analysed complaints recorded as: private rented; unknown and blank - the number of complaints totalled 15,923, (80%) of the overall total.

9.4. Environmental Crime

- The number of environmental crime incidents recorded between January 2016 to December 2016 totalled 13,585. 6,641 related to private sector dwellings. 72% of all environmental complaints relate to small domestic rubbish dumping and large domestic rubbish dumping.
- Dealing with fly-tipping costs the tax payers in Haringey £3 million per year.

9.5. Crime

- The overall crime and anti-social behaviour (ASB) rate in Haringey is above that of the national average.
- During 2015-16 the overall recorded crime in Haringey i.e. Total Notifiable Offences (TNO) averaged 101.8 incidents per 1,000 people, compared to 70.0 per 1,000 people nationally.
- During the same period, the domestic burglary rate in Haringey was recorded at 6.8 per 1,000 people, which is double that of the national average.
- Theft offences are high in Haringey - recorded at a rate of 38.7 per 1,000, compared to 30.8 per 1,000 people nationally.

Appendix 2**Proposed Schedule of Fees and Charges for Selective and Additional Licensing**

Fee per property or unit of accommodation

A 50% discount for a five-year licence will be offered for a 3-month period

Selective Licensing	
Selective Licensing fee for a 5- year licence - applicants applying before the licensing designation comes into force (50% discount)	£250
Selective Licensing fee for a 5-year licence – applicants applying after the designation comes into force.	£500
Additional Licensing (HMOs outside of the Mandatory Licensing scheme)	
Additional Licensing Fee for a 5-year licence - applicants applying before the licensing designation comes into force (50% discount)	£104. Per unit of accommodation
Additional Licensing fee for a 5-year licence – applicants applying after the designation comes into force.	£208. Per unit of accommodation
Other Fees (fees apply to both Selective and Additional licensing unless otherwise stated.	
Paper applications	£100
Assistance with completing the application form	£60
Assistance with completing the application form, including the drawing of floor plans (<i>HMOs only</i>)	£390
Change of licence holder – new application fee	£500 Selective licensing / £208 per unit of accommodation for HMOs
Application refused by the council – no refund	

Temporary Exemption Notice	£30.00
Variation of Licence period* (<i>see below</i>)	£500 Selective licensing / £208 per unit of accommodation for HMOs

* Variation of Licence

The licence period may also be varied from 1 year to 5 years depending on the level of compliance. The full licencing fee will be payable for the duration of the licence. Factors taken into account will be e.g.

- landlords who have failed to licence voluntarily
- failing to have planning permission
- Council tax arrears
- providing false information.
- for failing to manage their property effectively

This variation will be applied along with any enforcement action that is required and will result in the property requiring re-licensing when that time period has expired.

HMO LICENCE CONDITIONS.

Note: This document should be read in conjunction with Haringey's standards for Houses in Multiple Occupation (HMOs)

1. TENANCY MANAGEMENT

1.1. References

1.1.1. The licence holder shall demand references from persons who wish to occupy the house. The reference should satisfy the licence holder that the prospective occupier is of good character and is unlikely to be responsible for causing anti-social behaviour within the area. If it is only possible to obtain a verbal reference the licence-holder must make a written record of the reference including the date obtained and the name, address and telephone number of the person providing the reference. Copies and records of all references must be kept for the duration of the tenancy.

1.2. Tenancy Agreements.

1.2.1 The licence holder must ensure that the tenants are provided with written statements of the terms of their occupation at the commencement of their tenancies, this is commonly known as a tenancy or licence agreement.

1.3. Terms of occupation

1.3.1. The licence holder must not let the property or parts of the property to numbers of households and/or persons exceeding the maximum numbers allowed.

1.3.2. Where the numbers are in excess of the permitted levels at the time of the granting of the licence, the licence holder must take the appropriate **legal** steps to reduce the numbers at the earliest opportunity.

1.3.3. Where a tenant (or tenants) allows someone to move into their accommodation so that the permitted number for that accommodation is exceeded, the licence holder must again take the appropriate **legal** steps to reduce the numbers at the earliest opportunity.

1.4. Tenants' Rights

1.4.1. The licence holder must respect the legal rights of the tenants; this includes:

- A. Issuing prior notice - 7 days for non-emergency repairs and 24 hours for emergency repairs) –and 7 days for inspecting the property/room/s.
- B. Correctly terminating tenancies and licences.
- C. Protecting rent deposits (where the tenancy is an Assured Shorthold Tenancy) and supplying the tenant with details of the deposit scheme and

reimbursing the deposit, in part or full where appropriate, at the end of the tenancy.

- D. Where applicable (*for example - not paid through a direct debit, standing order or bank transfer*) issuing receipts for rent payments received.
- E. Ensuring that gas, electricity and water supplies (to individual dwellings - when included in the rent - and all common parts) are not disconnected or unreasonably interrupted

1.5. Anti-social behaviour

1.5.1 The licence holder shall take all reasonable and practical steps for preventing and dealing with anti-social behaviour and ensure that any complaints that have been made directly to you or via Haringey Council or the Metropolitan Police are investigated.

1.5.2. The licence holder shall keep copies of any complaints and/or correspondence and action taken relating to anti-social behaviour at the property and supply to the London Borough of Haringey on request.

1.6. Information about duty manager.

1.6.1. The manager must provide the occupiers with details of his/her name, address and contact telephone number and a copy of these conditions at the start of their tenancy and display such details, together with in a prominent position within the HMO.

2. PROPERTY MANAGEMENT

2.1. Security

2.1.1. The licence holder is responsible for the security of the property and must ensure:

- A. That locks, latches and entry phone systems are maintained and in good working order at all times.
- B. All keys, including window keys are provided to the occupiers at the start of the tenancy
- C. Where previous occupants have not returned keys, the relevant locks will be changed prior to new occupants moving in.

2.1.2. The licence holder should seek the advice of the local police station's crime prevention officer on measures to improve the security of the property (including lettings and communal areas).

2.2. Water supply and drainage

2.2.1 The manager must maintain and ensure that there is no unreasonable interruption to the water supply and drainage system to the property.

2.3. Gas and Electric

2.3.1. If gas is supplied to the property, the license holder must ensure that the gas installation and appliances are tested annually by an approved Gas Safe

engineer. If requested at any time by the Council, the licence holder must supply, within 7 days, a current satisfactory gas safety inspection certificate for the property.

2.3.2. The licence holder must ensure that the property's electrical installation is inspected and tested at least every five years by a competent electrician. If requested at any time by the Council, the licence holder must supply, within 7 days, a current satisfactory electrical installation condition report (EICR) for the property.

2.3.3. The licence holder must ensure that gas or electricity supplies to common parts or shared amenities are on landlord's supplies, via quarterly credit meters and that they are not disconnected or threatened with disconnection due to non-payment of monies owed to the relevant statutory undertaker.

2.3.4. The licence holder must ensure that any remedial works identified following inspections of gas and electrical installations and appliances are carried out within a reasonable time period.

2.4. Fixtures and fittings

2.4.1. The manager must ensure that units of accommodation, furniture and any fixtures, fittings or appliances supplied are clean and in good working order at the start of the tenancy and fully maintained thereafter.

2.5. External Areas

2.5.1. The licence holder shall put appropriate management and monitoring systems in place (such as regular inspections) to ensure that all gardens, yards and forecourts within the curtilage of the property are kept in a reasonably clean and tidy condition. Under no circumstances should old furniture, bedding, rubbish or refuse from the property be left immediately outside the property, on the public highway or on private land by either the licence holder, tenant or tenant's visitors.

2.5.2. If the licence holder becomes aware of a breach of the above by the tenant or their visitors, a warning letter must be issued within 14 days. Copies of the letter must be kept and supplied to the Council within 21 days of receiving a request.

2.6. Waste Disposal

2.6.1. The licence holder shall provide suitable and sufficient refuse and recycling bins with lids in a suitable and easily accessible location for occupants of the property to use.

2.6.2. The licence holder shall ensure that all tenants on commencement of tenancy are given details about the refuse storage arrangements, including the collection date for refuse, recycling and green waste and how to present their waste for collection.

2.6.3. The license holder must keep the property free of Housing Health and Safety Rating System (HHRS) Category 1 (serious) hazards.

2.6.4. Please see link below for further guidance

<https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals>

3. FIRE SAFETY

3.1. Condition of furniture and electrical appliances

3.1.1. The licence holder must ensure that appropriate **mains wired automatic** fire detection systems are installed on each storey of the premises on which there is a room used wholly or partly as living accommodation.

3.1.2. The landlord must ensure checks are made to ensure that each prescribed system is in proper working order on the day the tenancy begins if it is a new tenancy and that regular checks are made thereafter. All alarms must be kept in proper working order at all times.

3.1.3. The licence holder must provide to the Council copies of annual inspection and test certificates for Grade A automatic fire detection systems or confirmation annually that a Grade D system has been tested and is operating correctly, and annual test certificates for emergency lighting systems, where provided.

3.1.4. Please see link below for further information on *The smoke and Carbon Monoxide Alarm (England) Regulations 2015*

<https://www.gov.uk/government/publications/smoke-and-carbon-monoxide-alarms-explanatory-booklet-for-landlords>

3.1.5. The licence holder must ensure that a carbon monoxide alarm is provided in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance

3.1.6. The landlord must ensure checks are made to ensure that each prescribed alarm is in proper working order on the day the tenancy begins if it is a new tenancy and that regular checks are made thereafter. All alarms must be kept in proper working order at all times.

3.1.7. Please see link below for further information on *The smoke and Carbon Monoxide Alarm (England) Regulations 2015*

<https://www.gov.uk/government/publications/smoke-and-carbon-monoxide-alarms-explanatory-booklet-for-landlords>

3.1.8. The licence holder must ensure that all furniture and any portable electrical appliances provided, by the landlord are kept in a safe condition.

3.1.9. The licence holder must ensure that any upholstered furniture provided, whether new or second-hand, complies with the Furniture and Furnishings (Fire) (Safety) Regulations 1988, as amended.

3.1.10. If requested by the Council, the licence holder will be required to supply a declaration as to the safety of electrical appliances and furniture.

3.1.11. The licence holder must ensure that:

- A. Means of escape are maintained and kept free from obstruction.
- B. Electricity supplies to automatic fire detection and emergency lighting systems are not disconnected or threatened with disconnection for any reason.
- C. Fire notices are clearly visible.
- D. All residents are fully aware of the procedures to be followed in the event of a fire.

4. GENERAL

4.1. The licence holder must ensure that the property has a safe design and construction that is fully compliant with planning and building regulations.

4.2. Changes to the licensed property or licence holder.

4.2.1. The licence holder shall inform the Housing Improvement Team at the Council in writing within 21 days of any of the following:

- A. A change in ownership or management of the house;
- B. Any proposed changes to the construction, layout or amenity provisions that would affect the licence or licence conditions; and
- C. Any changes to their circumstances which could affect their fit and proper person status i.e. any cautions or convictions for any offence involving fraud or other dishonestly, violence, drugs, discrimination, or breach of housing or landlord / tenant law.

4.2.2. In addition to the above management items, the licence holder must ensure that the manager of the property, be that the licence holder or some other person, complies with the requirements of regulations 3 to 9 of The Management of Houses in Multiple Occupation (England) Regulations 2006:] [regulations 4 to 10 of The Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations. Please see link below:

<http://www.legislation.gov.uk/ukxi/2007/1903/contents/made>

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No	Licensing Condition
	Smoke Alarms, Furniture, Gas and Electricity Supply
1	If gas is supplied to the property, the licence holder must ensure that the gas installation and appliances are tested annually by an approved Gas Safe engineer. If requested at any time by the Council, the licence holder must supply, within 7 days, a current satisfactory gas safety inspection certificate for the property.
2	The licence holder must ensure that the property's electrical installation is inspected and tested at least every five years by a competent electrician. If requested at any time by the Council, the licence holder must supply, within 7 days, a current satisfactory electrical installation condition report (EICR) for the property.
3.	<p>The licence holder must ensure that all furniture and any portable electrical appliances provided, by the landlord are kept in a safe condition.</p> <p>The licence holder must ensure that any upholstered furniture provided, whether new or second-hand, complies with the Furniture and Furnishings (Fire) (Safety) Regulations 1988, as amended.</p> <p>If requested by the Council, the licence holder will be required to supply a declaration as to the safety of electrical appliances and furniture.</p>
4	<p>The licence holder must ensure that smoke alarms are installed on each storey of the premises on which there is a room used wholly or partly as living accommodation.</p> <p>The landlord must ensure checks are made to ensure that each prescribed alarm is in proper working order on the day the tenancy begins if it is a new tenancy and that regular checks are made thereafter. All alarms must be kept in proper</p>

	<p>working order at all times.</p> <p>A declaration as to their condition and positioning must be provided on demand.</p> <p>Please see link below for further information on <i>The smoke and Carbon Monoxide Alarm (England) Regulations 2015</i> https://www.gov.uk/government/publications/smoke-and-carbon-monoxide-alarms-explanatory-booklet-for-landlords</p>
5	<p>The licence holder must ensure that a carbon monoxide alarm is provided in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance</p> <p>The landlord must ensure checks are made to ensure that each prescribed alarm is in proper working order on the day the tenancy begins if it is a new tenancy and that regular checks are made thereafter. All alarms must be kept in proper working order at all times.</p> <p>Please see link below for further information on <i>The smoke and Carbon Monoxide Alarm (England) Regulations 2015</i> https://www.gov.uk/government/publications/smoke-and-carbon-monoxide-alarms-explanatory-booklet-for-landlords</p>
	Letting arrangements
6	<p>The licence holder shall supply to the occupiers of the house a written statement of the terms on which they occupy it. – This is commonly known as a tenancy or a license agreement.</p> <p>Copies of all tenancy or/ and licence agreements must be kept for the duration of the tenancy.</p> <p><i>Copies must be supplied to the Council within 21 days of receiving a request.</i></p>
7	<p>The licence holder shall demand references from persons who wish to occupy the house.</p> <p>The reference should satisfy the licence holder that the prospective occupier is of good character and is unlikely to be responsible for causing anti-social behaviour within the area. If it is only possible to obtain a verbal reference the</p>

	<p>licence-holder must make a written record of the reference including the date obtained and the name, address and telephone number of the person providing the reference. Copies and records of all references must be kept for the duration of the tenancy.</p> <p><i>Copies must be supplied to the Council within 21 days of receiving a request.</i></p>
8	<p>The licence holder shall give the tenant(s) a copy of the licence to which these conditions relate at the start of their tenancy together with an emergency contact number for the licence holder or manager of the property.</p>
9	<p>The licence holder must respect the legal rights of the tenants; this includes:</p> <ul style="list-style-type: none"> • Issuing prior notice - 7 days for non-emergency repairs and 24 hours for emergency repairs) –and 7 days for inspecting the property/room/s. • Correctly terminating tenancies and licences. • Protecting rent deposits and supplying the tenant with details of the deposit scheme and reimbursing the deposit, in part or full where appropriate, at the end of the tenancy. • Where applicable (<i>for example - not paid through a direct debit, standing order or bank transfer</i>) issuing receipts for rent payments received. • Ensuring that gas, electricity and water supplies (to individual dwellings - when included in the rent - and all common parts) are not disconnected or unreasonably interrupted.
10.	<p>The licence holder must not let the property or parts of the property to numbers of households and/or persons exceeding the maximum numbers allowed.</p> <p>Where the numbers are in excess of the permitted levels at the time of the granting of the licence, the licence holder must take the appropriate legal steps to reduce the numbers at the earliest opportunity.</p> <p>Where a tenant (or tenants) allows someone to move into their accommodation so that the permitted number for that accommodation is exceeded, the licence holder must again take the appropriate legal steps to reduce the numbers at</p>

	the earliest opportunity.
11	<p>The license holder must keep the property free of Housing Health and Safety Rating System (HHRS) Category 1 (serious) hazards.</p> <p>Please see link below for further guidance</p> <p>https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals</p>
12	The licence holder must ensure that the property or units of accommodation and any furniture supplied are clean and in good repair at the commencement of a tenancy, and that any fixtures, fittings or appliances within the letting are clean and in good working order.
	Dealing with Anti-Social Behaviour
13	<p>The licence holder shall take all reasonable and practical steps for preventing and dealing with anti-social behaviour and ensure that any complaints that have been made directly to you or via Haringey Council or the Metropolitan Police are investigated.</p> <p>The licence holder shall keep copies of any complaints and/or correspondence and action taken relating to anti-social behaviour at the property and supply to London Borough of Haringey on request.</p>
	Property inspections and repairs and maintenance
14	The licence holder shall ensure that inspections of the property are carried out on a regular basis (at a minimum every 6 months) to identify any problems relating to the condition, occupation and management of the property and a log shall be kept recording inspection details. The log shall include the date and time of inspection, name of person conducting the inspection, issues found and actions taken. Any remedial work/action must be carried out within a reasonable period of time.

	<i>Copies must be supplied to the Council within 21 days or receiving a request</i>
	Property Management
15	<p>The licence holder shall inform the Housing Improvement Team at the Council in writing within 21 days of any of the following:</p> <ul style="list-style-type: none"> • A change in ownership or management of the house; • Any changes to their circumstances which could affect their fit and proper person status i.e. any cautions or convictions for any offence involving fraud or other dishonestly, violence, drugs, discrimination, or breach of housing or landlord / tenant law.
16	<p>The licence holder shall provide suitable and sufficient refuse and recycling bins with lids in a suitable and easily accessible location for occupants of the property to use.</p> <p>The licence holder shall ensure that all tenants on commencement of tenancy are given details about the refuse storage arrangements, including the collection date for refuse, recycling and green waste and how to present their waste for collection.</p>
17	<p>The licence holder must ensure that all gardens, yards and forecourts within the curtilage of the property are kept in a reasonably clean and tidy condition. Under no circumstances should old furniture, bedding, rubbish or refuse from the property be left immediately outside the property, on the public highway or on private land by either the licence holder, tenant or tenant's visitors.</p> <p>If the licence holder becomes aware of a breach of the above by the tenant or their visitors, a warning letter must be issued within 14 days. Copies of warning letters must be maintained.</p>
18	<p>The licence holder is responsible for the security of the property and must ensure:</p> <ul style="list-style-type: none"> • That locks, latches and entry phone systems are maintained and in good working order at all times.

	<ul style="list-style-type: none">• All keys, including window keys are provided to the occupiers at the start of the tenancy• Where previous occupants have not returned keys, the relevant locks will be changed prior to new occupants moving in.
19	The licence holder must arrange for access to be granted upon receipt of a reasonable request and must not obstruct council officers carrying out their statutory duties including the surveying of the property to ensure compliance with licence conditions and any relevant legislation.

Appendix 4

Ward	IMD (Deprivation) Rank	NINO (Migration – oversees)	Crime	LFB Incidents	Police CAD ASB	Cat 1&2 (H&S) Index	Private sector housing complaint	Enviro Crime	Noise Index	Pest Index	% (ward level) ratio of PRS	Mean Index	% of Haringey Area (Hectares)	PRS count (2011 Census)	Borough % of Census PRS count
Northumberland Park	175	137	149	193	157	314	183	83	100	229	24%	172	6.4%	1,435	4%
Tottenham Green	145	153	177	139	171	358	127	138	129	129	28%	167	4.6%	1,779	6%
Noel Park	127	162	222	95	175	136	110	174	141	82	27%	142	4.2%	1,620	5%
Bruce Grove	134	144	100	107	103	178	170	116	90	82	30%	122	3.1%	1,758	5%
St Ann's	108	183	90	99	91	206	116	119	84	93	33%	119	3.7%	1,938	6%
Harringay	97	167	103	92	120	95	105	123	124	44	42%	107	5.3%	2,493	8%
Woodside	102	143	97	76	80	118	115	145	98	83	34%	106	5.0%	2,021	6%
White Hart Lane	153	83	100	74	98	136	93	87	96	129	17%	105	5.7%	888	3%
West Green	121	122	107	103	119	0	90	102	72	211	26%	105	4.7%	1,441	4%
Tottenham Hale	138	136	120	88	108	0	97	78	107	128	24%	100	6.5%	1,416	4%
Seven Sisters	109	124	92	122	102	49	94	84	102	118	31%	99	4.4%	1,838	6%
Bounds Green	96	96	85	92	100	0	75	106	85	75	30%	81	4.7%	1,895	6%
Hornsey	91	27	77	145	90	0	68	89	139	64	26%	79	3.6%	1,585	5%
Stroud Green	70	55	63	98	74	85	32	86	84	114	30%	76	3.7%	1,661	5%
Crouch End	47	39	70	87	72	0	91	88	103	38	35%	63	4.9%	2,169	7%
Highgate	51	45	62	83	42	31	87	71	101	56	35%	63	8.4%	1,966	6%
Muswell Hill	45	29	71	81	82	0	26	74	105	67	28%	58	5.6%	1,372	4%
Fortis Green	47	41	60	75	69	81	26	66	58	39	31%	56	6.7%	1,703	5%
Alexandra	44	16	56	50	47	0	141	35	72	64	22%	53	8.8%	1,117	3%

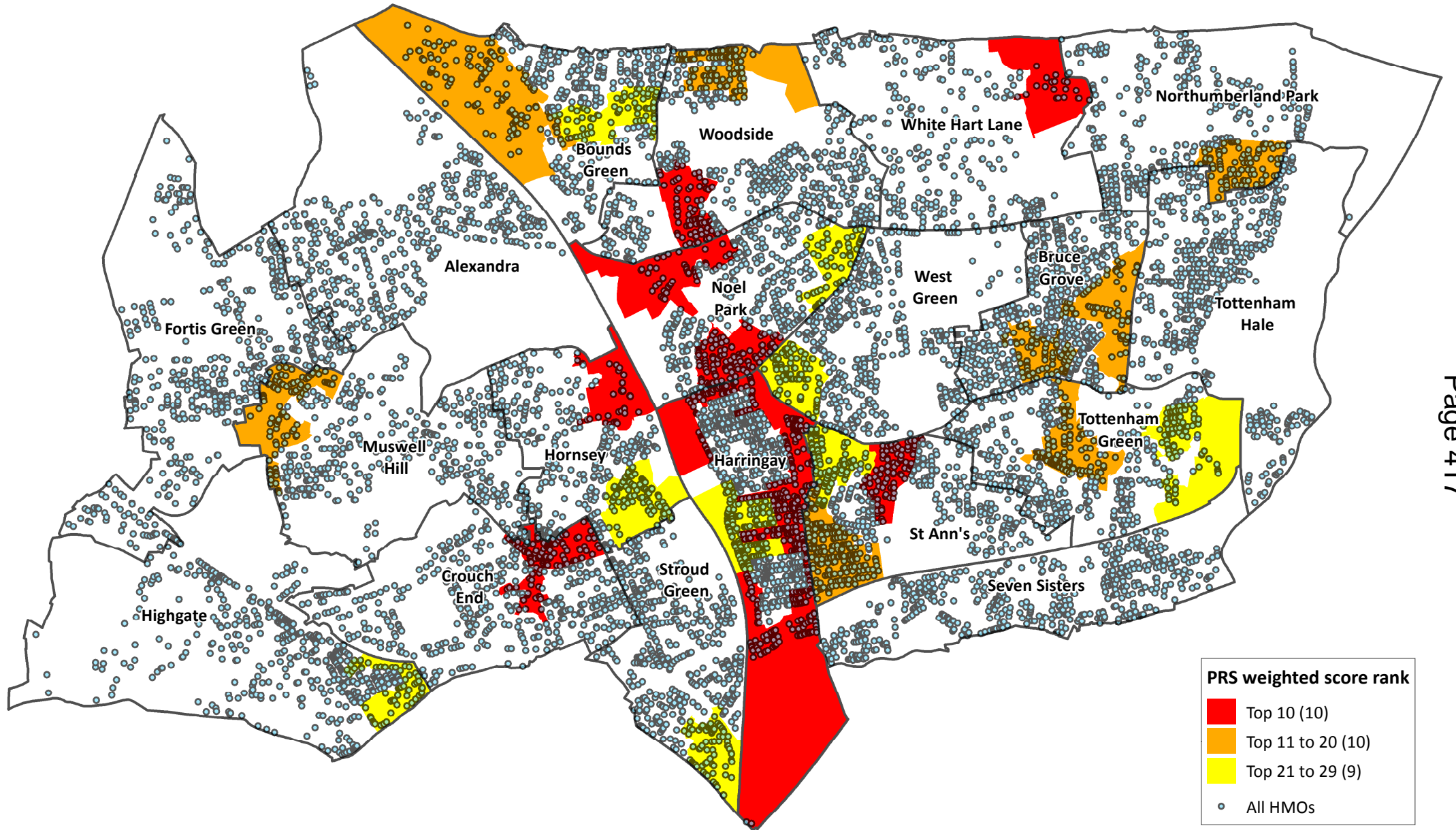
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All HMO properties by type



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All HMO properties overlaid on top 29 PRS weighted score by LSOA



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Appendix 7

EQUALITY IMPACT ASSESSMENT

The **Equality Act 2010** places a '**General Duty**' on all public bodies to have '**due regard**' to the need to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on protected characteristics, please proceed to stage 2 and complete a full Equality Impact Assessment (EqIA).

Stage 2 – Full Equality Impact Assessment

An EqIA provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an EqIA has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the Council's Equality Impact Assessment Guidance before beginning the EqIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Property Licensing – Additional and Selective
Service area	Commercial and Operations
Officer completing assessment	Alison Crowe
Equalities/ HR Advisor	Otis Williams/Paul Green
Cabinet meeting date (if applicable)	14 th November 2017
Director/Assistant Director	Stephen McDonnell – Interim Director Commercial and Operations.

2. Summary of the proposal

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *The decision-making route being taken*

The Council is proposing to extend the current Additional Licensing scheme for HMOs not governed by Mandatory Licensing and introduce a Selective Licensing scheme to 20% of its geographical area for all other private sector dwellings covered by the Housing Act 2004. All licensing schemes are intended to address the impact of poor quality housing, rogue landlords and anti-social tenants. In an area subject to licensing, all private landlords must obtain a licence and if they fail to do so, or fail to achieve acceptable management standards, the authority can take enforcement action. Schemes run for a maximum period of five years and a fee is payable for each licence.

Licensing offers the following benefits:

- Provide an improved strategic approach to managing the sector
- Help to identify all properties that are rented out privately
- Establish a register of landlords operating in Haringey
- Give us the opportunity to inspect the properties to assess living conditions and to offer advice to landlords, managing agents and tenants about their obligations.
- Redefine how the service operates by shifting the emphasis from a customer complaints led, reactive service.
- Ensure that a proper standard of management of privately rented property is maintained and that properties do not become, dangerous and/or severely overcrowded
- Reduce the levels of anti-social behaviour in the borough and take action against those whose properties or tenants cause persistent ASB
- Reduce enviro-crime locally including improvement in the management of waste

Stakeholders directly affected by the proposal:

Private sector landlords, managing agents and their tenants within the areas in scope will be directly affected by the proposals. We anticipate that the majority of residents will be positively affected by the proposal.

Council employees may be affected (change in the operating model) Further work is required to understand the full implication of the impact on staff. Any changes will be addressed in line with the Council's HR policies and a separate EqIA completed if necessary.

Timeline:

A report will be presented at the Cabinet meeting of 14th November 2017, to recommend that a borough wide public consultation is carried out from December 2017 - to February 2018.

Following the statutory consultation period, it is proposed that a report containing the results of the consultation together with other evidence is placed before Members of the Cabinet in June 2018.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. Please include any gaps and how you will address these

This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national. For restructures, please complete the restructure EqIA which is available on the HR pages.

Protected group	Service users	Staff
Sex	<i>Equalities Profile of Haringey – 2013 Mid Year estimates:</i> http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	
Gender Reassignment	<i>Not Available</i>	
Age	<i>Equalities Profile of Haringey – 2013 Mid Year estimates:</i> http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	
Disability	<i>Equalities Profile of Haringey – 2013 Mid Year estimates:</i> http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	
Race & Ethnicity	<i>Equalities Profile of Haringey – 2013 Mid Year estimates:</i> http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	
Sexual	<i>Not Available</i>	

Orientation		
Religion or Belief (or No Belief)	<i>Equalities Profile of Haringey – 2013 Mid Year estimates:</i> http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	
Pregnancy & Maternity	<i>Not Available</i>	
Marriage and Civil Partnership	<i>Equalities Profile of Haringey – 2013 Mid Year estimates:</i> http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	

Outline the key findings of your data analysis. Which groups are disproportionately affected by the proposal? How does this compare with the impact on wider service users and/or the borough's demographic profile? Have any inequalities been identified?

Explain how you will overcome this within the proposal.

Further information on how to do data analysis can be found in the guidance.

No data exist for demographics/equalities specifically relating to private sector dwellings or landlords operating in the borough. However, the key characteristics of Haringey as a borough are:

- There is a relatively equal gender split in Haringey, just over half of the population is female (50.5%), in line with England and London.
- Haringey has a relatively young population with a quarter of the population under the age of 20, and 91% of the population aged under 65 (89% London and 83% England).
- Haringey is the 5th most ethnically diverse borough in the country. Over 65% of residents come from non-White British communities, compared to 20% in England and 55% for London. 190 different languages are spoken in our schools. The proportion of non-White British communities varies from 35.2% in Muswell Hill to 83.4% in Northumberland Park.
- Haringey is one of the most religiously diverse places in the UK. The most common religion was Christianity, accounting for 45% of residents, less than London (48.4%) and less than England (59.4%). The next most common religions were Muslim (14.3%) – higher than London (12.3%) - and Jewish (3%). Haringey had a lower percentage of residents who were Hindu (1.8%) and Sikh (0.3%) than London (5.0% and 1.5%, respectively). A quarter of Haringey residents stated that they did not have a religion, higher than London (20.7%).
- 14% of residents have a long term health problem that limits their day to day activity, lower than England but in line with London. 5.7% of residents report being in bad health, slightly higher than England and London.
- Haringey has a higher proportion of couples in a registered same sex civil

partnership than England and London. 0.6% (or 1,191 residents), compared to 0.2% for England and 0.4% for London.

- 3.2% of London residents aged 16 or over identified themselves as lesbian, gay or bisexual in 2013 (ONS Integrated Household Survey). In Haringey this equates to 6,491 residents

All groups who own, manage or live in privately rented accommodation are likely to be affected. People of ethnic minority origin, single parents and young children and certain vulnerable people are key tenant groups and are therefore likely to be affected as they are over-represented in private rented sector and notably in properties which are in poorer condition.

Generally, the effect of property licensing is to formalise the lightly regulated private rented housing market by imposing an increased regulatory framework to impose obligations on landlords / licence holders. It should lead to better quality accommodation and greater community stability for groups who are unable to access social housing or homeownership therefore it can assist with community cohesion and tackle exclusion. Better managed private sector dwellings also improve the quality of life of many other Haringey residents, as they are often indirectly impacted by low level neighbourhood anti-social behaviour such as fly tipping and noise.

The introduction of a borough wide Additional Licensing scheme and a part borough Selective Licensing scheme will enable us to collect much needed data on demographics/equalities of people living in, managing and owning private sector dwellings in Haringey.

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please outline which groups you may target and how you will have targeted them

Further information on consultation is contained within accompanying EqIA guidance

We will use a wide range of consultation techniques to ensure that all sections of the community have an opportunity to take part. Our approach will be independently evaluated by a third party to ensure compliance. All consultation material will be translated on request and we will work closely with faith leaders and other community groups to capture a wide audience of respondents.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation’s findings will shape and inform your proposal and the decision making process, and any modifications made?

TBC - Following the consultation exercise.

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqIA guidance

1. Sex - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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2. Gender reassignment - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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3. Age - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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4. Disability - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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5. Race and ethnicity - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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6. Sexual orientation - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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7. Religion or belief (or no belief) - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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8. Pregnancy and maternity - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the

proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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9. Marriage and Civil Partnership - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

Positive	x	Negative		Neutral impact		Unknown Impact	
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10. Groups that cross two or more equality strands e.g. young black women - No differential impact is expected for people in this protected group. In terms of impact on private sector tenants generally, we expect the proposal to be positive, they will be afforded greater protection. Equally landlords will benefit from operating in a “level playing field” with all landlords expected to comply to the same regulations. Overtime, the number of rogue landlords should reduce and market conditions will improve for the remaining landlords.

We intend to explore, through the consultation exercise, how licensing could impact protected groups more negatively.

Outline the overall impact of the policy for the Public Sector Equality Duty:

- **Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?**

- Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?
This includes:
 - a) Remove or minimise disadvantage suffered by persons protected under the Equality Act
 - b) Take steps to meet the needs of persons protected under the Equality Act that are different from the needs of other groups
 - c) Encourage persons protected under the Equality Act to participate in public life or in any other activity in which participation by such persons is disproportionately low
- Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?

This analysis has concluded that, overall, it is anticipated that the extending of licensing is likely to bring about positive benefits to groups with protected characteristics, particularly those who are disadvantaged and who have little or no choice but having to rent in the private sector.

A key purpose of the scheme is to reduce antisocial behaviour which will benefit residents across all protected characteristics and particularly more vulnerable groups.

The Council will be better able to identify those properties that are being rented privately and the improved ability to enforce standards to the whole of the sector.

In particular, BAME groups, new migrants, families with young children, disabled residents and vulnerable adults will benefit from better enforcement of licence conditions and of the Housing Health and Safety Rating System standards.

6. a) What changes if any do you plan to make to your proposal as a result of the Equality Impact Assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance

Outcome	Y/N
No major change to the proposal: the EqIA demonstrates the proposal is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken. <u>If you have found any inequalities or negative impacts that you are unable to mitigate, please provide a compelling reason below why you are unable to mitigate them.</u>	Y
Adjust the proposal: The EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy. If there are any adverse impacts you cannot mitigate, please provide a compelling reason below	N

<p>Stop and remove the proposal: the proposal shows actual or potential avoidable adverse impacts on different protected characteristics. The decision maker must not make this decision.</p>	<p>N</p>
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6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

Impact and which protected characteristics are impacted?	Action	Lead officer	Timescale
<i>TBC following consultaiton</i>			

Please outline any areas you have identified where negative impacts will happen as a result of the proposal but it is not possible to mitigate them. Please provide a complete and honest justification on why it is not possible to mitigate them.

TBC Following consultation

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

We will introduce a landlord register in the borough. This will include equalities information of landlords operating in the borough. Through the application process and inspection regime we will be able to gather information on the type of tenants living in private sector dwellings in Haringey.

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7. Authorisation	
EqlA approved by (Assistant Director/ Director)	Date

8. Publication <i>Please ensure the completed EqlA is published in accordance with the Council's policy.</i>

Please contact the Policy & Strategy Team for any feedback on the EqlA process.

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Report for: Cabinet

Item number: 12

Title: Authority Monitoring Report 2016/17

Report

authorised by: Lyn Garner – Director of Planning, Regeneration and Development

Lead Officer: Matthew Paterson, 020 8489 4719,
matthew.patterson@haringey.gov.uk

Ward(s) affected: N/A

Report for Key/

Non Key Decision: Non Key

1 Describe the issue under consideration

- 1.1 The Authority Monitoring Report (AMR) is used to assess the effectiveness of Haringey's planning policies and to inform any future revisions to policies or their implementation.
- 1.2 This AMR covers the monitoring period 1st April 2016 to 31st March 2017. This is the third AMR prepared since the Corporate Plan 2015-18 was published. Therefore, in addition to covering planning policy performance the AMR will also engage with the priority outcomes covered by the service that are reflected in the Corporate Plan. This will help to set a framework for future reporting, where further opportunities for alignments with the Corporate monitoring process can be explored.

2 Cabinet member introduction

- 2.1 Haringey's Local Plan, which was adopted by the Council in July 2017, sets a new planning policy framework for Haringey and fully replaces our old Unitary Development Plan. The Local Plan engages with our ambitions for the Borough and, in particular, our programme for the regeneration of parts of Tottenham and Wood Green. To ensure the objectives and new targets of the Plan are being delivered, it is important that we monitor its implementation and effectiveness. The Authority's Monitoring Report (AMR) sets out our current performance to date, highlighting where we are achieving and where we need to improve, including potential interventions to address issues or under-performance. I am particularly pleased with the performance on affordable housing delivery at 71% of units delivered as affordable housing 2011-2017 and that the Planning Service is now top quartile in London.

3 Recommendations

- 3.1 That Cabinet note the comments of the Regulatory Committee (para 6.50)
- 3.2 That Cabinet note the findings of the Authority's Monitoring Report (AMR) for the monitoring period 2016/17.
- 3.3 That Cabinet note the Authority's Monitoring Report (AMR) 2016/17 will be made available for public inspection, on the Council's website, in line with the statutory requirements.

4 Reasons for decision

- 4.1 The publication of the Authority Monitoring Report is a requirement of the Planning and Compulsory Purchase Act 2004 (as amended) ("the Act"). Approval of the AMR 2016/17 for publication will ensure that the Council meets its statutory obligations for planning performance monitoring.

5 Alternative options considered

- 5.1 The Act 2011 requires local planning authorities to produce monitoring reports. The Council considers that Haringey's existing procedure of annual monitoring is an effective way for presenting the effectiveness of planning policies, within existing resources. As such, no other options were considered.

6 Background information

- 6.1 This AMR monitors the performance of the Council's adopted planning policies at the reporting period. It therefore covers policies as set out in the Strategic Policies Local Plan (2013) and Saved Unitary Development Plan (UDP) policies (adopted in 2006 and saved in 2009). This is the last time the UDP policies will be considered in the AMR as these have now been fully replaced by the Local Plan (2017). Where relevant and for completeness, outcomes against the new policies have been included, such as for housing policies. The AMR does not review each planning policy individually rather it focuses monitoring on key policy objectives in order to assess overall outcomes in plan delivery.
- 6.2 The AMR broadly consists of 3 parts. Part 1 provides an update on local plan making and also highlights key changes in the national and regional planning framework. Part 2 sets out the performance outcomes for key policy objectives covering a range of topic areas. Part 3 summarises performance with regard to the handling of planning applications, appeals and enforcement decisions.

Plan-making update

The following section responds mainly to Priority 4 which reflects the importance of an up-to-date Local Plan that sets out how much, where and when new homes and jobs will be created, and also helps to coordinate delivery of key infrastructure to support growth.

- 6.3 The 2016/17 period saw steady progress made in advancing Haringey's Local Plan towards adoption. Following statutory public consultation on 'pre-submission' versions of the Alterations to Strategic Policies, Development Management DPD, Site Allocations DPD and Tottenham Area Action Plan (AAP), the Council submitted these emerging Local Plan documents and supporting evidence to the Secretary of State on 24th May 2016 for independent Examination in Public (EiP).
- 6.4 The public hearing sessions took place from 23rd August to 8th September 2016. These were attended by a range of interested parties, all of whom were given the opportunity to raise their concerns on each of the documents with the Inspector. Where the Inspector considered that such concerns went to the 'soundness' of the documents, the Council sought to agree modifications to the wording of the policies that the Inspector and the relevant parties could also agree.
- 6.5 The Council then published a set of further main modifications (changes) to each plan for a period of consultation, which ran from 18th November 2016 to 13th January 2017. The representations received and Council's response to these were then fed back to the Planning Inspector to enable her to finalise her Inspector's Report.

Latest position

- 6.6 The Inspector's Report was received on 28th April 2017 which confirmed that, subject to the main modifications, the Plans are sound and provide an appropriate basis for the planning of Haringey and are therefore recommended for adoption. The Local Plan (incorporating the Inspector's changes) was subsequently progressed to Cabinet on 20th June 2017, which recommended its formal adoption by full Council.
- 6.7 Haringey's new Local Plan was adopted by a resolution of Full Council on 24th July 2017. Haringey now has a fully up-to-date framework for managing sustainable growth and investment and dealing with planning applications in line with the Corporate priorities.

Wood Green AAP

- 6.8 In addition to the above documents, work is also continuing on the preparation of the Wood Green Area Action Plan (AAP). The purpose of the AAP is to recognise the development potential within the Wood Green area, which includes significant Council landholdings, and the opportunities therein to strengthen the status of the Wood Green Metropolitan town centre. Four broad growth options were promoted for consultation in February – March 2016 based around different levels of intervention, including a single more centrally located Crossrail 2 station to serve the area.
- 6.9 Analysis of the comments received showed significant support for the options promoting higher levels of intervention with many respondents recognising the need to rejuvenate the town centre and stem the tide of major retailers leaving.
- 6.10 In January 2017, Cabinet approved the preferred option version of the AAP, which promotes site allocations providing for 7,700 new homes and over 150,000m² of commercial and retail floorspace. Delivery of this high growth

option will be contingent on decisions on Crossrail 2 serving the area. With respect to the latter, the Council is engaging with TfL in supporting the case for Crossrail 2 provision through Wood Green and is waiting on further announcements and consultation due by TfL

Latest position

- 6.11 Consultation on the preferred option version of the Wood Green AAP commenced in February 2017 and concluded on 28th April 2017. Results of the consultation are now being analysed to help inform preparation of a further refined draft of the Plan, which is currently scheduled for public consultation in January 2018.

North London Waste Plan

- 6.12 The service also continues to support the preparation of the Joint North London Waste Local Plan, which underwent preferred option consultation in July 2015. Following concerns raised by Enfield about the implications of a new London Plan on the deliverability of the proposed waste strategy being advanced, preparation of the pre-submission version of the Plan has been delayed until late 2017.

Neighbourhood Planning

- 6.13 The Council has continued to support the Highgate Neighbourhood Forum in preparation of its Neighbourhood Plan. This is a cross-borough plan, as the designated Highgate Neighbourhood Area covers parts of Haringey and Camden. Significant progress was made on the Plan in the reporting year.
- 6.14 The Forum carried out its second 'pre-submission' consultation on a draft plan during December 2015 - February 2016, to which the Council submitted a joint response with LB Camden. In response to the comments received the Forum reviewed and made amendments to the draft Plan. The Forum then submitted the revised Plan and supporting documents to Haringey and Camden Councils in September 2016, who publicised the draft Plan for a 'publication' consultation which ran from 23rd September to 4th November 2016.
- 6.15 The publication documents and representations received were subsequently packaged and sent to a Plan Examiner for an independent examination commencing in late 2016. The examination was conducted by written representations as the Examiner did not consider that hearing sessions were necessary. During the examination proceedings a Statement of Common Ground was agreed between the Councils and the Forum which resolved issues on a variety of policy matters. The Examiner's Report was published on 28th February 2017 and it concluded that, subject to the recommended changes, the Plan should proceed to a referendum. The Plan Examiner's Report is non-binding and it is up for the Council to take a decision on the recommendations contained therein.

Latest position

- 6.16 On 11th April 2017 the Council's 'Decision Statement' was agreed by Cabinet. The statement set out the Council's response to the Examiner's recommendations and provided that the Neighbourhood Plan, as modified, would

meet the relevant statutory requirements and legal tests and should therefore proceed to a local referendum.

- 6.17 A referendum was held on 6th July 2017 to determine whether electors in the Neighbourhood Area supported the Plan's adoption. The Plan passed the referendum with 88% approval thus becoming the first such plan to reach this stage in Haringey. Turnout was 18% which is comparably high for this type of vote in London and across the country. On 20th July 2017, Haringey formally made (adopted) the Highgate Neighbourhood Plan by way of Cabinet Member Signing. The Plan now forms part of Haringey's Statutory Development Plan and is used alongside the Local Plan and the Mayor's London Plan in determining planning applications.
- 6.18 The Crouch Neighbourhood Area and Forum were formally designated by the Council on 15th December 2015. The Council will continue to support the Forum in the preparation of its Neighbourhood Plan which is ongoing. The Forum is currently gathering evidence to help inform work on a draft Plan.

Highlights of key plan and policy performance outcomes

- 6.19 This section of the AMR summarises key plan and policy performance outcomes across a range of topic areas, including housing, employment, environmental sustainability and strategic infrastructure funding. These topic areas are linked to Corporate Plan priority outcomes, as appropriate.

The following section responds to Priorities 4 and 5 which reflect the need to achieve a step change in the number of homes being built, and to ensure provision for high quality housing across a range of types and tenures.

Housing

- 6.20 Haringey needs to provide a minimum of 19,802 homes over the period from 2011 – 2026. The table below shows Haringey's annual housing delivery performance since 2011. For the period 2016/17 the total net completions was 774 homes with the total for the plan period to date being 5,275. This is circa 200 units up on previous years but still significantly short of the strategic housing target of 1,502 net dwellings per annum. However, significant over delivery in the first two years of the plan period, when the strategic housing requirement was only 820 homes per annum, means that the current shortfall against the cumulative housing target is only 1,009 homes. Based on the Council's identified five-year housing land supply - this shortfall can be made good over the period 2017 – 2022. It is important to note that 5,544 units have consent but have not yet completed.
- 6.21 It should be noted that historic delivery figures set out in the AMR 2016/17 do not exactly match those reported in previous years. This is owing to updates to borough-level information of development data (i.e. permissions and completions) in the London Development Database, which is the key source of information informing the AMR. Interrogation of this updated data has been undertaken for accuracy in reporting and monitoring against targets.

	11/12	12/13	13/14	14/15	15/16	16/17
Conventional Completions (net)	709	746	461	636	606	741
Non-Conventional (net)	646	492	-19	-40	0	-17
Vacant units brought back into use	55	52	59	44	54	50
Overall Completions (net)	1,410	1,290	501	640	660	774
Cumulative Completions	1,410	2,700	3,201	3,841	4,501	5,275
Cumulative Target	820 (820)	820 (1,640)	820 (2,460)	820 (3,280)	1502 (4,782)	1502 (6,284)
Performance against target	590	1,060	741	561	-281	-1,009

Affordable housing

6.22 A total of 211 affordable homes were built in 2016/17. The individual development schemes that delivered affordable housing last year were:

Affordable Housing Completions in 2016/17

Scheme	Gross Affordable Homes Delivered	% of Affordable Housing Units by Scheme	% of Affordable Housing Hab Rooms by Scheme
Barnes Court Rear Car Park Clarence Road N22 8PJ (HGY/2014/2556)	4	100	100
Connaught Lodge Garage Connaught Road N4 4NR (HGY/2014/3508)	7	100	100
Pembroke Works, Hornsey (HGY/2012/1190)	36	85.7	87.1
Pretoria Road (HGY/2014/1080)	52	100	100
Parkland Hostel, 20-108 Parkland Road N22 6ST (HGY/2009/1014)	9	100	100
33 Muswell Avenue N10 2EB (HGY/2010/0766)	2	100	100
Peabody Cottages, Lordship Lane N17 7QJ (HGY/2011/1414)	1	100	100
Protheroe House, Chesnut Road N17 9EQ (HGY/2013/2465)	50	100	100
Hornsey Depot (SA46) (HGY/2013/2019)*	35	100	100
Saltram Close Housing Estate (HGY2005/1257B)	15	100	100

- 6.23 As shown above, there was a mix of small and large schemes that contributed towards the provision of new affordable housing. All but one was a 100% affordable housing scheme, with Pembroke Works still contributing significantly at 87.1% affordable housing provision by habitable rooms.
- 6.24 In 2016/17, 28.5% of all conventional housing was affordable. This percentage increases significantly to 35.4% when taken on a habitable rooms basis, demonstrating that the Council is achieving a greater portion of larger dwellings as affordable homes. Over the plan period to date, 32% of all conventional housing delivered has been secured as affordable housing.
- 6.25 On a habitable rooms basis for all conventional housing development over the plan period to-date (2011-2017), 49.9% of all habitable rooms delivered were affordable.
- 6.26 The Local Plan monitoring target is to achieve 40% of affordable housing on a habitable room basis for all major developments. This target has been met and exceeded over the plan period to-date, with 71% of units and 61% of habitable rooms delivered through major schemes secured as affordable housing. This level of affordable housing has been achieved through a number of RSLs taking up 100% of these larger schemes as affordable. 825 Social/Affordable Rent units and 777 Intermediate Affordable units have been completed.

The following section responds mainly to Priority 4 which reflects the need to deliver growth by creating an environment that supports investment and growth in business and jobs.

Employment land management

- 6.27 In 2016/17, planning permissions resulted in a total net loss of 11,195sqm (net) of employment (Class B) floorspace across the Borough. This loss comprised of: loss of 3,252sq m of B1 (business) floorspace; loss of 4,003sqm of B2 (general industrial) floorspace; and loss of 3,940 sq m of B8 (storage and distribution) floorspace. It is important to note that this loss has not yet been realised – this will depend on whether the approved schemes are built out.
- 6.28 The majority of B1 floorspace lost in the reporting year was as a result of the granting of a scheme at Railway Approach, HGY/2016/1573, (loss of 1,726 sqm) for 173 new residential units, but with only 294 sqm of replacement B1 floorspace and granting of the Apex House scheme, HGY 2015/2915, (loss of 3,287 sqm). Further losses were as a result of changes to the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended), that allow for the change of use to Class C3 (dwellings) from Class B1a (offices) as permitted development, subject to a "prior approval" process that is relatively limited in its scope of considerations. This included the loss of 2,490 sqm at Zenith House, Tottenham Green. There were some schemes however that did deliver some substantial new office floorspace to help offset these large losses including 4,000sqm as a result of the Tottenham Hotspur revised application (HGY/2015/3000) and the construction of a new office block providing 1,954 sqm on a former car wash site at Broad Lane, Tottenham (HGY/2016/2232).

6.29 The majority of the remaining B Class employment floorspace lost in the reporting period occurred on sites outside of Haringey's designated employment land notably at the Tottenham Stadium redevelopment accounting for 3,500sqm loss of B2 and B8 floorspace. This mirrors the situation from previous years. Informed by monitoring outcomes, Haringey's Development Management DPD now gives stronger protection to employment uses and floorspace on non-designated sites. However, there is likely to be continued losses of older office stock due to the ongoing Prior Approval process.

Town centres

6.30 Haringey's town centre vacancy rates have decreased in recent years. When surveys were carried out in 2013, the overall local vacancy rate was 7%. Today the average is 4.5% which has remained lower than the national (14%) and London (9%) averages. The proportion of non-retail uses in Haringey's town centres is broadly consistent with local targets, which suggests that planning policies are supporting an appropriate balance of uses. However, in this last monitoring period vacancy rates have increased in Bruce Grove and Seven Sisters to just above the maximum level sought, and so whilst this isn't persistent over two years, the Council will need to assess whether any measures are necessary to try and address the increase in vacancy rates. Town centres will continue to be regularly surveyed to ensure up-to-date evidence is available to inform planning decisions.

The following section responds mainly to Priority 3 and its focus on improving the environment, including parks and open spaces, to help make Haringey a point of destination where people will want to live and work.

Environmental sustainability

- 6.31 There was no net loss of designated open spaces or sites of biodiversity in the reporting period.
- 6.32 22 parks and open spaces managed by Haringey Council have been declared as being among the best in the country in 2011, recognised by the national Green Flag scheme. In 2016, Tottenham Green and Woodside Park became the latest spaces awarded Green Flags. This brings the total Green Flag parks in Haringey to 25, up 2 from the previous reporting year.
- 6.33 An Open Space & Biodiversity Study was prepared to support the Local Plan preparation. It assesses sites across the Borough for nature conservation status. It also updates information on areas of public open space deficiency in the Borough, taking account of new population growth figures. There is scope for a review of this study to capture baseline evidence of smaller sites, which would give further support to their protection against inappropriate development.
- 6.34 Household recycling rates in Haringey had shown continued improvement in recent years, with 37% of household waste recycled or composted by 2014/15, which was up from 21% in 2006/07. However, the most recent data shows a slight decline in the last two monitoring years to 33% and 32% respectively, and the North London Waste Authority (NLWA) are working with partners to address this shortfall and ensure the 2020 target of 50% is met.

The following section responds to Priority 4 and the objective to manage the impact of growth by reducing carbon emissions across the Borough.

- 6.35 The latest data on carbon emissions was published in 2017 by the Government Department of Energy and Climate Change and covers the years 2005-2015. During this period, Haringey's carbon emissions decreased from 4.6 tonnes per capita to 2.8 tonnes per capita, a 39% decrease.
- 6.36 Local Plan policies expect major development to be designed to deliver district energy networks. To support the delivery of District Energy Networks in Haringey, the Council has continued to work with partners to deliver 3 technical and feasibility assessments for its Growth Areas in Wood Green, Tottenham Hale and North Tottenham. All of these are now undergoing further assessment.
- 6.37 In January 2017, Cabinet approved the North Tottenham business case for the North Tottenham district energy network. This will serve the redevelopment of High Road West, Tottenham Hotspurs and Northumberland Park. This will be a special purpose vehicle (SPV) owned by the Council which will provide these sites space heating and hot water loads from a single energy centre. The energy centre will be located on the High Road West site.

The following section responds to Priority 4 which emphasises the role of Community Infrastructure Levy funding and Section 106 agreements to ensure growth is appropriately supported with infrastructure.

- 6.38 There was an additional 92,832sqm of community floorspace delivered this monitoring year. The majority of floorspace was for the new Tottenham F.C Stadium and associated buildings, granted via the 2016 revised application.

CIL and Planning Obligations

- 6.39 Haringey's Community Infrastructure Levy (CIL) came into effect on 1st November 2014. This is the second full monitoring year where CIL has been in effect. To date £2,809,980 has been collected for Haringey's CIL which will help fund projects identified in the published Regulation 123 list for strategic infrastructure.
- 6.40 The Council uses planning obligations (sometimes known as legal agreements or Section 106 agreements), where appropriate, to make unacceptable development acceptable in planning terms.
- 6.41 In 2016/17, the Council secured over £3.8million in Section 106 funds alongside affordable housing provision. This is similar to the contributions secured in the previous reporting year.
- 6.42 Since 2004, 328 S106 agreements have been negotiated in Haringey. These placed a financial obligation on developers to the total value of £106 million.
- 6.43 The spending of S106 funds during the 2016/17 financial year is set out in the table below, with spending broken down by broad planning obligation type.

S106 Spend – 2016/17

Planning Obligation Type	Amount Spent
Capital Financing	68,114.08
Highways	90,000.00

The following section responds to Priority 4 which emphasises the Council's role in enabling growth through timely planning decisions, and where the planning service is measured as a 'top quartile' service for speed, cost and quality.

Development Management Performance

6.44 In 2016/17 the Council decided 2,251 planning applications consisting of 35 major applications, 544 minor applications, 1,671 householder and other applications. There were almost twice as many major applications decided in this reporting year than in 2015/16 (19).

The Government Department for Communities and Local Government (DCLG) and the Council have the same targets for expedience of planning application determination. These are: 65% of major applications determined within 13 weeks, 65% of minor applications determined within 8 weeks, and 80% of other applications determined within 8 weeks. The Council also has a target to be in the top quartile in London for performance on Majors, Minors and Others.

The Council's performance in processing applications in 2016/17 was:

- 100% of major applications determined within 13 weeks;
- 87.68% of minor applications and
- 90.01% of other applications; within 8 weeks or extension of time

6.45 The Council significantly exceeded its national and local performance targets for the processing of major, minor and other applications and in 2017/18 has become in the top quartile in London for performance in all categories. The Service implemented a Systems thinking approach in 2015/16 which was fully rolled out in 2016/17 and this has enabled it to reengineer its processes and drive through further efficiencies. This has also enabled it to reduce its end to end times for determining planning applications significantly. This will be a metric for measuring performance going forward.

6.46 In 2016/17, there were a total of 110 appeals on refusals decided by the Planning Inspectorate, with 34 appeals allowed (30.9%) and 76 appeals dismissed (69.1%). The proportion of appeals allowed in Haringey was decrease on the previous year (43.8%).

Planning enforcement

- 6.47 Enforcement of planning rules plays a role in delivering policy objectives. The Council is committed to reversing and preventing unauthorised uses and non-permitted development. Performance over the monitoring period is:
- Complaints received - 886
 - Enforcement notices served - 144
- 6.48 Improvement of the planning enforcement team is ongoing and performance has improved significantly with notifications of decisions within 8 weeks in 2016/17 as follows: 95% (810/849).
- 6.49 A new Enforcement Plan which sets the priorities for the Borough with regards to enforcement action is a priority for the planning service, and a consultation draft is scheduled for publication by the end of the 2017 calendar year.

Comments from Regulatory Committee – 9th October

6.50 The following comments were made by Regulatory Committee:

- Appendix 5.1, table at A6. It would be useful to include a column which stated if a scheme had been implemented. (note from Officers: this has been done)
- Page 4 (development management performance, 1st bullet point). The numbers did not add up. (note from Officers: this has been done)
- Page 14, table 2 at paragraph 3.2.2. It would be useful to include an explanatory footnote setting out the difference between conventional and non-conventional completions. (note from Officers: this has been done)
- Paragraph 3.2.41. The last sentence should read “It requires those who wish to change *from* a single dwelling...” (note from Officers: this has been done)
- Paragraph 3.6.4. The figures for bikehangars needed to be checked. (note from Officers: this has been done and clarified)

7 Contribution to strategic outcomes

- 7.1 The preparation of a Local Plan for Haringey aligns with our Corporate Plan vision and objectives to actively manage and drive growth and development across the borough, specifically:
- 7.2 **Priority 3 (Clean and Safe Environment)** by ensuring we continue to protect Haringey’s natural environment and, where possible, increase and enhance provision, public access and use (where appropriate), on new development sites or through the use of s106 and CIL for off-site improvements.
- 7.3 **Priority 4 (Growth)** by maximising opportunities for significant residential and commercial growth and development targeted at areas of the Borough that can accommodate change and have the capacity to do so; priority 4 includes a specific commitment to focus regeneration and investment in Tottenham and Wood Green.
- 7.4 **Priority 5 (Housing)** by providing the policy framework necessary to enable the delivery of a significant numbers of new homes and policies controls necessary

to ensure such growth and development results in a high quality and attractive residential amenity

- 7.5 Annual monitoring of the performance of the Local Plan policies also aids significantly in understanding how we are doing against these much broader corporate priority outcomes.

8 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1 The cost of preparing this report and associated initiatives discussed within it have largely been met from the Planning base budget with additional one-off funding for specific area-based planning work in Tottenham and Wood Green. Strategic Procurement notes the contents of this report; however there are no procurement implications.
- 8.2 The Planning service provides a crucial role in supporting the Economic Growth priority. As external government funding continues to reduce, the Council is increasingly dependent on Council Tax and Business Rates income to fund its core activity and planning policy enables economic and housing growth, whilst making sure that this growth is not detrimental to the local area. The Community Infrastructure Levy (CIL), in conjunction with S106 payments are an increasingly important source of funding for the Council and provide financial support to infrastructure projects that are required to support a growing population.

Legal

- 8.3 The Assistant Director of Corporate Guidance has been consulted on the preparation of this report and comments as follows.
- 8.4 The Council is required by virtue of s35 Planning and Compulsory Purchase Act 2004 (as amended), to prepare an annual report providing such information as is prescribed as to the implementation of the local development scheme; and the extent to which the policies set out in the local development documents are being achieved. The report must contain the information specified in regulation 34 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) (“the Regulations”).
- 8.5 The report must be in respect of a period which the authority considers appropriate in the interests of transparency, which begins with the end of the period covered by the authority's most recent report, and which is not longer than 12 months.
- 8.6 The Council must make these reports available to the public. And in addition must make any up to date information collected for monitoring purposes available in accordance with regulation 35 of the Regulations.

Equality

- 8.7 In the exercise of its function as the local planning authority the Council is subject to the Public Sector Equalities Duty set out in section 149 of the Equalities Act

2010 which obliges the Council in performing its functions “to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it”.

8.8 The AMR highlights developments in planning policy over the reporting period, including the Strategic Policies DPD and development of the Wood Green Area Action Plan. Equalities considerations form a key part of the evidence presented for review alongside our planning policies, through sustainability appraisal. As the AMR highlights, consultation with the public and key stakeholders has also been a key element of the review process.

8.9 The AMR also updates on performance outcomes for planning policy objectives. This is key to monitoring the contribution that planning policy makes to our Corporate Plan priorities, including to actively manage and drive growth which everyone can benefit from. Members are advised to note performance outcomes for completions of affordable housing units and employment projections as of particular relevance to our equality duty.

9 Use of Appendices

- Appendix A: Authority Monitoring Report 2016/17

10 Local Government (Access to Information) Act 1985

- Haringey Strategic Policies Local Plan (2013) and Alterations (2017)
- Haringey Development Management DPD (2017)
- Haringey Site Allocations DPD (2017)
- Tottenham Area Action Plan (2017)
- Wood Green Area Action Plan (2017)
- Haringey CIL Charging Schedule (2014)
- London Plan (2016)
- Mayor’s CIL Charging Schedule (2012)
- Haringey Local Development Scheme (2016)
- North London Waste Authority Annual Monitoring Report (2016/17)

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Report for: Cabinet 14th November 2017

Item number: 13

Title: Local Implementation Plan Annual Spending Submission for Transport 2018/19

Report authorised by: Lyn Garner, Director of Regeneration, Planning and Development

Lead Officer: Emma Williamson/Neil Goldberg

Ward(s) affected: ALL

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1 Investment in transport infrastructure is a key part of the Council's Corporate Plan to support economic growth and improve the health and wellbeing of our residents and businesses.
- 1.2 The Council is legally required to prepare a Local Implementation Plan (LIP) containing proposals for the delivery of the Mayors Transport Strategy (MTS).
- 1.3 The Local Implementation Plan [LIP] therefore represents a significant annual investment programme that specifically supports Priority 3 and Priority 4 of the Corporate Plan. Details of the linkage between the LIP and Corporate Plan are shown in Appendix 2. TfL give Boroughs the opportunity to bid for money annually to deliver projects in their LIP.
- 1.4 The plan covers both physical renewal and improvement of the Borough's transport infrastructure alongside softer measures to promote behaviour change and engage with wider safety, health and environmental objectives including air quality through support for more walking and cycling including for local businesses. The full detail of the submission can be found in Appendix 1.
- 1.5 Generally, TfL produce guidance setting out their funding priorities. However the guidance for 2018/19 has been issued as interim LIP annual spending submission until the Mayor's Draft Transport Strategy is adopted later this year. This is in essence unchanged from that issued for 2017/18. TfL advise boroughs to submit their spending submission for 2018/19 on the assumption that funding

is at the same level as 2017/18 but boroughs should prioritise their projects and programmes in the event less funding is made available.

1.6 As the funding submission for 2018/19 is another interim submission, there is no requirement for a new three-year Delivery Plan.

1.7 The Council has commenced the preparation of a new Transport Strategy which was report to Cabinet in October 2017 for agreement to consult the public. This will be supported by a Cycling and Walking Action Plan and a Parking Action Plan.

1.8 The draft Haringey Transport Strategy sets an ambitious direction for transport investment in the borough which has informed our 2018/19 LIP submission as well as future years funding submissions.

1.9 The outcomes of the draft Haringey Transport Strategy which the LIP will help to achieve are:

- Outcome 1 - A public transport network that is better connected, has greater capacity and is more accessible, supporting our growth ambitions
- Outcome 2 - Active travel the easier choice, with more people choosing to travel by walking or cycling
- Outcome 3 - An improved air quality and a reduction in carbon emissions from transport
- Outcome 4 - A well maintained road network that is less congested and safer

1.10 Appendix 1 lists the LIP programmes and projects and sets out which outcomes from the Draft Haringey Transport Strategy they will help to deliver. In summary, the LIP programme will improve cycling and walking in the borough and make Haringey roads safer. Behavioural change is a key principle of the LIP programme and will be achieved through cycling awareness and training programmes, electric vehicle and car sharing initiatives/promotion and personal travel planning to schools and places of work.

2. Member Introduction

2.1 Transport is central to the success and prosperity of our residents and local businesses. Everyone whether a bus passenger or a pedestrian, cyclist, motorist or rail user engages with Haringey's transport infrastructure every day. Making the best use of our existing assets and spending money wisely to improve safety, ease of movement and usage is one of the important roles for the Council. Investment in transport programmes and infrastructure has a key part to play in supporting delivery of all of our aspirations in the Corporate Plan across the Borough and in the draft Transport Strategy.

2.2 The transport programmes contained in the LIP target investment into Tottenham and Wood Green, into high streets across the Borough and into programmes that seek to build upon our successful promotion of walking and cycling as we encourage behaviour change to low carbon modes of transport. These measures are complemented by investment to improve road safety and accessibility and efforts to minimise traffic congestion, improve air quality, reduce crime and fear of crime and reduce CO2 emissions. This is especially beneficial for protected groups who are vulnerable road users, including older people, children and young people, disabled people and BAME communities.

2.3 Our monitoring information below shows that we are already meeting our LIP targets for walking and cycling but we want to do more in this area to support programmes for a healthier and cleaner borough. This is especially beneficial for protected groups who are vulnerable road users, including older people, children and young people, disabled people and BAME communities. Our Corporate Plan target is for the Council to be in top quartile for cycling and walking by 2018. We continue to face challenges in meeting our objective to reduce road user casualties and so we continue to target resources to this important objective.

Core Target	Performance	LIP Target		Corporate Plan Target
	2016/17	2016/17	2030/31	2018
Walking mode Share	36%	35%	39%	37%
Cycling mode share	3%	3%	5%	4%
Road Casualties	62	70	56	66

3. Recommendations

3.1 It is recommended that Cabinet approve the funding submission as set out in the appendix 1.

4. Reasons for decision

4.1 The LIP submission provides a major source of funding to deliver the draft Haringey transport strategy projects and programmes.

5. Alternative options considered

5.1 The Annual Spending Submission supports our approved LIP covering 2011 to 2031 and the priorities in the Corporate Plan and draft Transport Strategy. It is, therefore, not considered necessary to consider other options.

6. Background information

6.1 The LIP forms the basis for delivering Council’s transport projects and programme set out in the draft Haringey Transport Strategy. Although the Mayor’s Transport Strategy provides the context for our LIP, there is scope to interpret the Mayoral objectives and develop our own transport objectives.

6.2 This report sets out the content of the proposed Annual Spending Submission [ASS] for 2018/19. We are required by TfL to complete a proforma spreadsheet summarising our proposals. The deadline for the submission to TfL was 20 October 2017. We have submitted the ASS as a draft until we receive Cabinet approval.

6.3 LIP funding for transport projects is provided through 3 main categories: Corridors/Neighbourhoods and Supporting Measures, Major Schemes and Maintenance. TfL allocate funding for all categories except Major Schemes through a needs based formula. Haringey’s initial allocation for 2018/19 is as follows:

Corridors, Neighbourhoods and Supporting Measures	£2,224,000
Principal Road Maintenance	£429,000
Sub Total	£2,653,000
Total	£2,760,250*

* Includes the 25% reserve for PRM requested by TfL, see paragraph 6.7 below.

6.4 Unlike 2017/18, the allocation for Local Transport Funding is no longer available for the borough. TfL explain this as a central government budget cut consequence.

6.5 The “Corridors, Neighbourhoods and Supporting Measures” category is an integrated funding pot which allows the Council to fund a wide range of projects and programmes such as cycling and walking schemes, local safety schemes, traffic management and calming projects, environmental measures such as proposals to improve air quality and behaviour change programmes.

6.6 Within this part of the submission the Council seeks funding for improvements to the Wightman Road/Green Lanes area to deliver outcomes from the Green Lanes Study which is due to report in December 2017. Funding is also requested for road safety schemes arising from the identification by TfL of a high rate of pedestrian casualties in the Borough. Detailed studies will identify the exact opportunities for spending this money. Also within this part of the submission we are seeking funding for the continuation of cycling training in schools for school years 4,5 and 6 in as well as improvements to cycle lanes and routes in the

borough and the provision of 10 bike hangars. The continuation of funding for the expansion of the car club is also proposed, which will support the growth in the Borough, together with the expansion of electric vehicle charging point infrastructure from the current 17 points through a legal agreement with BluePoint London Funding is also sought for the continuation of active travel initiatives including school and workplace travel planning and personalised travel planning for schools and road safety education.

6.7 TfL has advised each borough to submit Principal Road Maintenance (PRM) programmes which are 25% higher than their allocation, to allow for possible reserve schemes to be brought forward. Our submission therefore will be for £536,250. TfL allocate PRM funding based on an assessment of need taken from the most recent condition surveys that they have carried out. These have identified that investment is needed in Priory Road and Hornsey High Street as well as either part of Lordship Lane or Muswell Hill.

6.8 Funding for bridge strengthening and assessment is in addition to that set out above with allocations based on need. This need is assessed by LoBEG which controls TfL funding. They have identified the need for further works to Station Road, Wood Green. We are seeking £1,210,000, as requested by LoBEG over the next 3 years for strengthening of bridges and bridge assessments including completion of the Station Road scheme.

6.9 The Council submitted a separate bid for the TfL Liveable Neighbourhood Fund which replaces the Major Projects fund for 2018/19. The bidding process is outside the LIP and the Council submitted a bid to TfL for Crouch End Town Centre on 20 October 2017.

6.10 As part of the North London sub region it is likely we will be allocated further funding to deliver sub regional projects.

7. Contribution to strategic outcomes

7.1 The LIP contributes to the delivery of Priorities 2 (Enabling all adults to live healthy, long and fulfilling lives), 3 (A clean, well maintained and safe borough where people are proud to live and work) and 4 (Drive growth and employment from which everyone can benefit) of the Corporate Plan (see Appendix 2)

7.2 The LIP also contributes to meeting the outcomes of the draft Haringey Transport Strategy as set out in the final column of Appendix 1.

8. Statutory Officers comments (Chief Finance Officer [including procurement], Assistant Director of Corporate Governance, Equalities)

Finance

- 8.1 The Local Implementation Plan funding from Transport for London provides a major source of funding to deliver the Council's transport projects and programmes.
- 8.2 It also supports the wider budget within the Council due to fees earned from supporting the projects identified.
- 8.3 The level of funding received in 2017/18 and anticipated in 2018/19 is as shown in the table.

	2017/18 LIP FUNDING		2018/19 LIP FUNDING	
	Without 25% Reserve for PRM	With 25% Reserve for PRM	Without 25% Reserve for PRM	With 25% Reserve for PRM
Corridors, Neighbourhoods and Supporting Measures	2,226,000	2,226,000	2,224,000	2,224,000
Principal Road Maintenance (PRM)	456,000	570,000	429,000	536,250
Total	2,682,000	2,796,000	2,653,000	2,760,250

- 8.4 There appears to be a potential shortfall of £36k in funding compared with the current year LIP funding.
- 8.5 However, the Spending Submission supports the approved LIP for 2011-2031 and the priorities in the Corporate Plan.
- 8.6 Funds will be held in the capital budget for the delivery of Council's transport projects and programme

Procurement

- 8.7 Strategic Procurement notes the contents of the report; however, there are no procurement implications at this point.

Legal

- 8.8 Under section 145 Greater London Authority Act 1999 London Borough Councils must formulate and submit to the Mayor of London a local implementation plan containing proposals for implementation of the Mayor's transport strategy for London published under section 142 of the same Act.
- 8.9 There are consultation requirements and each such plan must contain a timetable for implementing the different proposals in the plan and the date by which all the proposals in the plan are to be implemented.

- 8.10 The Mayor must then approve the plan but cannot do so unless satisfied that the plan is consistent with his transport strategy, the proposals in the plan are adequate for the purposes of the implementation of the transport strategy and that the timetable for implementation is adequate.
- 8.11 When the plan is approved by the Mayor it must be implemented by the Council by the date set in the plan.
- 8.12 The Council needs to comply with its duties under equalities legislation (see below) and that regard must be had to the updated Equalities Impact Assessment.

Equalities

- 8.13 The Council has a Public Sector Equality Duty under the Equality Act 2010 (as amended) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
 - Advance equality of opportunity between people who share those protected characteristics and people who do not
 - Foster good relations between people who share those characteristics and people who do not.
- 8.14 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.15 An Equalities Impact Assessment formed part of the statutory consultation process in 2010 which informed the development of the combined Local Implementation Plan (LIP) and 2011-2014 Haringey Transport Strategy, which is still relevant until the Mayor's new Transport Strategy is adopted and the Council is required by the Mayor of London to produce a new LIP.
- 8.16 The EqlA assessment for the 2011-14 combined LIP and Transport Strategy (see background papers) found that the LIP and transport strategy programme is not likely to have a disproportionate adverse impact on any of the protected characteristics. One of the LIP's core objectives is to reduce deprivation and health inequalities through increasing accessibility to essential services such as employment, health, leisure and education facilities for those groups who need them most. This includes: women, BAME communities, children & young people, older people and disabled people. Measures included increasing cycling and walking through improved safety and awareness continue to improve the health and wellbeing for particular groups who are known to currently face inequalities. Points 2.2 and 2.3 demonstrates that the Council is meeting its LIP targets and improving the experience of

vulnerable road users. Once the MTS is adopted we will be required to produce a delivery plan which will in part assess the performance of the LIP against the Council's policy objectives, including its EqIA, which will monitor protected groups who are vulnerable road users.

9. Use of Appendices

Appendix 1 - LIP Annual Spending Submission for 2018/19 and Delivering the Outcomes of the Draft Haringey Transport Strategy

Appendix 2 – Linkages between LIP and Corporate Plan

10. Background Papers

Haringey Local Implementation Plan EQIA, May 2010
(Relevant until to 2018 when the new MTS is adopted)

<http://www.haringey.gov.uk/parking-roads-and-travel/travel/haringeys-transport-strategy>

11. Local Government (Access to Information) Act 1985

TfL Guidance on Local Implementation Plan Annual Spending Submission for 2018/19

Haringey Corporate Plan 2015 - 2018

Appendix 1

Appendix 1

LIP Annual Spending Submission for 2018/19 and Delivering the Outcomes of the Draft Haringey Transport Strategy

Programme/ Project	2018/19 £k	Reasoning	Delivering the Outcomes (see paragraph 1.9 above) of the Draft Haringey Transport Strategy
Corridors, Neighbourhoods and Supporting measures and Local Transport Funding			
Wightman Road/Green Lanes area	350	The current consultants study, expected to report in December 2017, is likely to identify a range of short, medium and long term projects and programmes. Some measures could be delivered in 2018/19 with next year's programme building on this. Support Council targets for reduction in road user casualties and modal share for cycling and walking.	Outcome 1, 2, 3 and 4
Traffic Calming and Management	200	Physical measures such as VAS to support compliance of 20mph speed limit	Outcome 1,2,3 and 4
Cycle training	100	Consistent with overcoming identified barriers to greater cycle use by residents. Cycle training for schools and adults. Supports Council's targets for more cycling	Outcome 2
Health and Wellbeing and Behaviour Change schemes	350	Active travel initiatives including school and workplace travel	Outcome 1, 2 , 3, 4

		planning, cycle training, personalised travel planning for schools, road safety education, training and publicity, complementary measures to support cycling infrastructure schemes and CPZ proposals. Supports Council's targets to increase cycling/walking mode share and CO2 reduction	
Walking and Road Safety	125	Hornsey Lane Bridge anti suicide measures. Three way funded between Islington, Haringey and TfL	Outcome 4
Cycling and Walking schemes	534	Cycle routes such as an extension of cycle superhighway 1 towards Lee Valley; commence work on cycle routes in Tottenham area to support sustainable regeneration; support delivery of Haringey Cycling Campaign top priorities; permeability measures such as in Bruce Grove area and Haringay Ladder; and bike hangars. Walking projects could include school crossings and pedestrian facilities on Priory Road. To encourage more	Outcome 1, 2 and 3
Local Safety Schemes	465	Schemes arising from the studies being carried out in since 2016; plus Park Road/The Broadway scheme. TfL has recently undertaken an analysis of road casualties which	Outcome 4

		highlighted the relatively high number of pedestrian casualties. We will undertake a more detailed study to identify projects/programmes to reduce these. Supports Council and Mayoral targets for road casualty reduction	
Electric vehicle charging point infrastructure	35	Additional investment to that planned by provided through Source London. Linked to OLEV funded project for Neighbourhoods of the Future. Supports CO2 reduction	Outcome 3
Car club infrastructure	35	Linked to planned multi-operator contract planned to commence April 2017. Supports further expansion of car club network. Supports CO2 reduction	Outcome 1 and 3
Haringey Community Transport	5	Transport provision for local community groups unable to access conventional transport	Outcome 1 and 3
Local safety schemes	25	Supports Council and Mayoral targets for road casualty reduction	Outcome 4
Sub Total	2,224,000		
Principal Road Maintenance			
Schemes to be identified based on condition surveys			
Sub Total	536,250	Total includes 25% uplift for potential reserve schemes	
Total	2,760,250		
Bridge Maintenance and Strengthening [provisional]			

programme]			
Station Road	900	strengthening; continuation 2017/18	from
Ferry Lane	35	Assessment	
Endymion Road	25	Assessment	
Umfreville Road	25	Assessment	
Burgoyne Road	25	Assessment	
Shepherds Hill	30	Assessment	
Springfield Avenue retaining wall	70	Strengthening	
Highgate Hill retaining wall	100	Strengthening	
Sub Total	1210		

Appendix 2

Linkages to Corporate Plan

The table below summarises how LIP funded projects and programmes support Corporate Plan priorities and objectives.

Priority	Objective	LIP funded projects and programmes
Outstanding for All Priority 2 – Enabling all adults to live healthy, long and fulfilling lives	A borough where the healthier choice is the easiest choice	Cycling and walking infrastructure inc cycle routes and cycle parking; on-street bike hangars. Behaviour change programme inc cycle training and promotional campaigns for more walking and cycling; supporting measures 20mph speed limit; car club infrastructure
Clean and Safe Priority 3 – A clean, well maintained and safe borough where people are proud to live and work	We will make our streets, parks and estates clean, well maintained and safe	Local safety scheme programme; investment on Principal Road Maintenance; bus service reliability programme and bus stop accessibility programme; support for Haringey Community Transport
Clean and Safe Priority 3 – A clean, well maintained and safe borough where people are proud to live and work	We will make Haringey one of the most cycling and pedestrian friendly boroughs in London	Cycling and walking infrastructure inc cycle routes, parking; on-street bike hangars; road safety measures targeted at vulnerable road users; 20 mph speed limits; behavioural change programme inc training, travel planning
Sustainable Housing, Growth and Employment Priority 4 – Drive growth	We will enable growth by securing infrastructure including transport, broadband,	Cycling infrastructure in Tottenham area to support sustainable development

and employment from which everyone can benefit	schools and health services	
Sustainable Housing, Growth and Employment Priority 4 – Drive growth and employment from which everyone can benefit	We will manage the impact of growth, by reducing carbon emissions across the borough with the aim of meeting our 40:20 goal while growing the green economy	Road transport forms around 20% of carbon emissions. Measures to reduce this include promoting alternatives to the car; promotion of electric vehicles/car clubs.
Sustainable Housing, Growth and Employment Priority 4 – Drive growth and employment from which everyone can benefit	We will focus growth by prioritising new homes and jobs in Wood Green and particularly Tottenham where need and opportunity are greatest and by bringing some of the borough's key community assets into more active use	Investment in cycle route network in Tottenham.

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Report for: Cabinet – 14 November 2017

Item number: 14

Title: **Priority 2 MTFS Proposal:** Disability Related Expenditure: Outcome & Recommendations to Public Consultation

Report authorised by: Beverley Tarka: Director – Adult Social Services

Lead Officer: John Everson: Assistant Director - Adult Social Services
ext. 4433 john.everson@haringey.gov.uk

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. DESCRIBE THE ISSUE UNDER CONSIDERATION

- 1.1 The Council's Mid-Term Financial Strategy (MTFS) 2017 -2019 seeks to address the challenging financial climate faced by the Council over the coming years due to reducing funding and increasing demand. The MTFS include proposals to reduce Disability Related Expenditure (DRE) disregard to levels more in line with other Local Authorities.
- 1.2 DRE is the extra costs people have each week because of a disability, illness or age. For example, people may pay extra laundry costs or extra heating because of their disability. It is important that the Council takes this expenditure into account in order to ensure service users retain income to meet these costs.
- 1.3 Haringey currently operates a 65% (£35.82) DRE disregard and this policy has remained the same since 2011. Other authorities have reduced the DRE and the range is from a flat rate of £10.00 to a rate of 35% (£19.00). The MTFS proposal for Adult Services is *to operate a DRE of 40%, (£22.04 per week) by 2019/20* to deliver £328k savings. On 20th June 2017, Cabinet decided to consult on this proposal.
- 1.4 Haringey recognises that this will have a financial impact on some people, so we are proposing mitigating actions to ensure that no hardship will be felt through the Fairer Contributions Policy, of which DRE is part. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.
- 1.5 The purpose of this report is to advise Cabinet on the outcome of the consultation which was undertaken between 17th July and 4th September 2017. Cabinet is asked to consider the feedback from the consultation, the Equalities Impact Assessments of the proposals and the legal duties, all set out in the report and then to make a decision on the proposals and to approve the recommendations.

2. CABINET MEMBER INTRODUCTION

- 2.1 To meet the financial and demand challenges faced by the Council we have consulted on a proposal to introduce a phased reduction in Disability Related Expenditure disregard to 40% by 2019/20 to deliver £328k savings.
- 2.2 I recognise that this proposal will have an impact on some adults who receive care and support from Haringey Council. Therefore, everyone directly affected will be financially reviewed and offered an individual disability related expenditure assessment to ensure that no one will be asked to pay more than they can afford.
- 2.3 Ensuring that vulnerable people are supported to have the care and support they need, that they fairly contribute to the cost of their care, whilst being protected from experiencing financial hardship, is statutory responsibility of Haringey Council, which this proposal and mitigating actions supports.

3. RECOMMENDATIONS

- 3.1 Cabinet is asked to:
- a) To consider and take into account the feedback from the consultation undertaken.
 - b) To consider and take into account the equalities impact assessment of the proposals on protected groups.
 - c) To consider and take into account the actions proposed to mitigate the impact of the proposals on the protected group i.e. service users.

Having considered the above recommendations, to agree the following:

- d) Approve the phased reduction in DRE disregard to 40% (£22.04) by 2019/20 and the offer of individual financial assessment for service users who are concerned about financial hardship.

4. REASONS FOR DECISION

- 4.1 The consultation highlighted that of the 20% of those people who responded 75% disagreed/strongly disagreed to increase charges by reducing the standard DRE, 60% did not feel they could financially manage an increase in their contribution of between £5.00 to £14.00 per week and 62% disagreed/strongly disagreed with bringing DRE in more in line with other councils by 2019. The quantitative responses showed that the reason for this was mainly due to concerns around financial hardship and having to spend more money on their care.
- 4.2 In responding to questions that would mitigate these concerns, 47% of respondents indicated that they would take advantage of an individual financial assessment. This will continue to ensure that concerns around financial hardship and having to spend more money on care are offset by the assessment helping to identify additional expenses related to disability over and above the standard disregard and if appropriate reduce the contribution.

- 4.3 Therefore, if the proposal is agreed, as part of the implementation, everyone directly affected will be financially reviewed and offered an individual disability related expenditure assessment to identify additional expenditure above the standard disregard.
- 4.4 It should also be noted that if the individual assessment results in the actual expenditure being less than the standard disregard, then the standard would be applied in the assessment to ensure that people are not paying more as a result of the assessment.
- 4.5 The consultation document also outlined that the proposed reduction would be introduced over a period of time rather than a single step, explaining that the increase would be phased in from 01 December 2017 to 01 April 2019. The majority of responses (over 80%) agreed with this proposal.
- 4.6 The table below illustrates the increase in weekly charges as the standard disability related expenditure disregard is reduced from December 2017 to April 2019, providing those effected with the time to manage the impact more proactively

DRE reduces from:	Increase in contribution		
	From December 2017	From April 2018	From April 2019
£36.17 to £30.61	£5.56		
£30.61 to £25.04		£5.57	
£25.04 to £22.26			£2.78

(figures in the table are calculated using benefit rates and Department of Health guidance for 2017/18 and are subject to change).

- 4.7 It has also been identified that there are a number of further risks that may result from the introduction of the proposal, beyond those concerns of financial hardship and paying more for care. Firstly, that people will choose to reduce or cancel care and support which could have an adverse impact on their own health and wellbeing and secondly, and as a consequence of this, that this has a negative impact on their family carer(s), family members and/or friends who may have to provide additional care and support.
- 4.8 However, as it is proposed that everyone directly affected will be financially reviewed and offered an individual disability related expenditure assessment to identify additional expenditure above the standard disregard and the fact that the approach will be phased in over a 3-year period to allow people to plan and reorganise their finances, it is reasonable that these additional risks will be mitigated.
- 4.9 The financial context of this proposal is reflected in the Mid-Term Financial Strategy, 2017 – 2019, approved by Cabinet on 14th February 2017 and Full Council on 27th February 2017. This seeks to address the challenging financial climate faced by the Council over the coming years due to reducing funding and increasing demand. The proposal for Adult Services is *to operate a DRE of 40%, (£22.04 per week) by 2019/20* supports this

challenged position by delivering £328k savings over this time and reduces the disparity between Haringey's more favourable level of disregard compared to other London Boroughs

- 4.10 Due consideration has been given to all the information available, that places an emphasis on balancing the response from the consultation, the concerns raised, the proposed mitigations and the challenged financial position of the council.
- 4.11 Based on this it is felt that; the mitigations offered by the continued provision of an individual disability related expenditure assessment and a phased introduction of the proposal over three-year period; the requirements of the MTFS to deliver savings and the future financial sustainability of Adult Services; off-set the consultation responses which disagreed with the proposal and therefore mitigate the concerns raised.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The main alternative option considered is that the current disability disregard of 65% is not reduced to 40% to deliver the MTFS savings proposal of £328k; however, this would result in serious financial gap, which would jeopardise the sustainability of services in the future, and leave Haringey as an outlier in terms of applying DRE disregard.
- 5.2 A further alternative considered was to move to a flat rate DRE disregard. This option could potentially deliver additional savings above the £328k by 2019/20, but has not been progressed at this stage as it was not proposed in current MTFS plans.
- 5.3 No further options have been considered given that those available to the service are limited, the financial reductions required, the need to ensure compliance with our statutory responsibilities, our commitment to the continued delivery of high quality service provision that supports the needs of the people we support and ensuring future financial sustainability.

6. BACKGROUND INFORMATION

- 6.1 People who are allocated a personal budget for care and support funded by Haringey Council, have a financial assessment to see how much they should contribute towards the cost of their care and support.
- 6.2 The financial assessment looks at the money an individual has coming in as well as their expenses. The expenses also include Disability Related Expenditure (DRE). DRE is the extra costs people have each week because of a disability, illness or age. For example, people may pay extra laundry costs or extra heating because of their disability. It is important that the Council takes this expenditure into account in order to ensure service users retain income to meet these costs.
- 6.3 People have the option of an individual assessment to review these costs, but this is often seen as a very personal and sensitive discussion. Therefore, Councils, including Haringey, offer the option to have a percentage or flat rate of their DRE disregarded from the financial assessment, to ensure they retain income for these expenses.

- 6.4 The proportion currently disregarded in Haringey equates to 65%, which is on average £35.82 per week.
- 6.5 Haringey Council has reviewed the level of DRE disregard operated by other Councils and have identified that Haringey is an outlier. As an example the range offered by other Councils varies from a £10.00 flat rate to 35% (£19.29) per week as the table below illustrates.

Authority	DRE Disregard Policy	Person retains this amount per week to pay for Disabled Related Expenditure
Haringey	65% (current)	£35.82
Haringey 2017/18	55% (post decision)	£30.31
Haringey 2018/19	45% (post decision)	£24.80
Haringey 2019/20	40% (post decision)	£22.04

Hackney	25%	£13.78
Hounslow	30%	£16.53
Ealing	35%	£19.29
Merton	Flat Rate	£10.00
Newham	Flat Rate	£15.00
Greenwich	Flat Rate	£15.30
Barking & Dagenham	Flat Rate	£15.00

- 6.6 Therefore, to address the disparity and meet the financial challenges faced by the Council the MTFS proposal is to introduce a phased reduction in DRE disregard to 40% (£22.04) by 2019/20. The offer of the individual financial assessment will remain in place ensuring that those who wish to take this option can take it.
- 6.7 We recognise that this will have an impact on some adults who receive care and support from Haringey Council so we carried out a 6-week consultation on the proposal with service users, carers and other stakeholders and are bringing the findings back to Cabinet for a decision.

6.8 **Consultation Approach and Outcomes**

6.8.1 The public consultation was open for 6 weeks from 17 July 2017 and comprised of:

- A dedicated webpage explaining the consultation and access to an online version of the survey.
- 685 service users being sent a hard copy of the questionnaire and a free post envelope to return it.
- Three drop in sessions for service users to complete the questionnaire and ask questions about the proposal.

- A direct number for service users to call and ask questions or complete the questionnaire.

6.8.2 The consultation resulted in 138 responses, which is a 20% response rate, with three quarters of the people who responded not agreeing with the proposal and 60% not feeling that they could financially manage an increase in their contribution of between £5.00 to £14.00 per week.

6.8.3 In regards to the mitigating actions proposed 47% of respondents indicated that they would take advantage of an individual financial assessment and 82% indicated that an incremental introduction of the increase to DRE between December 2017 and April 2019 would be preferable.

6.8.4 A summary of the questions and response is outlined below:

Do you make any financial contribution to your non-residential care services?	Total
Yes	59%
No	41%

6.8.5 Over half of those who responded are already contributing towards the cost of their non-residential care service. 41% of those who responded are not currently required to make a contribution towards the cost of their non-residential care service. The number of responses from those not currently being charged may indicate that they understand that the impact of implementing the proposals will mean that they will be required to pay in the future.

Do you agree with the proposal to increase charges by reducing the standard disability related disregard?	Total
Strongly agree/Agree	6%
Disagree/Strongly disagree	75%
Don't Know	19%

6.8.6 The proposal to increase charges wasn't welcomed by three quarters of the people who responded. This result is not surprising as most are already contributing and are unlikely to support a proposal which will require them to pay more towards the cost of their care. The small percentage of people who responded "don't know" could reflect the service users who are not already contributing and do not know if they would have to contribute if the proposal was approved.

Do you agree with the proposal to bring the standard disability related expenditure in line with other councils by April 2019?	Total
Strongly agree/Agree	16%
Disagree/strongly disagree	62%
Don't Know	22%

6.8.7 A small percentage of the respondents agree with the proposal to bring the standard disability related expenditure in line with other councils by April 2019. The majority of the respondents disagree with the proposal which will result in them having to pay more money. The 22% who responded “don’t know” could reflect the complexity of understanding the overall process and how it would impact them financially.

Do you think the increase of up to £14 should be introduced in a single step from December 2017 and not in increments from December 2017 to April 2019?	Total
Yes	18%
No	82%

6.8.8 A very large percentage of the respondents agreed that the increase should be staggered and not introduced in one go from December 2017. This may be to allow for more time to budget and become accustomed to having to pay more or having to make contributions where they have previously not had to do so.

Do you think that you are likely to request a detailed assessment of your disability related expenditure if there is an increase in your contribution as a result of the changes imposed.?	Amount of service users
Yes	47%
No	13%
Don't Know	40%

6.8.9 47% of the respondents indicated that they are likely to request a detailed assessment to make sure that all their needs and requirements are being assessed properly and fairly. A significant proportion of respondents indicated “don’t know”, this could reflect the complexity of understanding the overall process and how it would impact them financially.

Would you be able to financially manage an increase in your contribution between £5.00-£14.00?	Amount of service users
Yes	9%
No	60%
Don't Know	31%

6.8.10 60% of people who responded did not believe they would be able to manage the increase in care charges. The 31% who responded “don’t know” may indicate that service users require details of the amount they will be required to pay.

6.8.11 The following table is based on 44 comments which have been grouped into similar phrases.

If you have any further comments regarding our proposal to reduce the standard disability related expenditure, please explain.	Number of people

Financial hardship, already paying more for care, cannot afford any more increases.	20
Why do councils keep targeting the vulnerable and taking from those people in society who need your help? The most needy people are being singled out	6
My disability is getting worse	2
Do not want any change, like the current service	2
The contribution system reduces my actual benefits money I receive to maintain my standard life as a disabled person. It should be stopped.	3
This is not a fair proposal.	3
Wants to know more information about why this is being done.	2
Haringey always want to charge for services. The service being provided is below standard so why should I pay more.	2
The system is totally confusing already and hard to understand.	4

7. CONTRIBUTION TO STRATEGIC OUTCOMES

7.1 Maximising the Council's resources, in particular in the current financial climate, is a key part of the Councils Medium Term Financial Strategy.

8. STATUTORY OFFICERS COMMENTS (CHIEF FINANCE OFFICER (INCLUDING PROCUREMENT), ASSISTANT DIRECTOR OF CORPORATE GOVERNANCE, EQUALITIES)

8.1 Finance

8.1.1 The table below shows the expected profiling of the estimated (£328k) additional income to be achieved and the effect on the total budget for non-residential fees and charges.

	2017/18 £000	2018/19 £000	2019/20 £000	total £000
Budget b/f	(1,761)	(1,890)	(2,005)	
Budget impact of plans	(129)	(115)	(84)	(328)
Final budget	(1,890)	(2,005)	(2,089)	

8.1.2 These figures form part of the Medium Financial Strategy and are therefore an essential part of the council's plan to deliver a balanced budget.

8.1.3 We would always recommend that value for money is obtained through the best use of resources ensuring that efficiencies and savings opportunities are explored fully and whilst this proposal is likely to generate additional income, it would appear that this proposal would still leave us a position which represents a more generous offer than that of other local authorities.

8.2 Procurement

8.2.1 Strategic Procurement notes the content of this report; however, there is no procurement input required at this stage.

8.3 Legal

8.3.1 Cabinet is being asked to make a decision on the proposed reduction in the DRE disregard to 40% (£22.04) by 2019/20.

8.3.2 The Department of Health has issued statutory guidance under the Care Act 2014 named Care and Support Statutory Guidance 2014 which the Council must have regard to in exercising its function under the Act. The Care and Support Statutory Guidance, provides that *“Where disability-related benefits are taken into account, the local authority should make an assessment and allow the person to keep enough benefit to pay for necessary disability-related expenditure to meet any needs which are not being met by the local authority.”*

8.3.3 There is a common law duty on the Council to consult with service users and other stakeholders that are likely to be affected by the proposal. The consultation must take place at a time when the proposals, as with the recommendation, are still at their formative stages. The Council must provide the consultees with sufficient information to enable them properly to understand the proposals being consulted upon and to express a view in relation to it. The information must be clear, concise, accurate and must not be misleading. The consultees must be given adequate time to consider the proposals and to respond. The consultation feedback contained in this report sets out how the Council has discharged this common law duty.

8.3.4 The Council must give genuine and conscientious consideration to the responses received from the consultees before making its final decision on the proposals. This report sets out the responses received from service users and other stakeholders.

8.3.5 As part of its decision making process, the Council must have “due regard” to its equalities duties. Under Section 149 Equality Act 2010, the Council in exercise of its adult care and support functions, must have “due regard” to the need to eliminate discrimination, advance equality of opportunity between persons who share a protected characteristic and those who do not, foster good relations between persons who share a relevant protected characteristic and persons who do not share it in order to tackle prejudice and promote understanding. The protected characteristics are age, gender reassignment, disability, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In line with its equalities duties, the Council must undertake an Equality Impact Assessments (EqIA) of the proposals on the protected groups. The Council is required to give serious, substantive and advance consideration of the what (if any) the proposals would have on the protected group and what mitigating factors can be put in place. This exercise must be carried out with rigour and an open mind and should not be a mere form of box ticking. These are mandatory consideration. The outcome of the consultation on the proposals together with the analysis of the EIA must be considered before reaching a final decision on the proposals. In line with its equalities duties, the Council have undertaken an EqIA of the proposals on the protected groups and are set out in Appendice ..and at section ...of the report together with the steps to mitigate the impact of the proposals.

8.3.6 The responses to the consultation on the proposals, the EqIA of the proposals and the steps being taken to mitigate the impact, the Statutory Guidance referred to above, all must be considered before Cabinet makes its decision on the proposals. Cabinet members must ask themselves a) whether it is justifiable to seek to make financial savings in the way proposed, having regard to the need to protect and promote the welfare of the service users and the risks inherent in the changes proposed; b) whether the mitigating steps proposed are sufficient or whether more needs to be done; c) whether the proposals ought to be adopted or discarded; and d) whether there is adequate provision for monitoring the proposed changes, so that changes can be made, if necessary.

8.4 Equalities

8.4.1 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to the need to:

- a) Tackle discrimination, victimisation and harassment of persons that share the characteristics protected under S4 of the Act.
- b) Advance equality of opportunity between people who share those protected characteristics and people who do not;
- c) Foster good relations between people who share those characteristics and people who do not.

8.4.2 Based upon the nine protected characteristics of age, disability, gender reassignment, marriage and civil partnership (only in regards to discrimination), pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation.

8.4.3 An equality impact assessment (EqIA) has been undertaken and identified the potential impact and the mitigating actions the Council will undertake to prevent financial hardship.

8.4.4 Responses to the consultation further confirm the potential impact on disabled and older people and the EqIA has been updated accordingly. In order to mitigate this impact, we will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

9. USE OF APPENDICES

Equality Impact Assessment

10. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Fairer Contributions Policy

http://www.haringey.gov.uk/sites/haringeygovuk/files/fairer_contributions_policy_june_2015.pdf

Care and Support Statutory Guidance. The guidance for charging and financial assessments can be found in Chapter 8 of this guidance.

<https://www.gov.uk/government/publications/care-act-statutory-guidance/care-and-support-statutory-guidance>

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EQUALITY IMPACT ASSESSMENT

The **Equality Act 2010** places a '**General Duty**' on all public bodies to have '**due regard**' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on the Public Sector Equality Duty, please proceed to stage 2 and complete a full Equality Impact Assessment.

Stage 2 – Full Equality Impact Assessment

An Equality Impact Assessment provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an Equality Impact Assessment has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the council's Equality Impact Assessment guidance before beginning the EIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Fees & Charges: Disability Related Expenditure,
Service area	P2 – Adult Social Services
Officer completing assessment	Raj Darbhanga
Equalities/ HR Advisor	Paul Green
Cabinet meeting date (if applicable)	14 th November 2017
Director/Assistant Director	John Everson

2. Summary of the proposal and its relevance to the equality duty

Please outline in no more than 3 paragraphs

- The proposal which is being assessed
- The key stakeholders who may be affected by the policy or proposal
- Its relevance to the Public Sector equality duty and the protected groups

The MTFS proposal which sits within the wider MTFS and Charges seeks to amend fees and charges related to Disability Related Expenditure Disregard to deliver savings. This EqIA has acted as a working document and has been updated following consultation.

Proposal:

Disability Related Expenditure MTFS Proposal Summary:

The Disability Related Expenditure MTFS proposal sits within the wider MTFS Fees and Charges proposal which seeks to amend a number of fees and charges to bring them into line with other London Boroughs and to enable cost recovery where possible and appropriate.

The proposal will seek to deliver £328k savings.

Haringey currently operates a 65% (£35.82) disregard and this policy has stayed the same since 2011. Other authorities have reduced the DRE and the range is from a flat rate of £10.00 to a rate of 35% (£19.00)

The proposal as outlined in the MTFS is for Haringey:

To operate a DRE of 40%, (£22.04 per week) by 2019/20 (i.e. 55% (£30.31 per week) saving an estimated £129k in 2017/18, 45% (£30.31 per week) saving an estimated £244k in 2018/19).

To mitigate the impact of the changes the proposal is to incrementally introduce the reductions, as outlined in the above.

In addition, in reviewing the proposal and developing the Equality Impact Assessment Haringey will also offer an individualised detailed DRE assessment to identify any additional costs above the standard disregard to reduce the contribution if this is preferable to the service user. This will help prevent any financial hardship caused by the decision.

Context:

Disability Related Expenditure

People who are allocated a personal budget for care and support funded by Haringey Council, have a financial assessment to see how much they should contribute towards the cost their care and support. The approach for the financial assessment is set out in the Council's Fairer Contributions Policy which is based on guidance set out in the Care Act 2014.

The financial assessment looks at the money an individual has coming in as well as their expenses. The expenses also include Disability Related Expenditure (DRE). DRE is the extra costs people have each week because of a disability, illness or age. For example, people may pay extra laundry costs or extra heating because of their disability (other examples are listed below in appendix 1). It is important that the Council takes this expenditure into account in order to ensure service users retain income to meet these costs.

To be eligible for DRE, people must be in receipt of Attendance Allowance or the care components of

Disability Living Allowance or Personal Independence Payment.

In addition to the DRE disregarded income, the financial assessment also disregards an amount for 'minimum income guarantee' as set out by the Department of Health.

Current practice:

To ensure that the financial assessment process for Disability Related Expenditure is as easy and discreet as possible for service users, the Council uses a flat rate disregard. The use of a flat rate reduces the need for quite personal and sensitive discussions. This approach is to ensure that there is equitable treatment between service users. While a flat rate is applied as part of the financial assessment, individuals are offered the opportunity to complete a detailed individualised DRE assessment and any additional DRE above the standard level is also disregarded to bring a lower contribution.

At present, a standard proportion of Attendance Allowance, Disability Living Allowance Care Component or the Personal Independence Payment Daily Living Component is disregarded across all assessments with the offer of a detailed Disability Related Expenditure assessment offered to all clients who pay towards the cost of their care. The proportion currently disregarded equates to 65% (on average £35.82 per week where the lower rate of Attendance Allowance or middle rate of Disability Living Allowance care component or lower rate of the Personal Independence Payment Daily Living component is included in the financial assessment).

Rationale for Proposal:

The current standard disregard for DRE described above has been in place since April 2011 and research has confirmed that Haringey is much more favourable (i.e. has a much higher disregard) than other London Boroughs.

Therefore, the proposal seeks to bring the disregard for DRE more in line with other London Boroughs. The reduction will result in an increase in charges for service users who are currently making a contribution and have a DRE disregard included in their financial assessments. In addition, when DRE reduces to 40%, this will result in some service users of working age who are currently assessed not to contribute having to make a small contribution. If the decision is approved, as shown in the table below, the reduction in DRE will still be more favourable than other London Boroughs.

Authority	DRE Disregard Policy	Person retains this amount per week to pay for Disabled Related Expenditure
Haringey	65% (current)	£35.82
Haringey 2017/18	55% (post decision)	£30.31
Haringey 2018/19	45% (post decision)	£24.80
Haringey 2019/20	40% (post decision)	£22.04

Hackney	25%	£13.78
Hounslow	30%	£16.53

Ealing	35%	£19.29
Merton	Flat Rate	£10.00
Newham	Flat Rate	£15.00
Greenwich	Flat Rate	£15.30
Barking & Dagenham	Flat Rate	£15.00

What will the proposal mean:

People will have to pay more towards the cost of their care they receive. All service users paying a contribution towards the cost of care where DRE has been used to calculate the contribution will see an increase in their contribution if the disregard is reduced.

People will have to pay more towards the cost of their care. All service users paying a contribution towards the cost of care where DRE has been used to calculate their charge will see an increase if the disregard is reduced.

Mitigations:

To mitigate the impact of the increase in charges to service users, consideration has been given to the impact of reducing the standard disregard from 65% to a sum which reflects a reasonable amount of weekly expenditure as outlined above. The following outlines the mitigations:

Incremental Reduction of DRE:

The proposal will also reduce the standard 65% to 40% by 2019/2020 over a number of years (as set out below) rather than an immediate reduction from 65% to 40%.

Proposal to reduce DRE in increments:

2017/2018 – reduce the disregard to 55% (from £35.82 to £30.31)

2018/2019 – reduce the disregard to 45% (to £24.80)

2019/2020– reduce the disregard to 40% (to £22.04)

Individual Assessments offered as an alternative:

In addition, although operating a percentage disregard approach facilitates a quicker process with regards to financial assessments, to further mitigate the reduction, it is planned to increase personnel to offer individual assessments to those people who would find this preferable.

Where people opt to have an individual assessment, they will be able to provide a detailed breakdown and evidence of their relevant disability related expenditure and to identify any additional areas of expenditure that are a result of their disability, age or health.

It is acknowledged that this approach could result in increased requests for detailed individual assessments, hence the need to secure additional personnel as part of this approach.

However, as people would have an option for a detailed individual assessment we are actively seeking to mitigate any potential adverse effects of the proposal on the vulnerable people we support.

Illustrative examples of the Impact of Disability Related Expenditure (DRE) changes:

The following examples are for illustrative purposes. The examples are calculated in line with Council's Contribution policy, which is based on Care Act guidance. Charges are calculated on the ability to pay.

Examples (please note that all figures relate to benefit rates effective from April 2016 and DH Minimum Income Guarantee rates):

Retirement Age

At present a 75-year-old woman living alone receiving Pension Credit of £217.45 plus Attendance Allowance of £55.10 would pay £47.73.

Reducing the disregard from 65% to 55% would increase her charge to £53.24 (increase of £5.51).
 Reducing the disregard from 65% to 45% would increase her charge to £58.75 (increase of £11.02).
 Reducing the disregard from 65% to 40% would increase her charge to £61.51 (increase of £13.78).

Working Age and in receipt of Employment and Support Allowance

At present a 55-year-old man living alone receiving Employment Support Allowance Credit of £186.90 plus Disability Living Allowance Care of £55.10 would pay £54.73.

Reducing the disregard from 65% to 55% would increase his charge to £60.24 (increase of £5.51).
 Reducing the disregard from 65% to 45% would increase his charge to £65.75 (increase of £11.02).
 Reducing the disregard from 65% to 40% would increase his charge to £68.51 (increase of £13.78).

Who will be affected?

As described if the proposal to reduce the DRE is approved, any person who is currently assessed to pay towards their care and support costs and a DRE is included in their financial assessment, will have an increase in their contribution.

At 01 January 2017 there were approximately 1879 people in receipt of care in the community (i.e. non-residential care). Analysis of data indicates that a standard DRE is currently applied to approximately 700 financial assessments of which 461 make a contribution towards the cost of their care. Any changes will mainly impact on this group. In the 700 financial assessments, there are service users that are currently not required to pay but will be required to pay when the DRE is reduced to 45% and 40%.

Changes to the benefit rates and DH guidance in 2017/18, 2018/19 and 2019/20 could affect the above illustrations/examples, in addition any increase to the charge as a result of reducing the standard DRE, will be in addition to any annual increase (normally from April each year) in line with increases in benefit and other income.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national.

Further information on data sources is contained within accompanying EqIA guidance. (part 8)

Protected group	Service users	Staff
Sex		N/A

	Mosaic data of service users	
Gender Reassignment	Current data on service users does not breakdown by gender reassignment.	N/A
Age	Mosaic data of service users	N/A
Disability	Mosaic data of service users	N/A
Race & Ethnicity	Mosaic data of service users	N/A
Sexual Orientation	Current data on service users does not breakdown by sexual orientation.	N/A
Religion or Belief (or No Belief)	Current data on service users does not breakdown by religion or belief.	N/A
Pregnancy & Maternity	Current data on service users does not breakdown by pregnancy and maternity.	N/A
Marriage and Civil Partnership	Current data on service users does not breakdown by marriage and civil partnership.	N/A

Outline the key findings of your data analysis. Which groups are disproportionately affected by the proposal? How does this compare with the impact on wider service users and/or the borough's demographic profile? Have any inequalities been identified?

Explain how you will overcome this within the proposal.

Further information on how to do data analysis can be found in the guidance.

Data for Disability Related Expenditure

A. Sex

Table 1.1 - shows the overall Haringey data for gender.

Gender	All Haringey	%
All people	254,900	
Males	126,175	49.5
Females	128,725	50.5

Table 1.2 - shows the gender of the 1879 service users in receipt of non-residential care and those service users who have been assessed to pay and have a standard DRE included in their financial assessment as at 01 January 2017.

	Total non-residential service users (1879)	Total non-residential service users (%)	DRE currently applied and assessed to pay (461)	DRE currently applied and assessed to pay (%)
Gender				
Male	855	46	181	46
Female	1022	54	280	54
Unidentified	2	0		

B. Age

Table 1.3 - shows the overall Haringey data for age.

Age	All Haringey	%
Total	254,900	
0-20	63,400	24.9
20-59	159,900	62.7
60-64	9,200	3.6
65-79	17,100	6.7
80+	5,300	2.1

Table 1.4 - shows the age groups of the 1879 service users in receipt of non-residential care and those service users who have been assessed to pay and have a standard DRE included in their financial assessment as at 01 January 2017.

Age	Total of non-residential users (1879)	% Total of non-residential users (%)	DRE currently applied and assessed to pay (461)	DRE currently applied and assessed to pay (%)
<20	20	1.1		
20-29	178	9.47	51	11.1
30-39	165	8.73	34	7.4
40-49	209	11.1	25	5.42
50-59	300	16	37	8
60-64	131	6.97	27	5.86
65-69	117	6.23	30	6.51
70-79	256	13.6	83	18
80-89	362	19.3	124	26.9
90+	141	7.5	50	10.85

C. Ethnicity

Table 1.5 - shows the overall Haringey data for ethnicity.

Ethnicity	Haringey Population	Haringey %
	2011	2011
	Total - 254,926	
White	154,343	60.5
Mixed / Multiple	16,548	6.5
Asian / Asian British	24,150	9.5
Black / African / Caribbean / Black British	47,830	18.8
Other Ethnic Group	12,055	4.7

Table 1.6 - shows the ethnicity of the 1879 service users in receipt of non-residential care and those service users who have been assessed to pay and have a standard DRE included in their financial assessment as at 01 January 2017.

Ethnicity	Total non-residential service users (1879)	Total non-residential service users (%)	DRE currently applied and assessed to pay (461)	DRE currently applied and assessed to pay (%)
White	881	46	227	49.3
Mixed / Multiple	35	2	14	3
Asian / Asian British	146	8	32	6.9
Black / African / Caribbean / Black British	686	37	160	34.8
Other Ethnic Group	75	4	21	4.5
Unidentified	56	3	7	1.5

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please provide a brief outline of:

- *How you intend to consult with those affected by your proposal including those that share the protected characteristics*

Further information on consultation is contained within accompanying EqIA guidance (part 9)

Disability related expenditure consultation

Consulting through survey using a paper questionnaire and on-line. It will target the people who will be affected or likely to be affected by the proposal.

The consultation on the proposed changes ran from 17 July to 4 September 2017. The consultation was sent out by post and was available online. Public drop in sessions were offered at Hornsey, Wood Green and Marcus Garvey libraries. One to one interviews were also offered at these drop-ins with a support independent advocacy.

A direct number was made available for service users to call and ask questions or complete the questionnaire.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

Disability related expenditure consultation

685 service users were sent a hard copy of the questionnaire and a free post envelope to return it.

The consultation resulted in 138 responses - a 20% response.

Age

127 people indicated their age.

64% of the respondents were aged over 60.

Comparing this to the data available at 1 January 2017 where 54% of the service users were 60+, a slightly higher response was received from people aged 60+. However, this should have been expected as the impact will fall mostly on the 60+ as they are predominant in the people being provided with a service and being charged. This is supported by the analysis of data set out in appendix 2, table 1.4.

Disability

128 people supplied this information.

96% of respondents considered themselves to have a disability. This was expected as care and support is provided to vulnerable adults all of whom have a disability.

Sex

125 people supplied this information.

64% of respondents were female and 36% male. The 64% is an over representation as at 1 January 2017, 54% of the service users were female.

Ethnicity

137 people supplied this information:

	Respondents %	Service users %

White / White other	69	46
Black	52	37
Asian	13	8
Mixed	3	2

We did not collect other protected groups data because we do not have this data for the wider population of service users and therefore cannot do comparisons. No issues related to the other 5 protected groups was raised through the consultation.

75% of the respondents did not agree with the proposal to bring the disability related expenditure disregard in line with other London boroughs.

60% of people who responded did not believe they would be able to manage the increase in care charges.

82% of the respondents agreed that the increase should be staggered and not introduced in one go from December 2017.

47% of the respondents indicated that they are likely to request a detailed assessment to make sure that all their needs and requirements are being assessed properly and fairly.

There were comments regarding the Council's treatment of vulnerable people and about disabilities becoming worse. The Council is taking steps to mitigate this happening as outlined below. The financial assessment works within a common framework of ability to pay and affordability

Mitigation

To mitigate the increase in charges as a result of the proposal, service users will be advised of their revised financial assessment before the increase is applied.

The offer of an individual disability related expenditure assessment will continue to be made to people to identify additional expenses related to disability over and above the standard disregard and if appropriate reduce the contribution.

82% respondents agreed with the approach that the increase of approximately £14 per week to bring it line with other boroughs should not be introduced in a single step and staggered over 3-year period. This would allow people for more time to budget and become accustomed to having to pay more or having to make contributions where they have previously not had to do so.

The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqIA guidance (part 10)

Those affected will be either current or future service users of Adult Social funded care. Social care is provided to people as a result of long term health conditions, disability and age; as a result, these categories will be impacted.

The proposal to reduce the DRE disregard will impact on service users who currently have a DRE disregard applied to their financial assessment irrespective of their age, disability, ethnic origin and gender.

The service users who are in receipt of Attendance Allowance or the care components of Disability Living Allowance or Personal Independence Payment Daily Living component and a DRE disregard is applied to their financial assessment will be affected by this proposal.

At present there are 1879 service users who are in receipt of non-residential care. Of the 1879 people, 461 will be affected by this proposal.

Key findings:

1. Sex

As of 1 January 2017, of the 1879 total service users there are 855 (46%) male users and 1022 (54%) females. Comparing this to the overall Haringey data from the 2011 census, where 51.1% are male and 49.9% are female, it was anticipated that this proposal will more likely affect females. This is expected given that there are more female users of Adult Social Services funded care and it is recognised that women live longer than men.

Data analysis (see section 3 table 1.2) shows that of the 461 affected, 280 (54%) are female and 181 (46%) are male and confirms that women will be more affected by this proposal.

No issues directly relating to sex was outlined in the consultation.

We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative	X	Neutral impact		Unknown Impact	
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2. Gender reassignment

This data is not available. We do not envisage a negative impact based upon this protected characteristic. No issues directly relating to gender reassignment was outlined in the consultation.

We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay

more than they can afford.

Positive		Negative		Neutral impact	X	Unknown Impact	
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3. Age

As of 1 January 2017, the age range of the 1879 total service users, 1008 (54%) are aged 60+ and 871 (46%) are below the age of 60. The effects of reducing the DRE will be felt across the age range.

However, as expected the impact will fall mostly on the 60+ as they are predominant in the people being provided with a service and being charged. This is supported by the analysis of data set out in section 3, table 1.4.

The data also shows that of the 461 affected, 314 (68%) are over the age of 60+. This is expected as of the 1879 service users, 1008 are 60+.

There were issues identified in the consultation regarding vulnerable adults, which could include frail older people. We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative	X	Neutral impact		Unknown Impact	
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4. Disability

Care and support is provided to vulnerable adults all of whom have a disability.

There were issues identified in the consultation regarding vulnerable and disabled adults. We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative	X	Neutral impact		Unknown Impact	
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5. Race and ethnicity

The impact of this proposed change will impact across all ethnicity groups. However there is a greater impact for the Black / African / Caribbean / Black British and White groups. This is expected as these groups are predominant in the overall people being provided services and the overall population. Therefore these groups will slightly be disproportionately impacted by this decision.

This is supported with the data set out in section 3, table 1.6. This is expected given that of the 1879 service users, 881 (46%) are in the White ethnic group and 686 (37%) are in the Black/African/Caribbean/Black British in the ethnic group.

No issues relating to race or ethnicity were identified in the consultation
 We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy.
 The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions.
 Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative	X	Neutral impact		Unknown Impact	
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6. Sexual orientation

Data is not collected in relation to the charges for clients. We do not envisage a negative impact based upon this protected characteristic.

No issues directly relating to sexual orientation was outlined in the consultation.

We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy.
 The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions.
 Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative		Neutral impact	X	Unknown Impact	
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7. Religion or belief (or no belief)

Data not collected in relation to charges. We do not envisage a negative impact based upon this protected characteristic.

No issues directly relating to religion and belief was outlined in the consultation.

We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy.
 The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions.
 Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative		Neutral impact	X	Unknown Impact	
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8. Pregnancy and maternity

Data not collected in relation to charges. We do not envisage a negative impact based upon this protected characteristic.

No issues directly relating to pregnancy and maternity was outlined in the consultation.

We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy.
 The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions.
 Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

more than they can afford.

Positive		Negative		Neutral impact	X	Unknown Impact	
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9. Marriage and Civil Partnership

Not available and we do not envisage a negative impact based upon this protected characteristic.

No issues directly relating to marriage or civil partnership status was outlined in the consultation.

We will undertake measures to ensure that no hardship will be felt through the Fairer Contributions Policy. The Fairer Contributions Policy aims to ensure fairness and transparency when assessing contributions. Everyone will have a guaranteed minimum income designed to ensure that no one will be asked to pay more than they can afford.

Positive		Negative		Neutral impact	X	Unknown Impact	
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10. Groups that cross two or more equality strands e.g. young black women

All DRE contributors have disabilities. It is likely that they are also likely to be older, women and from BAME backgrounds

Outline the overall impact of the policy for the Public Sector Equality Duty:

- Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?
- Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?
- Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?

The Care Act 2014 for assessing contributions sets the standard to ensure policies promote wellbeing and social inclusion. The proposal being considered is compliant with this framework.

Implementation of this proposal would affect current and future adult social care service users aged 18 and over who may be asked to contribute more towards their care and support across protected groups.

The policy will continue to provide an equitable process for financial assessments and contributions based on affordability and this will prevent the most vulnerable from experiencing the financial hardship.

Analysis of previous changes to the contributions policy indicates that the proposed changes would impact on the protected characteristics of disability. This is also supported by the analysis above. This is expected given that the profile of those most likely to receive care and support from the Council.

The proposal will result in individuals contributing more but no one will suffer severe financial hardship as a result of this decision because we are means testing individuals to ensure that they have the ability to pay through a financial assessment.

Also, the provision of comprehensive benefits advice to all service users at the time of a financial assessment can ensure that people using/needing support have access to adequate finance. This is of help to disabled people and their families as well as contributing to the local economy. The Council will continue to invest in this service to help people access all the benefits they are entitled to as part of the financial assessment.

6. a) What changes if any do you plan to make to your proposal as a result of the equality impact assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance (part 11)

Outcome	Y/N
No major change: the EIA demonstrates the policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.	Y
Adjust the policy: the EIA identifies potential problems or missed opportunities. Adjust the policy to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy.	N
Continue the policy: the EIA identifies the potential for adverse impact or missed opportunities to promote equality. Clearly <u>set out below</u> the justifications for continuing with it. For the most important relevant policies, compelling reasons will be needed.	N
Stop and remove the policy: the policy shows actual or potential unlawful discrimination. It must be stopped and removed or changed.	N

6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

Impact	Action	Lead officer	Timescale
Potential financial hardship experienced by service users	We will monitor the changes in fees and charges in order to	Finance Assessment Team	<i>Ongoing</i>

<p>as a result of the introduction and/or increase of fees and charges.</p>	<p>identify and prevent individuals suffering financial hardship. This will be done:</p> <ol style="list-style-type: none"> 1. through financial assessments 2. Monitoring the number of requests for review of charges. 3. Where a service user chooses to end services because of the level of charges, they will be referred to social worker team for a review of their care needs. 4. Monitor the request for individual disability related expenditure. 	<p>Manager</p>	

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

This will be monitored through the number of appeals received for charge contributions and the number of individual requests for DRE assessments.

7. Authorisation

<p>EIA approved by (Assistant Director/ Director)</p>	<p>Date</p>
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8. Publication

Please ensure the completed EIA is published in accordance with the Council's policy.

Appendix 1

Examples of Disability Related Expenditure includes:

1. Payment of any community alarm.
2. Costs of any privately arranged care services required, including respite care.
3. Costs of any speciality items or services intended to meet disability needs, for example:
 - (a) Day or night care which is not being arranged by the local authority;
 - (b) Specialist washing powders or laundry;
 - (c) Additional costs of special dietary needs due to illness or disability (permission to approach their GP in cases of doubt);
 - (d) Special clothing or footwear, for example, where this needs to be specially made; or additional wear and tear to clothing and footwear caused by disability;
 - (e) Additional costs of bedding, for example, because of incontinence;
 - (f) Any heating costs, or metered costs of water, above the average levels for the area and housing type, required by age, medical condition or disability;
 - (g) Reasonable costs of basic garden maintenance, if necessitated by a disability and not met by social services;
 - (h) Reasonable costs of cleaning or domestic help, if necessitated by a disability and not met by social services;
 - (i) purchase, maintenance, and repair of disability-related equipment, including equipment or transport needed to enter or remain in work; this may include IT costs where necessitated by a disability; reasonable hire costs of equipment may be included, if waiting for supply of equipment from Haringey Council;
 - (j) Personal assistance costs, including any household or other necessary costs;
 - (k) Other transport costs necessitated by illness or disability, including costs of transport to day centres, over and above the mobility component of DLA or PIP, if in payment and available for these costs but it will be reasonable not to take account of such costs for example where a suitable cheaper form of transport is available but is not being used.

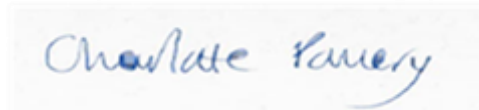
Report for: Cabinet 14th November 2017

Item number: 15

Title: Positive Behaviour Support Service Framework: Award of contracts

Report

authorised by : Charlotte Pomery, Assistant Director Commissioning



Lead Officer(s): Aphrodite Asimakopoulou, Commissioning Manager
Priti Juthani, Procurement Delivery Manager (Health and Care)

Ward(s) affected: All

Report for Key/

Non Key Decision: Key Decision

1. Describe the issue under consideration

- 1.1. This report details the outcome of a procurement process for an award of Framework Agreements to successful Tenderers listed in paragraph 3.2 below, for the provision of Positive Behaviour Support (PBS) Services.
- 1.2. Haringey Council and Haringey Clinical Commissioning Group (HCCG) have undertaken a procurement process to commission a framework of five (5) providers to offer an evidence based, NICE recommended and effective intervention named as 'Positive Behaviour Support' (PBS) aiming to improve the life outcomes for the most vulnerable social and health care users. These are mainly adults and young people with complex needs (including learning disabilities and/or autism), those who display behaviour that challenges and those with mental health conditions.
- 1.3. One of the main objectives of the PBS framework is to foster the development of a competent Provider market for service users with complex needs so that their needs can be better met in the community. The framework is also expected to deliver financial savings by ensuring that through the PBS intervention positive outcomes for service users are achieved and therefore, their needs for care are reduced.
- 1.4. Furthermore, Haringey Council has been successful in their bid to the Big Lottery's Fund Commissioning Better Outcomes (CBO) for additional funding to contribute towards the implementation and operation of the PBS services during its life course.

- 1.5. Specifically, the Big Lottery Fund, England Committee, has agreed to offer an in-principle award of up to £1,465,018 revenue funding (over four years) to Haringey Council to contribute towards the PBS contract provision.
- 1.6. This will consist of an outcome payments model to successful providers under this framework and an optional implementation of a Social Impact Bond (SIB) model, if providers deem it necessary to access additional capital to finance their operations and service delivery. The Big Lottery Fund has recently increased the in-principle award by £500,000 to acknowledge the recent partnership with the London Borough of Islington and subsequent additional demand for the service provision and a further £100,000 to support a comprehensive evaluation of and learning strategy for the project. The proposed in-principle award (total of £2,065,018) will cover 15% of the outcomes payments required by the project (over four years).
- 1.7. One of the conditions that Haringey Council will need to meet in order to receive the above funds from the Big Lottery Fund is that the PBS service will commence by April 2018.

2. Cabinet Member Introduction

- 2.1. I am delighted to introduce this report which enables us to build a strong offer for people with complex needs and behaviour which challenges in Haringey. Increasing the effectiveness of community based interventions for residents with the most complex needs is part of our wider strategy to promote greater independence and support people to live in their local community, At a time when the public sector is facing unprecedented demand and budgetary pressures, this will help to build a more sustainable approach to commissioning health and social care.
- 2.2. Haringey Council is proud to be implementing an innovative and evidence based service to address the needs of our most complex service users in order to enable them to live in the community and improve their life outcomes. The initiative and the progressive commissioning approach together aim to address a gap in the market by fostering the development of a competent Provider base, intended to reduce and/or prevent escalation of needs by offering bespoke interventions and a value for money service.
- 2.3. It is noteworthy that, towards these efforts, the Council has been allocated substantial funding from The Big Lottery Fund, England Committee, which has agreed to offer an in-principle award of up to of £2,065,018 revenue funding (over four years).

3. Recommendations

- 3.1. To approve the proposal to enter into framework agreements with the successful tenderers listed in paragraph 3.2 to deliver Positive Behaviour Support (PBS) Services as allowed under Contract Standing Order (CSO) 9.07.1 (d), for a period of four (4) years.

3.2. Successful Tenderers are as follows:

- Care Management Group Limited
- Centre 404
- Dimensions (UK) Limited
- Support for Living Limited
- The Avenues Trust Group

4. Reasons for decision

- 4.1. At a time of limited financial resources, the Council continues to seek innovative solutions to funding interventions that deliver good outcomes for local people, and especially for those with complex needs that present with behaviour that challenges. Haringey Council has a growing number of customers with complex needs and it expects to see a long-term increase in numbers of people with challenging behaviours.
- 4.2. For various reasons, those users with the highest and most complex needs have often been accommodated in health facilities or in the most expensive form of out of area residential provision. In these situations, the quality of life outcomes for vulnerable customers (mainly those with Learning Disabilities) are typically not good and there have been well publicised court cases (most recently Winterbourne View) where carers were found guilty of abusing vulnerable residents and jailed. A recent review of residential and nursing care undertaken by Haringey Public Health shows that the customer group with the largest net expenditure per year is Learning Disability. This group also has the largest average net unit cost per person per year.
- 4.3. It is part of Haringey's objective to keep people healthy and living in their own communities for longer and to see a greater emphasis on promoting independence, dignity and choice, with care and support shifting away from institutional care towards community and home based support.
- 4.4. To address the gap in service provision for these customers, Haringey Council has undertaken a procurement process to commission a framework of a small number of specialist providers to deliver the evidence based PBS intervention in a community setting with the intention of preventing traditionally poorer quality of life outcomes particularly for Children and Adults with Learning Disabilities. This project aims to reach in total 98 customers over its life.
- 4.5. The main rationale for choosing a PBS approach is because of the strong evidence base and because it is a NICE best practice recommendation from the Department for Health for provision of community based care and support for Adults with Learning Difficulties. NICE issued a specific PBS guidance in 2015. The effectiveness of the intervention is also recognised by central's government Big Lottery's Fund Commissioning Better Outcomes program 'Commissioning for Better Outcomes' that has created the opportunity for Haringey Council to successfully bid for additional funding in order to be enabled to offer the PBS intervention in a community setting.

- 4.6. The Council's approach to providing outcomes based PBS Services is intended to reduce and/or prevent escalation of needs by offering bespoke interventions and a value for money service. The Service will be expected seamlessly to provide both care and support as defined by the needs of the individual. The appointed Providers will be expected to work with customers and their Carers, key Haringey teams such as the HCCG, clinicians, social care practitioners, Haringey's Learning Disabilities Partnership and Mental Health team in order to develop and implement successfully these individual outcomes plans.
- 4.7. Care and support services should aim to maximize an individual's independence and support the reduction of need, wherever possible, through the delivery of PBS Services, including making use of existing community resources and personal social networks.
- 4.8. In order to ensure that the Providers can offer a financial sustainable service for the whole duration of the project, they may choose, as deemed necessary, to access social investment to finance their operations and staffing structures. This approach aims to encourage particularly voluntary, community and social enterprises (VCSEs) and small and medium-sized enterprises (SMEs) organisations to also become part of this framework if they have the skillset to provide the particular intervention. Social investment provides such an option, as it:
- (i) Leverages funds from investors who want to put their money into causes that improves people lives, particularly vulnerable people;
 - (ii) Ensures investment is only paid back to investors when outcomes are achieved; and
 - (iii) Provides a 'catalyst' to schemes to grow and deliver good outcomes by providing additional funding up front, alongside existing investment from the local authority
- 4.9. Once Providers are on the framework, the performance will be judged by the extent to which the agreed outcomes are met and the extent to which an individual's independence is maintained with stable or decreased care and support levels. Providers, in partnership with the Council will be expected to develop review processes, to measure and record achievement of individual outcomes and to meet the requirements of the Council's Performance Monitoring Tool on which payment of the outcomes rewards will be based.
- 4.10. The outcomes payment model will be based along the following measures:
- (i) Eighty percent (80%) of the outcomes payment will be based on the successful transition of customers to a community based setting or on the sustained caring arrangement in family/parental home; and
 - (ii) Twenty percent (20%) of the outcomes payment will be relevant to each customer individually and based on measures relevant to their respective improvements in quality of life outcomes. These include:
 - a) Reduction in incidents of behaviours that challenge.
 - b) Improvements in health conditions management.
 - c) Successful social and community integration/engagement.

- 4.11. The proposed providers will be appointed to the framework agreement because of their skill and expertise in delivering a high-quality service. The Council will therefore be placing reliance on their skill, expertise and judgment in providing PBS interventions and in working with the specific cohort. Providers will be expected to have a flexible approach to supporting vulnerable individuals and to take a holistic approach in planning, designing and delivering the service.
- 4.12. In summary, the main innovations Haringey Council is seeking to implement through this framework agreement are:
- (i) the design of the commissioning process with appropriate referral pathways that include inputs from the customer, their family, the social care and health teams and the Provider in order to address effectively and efficiently the needs of the most complex and costly customers in health and social care;
 - (ii) an outcome based payment model with a basket of outcomes linked to the improvement in the individual quality of life measures for each customer; and
 - (iii) access to social investment financing with its risk transfer benefit to encourage growth in VCSE Providers' capacity and capability;
 - (iv) foster the development of a competent Provider market for this group of service users; and
 - (v) reduce and/or prevent escalation of needs by offering bespoke interventions and a value for money service.

5. Alternative options considered

5.1. The alternative options considered as part of this are set out below:

- a) **Do nothing (as is)** –The PBS is a new and innovative service and constitutes one of the few pilots of its kind in the country. To decide not to offer the intervention for our most complex and high cost clients especially as there was an opportunity to receive extra funding through the Big Lottery Fund programme would have disadvantaged the life outcomes of our highest need customers. Furthermore, it would have compromised the opportunity of Haringey Council and HCCG to provide more sustainable health and social care at a time where the public sector is facing unprecedented demand and budgetary pressures. The project could also be extended to include other Local Authorities in the country, such as the London Borough of Islington which has already decided to join the project. If we did not capitalise on the opportunity, we would still have to continue providing services to the same cohort based on less effective and financially efficient interventions. To offer the PBS service without the financial assistance from the Big Lottery Fund would have required significant investment from the Council to support providers to invest in specialist staff and expert support in order to enable them to offer the PBS service. As a result, the risk of the investment would have been fully borne by the Council.

6. Background information

- 6.1. As reported in “Positive Behaviour Support – a competence framework” 2015, there is a strong scientific evidence base that underpins PBS that has accumulated over the last 30 years. The bulk of the research has been through

practitioner-researchers testing intervention effectiveness on small samples or on individual cases. These have in turn been subject to a number of systematic reviews and meta-analyses (Campbell, 2003; Carr et al., 1990, 1999; Didden et al., 1997; 2006; Harvey et al., 2009; Marquis et al., 2000; Scotti et al., 1991). The most recent of these (Heyvaert et al., 2010, 2012) included over 250 single case design studies and confirmed that behavioural interventions deliver positive outcomes for individuals whose behaviour challenges. There is a statutory obligation on local authorities and CCGs to provide care and support services for Adults with Learning Disabilities and autism but the specific PBS intervention is non-statutory.

- 6.2. Whilst PBS therapies and services with their proven improvement in outcomes for customers have been available for over 20 years in the UK, there has not been a wave of commissioning as might be otherwise expected or indeed an increase in the capacity and capabilities of PBS providers. There has been only a slow take up, even after the 2011 Winterbourne View scandal. The Department of Health has put obligations on health and local authorities to respond appropriately, initially via the Concordat and currently (2016) through Transforming Care Partnership initiatives.
- 6.3. Haringey Council will attempt to address the gap in the market in terms of this service provision by commissioning through a framework, a small number of specialist PBS providers to deliver the NICE recommended intervention in a community setting. Providers will be invited onto the framework on quality criteria i.e. demonstration of their ability to deliver effective PBS support services to usually highly vulnerable individuals. In this way, we believe that a level playing field is being created for voluntary and community sector enterprises (VCSE) and small and medium enterprises (SME) Providers by encouraging their capacity and nurturing their capability in this field.
- 6.4. Furthermore, the NCL Transforming Care Partnership which brings together Councils and CCGs in the NCL area (Barnet, Camden, Enfield, Haringey & Islington) has developed plans to respond to the key objectives of the national Transforming Care Programme, one of which is to see a drastic reduction in long-term hospital stays for this cohort. A further objective is to show the potential for the PBS model and provision to scale across the NCL area. The belief is that, if the expectations of success are indeed fulfilled by Haringey Council and HCCG, this will demonstrate a clear way forward for other neighbouring NCL Boroughs and the wider Transforming Care Partnership clusters across London.
- 6.5. It is recognised that there are not many effective community based solutions in place for this cohort and therefore Haringey will seek to promote this particular option to users and families.
- 6.6. Haringey's expectations of PBS are high and although we can anticipate that some service arrangements may break down, the contracting model we have designed seeks to avoid this through the active engagement of Haringey's social care teams and proactive performance monitoring on a frequent basis.

- 6.7. In terms of the business case and financial incentives for providers and their social investors, should a break down occur, we would anticipate 'back fill' so that the total number of referrals at a minimum run rate of 14 per year will be maintained.
- 6.8. Whilst the specification of PBS will not be prescribed, the expectations of Providers in terms of quality and consistency, and the linkage of payments to achievement of outcomes will help provide a clear performance management framework and aligned incentives.
- 6.9. Our intention is to let a framework for PBS support services on a 4-years basis with individual support contracts let under the framework up to 7 years from commencement of service. The main reasons for choosing a framework are:
- (i) to support market development through attracting a sufficient number of Providers with whom Haringey and other Commissioners can develop a strong working partnership; and
 - (ii) to ensure that there is personalisation and choice for customers in selecting from the framework Providers.
- 6.10. The reason for choosing a 4-year period for the framework is so that lessons from the initial stages can be adopted as needed in a reasonable timeframe. The reason for letting individual support contracts for up to seven years is to give Providers confidence so that they invest in developing their teams' capacity and capabilities around individual clients.
- 6.11. **Procurement Process**
- 6.11.1. The PBS services are subject to Light Touch Regime under the Public Contract Regulations 2015. As such they are required to be advertised in the Official Journal of the European Union (OJEU) although there is greater flexibility in the tender procedure followed than under the standard EU tender regime.
- 6.11.2. In 10th February 2017, a Prior Information Notice (PIN) was placed in OJEU which sets out the Council's purchasing intentions and informs the market that they should expect a procurement to be commenced within the next 12 months.
- 6.11.3. Following publication of PIN, a 'Market Engagement' events were held on 23rd February 2017. This events were intended to communicate and share information with potential providers and social investors to help them understand the commissioning intentions and offer opportunities to network and forge partnerships.
- 6.11.4. The 'Market Engagement' event indicated that this is a specialist service and the nature of the market for this type of service is limited. However Competitive Procedure with Negotiation (CPN) was selected as the most efficient route to market.
- 6.11.5. The PBS is a new and innovative service and constitutes one of the few pilots of its kind in the country. Furthermore, the proposed outcome based payment model and option to access to Social Investment Financing can prove complex concept for some providers to get a grasp of. Therefore, using CPN

procurement process is deemed as appropriate and will allow sufficient flexibility to ensure suitable providers are selected onto framework.

6.11.6. There were three stages to the tender evaluation.

(i) Stage 1 – Selection Process:

- An opportunity was posted on OJEU, Contract Finder, and Haringey's website on 12th June 2017 to invite expressions of interest from providers to submit completed Selection Questionnaire (SQ).
- By the closing date of the SQ (14th July 2017), 50 organisations registered their interest on Delta E-sourcing portal. Out of fifty (50), thirteen (13) organisations submitted SQ.
- Following evaluation of the SQs against the selection criteria, seven (7) organisation progressed to the stage 2.

(ii) Stage 2 - Quality and Price Evaluation:

- All seven (7) organisations were invited to the Tender.
- The tenders were evaluated using the Most Economical Advantageous Tender (MEAT) which included a split of 30% Price and 70% Quality as set out in the ITT documentation.
- The overall Quality weighting includes the Method Statement score of 60% and Presentation scores of 10%. This section of the evaluation has been conducted by Panel.
- The table below details the outcome of the tender evaluations and respective scores of the tenders.

Tenderers	Quality Scores (out of 685 points)	Price Scores (out of 300 points)	Total scores (out of 985 points)
Centre 404	509	250	759
Support for Living Limited	508	155	663
Care Managemen t Group Limited	419	216	635
Dimensions (UK) Limited	459	165	624
The Avenues Trust Group	418	192	610
Company - A	315	282	597
Company - B	387	163	550

(iii) Stage 3 - Negotiation Process: This was optional stage. Following evaluation of initial tenders, it was apparent that the Bidders initial Tenders are accepted and there was no need to enter into negotiation. Therefore, the Council had

decided to execute its right to award the contract without conducting any negotiation.

6.12. Transition and Contract Management

6.12.1. Key Performance Indicators and methods of measurement are integrated within the service specification and will be monitored through contract monitoring meetings and reports.

6.12.2. Contract monitoring meetings will be held monthly for the first three months and quarterly thereafter. The purpose of monthly monitoring meetings will be to examine the implementation of the service, monitor delivery of the service at an operational level and to foster partnership working to facilitate early resolution of problems and/or issues.

6.12.3. The Service Providers shall commence a pre-mobilisation period in December 2017, prior to service commencement by April 2018.

6.13. Stakeholder engagement

6.13.1. Haringey has formed a Project group made up of senior CCG and Local Authority staff which has been charged with managing the specification, commissioning / procurement and go-live and implementation processes.

6.13.2. The Project Group will expand to include clinical leads, finance and procurement specialists and most importantly front line social care team members who will be key to ensuring that customer outcomes are monitored and managed following go-live.

6.13.3. The Project Group reports into HCCG and Haringey Council's Joint Finance, Performance and Commissioning Management Group. This Group meets on a monthly basis and is responsible for a range of day to day delivery and management issues.

6.13.4. The Project Group has a responsibility to report into all relevant stakeholders and in particular the NCL Transforming Care Programme board.

6.14. Risks to the project

6.14.1. As with all Payment by Result (PbR) contracts provider financial resilience is a potential issue particularly if there is an inability to deliver outcome improvements within the pricing structure and maintain quality standards leading to loss of income through missing outcome payments.

6.14.2. The payment structure with 80% of the fee paid monthly in arrears means that the true PbR component is a low proportion of the income stream. It is worth noting that there is a strong alignment of interest between the commissioner and PBS providers to develop their working partnership in order to ensure that the improvement in outcomes for the customers are delivered.

6.14.3. The other mitigation is through access to social investment and the transfer of the financial risk away from VCSE providers to these investors – subject to due

diligence. The use of a SIB and access to social investment is the mitigation against a lack of smaller VCSE participating and bidding for this framework.

- 6.14.4. The overall mitigation is through the formal processes set out in the framework which will provide the basis for governance of each individual referral and provider performance management / escalations etc. It is also a key vehicle to achieving value for money in providing of quality services.
- 6.14.5. There is a risk that the interest levels from providers and social investors will not be high enough to award a minimum of five providers on to the framework. The main mitigation will be through planned market engagement events built into the procurement timetable, through existing provider forums and by speaking directly to providers.
- 6.14.6. There is a risk that poor specification of PBS service requirements means that the quality or breadth of providers on the framework is not as high as it will need to be to improve the outcomes for customers and provide stable community placements. The risk mitigation derives from the fact that PBS is a well understood and evidence- based support 'methodology'.
- 6.14.7. Once the framework is in place, there is a risk for the commissioner that one of the providers fails to deliver a consistent quality of PBS service leading to lower than planned improvements in quality of life outcomes and in the worst case a placement breakdown. The financial risk in this case lies initially with both the provider and their social investor (as revenue from the secondary outcome 20% basket will be lower) and ultimately with the commissioner which will incur costs finding an alternative provider in the event of a full placement breakdown. Such a risk is inherent in any commissioning of care and support placements.
- 6.14.8. For the commissioner, it is imperative that community health and social care professionals monitor and measure outcomes on the ground, to feed into quarterly milestones and payment levels. This is a key issue for the success of the contract. Haringey understands fully that it will need to demonstrate to social investors that it has the capacity and capability to manage the performance of providers. Training and guidance will be provided to all professionals who will be involved in monitoring placements, particularly front line staff who will have direct contact with service users. Training existing staff will keep the cost of the SIB low.

6.15. **Savings**

- 6.15.1 It is estimated that the project will engage with 10 Haringey service users per year and an additional 4 from Islington. This will be a total of 98 service users for the duration of the project over 7 years. The business case is based on savings that we expect to make from either by reducing costs through stepping down from highest cost residential provision or from prevention of the need for higher cost provision at points in time when care packages need to change.
- 6.15.2 London Borough of Haringey and Haringey CCG will fund the proposed contract provision through outcome payments which will be able to top up with CBO co-payment. The proposed in-principle award (up to £1,465,018 for London

Borough of Haringey) will cover 15% of the outcomes payments required by the project (over four years). As mentioned in paragraph 5.1 (a), to offer the PBS service without the financial assistance from the Big Lottery Fund would have required significant investment from the Council to support providers to invest in specialist staff and expert support in order to enable them to offer the PBS service. As a result, the risk of the investment would have been fully borne by the Council.

- 6.15.3 Whilst clearly important to the business case, the savings are an additional benefit of our proposed approach whose priority is the delivery of improved life outcomes for our most vulnerable customers.
- 6.15.4 Because of the low volume, we will only be able to make estimates of savings to wider Government through the project's evaluation process.

7. Contribution to strategic outcomes

7.1. National and Local Strategic Context

- 7.1.1. The implementation of the Care Act 2014 represents a major shift in the way adult social care is delivered to people across the country. The Council has a duty to commission a wide range of services to improve the general health and wellbeing of its local population and to enable people to prevent and postpone the need for care and support, locally.
- 7.1.2. Local strategies including Haringey's Health and Well Being Strategy, NHS HCCG's 5 Year Plan, Haringey Joint Mental Health and Wellbeing Strategy 2015 and the Council's Building a Stronger Haringey Together, Corporate Plan 2015-18 place renewed emphasis on prevention, early intervention, promoting independence, integration, inter-agency partnership working, and community resilience. They all seek to reduce health and social inequalities faced by people living in Haringey through working with communities and residents and to improve opportunities for adults and children to enjoy a healthy, safe and fulfilling life. There is also an emphasis on the provision of the best possible quality accommodation, in line with modern standards and good practice.
- 7.1.3. The Winterbourne View Concordat commits Local Government and NHS Commissioners and Providers of health care to significantly improving services offered and delivered to people who present with challenging behaviour, learning disabilities, autism and mental ill health. This vision and mandate for change aligns with the HCCG and Council's commissioning priorities and strategies.
- 7.1.4. Other important and relevant policy documents pertinent to the PBS service being commissioned include:
- Autism Act 2009 and Autism Strategy
 - NICE Guidance (see Appendix 3)
 - Children's and Families Act 2014
 - Mental Health & Wellbeing Framework in Haringey 2015¹

¹ http://www.haringey.gov.uk/sites/haringeygovuk/files/mental_health_and_wellbeing_framework_document_pdf_2803kb_0.pdf

- Working together to safeguard children 2015
- Pan London Safeguarding Adults Multi Agency Procedures 2015
- Transforming Care for People with Learning Disabilities- Next Steps 2015

7.1.5. The PBS Service will also support the overall objectives across Adult Social Care, especially Priority 2- Haringey Corporate Plan 2015-2018:

- (i) All residents will be as healthy as possible for as long as possible;
- (ii) All residents will feel more supported by the community to be healthier and to live independently for longer;
- (iii) Support will be provided at an earlier stage to residents who have difficulty in maintaining their health and wellbeing;
- (iv) Residents assessed as needing formal care and / or health support will receive responsive, safe and high quality services; and
- (v) All vulnerable adults will be safeguarded from abuse.

7.1.6. The Service will also support the HCCG in delivering its Four Core Objectives set out in its Five Year Plan (2015-2020) which are:

- (i) Explore and commission alternative models of care
- (ii) More partnership working and integration as well as a greater range of Providers
- (iii) Engaging communities in new and more innovative ways to build capacity for populations to enhance their own health and wellbeing
- (iv) A re-defined model for primary care providing proactive and holistic services for local communities, supporting “healthier Haringey as a whole”.

8. **Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

8.1 Finance Comments

8.1.1 This programme gives an opportunity of reducing the costs of support to clients with high levels of need. The reductions will be achieved through a combination of –

- Use of Big Lottery funding which totals £1,465,018 for the first four years of the programme.
- Reduction in ongoing costs of support through improved outcomes. The interventions are primarily aimed at adults and young people with learning disabilities and/or autism, who may also display behaviour that challenges. These are clients whose total existing health and social care support, costs an average of £3,530 per week. The service will aim to engage with 10 service users per year.

- 8.1.2 Costs for the clients to be supported are currently met through a combination of health and social care funding and any reductions which may be achieved will be shared proportionately.
- 8.1.3 The service will be available under a framework agreement arrangement. There is no commitment to spend as the service will be used on a spot purchasing basis.
- 8.1.4 The contracts are being procured on a 7 year basis and it should be noted that the Big Lottery Funding is for the first 4 years only.

8.2 Procurement Comments

- 8.2.1 This report relates to services which are subject to the light regime set out in Regulations 74 to 76 of the Public Contracts Regulations 2015 (the Regulations). The value of the contract that is being procured is above the EU threshold of £589,148.00 for application of the light regime. Accordingly, the contract opportunity has been advertised in the OJEU and the procurement process adopted was Competitive Procedure with Negotiation (CPN).
- 8.2.2 In addition, the Council's Contract Standing Orders (CSOs) also apply to the procurement and the services have been tendered in accordance with CSO 9.01.1 and 9.01.2 c. Selection Questionnaire and Tenders were evaluated in accordance with the published evaluation model.
- 8.2.3 Strategic Procurement has led this procurement exercise in full consultation with the service areas and can confirm an open, transparent and fair procurement process has been followed.
- 8.2.4 The hourly rates submitted by the bidders are inclusive of all costs and will be fixed for the first 3 years of the contract period. Any inflationary increases will be subject to annual agreement between Haringey and providers from that point in time onwards and will be capped at maximum of 2%.
- 8.2.5 Contract management processes will be put in place to ensure contract compliance and quality outcomes.

8.3 Legal Comments

- 8.3.1 The Assistant Director of Corporate Governance notes the contents of the report.
- 8.3.2 The value of the contract being above the EU threshold of £589,148 for contracts of this nature, the successful tenderers in this report were selected through a procurement exercise conducted in accordance with the provisions of Regulations 74 – 76 of the Public Contracts Regulations 2015.
- 8.3.3 Pursuant to the provisions of CSO 9.07.1(d), Cabinet has power to approve contracts valued at £500,000 or more.

8.3.4 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

8.4.2 The PBS service will offer complex needs' customers opportunities to live as independently as possible in the community. They will combine the advantages of good quality accommodation where residents exercise tenancy rights and responsibilities with specialist person-centred support to address their needs and aspirations.

8.4.3 Currently, services for this cohort of service users are being procured on a spot purchasing basis and the interventions delivered are not effective and financially efficient as the PBS currently being procured. This poses challenges in terms of quality, price and access to a diverse supply chain. For example, providers' charges/rates and quality of provision vary substantially, on occasions referrals are not being accepted if a case is deemed to be highly complex, outcomes are difficult to be monitored consistently (and not always achieved) and there is uncertainty on whether service areas are accessing the whole range of this market. By setting up the PBS framework agreement, we aim to address all these issues and develop the market whilst ensuring access to a diverse supply chain (preferably in borough), good quality and value for money services.

8.4.4 The framework agreement will not negatively impact on any service users as the PBS provision is a new service that will improve the life outcomes of the specific cohort. We are anticipating that our current and new providers that are of good quality and cost effective will bid to be part of the framework. Effective and closely managed transition plans will be in place on the occasions where this might be required. Contract management arrangements will be put in place, focused on the quality of placements and safeguarding.

8.4.5 Please note that as this will be a framework agreement there is no commitment for spend as the service will still be used on a spot purchasing basis as and when required.

8.4.6 The new provider will be expected to demonstrate a strong commitment to fairness and equality in its service delivery and work practices, and comply fully with duties under the Equality Act 2010. Equality considerations will form part of ongoing monitoring and oversight arrangements.

9 Use of Appendices

9.1 Appendix 1: Equalities Impact Assessment

10 Local Government (Access to Information) Act 1985

10.1 This report contains exempt and non-exempt information. Exempt information is contained in the exempt report and is not for publication. The exempt information is under the following category: (identified in the amended schedule 12 A of the Local Government Act 1972 (3)) information in relation to financial or the business affairs of any particular person (including the authority holding that information).

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EQUALITY IMPACT ASSESSMENT

The **Equality Act 2010** places a '**General Duty**' on all public bodies to have '**due regard**' to the need to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on protected characteristics, please proceed to stage 2 and complete a full Equality Impact Assessment (EqIA).

Stage 2 – Full Equality Impact Assessment

An EqIA provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an EqIA has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the Council's Equality Impact Assessment Guidance before beginning the EqIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Positive Behaviour Support Service Framework
Service area	Commissioning Unit
Officer completing assessment	Aphrodite Asimakopoulou
Equalities/ HR Advisor	Paul Green
Cabinet meeting date (if applicable)	14 November 2017
Director/Assistant Director	Charlotte Pomery

2. Summary of the proposal

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *The decision-making route being taken*

Haringey Council and Haringey Clinical Commissioning Group (HCCG) have undertaken a procurement process to commission a framework to offer an innovative, new and evidence based NICE recommended intervention named as 'Positive Behaviour Support' (PBS) aiming to improve the life outcomes for the most vulnerable social and health care users. One of the main objectives of the PBS framework is to foster the development of a competent Provider market for service users with complex needs so that their needs can be better met in the community. The framework is also expected to deliver financial savings by ensuring that through the PBS intervention positive outcomes for service users are achieved and therefore, their needs for care are reduced. Furthermore, increasing the effectiveness of community based interventions for residents with the most complex needs is part of our wider strategy to promote greater independence and support people to live in their local community. At a time when the public sector is facing unprecedented demand and budgetary pressures, this initiative will help to build a more sustainable approach to commissioning health and social care.

It is noteworthy that, towards these efforts, the Council has been allocated substantial funding from The Big Lottery Fund, England Committee, which has agreed to offer an in-principle award of up to of £1,465,018 revenue funding (over four years).

The key stakeholders that this intervention is aimed for are mainly adults and young people with learning disabilities and/or autism who may also display behaviour that challenges. These are often clients that cost on average from £3,010 to £7,920 per week at an average of £3,530. The service will aim to engage with 10 service users per year. Also, as this service will be available under a framework agreement arrangement there is no commitment for spend as the service will be used on a spot purchasing basis (as and when required whilst targeting those most in need).

This report assesses the potential impact of the PBS service on the service users.

The decision making route being taken is through Cabinet Approval (14th of November 2017) in order to award the contacts to successful providers under this framework, following the completion of the procurement competitive process.

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3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. Please include any gaps and how you will address these

This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national. For restructures, please complete the restructure EqIA which is available on the HR pages.

Protected group	Service users	Staff
Sex	<i>Data on Haringey Adult Social Care Management System-Mosaic</i>	N/A
Gender Reassignment	<i>No data available</i>	N/A
Age	<i>Data on Haringey Adult Social Care Management System-Mosaic</i>	N/A
Disability	<i>Data on Haringey Adult Social Care Management System-Mosaic</i>	N/A
Race & Ethnicity	<i>Data on Haringey Adult Social Care Management System-Mosaic</i>	N/A
Sexual Orientation	<i>No data available</i>	N/A
Religion or Belief (or No Belief)	<i>Data on Haringey Adult Social Care Management System-Mosaic</i>	N/A
Pregnancy & Maternity	<i>No data available</i>	N/A
Marriage and Civil Partnership	<i>No data available</i>	N/A

Outline the key findings of your data analysis. Which groups are disproportionately affected by the proposal? How does this compare with the impact on wider service users and/or the borough's demographic profile? Have any inequalities been identified?

Explain how you will overcome this within the proposal.

Further information on how to do data analysis can be found in the guidance.

The Positive Behaviour Support Service Framework is a new and evidence based intervention that constitutes one of the few pilots of its kind in the country. The framework will enable us to build a strong offer for people with complex needs, mainly adults and young people with learning disabilities and/or autism who may also display behaviour that challenges.

Data analysis:

1. Age

	LD Service User Group (40 Clients)	All Service Users	Haringey Population
Age:			
18-64:	92.5%	47.4%	88.1%
65+:	7.5%	52.6%	11.9%

The data shows that 92.5% of service users that will benefit from this service are between the ages of 18 to 64. This is consistent with the life expectancy of this group of the population as individuals with complex needs and learning disabilities do not tend to live as long as the general population. Therefore, we would expect that the age of the majority of service users benefiting from the PBS service is within this age range rather than older (65 plus).

2. Sex

	LD Service User Group (40 Clients)	All Service Users	Haringey Population
Gender:			
M	75.0%	46.7%	50.1%
F	25.0%	53.3%	49.9%

Current data indicates that there is an over representation of males (75%) within the client group that are likely to benefit from this service in comparison to females. This is because males are more likely to be over represented in those with complex disabilities. Therefore, this finding is aligned to our predictions regarding the sex of customers that will predominately use and benefit from this service.

3. Gender reassignment and sexual orientation

We do not hold any service user data on gender reassignment, including the sexual orientation protected characteristic and we do not have any data on the lesbian, gay and bisexual (LGB) population of Haringey. However, we are aware that LGBT people

experience discrimination, harassment and victimisation, including in social care. The Council will continue to adopt their Equality policy to prevent this happening to service users when delivering this service. The service specification also covers Equalities issues extensively and requires that providers have in place up to date policies that are able to apply effectively in order to qualify and become part of this framework.

4. Ethnicity

	LD Service User Group (40 Clients)	All Service Users	Haringey Population
Ethnicity:			
White	52.5%	49.3%	65.0%
Black/African/Caribbean	30.0%	32.7%	15.8%
Asian/Asian British	12.5%	7.3%	9.7%
Mixed/Multiple	5.0%	1.7%	4.6%
Other	0%	3.7%	5.0%
No Data	0%	5.3%	0%

The data shows that there is an over representation of Black, Asian, Minority Ethnic Groups (BAMEs) likely to benefit from this new provision. This is because BAME groups tend to be over represented in social care and specifically in those with complex needs and learning disabilities. As we have already been aware of this trend, during the commissioning process we ensured that the successful providers have in place the right provision and equalities policies that allow to engage effectively with all ethnicity and minority groups.

5. Religion

	LD Service User Group (40 Clients)	All Service Users	Haringey Population
Religion:			
Not Stated	50.0%	41.9%	8.9%
Christian	27.5%	28.2%	45.0%
Catholic	2.5%	6.5%	(No Breakdown)
Hindu	5.0%	1.9%	1.8%
Jewish	5.0%	2.3%	3.0%
Muslim	5.0%	9.7%	14.2%
Sikh	2.5%	0.2%	0.3%
Buddhist	0%	0.2%	1.1%
Greek Orthodox	0%	3.0%	(No Breakdown)
Other	2.5%	2.3%	0.5%
No Religion	0%	4.0%	25.2%

We have limited data on the religion and faiths of people likely to be affected by this provision as on 50% of this group of service users this information is not recorded.

However, from the data we do have, Christianity is the largest religion for this cohort. Christianity is also the largest recorded religion amongst all service users as well as within the borough as a whole. However, we do not have enough data to make a firm judgement and will seek to ensure when implementing the service any discrimination, harassment or victimisation will be tackled and inequalities reduced.

6. Disability

	LD Service User Group (40 Clients)	All Service Users	Haringey Population
Long Term Disability:	97.5%	72.1%	13.7%
Y	2.5%	27.9%	86.3%
N			

Service users with complex needs and a learning disability will be the main user group of this service as detailed in the service specification. This is also reflected in the data above as it is likely that all service users will have long term disabilities in order to qualify for the service.

7. Pregnancy & Maternity

We do not hold data on this protected group. However, we do not envisage an impact of this service based upon this protected group. On the occasions where service users may have additional responsibilities in regards to parenting children, these will be considered appropriately within the delivery of the service and the required equality policies that are expected to be in place by providers.

7. Marriage and Civil Partnership Status

We do not have data for this protected group. Service users and/or carers who are in a civil partnership will be treated the same as if they are married.

Providers on the framework will be asked to collate comprehensive data on all those referred for services through the PBS.

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4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please outline which groups you may target and how you will have targeted them

Further information on consultation is contained within accompanying EqIA guidance

As the PBS intervention is a new and more effective offer for existing and new service users with complex needs we are not anticipating that any groups will be disproportionately disadvantaged by this service. Furthermore, due to the nature of the service which caters for highly vulnerable groups we have ensured that in the service specification there are extensive requirements for equalities policies that successful providers will need to adhere in the delivery of the PBS intervention. This will also be monitored on an ongoing basis as part of the performance management process.

During the commissioning process we have consulted extensively with key stakeholders such as carers, providers and key commissioning groups such as the CCG and children's and adult social care clinicians and staff. During the period of the framework we aim to continue engaging with key stakeholders and service users on an ongoing basis through the robust contract monitoring process that will be implemented so that their views can be incorporated into the service development.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

The PBS is a new and innovative service and constitutes one of the few pilots of its kind in the country. The consultation and engagement activities undertaken all received positive feedback as the PBS intervention delivered under this framework is a more effective offer for existing and new service users with complex needs aiming to improve the life outcomes for the most vulnerable social and health care users. During the consultation process, carers specifically advised to assess providers' competency on various areas that would be applicable to this client group for example, communication and engagement techniques and methods to encourage positive risk taking by service users. During the competitive procurement process the evaluation panel assessed extensively bidders in all areas as indicated by the consultation process.

Also, relevant best practice requirements in relation to the service provision are well embedded in the service specification and unless providers were able to demonstrate that they can adhere to these in all aspects of service delivery they would have failed to qualify and be part of this framework. Finally, during the duration of the framework we aim to continue consulting with key stakeholders and service users on an ongoing basis through the robust contract monitoring process that will be implemented.

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqlA guidance

Please refer to Table 1- Section 3 above

1. Sex

There is an over representation of males (75%) within the client group that are likely to benefit from this service as males are more likely to be over represented in those with complex disabilities. However, we have ensured through the commissioning process that successful providers are able to offer effective services to female service users as well as that there are robust policies in place that address the needs of females.

Positive	x	Negative		Neutral impact		Unknown Impact	
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2. Gender reassignment

We do not hold any service user data on gender reassignment. However, we are aware that this group of individuals are likely to experience discrimination, harassment and victimisation, including in social care. The Council will continue to adopt their Equality policy to prevent this happening to service users when delivering this service. The service specification also covers Equalities Issues extensively and requires that providers have in place up to date policies that are able to apply competently in order to qualify and become part of this framework.

Positive	x	Negative		Neutral		Unknown	
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				impact		Impact	
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3. Age

The majority of service users that will benefit from this service are between the ages of 18 to 64. The data is consistent with the life expectancy of this group of the population as individuals with complex needs and learning disabilities do not tend to live as long as the general population. We are confident that this service will cater for service users without discriminating because of age factors.

Positive	x	Negative		Neutral impact		Unknown Impact	
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4. Disability

Service users with complex needs and a learning disability will be the main user group of this service as specified in the service specification. This is also reflected in the relevant data indicating that service users receiving this service are likely to have a long term disability.

Positive	x	Negative		Neutral impact		Unknown Impact	
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5. Race and ethnicity

There is an over representation of Black, Asian, Minority Ethnic Groups (BAMEs) that will be accessing this provision; this is because BAME groups tend to be over represented in social care and specifically in those with complex needs and learning disabilities; this is in accordance with relevant social care data.

Positive	x	Negative		Neutral impact		Unknown Impact	
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Sexual orientation

We do not hold any service user data on the sexual orientation protected characteristic and on the lesbian, gay and bisexual (LGB) population of Haringey. However, we are aware that individuals with these characteristics are likely to experience discrimination, harassment and victimisation, including in social care. The Council will continue to adopt their Equality policy to prevent this happening to service users when delivering this service. The service specification also covers Equalities Issues extensively and requires that successful providers have in place up to date policies that are able to apply competently through their practices.

Positive	x	Negative		Neutral impact		Unknown Impact	
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Religion or belief (or no belief)

Although we have limited data on the religion and faiths of people likely to be affected by this provision Christianity appears to be the largest religion for this cohort.

As we do not have enough data to make a firm judgement, we will seek to ensure that when implementing the service any discrimination, harassment or victimisation will be tackled and inequalities reduced.

Positive	x	Negative		Neutral impact		Unknown Impact	x
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8. Pregnancy and maternity

Although we do not hold data on this protected group, we do not envisage that this service will have a negative impact upon this protected group. Where service users may have additional responsibilities in regards to parenting children, these will be considered appropriately within the delivery of the service and the required equality policies that are expected to be in place by providers.

Positive	x	Negative		Neutral impact		Unknown Impact	
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9. Marriage and Civil Partnership

Service users and/or carers who are in a civil partnership will be treated the same as if they are in a married.

Positive	x	Negative		Neutral impact		Unknown Impact	
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10. Groups that cross two or more equality strands e.g. young black women

Given the analysis above, we expect a positive impact for those affected by one or more equality strands.



Outline the overall impact of the policy for the Public Sector Equality Duty:

- **Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?**

This includes:

- a) **Remove or minimise disadvantage suffered by persons protected under the Equality Act**
- b) **Take steps to meet the needs of persons protected under the Equality Act that are different from the needs of other groups**
- c) **Encourage persons protected under the Equality Act to participate in public life or in any other activity in which participation by such persons is disproportionately low**
- **Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?**

This framework agreement intervention is a new and more effective offer for existing and new service users with complex needs and therefore, it is not expected that any groups with protected characteristics will be disproportionately disadvantaged in a direct or indirect manner by this intervention. On the contrary, to decide not to offer this intervention for our most complex and high cost clients especially as there was an opportunity to receive extra funding through the Big Lottery Fund programme would have disadvantaged the life outcomes of our highest need customers as well as would have put additional financial pressures on the Council's budget. Therefore, the proposed intervention is expected to help advance equality of opportunity between all groups that share a protected characteristic as well as those who do not. The proposal also aims to foster good relations across all groups who may or not share a protected characteristic.

6. a) What changes if any do you plan to make to your proposal as a result of the Equality Impact Assessment?

Further information on responding to identified impacts is contained within accompanying

EqIA guidance			
Outcome			Y/N
<p>No major change to the proposal: the EqIA demonstrates the proposal is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken. <u>If you have found any inequalities or negative impacts that you are unable to mitigate, please provide a compelling reason below why you are unable to mitigate them.</u></p>			Y
<p>Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy. If there are any adverse impacts you cannot mitigate, please provide a compelling reason below</p>			N
<p>Stop and remove the proposal: the proposal shows actual or potential avoidable adverse impacts on different protected characteristics. The decision maker must not make this decision.</p>			N
6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty			
Impact and which protected characteristics are impacted?	Action	Lead officer	Timescale
N/A			

Please outline any areas you have identified where negative impacts will happen as a result of the proposal but it is not possible to mitigate them. Please provide a complete and honest justification on why it is not possible to mitigate them.

N/A

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

Key Performance Indicators and methods of measurement are integrated within the service specification and will be monitored through contract monitoring meetings and reports.

Contract monitoring meetings will be held monthly for the first three months and quarterly thereafter. The purpose of monthly monitoring meetings will be to examine the implementation of the service, monitor delivery of the service at an operational level, monitor the equalities impact of the proposal on an ongoing basis and to foster partnership working to facilitate early resolution of problems and/or issues.

7. Authorisation

<p>EqlA approved by</p> <p>.....</p> <p>(Assistant Director/ Director)</p>	<p>Date 31st October 2017</p> <p>.....</p>
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8. Publication

Please ensure the completed EqlA is published in accordance with the Council's policy.

Please contact the Policy & Strategy Team for any feedback on the EqlA process.

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON THURSDAY, 5TH OCTOBER, 2017, 11:00

PRESENT:

Councillor Alan Strickland, Cabinet Member for Housing Regeneration and Planning.

139. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

140. URGENT BUSINESS

There were no items of urgent business.

141. DECLARATIONS OF INTEREST

No Declarations of Interest were received.

142. ALLOCATION OF RIGHT TO BUY RECEIPTS OVER £500,000 TO IDENTIFIED DEVELOPMENT PROJECTS TO PART- FUND DELIVERY OF AFFORDABLE RENTED HOUSING

The Cabinet Member noted the report which sought Cabinet Member approval to allocate Right to Buy receipts to part fund the provision of new affordable housing units, available for rent.

RESOLVED

The Cabinet Member is recommended to approve:

That the Cabinet Member approves the allocation of RTB receipts as grant funding to the projects designated in the Table at paragraph 6.5 of the report up to the funding amounts detailed in Part B of the report (exempt).

That agreement of the final amount of grant allocated to each project be delegated to the Director of Regeneration, Planning and Development after consultation with the S151 Officer, provided that the amount of funding allocated to each project does not exceed the figure indicated for that project within Part B of the report (exempt).

Reasons for decision

Haringey has an acute shortage of housing supply, particularly in respect of affordable housing. The borough has engaged with RPs and identified a development pipeline of sites where input of RTB receipts to grant fund up to 30% of scheme costs would help address the shortage by enabling a higher proportion of rented homes to be developed than may otherwise have been the case.

The Housing Revenue Account budget was under pressure due to the 2016-20 1% per year rent reduction and the potential High-Value Voids Levy to fund the Right to Buy extension for housing associations. The grant allocations recommended in this report related to Registered Providers who have the development capacity and expertise to efficiently deliver housing and the financial capacity to provide the necessary 70% match-funding.

The Council expected the dwellings on these sites to be delivered within a reasonable timescale. All recipients of RTB grant funding will enter into a RTB funding agreement with the Council prior to receipt of funds. The funding agreement will require reimbursement of the RTB grant should there be an unreasonable delay due to the Registered Provider not progressing development proposals in a timely manner.

The Council had sufficient retained RTB receipts to part- fund these development projects. RTB receipts that were retained by the Council and not used within 3 years to provide replacement affordable rented dwellings would be returned to DCLG with interest at 4% above the Base Rate.

The authority to allocate RTB receipts for projects where the proposed grant level is £500,000 or above exceeds delegated authority limits and required Cabinet Member approval.

Alternative options considered

To return net RTB Receipts to DCLG

The Council was accumulating significant sums in RTB receipts and was allowed to re-invest this income to provide new rented affordable housing. Were the proposed receipts to be returned to DCLG rather than allocated to development projects, the supply of rented homes delivered and nominations to the Council would reduce given the adverse effect on financial viability resulting from the absence of this subsidy. In addition, retained receipts were to be spent within 3 years otherwise they have to be returned to DCLG with a penalty interest rate of 4% above Base Rate applicable.

Alternatively, the Council could spend all the money on new council homes. However, due to Government borrowing restrictions, the council would also need to make significant reductions in the Housing Revenue Account (HRA) Capital Programme with a consequent deterioration in the standard of the existing housing stock.

The Council could also decide to restrict grant funding only to conversion of existing properties.

143. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the information is classified as exempt under Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972.

144. ALLOCATION OF RIGHT TO BUY RECEIPTS OVER £500,000 TO IDENTIFIED DEVELOPMENT PROJECTS TO PART- FUND DELIVERY OF AFFORDABLE RENTED HOUSING

The Cabinet Member noted the exempt section of the report.

CHAIR:

Signed by Chair

Date

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MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON THURSDAY, 12TH OCTOBER, 2017, 14:00

PRESENT:

Councillor Vanier, Cabinet Member for Adult Social Care and Culture

145. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

146. URGENT BUSINESS

None.

147. DECLARATIONS OF INTEREST

There were no declarations of interest.

148. RESPITE POLICY CONSULTATION

The Cabinet Member considered a report which sought approval to enter into an eight-week consultation with stakeholders on the draft respite policy.

RESOLVED

- I. To approve the draft Respite Policy for consultation with stakeholders for a period of 56 days (8 weeks).
- II. To report back to Cabinet on the responses to the consultation undertaken and for a decision on the proposed Respite Policy.

Reasons for decision

Haringey Council is committed to supporting carers, young carers and the cared for person to access the right respite care in a way that supports carers, contributes to outcomes for the cared for person and aligns with the Borough Plan. The Council is also committed to closer integration between health and social care. The policy outlined Haringey Council and Haringey Clinical Commissioning Group's approach to respite care which had the aim of maintaining or improving carers' well-being and, in line with the Care Act 2014, the Children and Families Act 2014 and The National Framework for NHS Continuing Healthcare and NHS- funded Nursing Care 2012 treating carers and the cared for person equivalently.

Haringey Council and Haringey CCG recognised the significant contribution that carers – whether family members, young carers or parent carers – made to the care of those with a range of needs who are thereby able to remain living at home for longer, preventing the need for institutionally based care for as long as possible.

The current council arrangements for respite care did not rest upon a single clearly stated policy position. Current practice was inconsistent with local variations in different service areas.

The CCG also did not have a single clearly stated policy position.

The aim of a single respite policy was to clearly set out and define what respite care was and was not, to provide a clear pathway for identifying need and the provision of respite and to set out how charging applied to respite thereby providing clarity and consistency for all carers and cared for across Haringey.

Alternative options considered

Alternative options considered were separate respite policies for children, adults, health and social care. This option was not taken forward as this would have been a missed opportunity to encourage joined up working across service boundaries.

The contents of the Policy reflected the wider strategic aims of the Council to give all children the best start in life and empower all adults to live healthy, long and fulfilling lives and also to contribute to the closer integration of health and social care. The option of maintaining the current model for respite was not considered to meet these wider strategic aims due to the lack of consistency across service areas.

149. NEW ITEMS OF URGENT BUSINESS

N/A

CHAIR:

Signed by Chair

Date

**MINUTES OF THE MEETING OF THE CABINET MEMBER
SIGNING - CABINET MEMBER FOR CHILDREN AND FAMILIES
HELD ON TUESDAY, 10TH OCTOBER, 2017, 16:00**

PRESENT:

Councillor Elin Weston, Cabinet Member for Children and Families.

1. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

2. DECLARATIONS

There were no Declarations of Interest.

3. ITEMS OF URGENT BUSINESS

None.

4. SPECIAL GUARDIANSHIP ORDERS

The Cabinet Member noted the report, which sought approval for the Council's Special Guardianship, Adoption and Child Arrangement Order Payment Policy and also sought agreement for the payment arrangements of Adoption, Special Guardianship (SG) and Child Arrangement Order (CAO) allowances.

RESOLVED

That the Cabinet Member:

Agreed the Policy and arrangement for the payment of: Adoption, Special Guardianship, and Child Arrangement Orders Allowances 2017/18 as set out in Appendix 1 of the report.

Reasons for decision

To ensure that up to date, consistent and cost effective policies and procedures are in place without creating a barrier to progressing a plan for Adoption or Special Guardianship or Child Arrangement Orders. Adopting a rigorous approach to reviewing allowance payments will provide a mechanism to ensure that allowance payments made are still appropriate and the recipients remain entitled to them.

To ensure that the Council's allowance rates will remain broadly aligned to the North London Consortium average rates (see page 53 of the agenda pack for Haringey's Allowance and Reward Rates 17/18).

Any attempt to reduce existing allowance rates could become a barrier to progressing plans for permanency. This would increase Council costs if the child is a Looked After Child (LAC). If a child or young person remained looked after when a permanency option was available, the Council would continue to face the costs of supporting a looked after child (see Appendix 2 of the report for detailed analysis of the Haringey's allowance rates).

Alternative options considered

The Council considered the option of continuing with the current arrangement for payment of Adoption, Special Guardianship and Child Arrangement Order allowances which offered a range of payments without a consistent testable framework and resulted in differing levels of payment. To ensure compliance with the regulatory framework for these payments, the do nothing approach was not considered tenable. The Council was required to have a sustainable equitable policy and procedure for managing these cohorts of allowances and to progress permanency

CHAIR:

Signed by Chair

Date

**MINUTES OF THE MEETING OF THE CABINET MEMBER
SIGNING HELD ON FRIDAY, 13TH OCTOBER, 2017, 10.30am
PRESENT:**

Councillors: Claire Kober (Chair)

150. FILMING AT MEETINGS

Noted.

151. URGENT BUSINESS

None.

152. DECLARATIONS OF INTEREST

None.

**153. WAIVER AND AWARD OF THE STATUTORY HOMELESSNESS REVIEWS
FUNCTION TO HOUSING REVIEWS LIMITED (HRL)**

The Leader considered the report, which sought approval to waive Contract Standing Orders (CSO) 8.03 (requirement to obtain the quotation) as allowed under 10.01.2 (d); and to award a contract to Housing Reviews Limited to conduct reviews of allocation and homelessness decisions under Parts VI & VII of the Housing Act 1996. If approved, the contract would be awarded for a period of 6 months, commencing from 1 November 2017 to 31 May 2018 with an option to extend for a further period of up to 6 months.

RESOLVED that

- i) The requirement of CSO 8.03 as permitted under CSO 10.01.21 (d) (ii) (the estimated total value of the contract being £40,000 including any anticipated extension) be waived; and
- ii) The contract for the conduct of reviews of allocation and homelessness decisions be awarded to Housing Reviews Limited for a period of 6 months from 1 November 2017 to 31 May 2018, with an option to extend for a further period of up to 6 months.

Reasons for decision

The Council has statutory responsibilities under Parts VI and VII of the Act that it can either carry out itself or delegate to third parties under the terms of the Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996.

The current contract expires on 31st October 2017; so an award of a contract to HRL for 6 months is required to avoid disruption in the review process. This will also allow for all reviews contracted to HRL to be determined while a programme of transformation is undertaken. Failure to do so would pose a significant risk to the Council.

The rates for conducting reviews will be fixed for the duration of the contract and the contractor will be paid in arrears upon completing a review.

The cost of employing HRL to carry out the Housing Review function was £11,592 in 2016, but is expected to rise to around £17,500 per annum in 2017/18 due to the enactment of the Homelessness Reduction Act. The cost of carrying out the function within the Council would be approximately £50,000 per annum. Employing the external provider will therefore deliver significant savings to the council.

Alternative options considered

If HRL is not formally awarded the contract, it will not be authorised to carry out reviews on behalf of the Council. Any reviews conducted by HRL would be open to legal challenge.

Procurement through an open tender process was considered. However this would not enable the efficiencies and improvements that could be gained through a strategic commissioning exercise with partners. An open tender process may also result in an increase in the price of contracts without corresponding value for money benefits.

154. URGENT BUSINESS

None.

CHAIR: Councillor Claire Kober

Signed by Chair

Date

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON TUESDAY, 17TH OCTOBER, 2017, 10.00 am

PRESENT:

Councillors: Elin Weston (Chair)

155. FILMING AT MEETINGS

Noted.

156. URGENT BUSINESS

None.

157. DECLARATIONS OF INTEREST

None.

158. PROPOSED ADMISSION ARRANGEMENTS 2019/20

Councillor Weston considered the report which outlined and sought approval for:

- The proposed admission arrangements for entry to school in the academic year 2019/20 for Haringey's community and voluntary controlled (VC), nursery, infant, junior, primary, secondary and sixth form settings. It is proposed that a new category giving priority for children of staff form part of the oversubscription criteria for all Haringey community and VC schools for the 2019/20 year of entry. This category will follow after siblings.
- Haringey's proposed scheme for in-year admission for the academic year 2019/20. In-year admission relates to applications which are received at any point throughout the year other than for reception or secondary school transfer.
- Haringey's proposed In-Year Fair Access Protocol (IYFAP) for the year starting 1st March 2018 which all Haringey schools and academies must follow.
- The co-ordinated scheme¹ for the admission of children to maintained primary and secondary schools and academies for the 2019/20 year of entry.

Councillor Weston also noted the following changes to the appendices attached to the report:

- A single sentence change to the proposed admission arrangements for 2019/20 to allow us to remove a sibling advantage in any instances where a fraudulent application is unearthed after the child has started at the school (Appendices 1, 2 and 3).

- Amendments to the co-ordinated schemes for the admission of children to maintained primary and secondary school and academies. As discussed, the changes mainly centre around statutory dates/deadlines (Appendices 2 and 3).

RESOLVED

The cabinet member for Children & Families;

- Agreed to consult on the proposed admission arrangements, including the proposed in-year admissions scheme for the academic year 2019/20;
- Agreed to consult on the proposed IYFAP which, if agreed at Cabinet in February 2018, would be used from 1 March 2018;
- Agreed that the co-ordinated scheme for the admission of children to maintained primary and secondary schools as set out in Appendices 2 and 3 of this report can be published on the Haringey website on 1 January 2018.
- Noted the proposed change to the Council's oversubscription criteria for community and VC schools for the 2019/20 year of entry as set out in paragraphs 4.4 of this report;
- Noted that consultation on the proposed admission arrangements is scheduled to take place between 8 November 2017 and 13 December 2017;
- Noted that following the consultation, a report will be prepared summarising the representations received from the consultation and a decision on the final admission arrangements and the In-Year Fair Access Protocol will be taken by Cabinet on 13 February 2018.

Reasons for decision

Why do we consult? - This report and the consultation that will flow from it *if* the report's recommendations are agreed will ensure that our proposed admission arrangements for 2019/20 are consulted upon and the co-ordinated scheme is set in accordance with the mandatory provisions of the School Admissions Code 2014.

The School Admissions Code (2014) requires all admission authorities to publicly consult on their admission arrangements where changes are being proposed. The Code stipulates that if no changes are made to admission arrangements, they must be consulted on at least once every 7 years.

We consult on our admission arrangements annually irrespective of whether or not there is a proposed change to the arrangements. This is to ensure transparency and openness on the contents of our arrangements and to allow parents, carers and other stakeholders who might not previously been interested in admission arrangements (perhaps because they didn't have a child of school age) to make a representation which can then be considered as part of the determination of the arrangements.

What is the change and potential risk to the arrangements being consulted on for 2019 entry? - Para 3.1 of the report sets out that we are consulting on a material change to the oversubscription criteria for all Haringey community and VC schools for the 2019/20 year of entry. This change proposes an additional oversubscription criterion to prioritise children of staff after the sibling criterion. Further information on this criterion is set out in paras 6.9 to 6.22 of the report.

This change seeks to assist schools in recruiting and retaining staff by prioritising the admission of child(ren) of staff to the school. Some local academies and a voluntary aided school as well as schools in neighbouring boroughs currently give priority to children of staff and extending this to Haringey community schools may help the schools to compete for the best staff in the current competitive recruitment climate. It will also provide schools with the ability to retain and recruit staff to areas where there is a demonstrable skills shortage such as maths and science.

Before deciding to consult on a staff criterion, the Council carried out an informal consultation with all Haringey community and VC schools earlier this year to explore whether or not there was support from these schools for an additional oversubscription criterion for staff children. This informal consultation was carried out in response to a small number of representations received last year from schools and from teachers through our statutory public consultation on the proposed admission arrangements for community and VC schools for the academic year 2018/19. The representations received from last year's public consultation are included at Appendix 9 of the report.

The results from the informal consultation carried out earlier this year indicated that the majority of Haringey community and VC schools support an additional oversubscription criterion which gives priority to children of staff. We are therefore now consulting more widely as part of our annual public consultation to gather views from all stakeholders. Detailed analysis of the results of the informal consultation is included at Appendix 8 of the report.

The risk that any staff criterion might bring is that it *may* disadvantage a small number of families by limiting the number of places that can be offered to local residents at Haringey's oversubscribed community and VC schools.

Research from a neighbouring borough (Enfield Council) who introduced a children of staff criterion in their primary community school's oversubscription criteria in 2013 shows that fewer than 1 per cent of places have been offered each year under this criterion. More detailed analysis and other comparative modelling is set out in paras 6.9 to 6.22 of the report.

An Equalities Impact Assessment (EqIA) will form an important part of the consultation and will seek to ascertain whether the proposed change *could* have an impact on protected groups and whether there are steps that can and/or should be taken to mitigate against such an impact. Such an impact will be also balanced against the impact of the criterion as it currently exists against these protected groups.

Alternative options considered

We are required by the School Admissions Code 2014 (para 1.42 – 1.45 of the Code) to consult on our admission arrangements between 1 October and 31 January each year for a minimum period of six weeks. As we are proposing to include an additional oversubscription criterion for all our community and VC schools this consultation is a statutory requirement for us. While there are other ways admission arrangements can influence the allocation of school places set out in the Schools Admissions Code 2014

(e.g. designated catchment areas, identified feeder schools or giving priority in our oversubscription criteria to children eligible for the early years premium/ pupil premium) no alternative option is being considered at the time of writing this report.

159. ITEMS OF URGENT BUSINESS

None.

CHAIR: Councillor Elin Weston

Signed by Chair

Date

**MINUTES OF THE MEETING OF THE CABINET MEMBER
SIGNING HELD ON WEDNESDAY, 25TH OCTOBER, 2017, 11:30**

PRESENT:

Councillor Elin Weston, Cabinet Member for Children and Families

160. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

161. URGENT BUSINESS

None

162. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

163. CONTRACT EXTENSION FOR THE OCTAGON ALTERNATIVE PROVISION ACADEMY

The Cabinet Member noted the report which sought approval for a 2 year extension of the existing contract with the Tri Borough Alternative Provision trust to manage the Octagon pupil referral unit in Wood Green.

RESOLVED

- I. That the Cabinet Member, in accordance with the Council's Contract Standing Order 10.02.1(b), agreed to approve a two year contract extension to the existing contract with the Tri Borough Alternative Provision Academy (TBAP) for the period 1st September 2017 – 31st August 2019 at a value not exceeding £2,138,598.

Reasons for decision

The decision to commission TBAP to deliver services in the borough was taken after an Ofsted inspection carried out in June 2013 (and subsequent follow-up inspections to February 2014) of the Pupil Referral Unit, run by Haringey Council on the same site, rated its overall effectiveness as inadequate. At that stage, it was felt that sufficient time should be allowed to ensure that this new provider met the high expectations required for a vulnerable cohort of students and so that they would be in

a position to impart and deliver much needed improvements in student academic attainment.

Arrangements for re-tender prior to the end of the initial three year contract period would have required that the Council initiated the procurement/commissioning process in March 2016, only two years into the current contract. The Council did not believe that it was in the best interests of the vulnerable cohort referred to PRU provision to re-tender for services without first testing the model and specification via the Ofsted inspection framework. The Octagon AP Academy was inspected in February 2017 and achieved a rating of 'Good'. In addition, there have been year on year improvements in the academic attainment of young people taking exams in YR11 at the Octagon AP Academy, with the most recent set of examination results in summer 2017 showing marked improvements on 2016 achievements.

The Department for Education (DfE) has set out in their National Funding Formula for Schools and High Needs Policy Document, published in September 2017 following consultation earlier this year, the intention to reform schools' funding from April 2018. In this document, the DfE also noted the development of policy on alternative provision and the need to explore whether any consequential funding changes should be considered. Haringey Council intends to be prepared and in accord with any proposed statutory reform in 2019/20 and therefore does not believe it would be in the best interests of the Council, local schools and the children who need to access Alternative Provision to go out to the market prior to further progression of consultation and recommendations from the DfE.

Alternative options considered

As the need to maintain a stable period of contract delivery was determined to be necessary, alternative options for the provision of education for the cohort described in paragraph 1.1 of the report were not considered for the period September 2017 – August 2019.

164. NEW ITEMS OF URGENT BUSINESS

N/A

CHAIR:

Signed by Chair

Date

MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON TUESDAY, 31ST OCTOBER, 2017, 16:00

PRESENT:

Councillor Bernice Vanier, Cabinet Member for Adult Social Care & Culture (Chair)

165. FILMING AT MEETINGS

The Cabinet Member referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

166. URGENT BUSINESS

The Chair was advised that there was a short addendum report to be tabled as Urgent Business. As a late item, it was considered under agenda items 4 & 6.

167. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

168. AWARD OF A BLOCK CONTRACT FOR RESIDENTIAL AND NURSING BEDS

The AD for Commissioning introduced a short addendum report which set out changes to the recommendations contained in the original agenda pack as published. It was noted that there was no change to the overall contract sum or the main body of the report.

The recommendation at section 3.1 of the original report was amended to reflect that the Council was seeking to issue contracts to two providers rather than one. The original report recommended the award of contract to Ourris Properties Ltd for 36 care home beds across two care homes. The addendum report set out that the award was for two contracts for a total of 36 care home beds, as the care homes were managed by two different providers. Ourris Properties Ltd managed Autumn Gardens and Ourris Residential Homes Ltd managed Anastasia Lodge.

RESOLVED

That pursuant to Contract Standing Order 16.02 the Cabinet Member for Adult Social Care & Culture approved the award of a contract to Ourris Properties Limited for the block purchasing of 25 beds (18 nursing care beds and 7 residential care beds) for an initial period of 2 years, with the option to extend the contract for a further 1 year with a maximum contract value of £3,367,260; and also approves the award of a contract

to Ourris Residential Homes Limited for the block purchasing of 11 beds (all residential care beds) for an initial period of 2 years, with the option to extend the contract for a further year with a maximum contract value of £1,184,040.

Reasons for decision

The market for residential and nursing care is largely a sub-regional one and the Council commissions nursing and residential care for its residents across North Central London (Barnet, Camden, Enfield, Haringey and Islington). As with neighbouring authorities, Haringey commissions across this area in order to meet demand and to respond to specialist needs.

In order to ensure both capacity and flexibility, the Council is keen to have a mixed economy of spot and block purchase arrangements in place. Many placements are commissioned on a spot purchase basis, but the proposal set out here – to continue and expand a block contract – reflects the need to maintain capacity for a particular cohort of the population, notably Greek and Cypriot older people, and to ensure best value in commissioning this provision.

The care homes at Anastasia Lodge and Autumn Gardens offer culturally specific provision, catering largely – but not exclusively – for residents of Greek or Cypriot heritage. They are the only residential and nursing homes in the sub-region offering such specialist provision and Haringey has considerable demand for such placements.

The proposed arrangements will yield efficiencies in commissioning costs by securing a reduced purchasing rate per placement through a block contract as compared to existing spot placement rates. The existing block contract was due to lapse on 4th November 2017. The replacement contracts would achieve an immediate saving of £45,000 in a full year and £18,750 for the financial year 2017/18, they replaced existing spot placement contracts with the provider. This saving could increase to £80,000 per annum should the Council access the remaining 8 beds offered by Ourris Properties Limited at Autumn Gardens.

As well as securing both nursing and residential care provision for the future, the arrangement also ensured that commissioning rates for existing residents continued to deliver best value.

Alternative Options Considered

The alternative options available to the Council were to either 'do nothing' or to conduct an open tender arrangement to commission a new block arrangement. The reasons these options are not being considered is noted below:

The first option, to 'do nothing', would result in the existing block contract with Anastasia Lodge lapsing and the Council having to either pay an increased spot rate to the provider or find alternative accommodation for the residents. Either option would create issues, be that a budget pressure for the former, or significant disruption to residents for the latter. Doing nothing and allowing the block contracts to lapse may also deprive the Council of being able to offer other Greek & Cypriot residents the

choice of living in a culturally specialist care home; whereas the two blocks would secure supply and allow the Council to do so.

The second option was for the Council to seek approval to renew the block contract for the 8 residential beds and retain the existing spot arrangements as is for the remaining placements. This was not considered a cost effective option.

The third option was for the Council to establish new block contract/s but via an open tender process. This has not been pursued for the following reasons:

- a. There was a limited market in culturally specialist provision for Greek & Cypriot older people. The providers are the only specialist care home providers the Council has placements with, and there were no care homes of a similar size sub-regionally (i.e. within North Central London) capable of meeting a requirement to support 28 residents. This has been established through market engagement conducted by the commissioning unit. There are culturally specialist providers that operate outside of this geographical area but establishing a contract with these organisations would result in the Council needing to move people out of area, which may prove disruptive to residents.
- b. An alternative provider was not being sought because establishing a new block contract with another home to replace the existing 28 placement agreements would result in needing to move the residents to another home. Even if there was capacity in the market to meet this need this would prove very disruptive to residents, contrary to the wishes of relatives and families and would also run counter to the principles in the Care Act (2014) to offer choice and control to residents.

169. NEW ITEMS OF URGENT BUSINESS

N/A

170. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the remainder of the meeting as the items contained exempt information, as defined under paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972.

171. AWARD OF A BLOCK CONTRACT FOR RESIDENTIAL AND NURSING BEDS

The Cabinet Member noted the exempt section of the report.

CHAIR: Councillor Bernice Vanier

Signed by Chair

Date

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Report for: Cabinet 14 November 2017

Item number: 17

Title: Delegated Decisions and Significant Actions

Report authorised by : Zina Etheridge, Interim Chief Executive
Bernie Ryan AD Corporate Governance

Lead Officer: Ayshe Simsek

Ward(s) affected: Non applicable

**Report for Key/
Non Key Decision: Information**

1. Describe the issue under consideration

To inform the Cabinet of delegated decisions and significant actions taken by Directors.

The report details by number and type decisions taken by Directors under delegated powers. Significant actions (decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

2. Cabinet Member Introduction

Not applicable

3. Recommendations

That the report be noted.

4. Reasons for decision

Part Three, Section E of the Constitution – Responsibility for Functions, Scheme of Delegations to Officers - contains an obligation on officers to keep Members properly informed of activity arising within the scope of these delegations, and to ensure a proper record of such activity is kept and available to Members and the public in accordance with legislation. Therefore, each Director must ensure that there is a system in place within his/her business unit which records any decisions made under delegated powers.

Paragraph 3.03 of the scheme requires that Regular reports (monthly or as near as possible) shall be presented to the Cabinet Meeting, in the case of executive functions, and to the responsible Member body, in the case of non executive functions, recording the number and type of all decisions taken under officers' delegated powers. Decisions of particular significance shall be reported individually.

Paragraph 3.04 of the scheme goes on to state that a decision of “particular significance”, to be reported individually by officers, shall mean a matter not within the scope of a decision previously agreed at Member level which falls within one or both of the following:

- (a) It is a spending or saving of £100,000 or more, or
- (b) It is significant or sensitive for any other reason and the Director and Cabinet Member have agreed to report it.

5. Alternative options considered

Not applicable

6. Background information

To inform the Cabinet of delegated decisions and significant actions taken by Directors.

The report details by number and type decisions taken by Directors under delegated powers. Significant actions) decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

Officer Delegated decisions are published on the following web page <http://www.minutes.haringey.gov.uk/mgDelegatedDecisions.aspx?bcr=1>

7. Contribution to strategic outcomes

Apart from being a constitutional requirement, the recording and publishing of executive and non executive officer delegated decisions is in line with the Council’s transparency agenda.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Where appropriate these are contained in the individual delegations.

9. Use of Appendices

The appendices to the report set out by number and type decisions taken by Directors under delegated powers. Significant actions (Decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

10. Local Government (Access to Information) Act 1985

Background Papers

The following background papers were used in the preparation of this report;

Delegated Decisions and Significant Action Forms

Those marked with ♦ contain exempt information and are not available for public inspection.

The background papers are located at River Park House, 225 High Road, Wood Green, London N22 8HQ.

To inspect them or to discuss this report further, please contact Ayshe Simsek on 020 8489 2929.

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DIRECTOR OF ADULT SOCIAL SERVICES

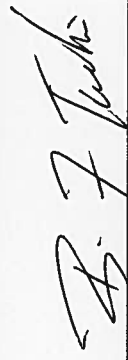
Significant decisions - Delegated Action – October 2017

◆ denotes background papers are Exempt.

No	Date approved by Director	Title	Decision
1.	-	Nil	

Delegated Action

	Number
171004 Implementation of CSO 8.03 as allowed under CSO 10.01.2a - training contracts between entities within the public sector. Contract value £26,861.00.	
171013 CAPH64 Request to Waive Contract Standing for payment of Invoices relating to DoLS (BIA 2017). Contract value £120,000.00.	
171013 CAPH65 Request to Waive Contract Standing for payment of Invoices relating to DoLS (MH Doctors 2017). Contract value £80,000.00	
171023 Increase the value of a contract under CSO 10.02.1a with Seven Resourcing for appt of external staff nurses (at OGNH). Contract value £355,000.00.	
171023 Approval to uplift contract with GAGE-DP under CSO 10.02.1. Contract value £9,450.00.	
171027 Extension of existing contract with Arlington under CSO 10.02.1(a) - batch 9. Contract value £96,000.00.	
171027 Extension of existing contract with Effectable under CSO 10.02.1(a) - batch 10. Contract value £136,920.00.	
171027 Extension of existing contract with Effectable under CSO 10.02.1(a) - batch 11. Contract value £78,000.00.	
171027 Extension of existing contract with Effectable under CSO 10.02.1(a) - batch 12. Contract value £103,440.00.	
171027 Extension of existing contract with Effectable under CSO 10.02.1(a) - batch 14. Contract value £29,280.00	



Submission authorised by: Beverley Tarka – Director of Adult-Social Services

Date: 1st November 2017

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STRATEGIC DIRECTOR OF Planning, Regeneration & Development


Significant decisions - Delegated Action - For Reporting to Cabinet on November 2017

◆ denotes background papers are Exempt.

Ms att	Date approved by Director	Title	Decision
1.	16/10/2017	<p>To request approval to award a contract for construction works as allowed under CSO 9.07.1.c (Bid Acceptance and Contract Award)</p> <p>In addition this authority includes approval to instruct Haringey Council Legal Services to issue a Letter of Intent permitting orders to be raised by Mulalley (contractors) Ltd with their supply chain; up to and not exceeding £100,000 of the contract sum as allowed under CSO 9.07.3 whilst formal works contracts are being prepared.</p>	<p>Approval to award a contract for construction works as allowed under CSO 9.07.1.C (Bid Acceptance and Contract Award)</p> <p>Approval to instruct Haringey Council Legal Services to issue a Letter of Intent permitting orders to be raised by Mulalley & Company Ltd with their supply chain; up to and not exceeding £100,000 of the contract sum.</p>
2.			
3.			

Delegated Action

Type	Number

Director/Assistant Director Signature

Date

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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