NOTICE OF MEETING

FULL COUNCIL

Monday, 1st March, 2021, 7.30 pm - MS Teams meeting
(View it Here) This weblink will go live when the meeting starts.

Members: Councillors Adam Jogee (Mayor), Eldridge Culverwell, Gina Adamou, Charles Adje, Peray Ahmet, Kaushika Amin, Dawn Barnes, Dhiren Basu, Patrick Berryman, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Gideon Bull, Dana Carlin, Vincent Carroll, Luke Cawley-Harrison, Nick da Costa, Seema Chandwani, Sakina Chenot, James Chiriyankandath, Pippa Connor, Julie Davies, Mahir Demir, Paul Dennison, Isidoros Diakides, Josh Dixon, Erdal Dogan, Joseph Ejiofor, Scott Emery, Ruth Gordon, Makbule Gunes, Mike Hakata, Bob Hare, Kirsten Hearn, Justin Hinchcliffe, Emine Ibrahim, Sarah James, Peter Mitchell, Liz Morris, Khaled Moyeed, Lucia das Neves, Felicia Opoku, Julia Ogiehor, Tammy Palmer, Sheila Peacock, Reg Rice, Viv Ross, Alessandra Rossetti, Yvonne Say, Anne Stennett, Daniel Stone, Preston Tabois, Elin Weston, Noah Tucker, Sarah Williams and Matt White

Quorum: 15

1. FILMING AT MEETINGS

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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. TO RECEIVE APOLOGIES FOR ABSENCE

3. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972

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. TO ASK MEMBERS WHETHER THEY NEED TO MAKE A DECLARATION IN ACCORDANCE WITH SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RELATION TO UNPAID COMMUNITY CHARGE OR COUNCIL TAX LIABILITY WHICH IS TWO MONTHS OR MORE OUTSTANDING

6. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 16 NOVEMBER 2020 (PAGES 1 - 22)

7. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL

8. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE (PAGES 23 - 24)

To confirm the appointment to the Monitoring Officer role.

9. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL & GOVERNANCE SERVICES

10. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM

11. APPROVAL OF COUNCIL TAX REDUCTION SCHEME FOR 2021/22 (PAGES 25 - 302)

12. TO RECEIVE A REPORT FROM THE CORPORATE COMMITTEE (PAGES 303 - 304)

Treasury Management Strategy Statement 2021/22

13. 2021-22 BUDGET AND 2021-2026 MEDIUM TERM FINANCIAL STRATEGY (PAGES 305 - 582)

Ayshe Simsek, Democratic Services and Scrutiny Manager
Tel – 020 8489 2929
Fax – 020 8881 5218
Email: ayshe.simsek@haringey.gov.uk

John Jones
Monitoring Officer (Interim)
River Park House, 225 High Road, Wood Green, N22 8HQ

Friday 19 February 2021

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Agenda Item 6

MINUTES OF MEETING Full Council HELD ON Monday, 16th November, 2020, 7.30pm

PRESENT:

Councillors: Sheila Peacock, Dana Carlin, Gina Adamou, Charles Adje, Peray Ahmet, Kaushika Amin, Dawn Barnes, Dhiren Basu, Patrick Berryman, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Gideon Bull, Vincent Carroll, Nick da Costa, Luke Cawley-Harrison, Seema Chandwani, Sakina Chenot, James Chiriyankandath, Pippa Connor, Eldridge Culverwell, Julie Davies, Mahir Demir, Paul Dennison, Isidoros Diakides, Josh Dixon, Erdal Dogan, Joseph Ejiofor, Scott Emery, Ruth Gordon, Makbule Gunes, Mike Hakata, Bob Hare, Kirsten Hearn, Emine Ibrahim, Sarah James, Adam Jogee (Mayor), Peter Mitchell, Liz Morris, Khaled Moyeed, Lucia das Neves, Felicia Opoku, Tammy Palmer, Reg Rice, Viv Ross, Alessandra Rossetti, Yvonne Say, Anne Stennett, Daniel Stone, Preston Tabois, Elin Weston, Noah Tucker, Sarah Williams, Matt White and Julia Ogiehor

30. FILMING AT MEETINGS

The Mayor referred to the notice of meetings, section of the agenda and Members noted this information.

31. TO RECEIVE APOLOGIES FOR ABSENCE

There were apologies for absence from Cllr Hinchcliffe and apologies for lateness from Cllr Stone who did join the meeting at the start at 7.30pm.

32. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972

The Chief Executive outlined the following:

There were 2 late items of business, which could not be available earlier, and which would need to be dealt with at this meeting.

Item 12- Questions and Written Answers
The reason for lateness was that notice of questions is not requested until 8 clear days before the meeting, following which the matters raised have to be researched and replies prepared to be given at the meeting.

Item 13 - Motions
The amendments to motions were not requested until 10am on the day of the Council meeting and the amendment to Motion B had been received and had been published and distributed today as a supplementary pack.

33. DECLARATIONS OF INTEREST

Cllr Ibrahim declared a personal interest in item 10. She clarified that this was not a prejudicial interest nor a disclosible pecuniary interest. Her personal interest was due to her parent being affected by the Pod Replacement Programme in Noel Park.

34. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 1 OCTOBER 2020

RESOLVED

To approve the minutes of the meeting held on the 01 October 2020 as a correct record of the meeting.

35. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL

The Mayor advised that he had attended 34 engagements in 12 of the 19 wards in the borough, and was aiming to complete engagements in the remaining 7 wards before the Christmas break.

The Mayor outlined a few of the engagements that he had attended and spoke of his honour in leading the Remembrance Sunday commemorations.

The Mayor had also taken forward socially distanced Green flag raising in some parks in the borough.

The Mayor spoke of the sad passing of former Councillor Liz Murphy who served as a Labour councillor on the Council from May 1971 to May 1974, representing the former Town Hall ward. The Mayor noted that in the local election of 1974 she lost the seat that she was contesting in Stroud Green and Hornsey ward and was made Alderman, leaving the Council in 1978 when the office of Alderman was abolished.

The Mayor called on Cllr Peacock to pay tribute to Liz Murphy. Cllr Peacock outlined the many roles that Liz Murphy had held in the borough including being part of a nucleus of 3 formidable women in the local Labour Party – herself, Nicky Harrison who pushed for comprehensive education in Haringey – which they were successful in achieving.

On the Council, she had roles as Vice Chair of the Education Committee and Chair of the Planning Committee.

It was noted that Liz Murphy was a strong advocate for early year's education and was heavily involved in the National Campaign for Nursery Education – lobbying parliament and pushing for 4-year-olds to have access to early years' education.

She was also Chair of Governors of the then William Forster School (now The Langham School) in the late 1970's and early 1980's.

She was involved in the setting up and what then was the Co-ordinator at Stroud Green Pre School Centre from 1982 to 1988. It was noted that his was a very innovative project in its day being jointly funded and managed by the L.B Haringey Education and Social Services Departments.

Member noted that in 1988 she left to be the Head Teacher at Rowland Hill Nursery School. she had been involved in the setting up of the facility. She was there until she retired in 1997 aged 64.

It was noted that Liz Murphy was also instrumental in setting up the Haringey Branch of the Socialist Education Association (SEA) along with Max Morris. She was treasurer there until a few years ago.

The Mayor expressed the Council's warmest condolences to Liz Murphy's family and led the Council in a one minute's silence.

Liz Murphy's family thanked the Council for its fitting tribute and minute's silence.

36. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

The Chief Executive had no matters to report.

37. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES

The Deputy Monitoring Officer had no matters to report.

38. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

The Chair of Regulatory Committee introduced the report which sought agreement to the Statement of Licensing Policy 2021- 26.

In moving the recommendations, the Chair of Regulatory Committee highlighted a further required change to the updated Statement of Licensing Policy 2021- 26 at appendix 4. Referring to wording at page 123, paragraph 3.10, Regulatory Committee members proposed adding *in: that International data suggests that one in three women experience violence in their lives. Although the figures do not show whether alcohol was a factor, this can often be the case*. The Chair of the Regulatory Committee moved that the Council agree the recommendations at page 11 of the Council pack, 3.1 and 3.2 subject to this change.

Cllr Adamou, Vice of Regulatory Committee, seconded the amendment.

RESOLVED

To approve the Statement of Licensing Policy 2021 - 26 as set out at appendix 4, taking into account the amendment outlined above.

39. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM

The Mayor had received a petition with 374 signatures and deputation from Parkside Malvern Resident's Association calling for a full assessment of the need for traffic-calming and an evidence-based examination of the case for a vehicle weight reduction on Hornsey Park Road, N8.

The Mayor invited Marcus Ballard and Vincent Egger to make their representations on behalf of the Resident's Association.

The deputation outlined that, following the reconfiguration of roads in Wood green 50 years ago, Hornsey Park Road became a bypass road for Wood Green High Road. A new link road in 1996 was considered, as at this time, but not taken forward. Hornsey Park Road was carrying the same level of heavy traffic as the High Road which was an A road. There was a need for a better link to the Heartlands area which was not severed by this bypass road. The Council's 1996 documents described the congestion and pollution and unpleasant environment for residents as the road was designed as a residential road and these conditions remained in place to this day for residents.

The deputation continued to set out the previous decision making concerning this part of Wood Green. This included the narrowing of the High Road, and meant less space for traffic on the High Road, yet no remedial works had been carried out on Hornsey Park Road. This needed repair and traffic calming to make it a better environment for residents.

The deputation advised that there were many accidents that were unrecorded as these did not result in injuries. The Mary Neuner road promised to redistribute traffic, sharing it equally with Hornsey Park Road and the New Road . However, this did not happen, and this particular road had been closed for the past 14 months. In 2009 the residents group petitioned the Council and continued to speak locally about the need for traffic diversion.

The deputation commented that they did not see heavy duty traffic in other parts of the borough and the issues in Hornsey Park Road seemed unnoticed.

The deputation referred to the Area Action Plan and Site Allocations Plan which included the densification of the Wood Green area, around Hornsey Park Road and yet the highways and strategic transport planning did not seem to be being considered for this area. There had also been recently an opening of the local children's park in the area and consultation on the African Cultural centre with promise of improvements to access points.

In conclusion, the deputation sought a new approach for the area for traffic management. The Residents Association were seeking the Council's support from the

top level, down to the operation levels of both regeneration and transport teams to deliver improved living environment for residents.

In response to questions from Councillors, the deputation provided the following responses:

- There was a need for a fair distribution of traffic between the three roads, including Alexandra Palace Way, and for residents to see HDV traffic off Hornsey Park Road as the road was not designed to fit heavy vehicles. This was a residential road, and this volume of traffic had an impact on the housing on this road,

- The threat of increased traffic was a threat across all boroughs and between boroughs. Haringey Heartlands had low car ownership area with rail links and bus network. However, there was still more traffic serving London's economy and neighbouring boroughs. The deputation commented that there may be desire for people outside the area to drive to Wood Green. Locally, the Council were felt to be doing the right thing and the main need was to reduce traffic in the area.

- The deputation added that a lot of the heavy construction vehicles destined for the regeneration works at Heartland site were using Hornsey Park Road. The average was an HDV vehicle every 1 to 2 minutes, making the homes on Hornsey Park road rattle. The road was built in the early 1900's and not designed for this type of traffic. When collecting signatures for the petition, there were many reports of residents that were not able to sleep well due to the noise.

- The key action to make a difference to residents' lives, would be a weight restriction on vehicles passing through this road and traffic calming measures.

The Mayor invited the Cabinet Member for Corporate Services and Planning to respond to the deputation.

The Cabinet Member thanked the deputation for making their representations, outlining that he shared the views of the deputation and was also speaking as a resident on the Harringay Ladder for many years. He was fully aware of the overly used traffic routes and agreed that something needed to be done. It was noted that the Cabinet Member was new to this particular portfolio area and was meeting groups of residents and offered a meeting with both the Residents groups. The Cabinet Member had responsibility for Planning which was a key decision-making element of the proposals put forward. The Cabinet Member offered to meet in the coming week with the group and on the street, in a socially distanced way, considering what could be done within the current restrictions. With regards to the asks in the petition and deputation for a crossing, the Cabinet Member understood this was part of an in-principle agreement with the developer and would be achieved by amending the section 278 agreement. The developer had submitted drawings which were for comment on by the Council. Following this consideration, the plan was for the Council officers and the developer to work with the Residents groups to implement the

separate crossing. This would be funded from the savings from the section 278 deposit bond.

In reference to the regeneration plans for the area, the Council had just recently got funding to complete the second phase and the Cabinet Member would seek to obtain details of this, to be shared with the group when meeting. The road design and street space proposals could also be shared which concerned Wightman road and which were intending to have a beneficial impact. The Cabinet Member looked forward to meeting the resident's group soon, in the coming week.

The Mayor thanked the deputation for their representations.

The Mayor invited the second deputation to address the Council meeting.
Ms Sarah Klymkiw put forward a deputation, on behalf of leaseholders on Gladstone Avenue and raised the following issues.

On the 22nd of September, Ms Klymkiw along with other leaseholders on Gladstone Avenue, had received a Section 20 Notice from Haringey Council of the intention to carry out decent homes related major works on her home. She had received a bill for £108,450. These were estimated and inflated costs and Ms Klymkiw would need to wait several years to fully know the impact, as and when, a final bill was issued. There was no guarantee that this bill would not be even higher in the future.

Ms Klymkiw was shocked to receive this Section 20 notice and she expressed that all the leaseholders were very alarmed by these bills and now lived-in constant fear that they would lose their homes or have a lifetime of debt, trying to pay off the cost to these works. She highlighted that the leaseholders were ordinary people and mostly with fragile financial circumstances, impacted by the pandemic, which was causing current employment issues and uncertainty for future employment opportunities.

The leaseholders were opposed to the major works and argued that the costs put forward were wholly unreasonable. The major works were concerning the replacement of prefabricated Pods. These were temporary toilet and bathing facilities installed in the 1970's with a projected life of 15 years. The Pods had not been replaced at the expiry of their lifespan and now had damp and required special works for asbestos removal. The solution was to replace the Pods with a new Pod which the deputation contended would not be value for money nor sustainable. The deputation felt that there should be alternative solutions explored.

Ms Klymkiw outlined the delayed decision making with the replacement Pods, spanning over the last 30 years in particular:

- An early estimation for the cost of the removal and replacement of the Pods was £12.5k
- In 2015, this was £50k.
- In September 2020 this was over £50k

Ms Klymkiw advised that the estimates were not based on individual surveys and yet the proposals involved replacing whole roofs, windows, external doors in addition to the Pod replacement. Homes for Haringey had not responded to advise leaseholders

why all these works were needed now and how they had arrived at the proposed figures, causing increased anxiety.

The deputation questioned the likely contractor for delivery of these works and their record for delivery of previous Council contracts. The deputation contended that the cost of these works would likely be high and in the long term be borne by leaseholders and tenants who paid into the HRA.

The deputation outlined that the contract decision for taking forward these major works was previously due in October 2020, but this would have been before the consultation with leaseholders was completed. This reflected, to leaseholders, that Homes for Haringey did not intend to consider the views to be expressed in the consultation.

The deputation outlined that the Cabinet were now due to consider this decision on the 8th of December and questioned the incentive for the contractor lowering any costs and the likelihood for the surveys on the homes to be as independent as possible.

It was acknowledged that there was a solution needed for both leaseholders and tenants to have decent homes. The leaseholders recognised that they needed to contribute to the cost of the decent homes works but this had to be reasonable. As the homes were part of the Council's Housing stock, the leaseholders were asking the Council to contribute and explore funding opportunities to enable this.

The response from the Council, so far, was a cancelled meeting exploring payment plans but this would not address the key issue that the costs were too high. Ultimately, if the costs were too high, this debt would be carried by the leaseholders for several years. Therefore, it was felt that only a significant reduction in cost would save the leaseholders from financial ruin.

The deputation considered that there were three options available:
1. To pause the decision on the contract for the decent works programme in Noel Park and the Council urgently endeavour to bring down the costs of the works, remove the additional works and focus only on replacing the Pods.
2. To withdraw the proposal to replace the existing Pods with other Pods and examine alternative viable options.
3. Development of separate programmes or blocks of works containing leaseholder properties that have full consultation with leaseholders to ensure value for money.

The deputation emphasised that the stress of this situation was having an unbearable impact on the mental health of leaseholders. In some cases, the prospect of financial hardship was forcing the leaseholders to have no choice but to sell their properties. However, the potential debt that could be attached to the home also made this an invidious choice.

The deputation, on behalf of leaseholders, asked the Council to engage with them to deter them becoming homeless or bankrupt, in turn having a significant impact on families and life chances.

The Mayor thanked the deputation for their representations and invited questions from Councillors.

In response to questions from Councillors: Cawley- Harrison, Ahmet and Brabazon, the deputation provided the following information:

- With regards to the engagement with leaseholders so far, and the opportunity to explore individual solutions for properties enabling leaseholders to contract these works themselves, the deputation expressed that there had not been meaningful consultation, at this point in time. The first formal contact point on these works was in September 2020 when the section 20 notices were received. The leaseholders believed that there were alternatives. Ms Klymkiw advised that she had been trying, over the last 5 years, to engage with the Council on an alternative solution for the Pods. When purchasing the property in 2015, she advised that the cost of the work was going to be £12.5k and this went up to £25k. Ms Klymkiw approached Homes for Haringey about opting out of having a Pod and installing this instead in the existing brick structure. Ms Klymkiw advised that other leaseholders were also trying to engage with Homes for Haringey on a way forward. It was felt that Homes for Haringey were using a long-term contract agreement which bypassed any meaningful consultation, hence the reluctance for engagement. This agreement meant that leaseholders were realistically not able to offer up any estimates or alternatives and it was felt that the leaseholders had no choice with the costs put forward. The costs were so high, and it was felt that under this agreement leaseholders were not able to put forward alternative quotes.

- Further issues were raised about the long-term contract agreements for major works and the deputation contended that the leaseholders would find it difficult to navigate these complex rules to propose their own contractors and understand the works that were being covered which was also not clear at this stage. When the agreements with the contractor were entered, leaseholders would not know what further works maybe involved, later in the process, so this also made it difficult to suggest alternatives as well.

- It was known that Homes for Haringey had investigated alternatives to the Pods for the last 10 years and none of these plans had been shared with leaseholders. It was also known that brick-built extensions had been investigated 10 years ago and it was known that leaseholders and tenants would still like this solution.

- In terms of meetings with Homes for Haringey, it was noted that there had been a meeting in July with them and with the contractor, where the deputation noted that the name of the Pods had been changed to a ‘precision engineered extension’. At this meeting, it was relayed to leaseholders that there would be additional works to their homes as well. At this stage, the cost of the Pod replacement and additional works was not advised. Then in September 2020, the section 20 notice of the cost of the works was received. This caused alarm due the significant sums enclosed in the notice and contact with local Councillors with a visit from the managing director, Cabinet Member, and housing officer. At this stage it was realised by the leaseholders that the only

consultation being pursued was the payment option and payment plan offers, potential ownership of flats, or offering 25 years to pay back the loan which was essentially another mortgage. Following this meeting, the leaseholders put forward their observations as part of a legal document process where the leaseholders were able to ask questions. At this point, there was yet to be a Council/ Homes for Haringey response received.

- There had been a meeting with the Leader of the Council and Managing Director for Homes for Haringey where similar information on payment plans was provided, and no discussion on alternative options or the opportunity to be asked if leaseholders felt that the work needed to be done. The leaseholders felt that the additional works were not needed and did not agree with the replacement Pod solution offered.

- An email was received advising a delay to the legal letter with observations/ questions and the leaseholders were, at this stage, not aware of any additional meetings, or dialogue to continue to explore this issue further. The deputation further clarified that Homes for Haringey had advised that the response to the legal letter would be 10 days late, but this meant that the response was due to be received 2 weeks before the Cabinet decision. Therefore, if a response were received from Homes for Haringey, it would leave little time to discussion and any meaningful dialogue.

- Overall, the leaseholders were concerned about the communications process with Homes for Haringey and highlighted the number of questions put forward in the legal letter which reflected how little information the leaseholders had before such significant decision was to be taken affecting their futures.

- The deputation confirmed that they were not objecting to the principles of a leaseholder's duty to contributing to their share of the major works required, but the concerns remained with regards to the consultation and how the costs of the works had been arrived at.

The Leader of the Council responded to the deputation as follows:

There were many learning points from this process, including how leaseholders and tenants had been communicated with, and there it was important to do things better and differently in the future.

The section 20 notices had been read by the Leader and he empathised and understood the shock and concern felt by leaseholders. The Leader apologised for this and noted that there had been a letter sent back out to leaseholders which sought to provide clarification to this initial letter that had been sent.

The Leader apologised for the delay in the leaseholders receiving a response to the observations/ questions/ legal letter and was not aware that there had been a delay and would seek to facilitate a response.

In relation to the additional works spoken about, the Leader highlighted that every property in the estate was unique, and it was made clear that each property needed to

have a bespoke survey completed and whatever work that needs to be done will be completed. Unnecessary works will not be taken forward as reiterated previously. It generally made sense to complete the required works to a property at the same time.

The new proposed replacement Pods had a life expectancy of 60 years, this solution enabled the Pods to be replaced in a day and mean less disruption. If brick-built extensions were opted for, this would mean no access to a toilet and bathroom for three months.

There was acknowledgement and understanding of concerns about the payment plans and it was hoped that there was understanding of the Council's position of a solution that works. The Council could not subsidise the repairs to leaseholder properties by using money from tenant's rents. The Council were looking at other options and alternatives, but the objective was not to move anybody out of their homes and the issue of how this was paid for was not fully resolved. There would be a decision at Cabinet and the Council were engaging with all the leaseholders and seeking understanding of their circumstances. If the Council could find a way to seek money from the government or from another source to supplement the costs, it would do this. At this stage, the Council could not promise that this was doable or deliverable. It was hoped that before the decision was considered at Cabinet there would be a conversation with leaseholders and appropriate officers to obtain a greater understanding of what the concerns were.

The Leader concluded that the decision on the Decent Homes works in Noel Park was a decision that should have been taken many years ago. The need to take these works forward now was due to the Pods reaching the end of their useful life and there being no time for delay as safety concerns would arise.

Assurance was provided of the higher quality of the replacement Pods and the Council would be consulting further with leaseholders in the coming weeks.

40. HARINGEY DEBATE: MENTAL HEALTH DURING AND AFTER THE COVID-19 PANDEMIC

Councillor Connor introduced the debate on mental health during and after the Covid-19 pandemic. Councillor Connor highlighted the rising mental health issues and stresses faced by local residents, from all communities within the borough. Organisations had been working so hard within local communities to really address the needs of the community, focusing on both physical and mental health of residents.

Councillor Connor provided a brief introduction to each of the speakers and the organisations they represented, then allowed each of them to introduce themselves and the work that they do.

Vas Hirani was the Community Development Manager for Health, Mental Health and Wellbeing for the Bridge Renewal Trust. The Trust worked with various organisations and sectors including housing associations, faith-based organisations, Haringey Wellbeing network, Barnet/Enfield/Haringey mental health services and Clinical Commissioning Groups (CCGs). The work undertaken included capacity building, training, fundraising and asset development management. The work also leads to

sustainable approaches, joined up projects and partnership working. During the lockdown voluntary and community organisations had worked together to mobilise local resources and provide support to grass root community groups, which was an asset going forward. The Trust had helped around 50 organisations with capacity building over the last 11 months.

Sonja Cantlebury spoke on behalf of 4U2 Sewn Together. Ms Cantlebury worked on the For you too news community magazine, which provided a platform to promote local events/organisations/communities etc. across Haringey. The community project 'Zone Together' began 12 months ago and helped to empower creative communities for women within the BAME (Black, Asian, and Minority Ethnic) community. The project offered various activities and had currently helped over 90 women, who were experiencing various difficulties. However, 46% of those participants did not have access to the necessary IT equipment. It was recognised that the risk of mental health issues was higher for everyone at this current time and the project would like the ability to provide an accessible and tailored counselling service at a local level. Ms Cantlebury stated that the project would also like to get a programme together for individuals to donate any IT equipment that they could to help as many people as possible to get digitally engaged.

Vas Hirani stated that the representative from the Dalmar organisation was unfortunately unable to attend the meeting, she would therefore introduce this organisation. They were a Somali cultural organisation which supported children and families. The organisation worked with over 120 people per week, including some of the most isolated and excluded residents within the community. The organisation was based at the Selby Centre and covered a broad cross section of the community, providing support on matters such as capacity building, skills and training, autism, safeguarding and various mental health issues. The organisation also worked on projects such as PPE sewing skills, enterprise skills, bringing communities together virtually.

The biggest challenges faced by the Dalmar organisation were surrounding the day-to-day operational costs and staff and resourcing issues. There had also been an impact on access to services for children with disabilities, which resulted in a lack of opportunity for respite for carers of those children. It was noted that the organisation was very active on social media, which was an asset, in terms of sharing health messages.

Raj Gupta spoke on behalf of the Community Hub, previously known as the Asian Centre. The Community Hub provided a range of services and activities to all communities within the borough, targeted to the South Asian communities. It currently had 1,400 members as service users. The day care service was currently used by 15 service users; however, they had a capacity for 25 users. The Community Hub had received £33,000 of funding to improve their services and expand on the work surrounding raising awareness of dementia within the Asian communities. The Community Hub had successfully managed an online conference of 62 people, in p/ship with various organisations and the Council and had now started a virtual singing group.

Mr Gupta stated that they currently had 13 of their members as ‘dementia friends’, with a target to increase this to 100, as well as seeking additional funding for their ageing population and those with dementia. He added that early intervention was vitally important to those people and that the voluntary sector was key to help with their quality of life.

Martin Finegan spoke on behalf of the Christian Fellowship. Mr Finegan stated that there were countless stories about the use of food banks by all communities. There had been large queues outside the church during lockdown for food and the Christian Fellowship had responded to this by mobilising volunteers, utilising services such as minibuses, diversifying food sources through the Haringey food network and securing vital funding through the Bridge Renewal Trust. The Christian Fellowship was also looking to increase partnership working and co-production, as well as providing a befriending and listening service and promoting mental health and wellbeing by various activities.

The Mayor then moved to the debate of the item and invited contributions from Councillors. Councillors Das Neves, Palmer, Brabazon and da Costa all contributed to the debate. They provided moving personal experiences of mental health struggles and highlighted the importance of speaking about any mental health issues, stating that it was ok not to be ok, especially during these challenging times. Reference was also made to a survey undertaken by Mind which identified that 1/2 of adults and 2/3 of young people’s mental health was worse than before the first lockdown started.

Those Members stated that Councillors had a responsibility to lobby the Government to provide the necessary funding to ensure that community groups had the ability to support those within the community that were most at need, as well as focusing on mental health and providing a path of holistic recovery. It was important for the Council to look at what it could do to contribute to and support the physical and mental wellbeing of its constituents.

Councillor James, Cabinet Member for Adults and Health responded to the debate. Councillor James also thanked everyone that had contributed to the debate and highlighted the problems surrounding mental health. Covid had highlighted the stark inequalities in the borough, from health to economic issues, and it was not surprising to see that the levels of people suffering from mental health issues had increased because of the pandemic. The Council had been working with the voluntary sector and health partners, connected communities, community engagement groups, food network, wellbeing network to help get the right support to those residents that needed it. Reference was also made to a digital offer Kooth, which had provided a popular way to engage for those young people under 25, with half of those from the BAME community. NHS Go and Thrive London were also highlighted as providing valuable support.

Councillor James stated that these services had responded in creative ways. A new borough primary care service was also being provided, which focused on physical health improvement for adults with mental health issues. The Council was also working with Mind, the Bridge Renewal Trust and NHS providers on a borough mental health action plan. Work was also taking place on the provision of a dedicated mental health service for rough sleepers, as well as a North Central London bereavement

service. It was important to continue to work with providers to promote community resilience. Councillor James believed that communities would reconsider the way they lived and their priorities because of the pandemic and it was important to understand the implications for everyone going forward.

Councillor Connor also thanked all the speakers for their contribution to the powerful and meaningful debate. Councillor Connor felt that the representatives from the various community groups showed that there was a real opportunity to help each individual if we acted and addressed the practical problems highlighted by those organisations. A new community mental health model was being introduced, in liaison with various partners, which allowed a joint community to offer to be developed. Councillor Connor recommended that Members receive an update on the new community mental health model in a special briefing.

The Mayor thanked everyone who had contributed to the debate, especially those Councillors that had been brave enough to speak about their personal struggles with mental health.

41. TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10

In view of the need to finish the meeting at 10pm and following consultation and approval of both party-political Chief Whips, it was agreed that second supplementary questions would not be taken forward.

The Mayor accepted the admission of responses to written questions as late items of business, as the answers to questions had needed to be researched and prepared after the summons had been dispatched.

Oral questions one to six were then asked and responded to.

42. TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13

Motion A - Urgent government interventions to protect Haringey residents from the effects of the coronavirus second wave.

The Leader moved the motion which was seeking continuation of the lockdown and asking the government to provide all Councils with the full funding needed to spend to protect residents. The Leader outlined the Council were continuing to support residents, including providing new services whilst they suffer from further loss of income. The Leader highlighted the key areas where there would likely be loss of income for the Council. This would impact on the Council budget and there were eight specific asks outlined in the motion to mitigate this.

He further referred to the Council's enforcement role in ensuring businesses kept to the legal requirements of the lockdown. This was an example of the Council being given responsibilities by the government without the funding to accompany this. The Leader of the Council concluded by emphasising that all councillors must use their influence to press national and regional politicians to provide the fair funding needed.

Councillor Amin, Deputy Leader, seconded the motion, expressing that the government response to the pandemic had seen a catalogue of errors coupled with a lack of leadership. The Deputy Leader referred to the government's: unwillingness to take forward an urgent circuit break lockdown, the failure of track and trace, refusing to support free school meals, endangering the lives and livelihoods of residents. The Deputy Leader highlighted the support of local groups and mutual aid groups and their extraordinary efforts to support local initiatives. The motion was important to be fully supported and ensure the government took forward its responsibility for supporting local residents.

Cllr Cawley – Harrison expressed that, due to the lack of time remaining, the Liberal Democratic group would not be making speeches, but his group were whole heartedly supporting the motion. Cllr Cawley- Harrison was more than happy to add his name to the proposed letter in the motion or the group could also take forward their own letter.

Cllr Mitchell, spoke in favour of the motion, and outlined how local authorities were performing a vital role in supporting communities, which contrasted with the government. Cllr Mitchell expressed his thanks to staff and local volunteers for their significant efforts. Cllr Mitchell outlined that the government had not kept to its word on fully refunding the spend of Councils on the pandemic. He noted that London Councils had called for an additional £1.4 billion to compensate them for the financial impact of the pandemic. Cllr Mitchel commented that funding for the private sector for the track and trace system, which did not work, was more forthcoming without a competitive tender process. He concluded that there was an urgent need to: address demand pressures on key services, tackle homelessness, rebuild local economies and allow local authorities to take the lead in addressing the stark inequalities that the pandemic had exposed.

Councillor Rice, Chief Whip moved that the question be put and for Council to move to the vote on this motion. This was seconded by Councillor Cawley- Harrison.

The Mayor paused and there was no indication of objection to the procedural motion.

The Mayor clarified that there was no amendment put forward to the motion.

The Mayor called on the Chief Whips of the political groups to indicate their member's vote on the motion as amended. He also asked the independent member to indicate her vote.

The Labour Group Chief Whip indicated to the Mayor that the Labour members attending the meeting were in favour of the motion.

The Liberal Democrat Chief Whip indicated that the Liberal Democrat Members attending the meeting were in favour of the motion.

Councillor Barbara Blake, Independent Member, indicated that she was in favour of the motion.

Motion A as set out below was AGREED unanimously.

Motion A

Urgent government interventions to protect Haringey residents from the effects of the coronavirus second wave.

The government's response to the Covid-19 crisis has been characterised by incompetence and a lack of leadership.

Boris Johnson's government has overseen a catalogue of errors. From going against the advice of their own scientific advisors and refusing to implement an urgent circuit breaker lockdown, to their failure to deliver effective testing and tracing and refusing to extend Free School Meals, the government endangered the lives and livelihoods of every Haringey resident.

People in Haringey and across the country have played their part in helping to control the spread of Covid-19 and gone to extraordinary lengths to help those in need their communities. It's unacceptable that residents have made such tremendous sacrifices while the government has been willing to do so little – not even ensuring that the lockdown restrictions apply to its own advisers.
National government's inaction, their failure to learn from the first wave, and their failure to listen to the needs of citizens has forced less well equipped and less well funded organisations, institutions, and individuals to step up. We've all been let down badly, and the time for the government to step up and take responsibility is well overdue.

In order to mitigate the effects of a second wave, this council endorses the Leader of the Council writing a letter to the Prime Minister and Secretary of State to demand that they take the following actions:

1. Extra support for the most vulnerable.
   • A winter support package to address immediate need including food poverty, mental health services, and extra support for communities disproportionately impacted in the first wave.
   •A shielding support package to allow local authorities to support those most in need.
   • A £20 increase to Universal Credit and other legacy benefits to combat fuel poverty, and an extension of Free School Meals to cover the Christmas, February half term and Easter holidays.
   • An immediate suspension of benefit sanctions to prevent the punitive removal of benefits which are essential to keeping families and children out of poverty.

2. Financial certainty for local authorities in 2020/21 and 2021/22. Many Councils are going into this second wave with large budget deficits from first wave. Johnson, Sunak and Enrick must keep to their word, and the government must deliver full funding for Haringey and, indeed, all local authorities, including reimbursement of lost income, so we can fully fund all of these essential requests, continue to support our residents and confidently deliver the key and vital services that our residents rely on. Furthermore, the government should ensure full and fair funding of Transport for London, so that the implications of

lower fair income due to this pandemic are not passed on to Haringey's Council Tax payers.

3. Safe and secure housing.
   • Extension of the ban on evictions, and a return to 'Everyone In' rough sleeping policy to at least the end of March 2021.
   •Suspend No Recourse to Public Funds so all those facing hardship have the support they need.

4. Protect incomes and employment.
   • Ensure that, with the recent extension of the furlough scheme until March 20201, no-one's income will fall below the national minimum wage.
   • Introduce a new duty on employers to ensure they can't prevent employees from following the advice to self-isolate: no worker should have to choose between their job and their health.
   •Provide clear and unambiguous guidance for those at risk of contracting Coronavirus about their employment rights.

5. Take urgent and immediate action to improve and localise Test and Trace. There should be a staged transfer of Test and Trace funding and responsibility to local government, with local councils able to direct testing in their area including rapid expansion of testing for key workers.

6. Fully fund an emergency support package for hardest hit sectors including culture, leisure, arts, sport and hospitality, with a particular consideration of the Small business sector. Furthermore, the government must provide the funds to fully reimburse employers for the full pay of any worker who must self-isolate due to covid-19.

7. A commitment to work with all Councils as leaders in our communities.
   • Regular and open communication with all Council leaders and local Council Associations like London Councils.
   •Transparency on the criteria by which future decisions on restrictions will be made, including how we de-escalate from these restrictions and determine the Tiers into which Local Authorities are placed at the end of this lockdown period, and who will make that decision.

8. Greater support for local authorities' enforcement role, with stronger and easier to use powers to tackle premises that do not operate safely. Fund more police capacity to support local authorities with enforcement action.

Motion B - Widening participation in Cycling

Councillor Bob Hare proposed the motion, describing how every urban area in London and worldwide was using cycling to achieve mobility and spoke about the massive costs caused by the dominance of vehicles. He referred to the walking and cycling commission report which set out the benefits that cycling brings to health and independence, encouraging cycling for all generations and improving the quality of life. In Cllr Hare's view, the borough's current cycling facilities were not felt to be safe

and this deterred their use. He spoke about the increasing traffic in the borough and poor facilities leading to safety concerns and referred to local performance data to support this view. There was a demand for cycling noted in the first lockdown and this had decreased as the lockdown came to an end and traffic levels increased.

Cllr Hare spoke about the cycling routes in neighbouring boroughs stopping at the borough boundaries and comments from a local resident that the travel funding for cycling in Haringey could have been better spent. There were further comments on the benefit of cycling for low-income families and better outcomes for the environment. Cllr Hare concluded by referring to the 3 main components of the motion and in particular, the cycling infrastructure not meeting the standards set by government.

Councillor Viv Ross, formally seconded the motion, emphasising the public health reason for promoting cycling which also frees up capacity on the public transport system and reduces pollution. He spoke about the Council's responsibility for advocating a cycling culture. He referred to the Netherlands, which prioritises people who choose to cycle. This model had been developed over 50 years with pedestrians prioritised, then cyclists, public transport, small vehicles and finally lorries. He felt that this transport system should be a focus for the Council, and he supported the motion unamended.

The Mayor had received an amendment to the motion and called on Cllr White to move the amendment.

Cllr White thanked the Liberal Democrat group for putting forward the motion on this important subject and agreed that there was a huge amount to do. He referred to the Borough Plan which set out what the administration were committed to achieving in relation to cycling. Cllr White advised that the amendment to the motion was required to set out what the administration had already done and were already doing. Also, the motion committed the Council to a number of actions that it was not currently resourced to do. The Council were entirely reliant on external funding and what external funders wanted to fund. However, the Council were moving to change this situation and there were proposals in the capital programme being considered related to investing money in infrastructure.

Cllr Stone, seconded the motion, adding that the Council were severely constrained by external funders criteria and had to be realistic when organising the budget for this area.

Cllr Morris, spoke of her personal experience of cycling and replacing her car journeys. She described the biggest barrier to cycling as safety and described her experience of motorist behaviours which showed a disregard for cyclists. She spoke about the increase in cycle deaths in Haringey of 17% and how important it was to make cycling safe for all cyclists, regardless of their age. She added that there was a need to make all cycling journey's safe whether for commuting, working, or pleasure by segregating all cycle routes that joined together. There was a need to be ambitious and the Liberal Democrat motion was proposing increasing segregated cycle highways by 30 % in 30 years. Cllr Morris contended that the amendments did not provide a strong message that Haringey was ambitious about cycling and urged Council Members to support the motion unamended.

Councillor Hare, as the mover of the motion, responded to the amendment, contending the significant funding that Haringey had received and poor results of spending of this money. Cllr Hare accepted that the motion was detailed but some of the proposed amendments did not have to be put forward. He felt that the Council needed to do better and get good quality cycling from the north of the borough to the south and to facilitate internal residents having a 15-minute journey to the London's city centre.

The Mayor called on the Chief Whips of the political groups to indicate their member's vote on the amendment. He also asked the independent member to indicate her vote.

The Labour Group Chief Whip, indicated to the Mayor, that the Labour members attending the meeting were in favour of the amendment.

The Liberal Democrat Chief Whip indicated that the Liberal Democrat Members attending the meeting were against the amendment.

Councillor Barbara Blake, Independent Member, indicated that she was in favour of the amendment.

The Amendment to the Motion was AGREED.

The Mayor outlined the Motion as amended, in accordance with CSO 15.8(e)

The Mayor called on the Chief Whips of the political groups to indicate their member's vote on the motion as amended. He also asked the independent member to indicate her vote.

The Labour Group Chief whip indicated to the Mayor that the Labour members attending the meeting were in favour of the motion as amended.

The Liberal Democrat Chief Whip indicated that the Liberal Democrat Members attending the meeting were in favour of the motion as amended.

Councillor Barbara Blake, Independent Member, indicated that she was in favour of the motion as amended.

Motion B as amended was AGREED.

Widening participation in cycling

Council notes:

1. That the Walking and Cycling Commissioner for London has stated that *"More people cycling frees up space on overcrowded buses and trains. It makes our air cleaner. It gives everyone the chance to get around London quickly and affordably. It improves our mental and physical health. It makes our high streets and public places more vibrant. Making it easier to cycle means our city will be a better place to live, to work, to invest in, to raise children in.".*
2. That data from TfL shows that, prior to the spring lockdown, there were an average 4.6 million daily car trips in London, and of these, 35% (1.6 million) were journeys of under 2km (1.2 miles).
3. That a survey of 16,923 residents across 12 UK cities by NatCen found that 28% "do not cycle but would like to". This number rose to 55% amongst people from ethnic minority groups, 38% for people at risk of deprivation, 36% for women, and 31% for people with disabilities and that safety concerns were particularly acute amongst these groups.
4. That between February and June of this year, the distance travelled by Lime electric bikes increased by 129% across London, and by 253% on roads where new bike lines were constructed during the COVID-19 pandemic.
5. That TfL records show that in 2019 there were 126 cyclist casualties on roads in Haringey, a 17% increase on the previous year, and the second highest number across all Outer London boroughs.
6. That the Council's LIP concedes that *"the borough lacks a coherent cycle network, reducing the ability for people to partake in active travel.".*
7. That DfT guidance on Cycle Infrastructure design says that *"light segregation adds some protection to a mandatory cycle lane. It can be installed relatively cheaply, for example when routine maintenance and general highway improvements are being carried out."*
8. That since April 2020, the Council has utilised funding from the Department for Transport to improve the safety of existing cycle lanes in the borough.
9. That the Council's Good Economy Recovery Action Plan, published in August 2020, has committed the Council to explore a '15-minute city' approach where residents have the facilities, shops, and services they need within walking distance.
10. That the Council is looking for ways to invest our own capital money into walking and cycling infrastructure in this and future financial years, and plan on bringing proposals to that effect to the next Cabinet alongside the Council's wider budget proposals.
11. That the vehicle miles travelled on Haringey's roads has increased by a third since 2010.

Council believes:

1. That a modal shift towards cycling, along with other forms of active travel, has enormous potential to improve the wellbeing of Haringey residents, improve the borough's air quality, and reduce the number of vehicles on the borough's roads.
2. That these benefits not only accrue to cyclists but to the community as a whole.

3. That as a local authority Haringey should do all it can to promote walking and cycling for the following reasons:
    a. There is “clear evidence” that segregated routes lead to significant reductions in deaths and serious injuries.
    b. The impact of obesity and inactivity leads to its own epidemic of disease.
    c. The fact that road pollution is the “principal source” in the capital of toxic air that causes the early deaths of thousands of Londoners every year.
    d. The impact on reducing climate change.
    e. The negative impact of people being unwilling to spend time outside in heavily trafficked neighbourhoods.
4. That Haringey has delivered a range of improvements to existing cycleways in the borough to improve the safety for cyclists and pedestrians. The Council continues to pursue funding opportunities internally and externally to deliver new routes which will continue to increase cycling rates in the borough. A number of issues prevent many of the Borough’s residents from cycling despite their wish to do so. It seems likely that this will be especially so for people from the groups mentioned in Council notes #3.
5. That there must be a fresh focus on ensuring that any Haringey resident who want to cycle feel, and are, safe doing so.

Council resolves:

1. To, subject to funding and engagement with relevant stakeholders and residents, roll out temporary cycle lanes on main roads in accordance with the priority routes as set out in Haringey’s draft walking and cycling action plan, so as to ensure the safe movement of people during the current Covid-19 pandemic.
2. To increase the provision of segregated cycle lane in the borough year on year for the next three years, to be further detailed in the draft emerging Walking & Cycling Action Plan.
3. That all future cycle routes in the Borough should abide by the key design principles set out in the DfT’s “Gear Change: A Bold Vision for Cycling and Walking” that, where possible:
    a. Cyclists must be separated from volume traffic, both at junctions and on the stretches of road between them.
    b. Cyclists must be separated from pedestrians.
    c. Cyclists must be treated as vehicles, not pedestrians.
    d. Routes must join together; isolated stretches of good provision are of little value.
    e. Routes must feel direct, logical and be intuitively understandable by all road users.
    f. Routes and schemes must take account of how users actually behave.
    g. Purely cosmetic alterations should be avoided.
    h. Routes should be designed only by those who have experienced the road on a cycle.
4. As many future cycle routes as possible in the Borough must be properly segregated from motor traffic.

5. To utilise/expand the existing Transport Forum to include cycling projects, involving cycling professionals and organisations that would be consulted in an official capacity on all future cycling infrastructure, with any recommendations of the panel incorporated into infrastructure designs.
6. To strengthen our outreach to include groups that have traditionally cycled less to ensure the Council is making effective efforts to increase their access to cycling through training, access to equipment/facilities, sign posting to safe routes etc, so that behavioural change is encouraged with all residents, not just those predisposed to cycling. Examples of the Council's existing outreach projects include:
    a. The Green Wheels Project - created to engage with the local community and give local residents the opportunity to learn key skills in bicycle maintenance, safety skills riding on public roads and participating in cycle rides to aid health and wellbeing.
    b. Living Under One Sun (LUOS) – providing cycling and walking activities in Tottenham.
    c. The Markfield Project – providing structured travel training for up to 7 young people and adults aged 16+ with learning disabilities and autism.
7. To work with residents, businesses, bike hire providers, other boroughs and/or the Mayor of London, to bring a publicly accessible trial bike hire provision to Haringey.
8. That by May 2021, reports should be brought to Cabinet:
    a) Outlining the work, the Council is already doing in assessing existing cycle routes to see if they fulfil the standards set out in the resolutions #1 and #2 and relevant cycle route design guidance from TfL and the DfT, detailing actions for resolving any identified deficiencies.
    b) Detailing a plan to reallocate enough road space, currently used for motor vehicle parking, so that it is repurposed for 'cycle corrals' or bike hangars to ensure that it is as easy to securely a park as a car where feasible.

CHAIR:

Signed by Chair …….

Date ……

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Report for: **Full Council**

Title: **Appointment to Monitoring Officer**

Authorised by : Zina Etheridge – Chief Executive

Lead Officer: **Ayshe Simsek – Democratic Services and Scrutiny Manager**

Ward(s) affected: **None**

Report for Key/
Non Key Decision: Non Key Decisions

1. Describe the issue under consideration

1.1 To confirm the appointment to the Monitoring Officer role.

2.Cabinet Member Introduction

2.1 N/A

3.Recommendations

3.1 That John Jones be appointed as Monitoring Officer on an interim basis until the appointment of the permanent Monitoring Officer.

3.2 That Fiona Alderman be appointed permanent Monitoring Officer with effect from 10 May 2021.

4.Background information

4.1 On the 1 of December John Jones was appointed on an interim basis to the role of Head of Legal and Governance. This was dealt with in accordance with paragraph 6 of the employment procedure rules set out in the Constitution at Part 4 Section K.

4.2 On the 29th of January, following a recruitment process in line with employment procedure rules set out in the constitution at part 4 Section K, Fiona Alderman was appointed to the role of Head of Legal and Governance.

4.3 The 1989 Local Government and Housing Act imposes a duty on the authority to designate one of their officers (to be known as the Monitoring Officer) as the officer responsible for performing the duties imposed under section 5 of the Act. The duties imposed on the authority's Monitoring officer under this Act shall be performed by him personally or, where he/she is unable to act owing to absence or illness, personally by such member of his staff as he has for the time being nominated as his deputy for the purposes of this section.

The role of Head of Legal and Governance is also designated as the Councils Monitoring Officer.

4.4 Article 11.01c – of the Constitution advises that the Council has to appoint officers to fulfil the statutory roles identified in Part 3, Section E, Section 3.

4.5 The recommendations meet the requirements of the 1989 Local Government and Housing Act and the Councils Contitutional provisions.

5.Use of Appendices

None

6. Local Government (Access to Information) Act 1985

6.1 Background documents:

6.2 The background papers are located at River Park House, 225 High Road, Wood Green, London N22 8HQ.

6.3 To inspect them or to discuss this report further, please contact Ayshe Simsek on 0208 489 2929.

Report for: Full Council, 1 March 2021

Title: Approval of Council Tax Reduction Scheme for 2021/22

Report authorised by: Jon Warlow, Director of Finance

Lead Officer: Jon Warlow, Director of Finance

Ward(s) affected: All wards

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 Council Tax Reduction Scheme 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 Following a consultation process in 2018, the scheme for 2019/20 was amended to increase the maximum level of support from 80.2% to 100% for working age claimants with children and to reflect some national welfare changes. This scheme continued unchanged for 2020/21.

1.3 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.

1.4 This report sets out details of the review of Haringey's current Council Tax Reduction Scheme (CTRS) 2020/21 and recommends that it continues unchanged for 2021/22.

1.5 The Council must approve the final scheme by 11th March 2021, even where the scheme remains unchanged ready for implementation on the 1st April 2021.

2. Cabinet Member Introduction: Cllr Adje, Cabinet Member for Finance and Strategic Regeneration Services

2.1 Since the decision taken in 2013 by the Government to abolish Council Tax Benefit, we recognise there has been a significant financial burden on many of the lowest income households in Haringey.

2.2 The significant cut to funding from Central Government meant Haringey had to design a scheme whereby working age claimants had to pay something towards their Council Tax.

2.3 The new scheme kept this payment as low as possible with a minimum 19.8% contribution towards their Council Tax. However, as part of the manifesto commitment to redistribute the burden of Council Tax and to reform the Council Tax Reduction Scheme the council increased the protection given to pensioners to include disabled claimants and working age claimants with children. This means that these groups continue to receive the same level of support as they did prior to the abolition of Council Tax Benefit.

2.4 Continuing the protection of these groups by maintaining the current scheme allowed the council to provide essential financial support to some of the most vulnerable residents in the borough and contribute to stated ambition of making Haringey a fairer borough for all to live in.

3. Recommendations

That Full Council:

3.1 Notes that an Equalities Impact Assessment (***Appendix 4)*** has been undertaken in relation to the Council Tax Reduction Scheme and that the findings of this EIA must be taken into account when making a decision regarding the Scheme for 2021/22.

3.2 Agrees to adopt the Council Tax Reduction Scheme 2021/22 as contained in Appendix 3 and therefore retains the same Scheme agreed for 2020/21. This means that from 01st April 2021;

I. That pensioners continue to receive support for the payment of Council Tax.
II. That working age claimants in receipt of certain disability benefits continue to receive support for the payment of Council Tax up to 100%.
III. That working age claimants with children continue to receive support for the payment for Council Tax up to 100%.
IV. For all other working age claimants, the extent of Council Tax Support available will continue to be capped at 80.2% of Council Tax liability.

3.3 Authority to be given to the Director of Finance, the Director of Customer, Transformation and Resources and Assistant Director of Corporate and Customer Services 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.

4.2 In recognition of the vulnerable sectors of society, additional supportive measures were put into the 2020/21 scheme giving increased protection to approximately 5,600 claimants, and it is proposed that these continue into 2021/22. Maintaining the current scheme ensures that these protected claimants will not be further disadvantaged.

4.3 Consideration has been given to revising the current scheme, however a longer period is needed to fully evaluate the impact of the last changes.

4.4 The real reduction in Council resources and service pressures have required the Council to implement significant annual expenditure reductions since 2011. These are forecast to continue for 2021/22 and future years. The affordability to the Council of the CTRS scheme therefore continues to be an important consideration.

4.5 Haringey 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.

4.6 ***Appendix 1*** breaks down all London LA schemes and some summary points are shown below:

- 15 LAs ask residents for a higher contribution to their Council Tax than Haringey including Enfield, Barnet, Waltham Forest, and Barking & Dagenham.
- Wandsworth and Harrow have the highest contribution level at 30% for non-disabled working age claimants.
- 10 LAs fully cover the shortfall including City of London, Kensington & Chelsea, and Westminster.

5. Background Information

5.1 As part of the Government's Welfare Reform Act, Council Tax Benefit was abolished and replaced with locally managed Council Tax Reduction Schemes from 1 April 2013 with a reduced level of funding and a mandate to protect pensioners from any changes.

5.2 Following financial modelling looking at claimant volumes, the number of pensioners in the area and anticipated collection figures, Haringey passed on the shortfall in funding to working age claimants by reducing the maximum level of Council Tax Reduction they could receive from 100% to 80.2%.

5.3 The consultation exercise in 2012 led to the Council extending the maximum of a 100% Council Tax Reduction to those in receipt of certain disability benefits. Further consultation in 2018 extended this protection to working age claimants with children, approximately 7,400 and 5,600 claimants, respectively.

5.4 Each year since 2013, we have collected approximately 84% of the Council Tax owed from those in receipt of CTRS, leaving us with a shortfall of over £1m per annum. Although we endeavour to pursue this debt, we are conscious that we are collecting from some of our most vulnerable residents and as such tend to collect via an attachment to benefits at a maximum of £14.80 per month.

5.5 The Council must consider whether to revise or replace its CTRS for each financial year, however, does not actually have to revise or replace it and can choose to make no changes.

5.6 This report proposes a continuation of the current Council Tax Reduction Scheme which includes the application method, entitlement criteria, ways to appeal, how to deal with changes of circumstances and notification styles.

5.7 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.

5.8 The CTRS is calculated on the net Council Tax after all statutory discounts and exemptions set out in the Local Government Finance Act 1992 have been applied. The Act provides several discounts and exemptions including for a Council Tax banding reduction in some circumstances where the property has been adapted for a disabled person. Persons with a severe mental impairment are also disregarded when determining liability to pay Council Tax.

5.9 In addition to CTRS, Section 13A of the Local Government Finance Act 1992 enables local authorities to reduce the amount of Council Tax payable to a group of taxpayers (Care Leavers) and on a case-by-case basis on the grounds of exceptional financial hardship.

6. Contribution to Strategic Outcomes

6.1 This recommendation links to all parts of the "People", "Economy" and "Your Council" Priorities of the Borough Plan, 2019-23.

6.2 Continuing to extend the maximum level of financial support for households with children will ease the financial burden of families in Haringey and promote better outcomes for children and young people. There are clear links between socio-economic and health inequalities, and therefore reducing the financial burden on recipients of Council Tax Reduction will contribute to wider positive life outcomes.

6.3 In addition, the scheme continues to provide financial support to those in low-paid employment and to those not in employment. The spending power of those recipients of Council Tax Reduction is likely to increase, which could have positive impacts on the local economy.

7. Statutory Officer Comments

Finance

7.1 The financial impact of the revised scheme introduced from 01 April 2019 was circa £1.1m through reduced Council Tax income. The 2019/20 Budget and 2019-2024 MTFS recognised this impact and assumed that it would continue across the planning period. Therefore, as the recommendation in this report is to make no changes to the scheme for 2021/22, there are no additional financial implications to highlight.

7.2 Should the Council consider consulting on changes for future years beyond 2021/22, the financial implications will be assessed at that time and built into the Council's overall financial plans as required.

Procurement

7.3 Strategic Procurement notes the contents of this report.

Legal

7.4 The Assistant Director of Corporate Governance has been consulted on this report. 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.

7.5 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 11 March in the financial year preceding that for which the revision or replacement scheme is to have effect.

7.6 This report recommends that Full Council retains the same provisions for the Council Tax Reduction Scheme 2021/22 that was agreed at Full Council on 26 November 2019 for the 2020/21 scheme so that it continues unchanged for 2020/21. Therefore, Full Council is being asked to agree the continuing adoption of the Council Tax Reduction Scheme from 1 April 2021 for the council tax year 2021/22.

7.7 Schedule 1A to the 1992 Act makes further provision about Council Tax Reduction Schemes including prescribing the consultation process that must be

followed. There is no obligation to consult as no changes are being recommended for the 2021/22 scheme.

7.8 Schedule 1A allows the Government to make regulations about the prescribed requirements for schemes. Any scheme that the Council adopts must comply with these regulations.

Equalities

7.9 The Council has a public sector equality duty under the Equality Act 2010 to have due regard to:

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

7.10 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/belief, sex, and sexual orientation. The first part of the duty also applies to the protected characteristic of marriage and civil partnership.

7.11 An Equality Impact Assessment (EqIA) has been completed, which assesses the potential impact of maintaining the current Council Tax Reduction Scheme (with no proposed changes) for 2021/22.

7.12 Maintaining the current CTRS will continue to have a neutral or positive impact for existing and future recipients of Council Tax Reduction across the protected characteristics. This is as all claimants, will either benefit or remain financially the same under a continuation of the scheme.

8. Use of Appendices

Appendix 1 – Summary of other London LA Schemes 2021/22
Appendix 2 – Equality Act 2010: The Public Sector Equality Duty
Appendix 3 – Haringey Council Tax Reduction Scheme
Appendix 4 – Equality impact assessment

9. Local Government Access to Information Act 1985

9.1 N/A

Appendix 1: Summary of other London LA Schemes 2020/21

Local Authority	Minimum Council Tax payment	Comment / Protection
Harrow (Outer)	30.00%	Claimants in receipt of certain disability premiums
Wandsworth (Inner)	30.00%	
Barnet (Outer)	28.00%	Increased from 20% in 17/18
Enfield (Outer)	24.50%	
Barking and Dagenham (Outer)	25.00%	
Bromley (Outer)	25.00%	
Ealing (Outer)	25.00%	
Havering (Outer)	20.00%	Claimants in receipt of certain disability premiums
Hillingdon (Outer)	10.00%	Claimants in receipt of certain disability premiums
Lewisham (Inner)	25.00%	Increased from 3% in 17/18
Redbridge (Outer)	15%	Claimants in receipt of certain disability premiums
Waltham Forest (Outer)	24.00%	
Bexley (Outer)	20.00%	
Brent (Outer)	0.00%	
Lambeth (Inner)	20.00%	Claimants in receipt of certain disability premiums
Haringey (Inner)	19.80%	Claimants in receipt of certain disability premiums Working age claimants with children minimum contribution 0%
Sutton (Outer)	20%	Claimants in receipt of certain disability premiums Families with children under 5
Hackney (Inner)	15.00%	
Croydon (Outer)	15.00%	Claimants in receipt of certain disability premiums Single claimants with children under 5
Greenwich (Outer)	0.00%	
Southwark (Inner)	0.00%	
Newham (Inner)	10.00%	Reduced from 20% in 17/18
Islington (Inner)	8.50%	
Camden (Inner)	0.00%	Reduced from 8.5% in 17/18
City of London (Inner)	0.00%	
Hammersmith and Fulham (Inner)	0.00%	
Hounslow (Outer)	0.00%	Reduced from 8.5% in 17/18
Kensington and Chelsea (Inner)	0.00%	
Kingston upon Thames (Outer)	0.00%	
Merton (Outer)	0.00%	
Richmond upon Thames (Outer)	0.00%	Reduced from 5% in 17/18
Tower Hamlets (Inner)	0.00%	
Westminster (Inner)	0.00%	

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

Appendix 2:
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 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 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.

Appendix 3

London Borough of Haringey
Council Tax Reduction Scheme

Appendix 3

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 and applicants responsible for a child(ren) or young person(s) in the same household 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 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.

Appendix 3

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 certain figures for working age claimants set out in the scheme may be uprated in line with changes to social security benefit rates for Housing Benefit, as prescribed in the Housing Benefit Regulations 2006 as amended from time to time.

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:

Audit and Risk Management can be contacted at:
Level 7 Alexandra House,
10 Station Road, Wood Green,
London, N22 7TR
Telephone: 020 8489 3768
Email: fraudcall@haringey.gov.uk

Appendix 3

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 26 November 2019.

These rules may be cited as the Council Tax Reduction Scheme 2020 and come into force on 1 April 2020. 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 1st April 2020 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 para- graph 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;

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

“approved blood scheme” means a scheme established or approved by the Secretary of State, or trust established with funds provided by the Secretary of State, for the purpose of providing compensation in respect of a person having been infected from contaminated blood products;

"assessment period" means--

(a) in relation to pensioners--

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

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

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

"attendance allowance" means--

(a) an attendance allowance under Part 3 of the SSCBA;

(b) an increase of disablement pension under section 104 or 105 of that Act;

(c) a payment by virtue of article 14, 15, 16, 43 or 44 of the Personal Injuries (Civilians)
Scheme 1983 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 and the Pensions Act 2014;

"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,

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Improvement and Regulation) (Northern Ire- land) 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;

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"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 pro- gramme 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;

"the Grenfell Tower charitable funds" means the funds identified in the document entitled "Charity
Commission for England and Wales – Grenfell Tower charitable funds update – 29th January 2019";

"the Grenfell Tower Residents' Discretionary Fund" means the £5 million fund announced on 16th
June 2017 and administered by Westminster City Council for the benefit of households affected by

the fire at Grenfell Tower on 14th June 2017;

"Grenfell Tower support payment" means any payment made by the council of the Royal Borough of Kensington and Chelsea to an individual as a result of the fire at Grenfell Tower on 14th June 2017;

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

Appendix 3

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

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

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

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

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

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

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

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

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

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

“the London Emergencies Trust” means the company of that name (number 09928465) incorporated on 23rd December 2015 and the registered charity of that name (number 1172307) established on 28th March 2017;

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

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

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

Appendix 3

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

"main phase employment and support allowance" means an employment and support allowance where the calculation of the amount payable in respect of the applicant includes a component under section 2(1)(b) or 4(2)(b) of the Welfare Reform Act 2007 or the applicant is a member of the work- related activity group except in Part 1 of Schedule 3;

"maternity leave" means a period during which a woman is absent from work because she is pregnant or has given birth to a child, and at the end of which she has a right to return to work either un- der 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 para- graph 29;

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

“member of the work-related activity group” means a person 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;

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"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;

"parental bereavement leave" means leave under section 80EA of the Employment Rights Act 1996;

"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 paternity leave by virtue of section 80A or 80B of the Employment Rights Act 1996;

"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;

Appendix 3

"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;

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"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) a person in respect of whom payment has been made from the Fund, the Eileen Trust,

MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support

Scheme, an approved blood scheme, the London Emergencies Trust, the We Love Manchester

Emergency Fund, the Grenfell Tower charitable funds, the Grenfell Tower Residents' Discretionary Fund, the Windrush Compensation Scheme or the London Bombings Relief Charitable Fund; or

(b) a person who has received a Grenfell Tower support payment;

"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;

“the Scottish Infected Blood Support Scheme” means the scheme of that name administered by the Common Services Agency (constituted under section 10 of the National Health Service (Scot- land) Act 1978);

“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;

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“shared parental leave” means leave under section 75E or 75G of the Employment Rights Act 1996;

"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;

"statutory parental bereavement pay" means a payment to which a person is entitled in accordance with section 171ZZ6 of the Social Security Contribution and Benefits Act 1992;

"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, 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 per- son 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;

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"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 un- der a charges scheme made under section 29A of the Water Industry (Scotland) Act 2002,

in so far as such charges are in respect of the dwelling which a person occupies as his home; “the We Love Manchester Emergency Fund” means the registered charity of that name (number 1173260) established on 30th May 2017;

"the Windrush Compensation Scheme" means—

(a) the scheme of that name operated by the Secretary of State for the purpose of compensating individuals who have suffered loss in connection with being unable to demonstrate their lawful status in the United Kingdom; and

(b) the policy entitled "Windrush Scheme: Support in urgent and exceptional circumstances" which was operated by the Secretary of State for the purpose of compensating individuals who, for urgent and exceptional reasons, required support in advance of the scheme referred to in paragraph (a) of this definition becoming operational;

"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.

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(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 re- striction 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 im- proving 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

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(ii) a body which conducts research or undertakes monitoring for the purpose of planning or im- proving 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 in- come-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 in- come-related employment and support allowance, or (bb) a person with an award of universal credit.

Meaning of "couple"

4

In this scheme "couple" means--

(a) two people who are married to, or civil partners of, each other and are members of the same household; or

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(b) two people who are not married to, or civil partners of, each other but are living together as if they were a married couple or civil partners.

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

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(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 of the Children Act 1989 or by a voluntary organisation under section 59(1)(a) of that Act, or section 81(2) of the Social Services and Well-being (Wales) Act 2014 (ways in which looked after children are to be accommodated and maintained), or in Scotland boarded out or placed with the applicant or the applicant's partner by a local authority under section 81 of the Social Services and Well-being (Wales) Act 2014 or by a voluntary organisation under section 59(1)(a) of the Children Act 1989; 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 Ire- land) 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

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(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--

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(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 house- hold 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.

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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 ab- sent 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, shared parental leave, parental bereavement 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.

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Part 3
Procedura
l 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.

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Class B: pensioners whose income is greater than the applicable amount 14

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

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

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

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

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

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

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

(i) amount A is the maximum council tax reduction in respect of the day in the applicant's case; and

(ii) amount B is 2 6/7 per cent of the difference between his income for the relevant week and his applicable amount, and

(g) who has made an application.

Class C: alternative maximum council tax reduction--pensioners 15

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

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

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

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

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

(e) who has made an application; and (f) in relation to whom the condition in sub-paragraph (2) is met.

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

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

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(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 per- sons 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

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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--

Appendix 3

(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 per- sons 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--

Appendix 3

(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

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(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 ex-

tended).

(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 ap- proved care or medical treatment;

(g) is receiving medically approved care provided in accommodation other than residential accommodation; (h) is a student;

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(i) is receiving care provided in residential accommodation and is not a person to whom sub-para- graph (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.

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(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 un- likely 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-para- graph (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 un- likely 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

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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;

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(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.

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(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 else- where;

(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 ap- proved 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-para- graph (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

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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—

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"continental shelf worker" means a person who is employed, whether under a contract of ser- vice 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

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(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;

(aa) regulation 14 of the EEA Regulations, but only in a case where the right exists under that regulation because the person is –

(i) a jobseeker for the purpose of the definition of "qualified person" in regulation 6(1) of those Regulations, or

(ii) a family member (within the meaning of regulation 7 of those Regulations) of such a jobseeker;

(b) regulation 16 of the EEA Regulations, but only in a case where the right exists under that regulation because the applicant satisfies the criteria in paragraph (5) of that regulation.

(4A) For the purposes of paragraph (3), a right to reside does not include a right which exists by virtue of a person having been granted limited leave to enter, or remain in, the United Kingdom under the Immigration Act 1971 by virtue of—

(a) article 3 (grant of leave to EEA and Swiss nationals) of the Immigration (European Economic

Area Nationals) (EU Exit) Order 2019 made under section 3A of that Act;

(b) Appendix EU to the immigration rules made under section 3(2) of that Act; or

(c) being a person with a Zambrano right to reside as defined in Annex 1 of Appendix EU to the immigration rules made under section 3(2) of that Act.

(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;

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(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; or

(ha) in receipt of an income-based jobseeker's allowance and has a right to reside other than a right to reside falling within paragraph (4).

(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 over- seas 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;

"Crown servant" means a person holding an office or employment under the

Crown "EEA Regulations" means the Immigration (European Economic Area)

Regulations 2016.

"Her Majesty's forces" has the same meaning as in the Armed Forces Act 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.

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(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 Eu- rope 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) ap- plies (except to the extent that a student may be entitled to an alternative maximum council tax reduction by virtue of paragraph 18).

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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 determined in accordance with paragraph 2 of that Schedule in respect of up to two individuals who are either children or young persons and who are members of his family;

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

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

(1A) For the purposes of sub-paragraph (1)(b) as it applies apart from sub-paragraph (1C), where the family includes more than two individuals who are either children or young persons and under paragraph 2 of that Schedule a different amount applies to different individuals, the two amounts to be included in the applicable amount shall be those that result in the greatest possible total amount.

(1B) Sub-paragraph (1C) applies where—

(a) (whether or not as part of a tax credit couple as defined in section 3(5A) of the Tax Credits Act 2002) the applicant has an award of child tax credit (whether or not any amount is payable by way of such credit) in respect of a child or young person who is a member of his family; and

(b) the total amount to be included in the applicable amount under sub-paragraph (1)(b) as substituted by sub-paragraph (1C) would be higher than the total amount that would be included under paragraph (1)(b) apart from sub-paragraph (1C).

(1C) Where this paragraph applies, for sub-paragraph (1)(b) substitute—

(b) an amount determined in accordance with paragraph 2 of that Schedule in respect of any child or young person who is a member of his family and in respect of whom the individual element of child tax credit has been included in the determination of the maximum rate of that credit;”

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(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.

Transitional provision

25A

(1) This paragraph 25A applies where—

(a) on 31st March 2018, a person is liable to pay council tax at a reduced rate by virtue of a council tax reduction under an authority's scheme established under section 13A(2) of the Local Government Finance Act 1992 (“a section 13A(2) scheme”); and

(b) the person is, or the person and the person's partner are between them, responsible for more than two individuals who are either children or young persons and who are members of the same household (each such individual is referred to as a “protected individual”).

(2) Where this paragraph 25A applies, paragraph 25 does not apply to the person entitled to a council tax reduction referred to in paragraph (1) until—

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

(b) the person or the person's partner (if any) becomes responsible for a new individual,

whichever is the first to occur.

(3) Paragraphs (4) to (8) apply where—

(a) the provisions of paragraph 25 apply by virtue of paragraph (2)(b);

(b) the child tax credit provisions do not apply; and

(c) the person has not made a new application for a reduction under an authority's scheme for a reduction under an authority's section 13A(2) scheme.

(4) Notwithstanding the default provisions, a child amount shall be included in the applicable amount in relation to any protected individual, in relation to any time when the person or the person's partner (if any) is responsible for the individual and the individual is a member of the same house- hold.

(5) Paragraph (6) applies where—

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(a) the person or the person's partner (if any) is responsible for one or more protected individuals who are members of the same household; and

(b) either of them is responsible for one or more new individuals who are members of the same household.

(6) Where this paragraph applies, any protected individual for whom the person or the person's partner is responsible is to be counted for the purpose of deciding whether, under the default provisions, an additional child amount is to be included in the applicable amount with respect to the new individual or individuals referred to in paragraph (5)(b).

(7) Paragraph (8) applies where—

(a) the number of protected individuals for whom either the person or the person's partner (if any) is responsible, and who are members of the same household, is one;

(b) the number of new individuals for whom either the person or the person's partner is responsible, and who are members of the same household, is two or more; and

(c) a different child amount would apply to different individuals.

(8) Where this paragraph applies, the child amounts to be included in the applicable amount shall be—

(a) the child amount in relation to the protected individual; and

(b) a child amount in relation to such one of the new individuals as will result in the greatest possible total amount.

(9) Under paragraph (3), for the purposes of determining whether the child tax credit provisions apply, by virtue of paragraph 6(1B) of Schedule 1 to the 2012 Regulations, where the person or the person's partner is responsible for one or more protected individuals, the total amount that would be included in the applicable amount under the default provisions shall be taken to be the total that would be included under paragraphs (4), (6) and (8).

(10) For the purposes of this part—

(a) “the 2012 Regulations” means the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012;

(b) “applicable amount”, “child”, “partner” and “young person” have the same meanings as in the 2012 Regulations;

(c) “child amount” means the amount determined under paragraph 2 of Schedule 2 to the 2012

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Regulations;

(d) "child tax credit provisions" means the provisions of paragraph 6(1)(b) of Schedule 1 to the
2012 Regulations (as substituted by paragraph 6(1C) of that Schedule);

(e) "default provisions" means the provisions of paragraph 6(1)(b) of Schedule 1 to the 2012 Regulations (as substituted by paragraph 6(1C) of that Schedule);

(f) "new individual" means a child or young person who is not a protected individual;

(g) any reference to an individual being part of the same household means being part of the same household with the person who is entitled to a reduction under an authority's section 13A(2) scheme and the person's partner (if any);

(h) a person is to be treated as responsible for a child or young person in the circumstances set out in regulation 7 of the 2012 Regulations.

Applicable amounts: persons who are not pensioners

26

(1) Subject to paragraphs 27 and 28, the applicable amount for a week for a person who is not a pensioner is the aggregate of such of the following amounts as may apply in his case--

(a) an amount in respect of himself or, if he is a member of a couple, an amount in respect of both of them, determined in accordance with paragraph 1 of Schedule 3;

(b) an amount in respect of any child or young person who is a member of his family, determined in accordance with paragraph 3 of that Schedule;

(c) if he is a member of a family of which at least one member is a child or young person, an amount determined in accordance with Part 2 of that Schedule (family premium);

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

(e) the amount of the 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

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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 para- graph 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 the 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--

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(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 Un- der this Scheme and Amount of Reduction

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

2

9

(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) to (e) below, 80.2 per cent of the amount A/B if the applicant is a per- son 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;

(viii) Armed Forces Independence Payment;

(ix) Support component of Employment and Support Allowance

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(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

(e) 100 per cent of the amount A/B if the applicant is not a pensioner but is responsible for a child or young person in the same household

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-de- pendant 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 maxi- mum 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.

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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, £12.40 x 1/7;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, £4.05 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 £217.00, the deduction to be made under this paragraph is that specified in sub-

paragraph (1)(b);

(b) not less than £217.00 but less than £377.00, the deduction to be made under this paragraph is £8.25 x 1/7;

(c) not less than £377.00 but less than £469.00, the deduction to be made under this paragraph is £10.35 x 1/7.

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

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

(5) Where in respect of a day--

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

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

(c) the person to whom paragraph (a) refers is a non-dependant of two or more of the liable per- sons,

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

(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--

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(a) severely sight-impaired or blind or treated as such by virtue of by virtue of sub-paragraphs
(12) or (13) below; 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 else- where; 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.

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(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, the Scottish Infected Blood Support Scheme, an ap- proved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Grenfell Tower charitable funds, the Grenfell Tower Residents' Discretionary Fund, the Windrush Compensation Scheme; or the Independent Living Fund (2006) which are paid as income in kind (see sub-para- graph (13)); and

(ba) any Grenfell Tower support payment which is paid as income in kind (see sub-paragraph (13))

(c) the payments set out in sub-paragraph (10).

(10) The payments mentioned in sub-paragraph (9) are—

(a) any payment made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Scottish Infected Blood Support Scheme, an ap- proved blood scheme, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Grenfell Tower charitable funds, the Grenfell Tower Residents' Discretionary Fund, the Windrush Compensation Scheme or the Independent Living Fund (2006);

(aa) any Grenfell Tower support payment;

(b) 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 paragraph (a) refers or from a Grenfell Tower support payment and which is made to or for the benefit of—

(i) 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;

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(ii) 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

(iii) 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;

(c) 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 paragraph (a) refers or from a Grenfell Tower support payment and which is made to or for the benefit of—

(i) the person who is suffering from haemophilia or who is a qualifying person;

(ii) 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

(iii) 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;

(d) 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 paragraph (a) refers or from a Grenfell Tower support payment, where—

(i) 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

(ii) the payment is made either—

(aa) to that person's parent or step-parent, or

(bb) 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 per- son's death;

(e) 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 para- graph (a) refers or from a Grenfell Tower support payment, where—

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(i) 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 partner- ship that has not been dissolved, nor any child or young person who was or had been a member of his family; and

(ii) the payment is made either—

(aa) to that person's parent or step-parent, or

(bb) 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;

(f) in the case of a person to whom or for whose benefit a payment referred to in this subparagraph is made, any income which derives from—

(i) any payment of income or capital made under or deriving from any of the Trusts referred to in paragraph (a); or

(ii) a Grenfell Tower support payment;.

(g) any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disability was caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

(11) An applicant or his partner is severely sight-impaired or blind or treated as such for the purposes of sub-paragraph (6)(a) if the applicant or his partner—

(a) is registered as severely sight-impaired in a register kept by a local authority in Wales un- der section 18(1) of the Social Services and Well-being (Wales) Act 2014]; or

(b) is registered as severely sight-impaired in a register kept by a local authority in England under section 77(1) of the Care Act 2014 (registers of sight-impaired adults); or

(c) 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.

(11A) For the purposes of sub-paragraph (8), “earned income” has the meaning given in regulation 52 of the Universal Credit Regulations 2013.]

(12) For the purposes of sub-paragraph (11), a person who has ceased to be registered as severely sight-impaired or] blind on regaining his eyesight is nevertheless to be treated as such for a period of 28 weeks following the date on which he ceased to be so registered.

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(13) The reference in sub-paragraph (9)(b) 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.

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, the figures as provided for at 30 (1) (a) above;

(b) in respect of a non-dependant aged 18 or over to whom paragraph (a) does not apply, the figures as provided for at 30 (1) (b) above.

(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 the figures as provided for at 30 (2) (a) above, the deduction to be made under this paragraph is that specified in sub-paragraph (1)(b);

(b) in accordance with the figures as provided for at 30 (2) (b) above;

(c) in accordance with the figures as provided for at 30 (2) (c) above.

(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 per- sons,

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

(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 else- where; 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.

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(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 Re- duction Under this Scheme and Amount of Reduction

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

3

1

(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 re- duction).

(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), subparagraph (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

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(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 maxi- mum 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.

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(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 pro- visions 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-depend- ant 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

Appendix 3

(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 deter- mining 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--

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(a) the Secretary of State notifies the authority that the applicant's capital has been determined as being £16,000 or less or the authority determines his capital as being £16,000 or less; (b) subsequent to that determination the applicant's capital rises to more than £16,000; and

(c) the increase occurs whilst there is in force an assessed income period within the meaning of sections 6 and 9 of the State Pension Credit Act 2002.

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

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

37

(1) In determining the income of an applicant--

(a) who has, or

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

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

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

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

(a) the amount of the award of universal credit, determined in accordance with sub-paragraph (3);

(b) paragraph 34 (circumstances in which income and capital of non-dependant is to be treated as applicant's), if the authority determines that the provision applies in the applicant's case;

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

(4) The amount for the award of universal credit to be taken into account for the purposes of 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-para- graph (3).

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

(a) who has, or

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(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);

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(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 support payment under section 30 of the Pensions Act 2014;

(xiv) statutory sick pay;

(xv) statutory maternity pay;

(xvi) statutory paternity pay payable under Part 12ZA of the SSCBA;

(xvia) statutory shared parental pay payable under Part 12ZC of the SSCBA;

(xvib) statutory parental bereavement pay under Part 12ZD of that Act

(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;

(xx) carer's allowance supplement payable under section 81 of the Social Security (Scotland) Act 2018;

(xxi) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018;

(xxii) funeral expense assistance given in accordance with section 34 of that Act;

(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

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(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 by a government to victims of National Socialist;

(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 copy- right, 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;

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(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), or retirement pension income to which section 16(1)(za) to (e) f the State Pension Credit Act 2002 applies, is subject to any deduction (other than an adjustment specified in sub-paragraph (4)) the amount to be taken into account under sub-paragraph (1) is to be the amount before the deduction is made.

(3) Where an award of any working tax credit or child tax credit is subject to a deduction by way of recovery of an overpayment of working tax credit or child tax credit which arose in a previous tax year the amount to be taken into account under sub-paragraph (1) is to be the amount of working tax credit or child tax credit awarded less the amount of that deduction.

(4) The adjustments specified in this sub-paragraph are those made in accordance with--

(a) the Social Security (Overlapping Benefits) Regulations 1979;

(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 sup- port allowance in respect of pensions and councillor's allowances) and regulations made under it;

(e) section 14 of the Pensions Act 2014 (pension sharing: reduction in sharer's section 4 pension);

(f) section 45B or 55B of the Social Security Contributions and Benefits Act 1992 (reduction in additional pension in Category A retirement pension and shared additional pension: pension sharing).

(5) In sub-paragraph (1)(w), "equity release scheme" means a loan--

(a) made between a person ("the lender") and the applicant;

(b) by means of which a sum of money is advanced by the lender to the applicant by way of payments at regular intervals; and

(c) which is secured on a dwelling in which the applicant owns an estate or interest and which he occupies as his home.

Calculation of weekly income: pensioners

40

(1) Except in a case within sub-paragraph (2), (3A), 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--

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(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 deter- mined--

(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 para- graph, and the first day of each reduction

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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 copy- right, 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.

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(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 in- come; and

(b) the capital specified in Part 2 is disregarded for the purpose of determining an applicant's in- come 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;

(ia) statutory shared parental pay payable under Part 12ZC of the SSCBA;

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(j) statutory adoption pay payable under Part 12ZB of that Act;

(ja) statutory shared parental pay under Part 12ZC of that Act;

(jb) statutory parental bereavement pay under Part 12ZD of that Act;

(l) statutory adoption pay payable under Part 12ZB of that Act;

(m) 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-para- graph (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) ap- plies, 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, statutory paternity pay, statutory shared parental pay, statutory parental bereavement 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 un- der 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

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(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 aver- age 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

4

4

(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 of the Children Act 1989 or, as the case may be, section 26 or 26A of the Children (Scotland) Act 1995 or in Wales placed with the applicant or the applicant's partner by a local authority under section 81 of the Social Services and Well-being (Wales) Act 2014; 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 where the payment is for the provision of accommodation in respect of the meeting of that person's needs under section 18 or 19 of the Care Act 2014 (duty and power to meet needs for care and support);

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

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

(vi) the persons concerned where the payment is for the provision of accommodation to meet that person's needs for care and support under section 35 or 36 of the Social Services and Well-being (Wales) Act 2014 (respectively, duty and power to meet care and support needs of an adult);

(da) any payment or part of a payment made by a local authority in accordance with section 26A of the Children (Scotland) Act 1995 (duty to provide continuing care) to a person ("A") which
A passes on to the applicant where A—

(i) was formerly in the applicant's care;

(ii) is aged 16 or over; and

(iii) continues to live with the applicant;

(db) any payments made to an applicant under section 73(1)(b) of the Children and Young People (Scotland) Act 2014 (kinship care assistance: further provisions);

(e) any sports award.

Notional income: pensioners

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(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 or 55AA of the SSCBA;

(c) graduated retirement benefit payable under sections 36 and 37 of the National Insurance Act 1965; (d) a state pension under Part 1 of the Pensions Act 2014.

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(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;

(c) in the case of graduated retirement benefit, in the circumstances specified in section 36(4) and (4A) of the National Insurance Act 1965;

(d) in the case of a state pension under Part 1 of the Pensions Act 2014, in the circumstances specified in section 17(7) and (8) of that Act.

(4) This sub-paragraph applies where a person who has attained the qualifying age for state pension credit--

(a) is entitled to money purchase benefits under an occupational pension scheme or a personal pension scheme;

(b) fails to purchase an annuity with the funds available in that scheme; and

(c) either--

(i) defers in whole or in part the payment of any income which would have been payable to him by his pension fund holder, or

(ii) fails to take any necessary action to secure that the whole of any income which would be payable to him by his pension fund holder upon his applying for it, is so paid, or

(iii) income withdrawal is not available to him under that scheme.

(5) Where sub-paragraph (4) applies, the amount of any income foregone is to be treated as possessed by that person, but only from the date on which it could be expected to be acquired were an application for it to be made.

(6) The amount of any income foregone in a case where sub-paragraph (4)(c)(i) or (ii) applies is to be the rate of the annuity which may have been purchased with the fund and must be determined by the authority, taking account of information provided by the pension fund holder.

(7) The amount of any income foregone in a case where sub-paragraph (4)(c)(iii) applies is to be the income that the applicant could have received without purchasing an annuity had the funds held under the relevant scheme been held under a personal pension scheme or occupational pension scheme where income withdrawal was available and is to be determined in the manner specified in sub-para- graph (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), (11A), (11B) 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

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or benefit under Sched- ule 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.

(11A) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension under section 8(2) of the Pensions Act 2014, alters that choice in accordance with Regulations made under section 8(7) of that Act in favour of a lump sum.

(11B) Sub-paragraph (9) does not apply in respect of the amount of an increase of pension where a person, having made a choice in favour of that increase of pension in accordance with Regulations made under section 10 of the Pensions Act 2014, which include provision corresponding or similar to section 8(2) of that Act, alters that choice in favour of a lump sum, in accordance with Regulations made under section 10 of that Act, which include provision corresponding or similar to Regulations made under section 8(7) of that Act.

(11C) In sub-paragraph (11A), “lump sum” means a lump sum under section 8 of the Pensions Act 2014.

(11D) In sub-paragraph (11B), “lump sum” means a lump sum under Regulations made under section 10 of the Pensions Act 2014 which include provision corresponding or similar to section 8 of that Act.

(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).

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(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

46

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

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

(a) a bankruptcy order has been made in respect of the person in respect of whom the payment has been made or, in Scotland, the estate of that person is subject to sequestration or a judicial factor has been appointed on that person's estate under section 41 of the Solicitors (Scotland) Act 1980;

(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--

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(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-para- graph (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

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(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;

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(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-para- graph (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

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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) ap- plies, 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 ac- count 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

Appendix 3

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 copy- right, 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

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(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-para- graph (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 pay- able.

(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 dis- missed 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 per- son who was not entitled to a reduction under this scheme immediately before he abandoned or was dismissed from his

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course, had that person, at that time, been entitled to housing benefit; (d) D = the number of reduction weeks in the assessment period.

(8) Where a relevant payment is made by two or more instalments in a quarter, the amount of a relevant payment to be taken into account for the assessment period for the purposes of subparagraph (1) in respect of a person to whom 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 de- pendants referred to in paragraph 76(7) or both.

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

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

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

Capital treated as income: persons who are not pensioners

55

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

56

(1) An applicant who is not a pensioner is to be treated as possessing income of which he has deprived himself for the purpose of securing entitlement to a reduction under a council tax reduction scheme or increasing the amount of the reduction.

(2) Except in the case of-- (a) a discretionary trust;

(b) a trust derived from a payment made in consequence of a personal injury;

(c) a personal pension scheme, occupational pension scheme or a payment made by the Board of the Pension Protection Fund where the applicant has not attained the qualifying age for state pension credit;

(d) any sum to which paragraph 50(2)(a) of Schedule 10 (capital disregards: persons who are not pensioners) applies which is administered in the way referred to in paragraph 50(1)(a);

(e) any sum to which paragraph 51(a) of Schedule 10 refers;

(f) rehabilitation allowance made under section 2 of the Employment and Training Act 1973;

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(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;

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(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 ser- vices 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 pro- gramme as defined in regulation 19(3) of those Regulations for

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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 under- taken 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 per- sons 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

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(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: per- sons 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;

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(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 un- der regulation 8B of the Social Security (Credits) Regulations 1975.

(3) This sub-paragraph applies to a person who was engaged in remunerative work immediately be- fore--

(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) ap- ply, and are to be calculated on a weekly basis in accordance with sub-paragraph (9).

(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

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(circumstances in which a per- son 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 circum- stances 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

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(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 by a person who is employed, or engaged under a contract for services, to provide care and support by the provider of a domiciliary support service within the meaning of Part 1 of the Regulations and Inspection of Social Care (Wales) Act 2016; or

(m) by a person who is not a relative of the child wholly or mainly in the child's home.

(9) Relevant child care charges must be estimated over such period, not exceeding a year, as is ap- propriate 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. (10) For the purposes of sub-paragraph (1)(c) the other member of a couple is incapacitated where--

(a) he is aged not less than 80;

(b) he is aged less than 80, and--

(i) an 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 other member of the couple would be a member of the support group or 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;

(d) 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;

(e) 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;

(f) there is payable in respect of him one or more of the following pensions or allowances--

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(i) long-term incapacity benefit or short-term incapacity benefit at the higher rate under Sched- ule 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;

(g) a pension or allowance or payment to which sub-paragraph (v), (vii) or (viii) of paragraph (f) above refers was payable on account of his incapacity but has ceased to be payable in consequence of his becoming a patient, which in this 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;

(h) 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;

(i) 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 Re- form Act 2012 (hospital in-patients);

(j) 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;

(k) paragraph (f), (g), (h) or (i) 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

(l) 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

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in Northern Ireland under Article 30(1) of the Health and Personal Social Services (Northern Ireland) Order 1972.

(11) For the purposes of sub-paragraph (10), once sub-paragraph (10)(d) 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.

(12) For the purposes of sub-paragraph (10), once sub-paragraph (10)(e) 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.

(13) 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 severely sight-impaired in a register kept under section 77(1) of the Care Act 2014 (registers of sight-impaired adults) 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 is registered as severely sight-im- paired in a register kept by a local authority in Wales under section 18(1) of the Social Services and Well-being (Wales) Act 2014; or

(d) who ceased to be registered as blind or severely sight-impaired 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.

(14) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave, shared pa- rental leave, parental bereavement leave or adoption leave is to be treated as if he is engaged in remunerative work for the period specified in sub-paragraph (15) (“the relevant period”) provided that—

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(a) in the week before the period of maternity leave, paternity leave, shared parental leave, parental bereavement 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, statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, statutory adoption pay by virtue of section 171ZL of that Act, maternity allowance under section 35 of that Act, statutory shared parental pay by virtue of section 171ZU or 171ZV of that Act, statutory parental bereavement pay by virtue of section 171ZZ6 of that Act or qualifying support.

(15) For the purposes of sub-paragraph (14) the relevant period begins on the day on which the per- son's maternity, paternity leave, shared parental leave, parental bereavement 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 shared parental pay, statutory parental bereavement 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, statutory shared parental pay, statutory parental bereavement 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 shall occur first.

(16) In sub-paragraphs (14) and (15)--

(a) "qualifying support" means income support to which that person is entitled by virtue of para- graph 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).

(17) In sub-paragraphs (6), (8)(a) and (13)(d), “the first Monday in September” means the Monday which first occurs in the month of September in any year.

Treatment of child care charges: persons who are not 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 un- der regulation 8B of the Social Security (Credits) Regulations 1975.

(3) This sub-paragraph applies to a person who was engaged in remunerative work immediately be- fore--

(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) ap- ply, 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

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(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 per- son 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

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(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 circum- stances 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 in- formation 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 other member is a member of the work-related activity group 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 other member of the couple would be a member of the support group or 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;

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(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 per- son but for a suspension of benefit in accordance with regulations under section 86 of the Welfare Reform Act 2012 (hospital in-patients);

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(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.

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(15) For the purposes of sub-paragraph (1) a person on maternity leave, paternity leave, shared pa- rental 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, statutory paternity pay by virtue of section 171ZA or 171ZB of that Act, statutory adoption pay by of section 171ZL of that Act, maternity allowance under section 35 of that Act, statutory shared parental pay by virtue of section 171ZU or 171ZV of that Act or qualifying support.

(16) For the purposes of sub-paragraph (15) the relevant period begins on the day on which the per- son's maternity, paternity leave, shared parental 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, statutory shared parental 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, statutory shared parental 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 para- graph 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

Appendix 3

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 or a state pension under Part 1 of the Pensions Act 2014; (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

Appendix 3

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.

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(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 employ- ment;

(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 capi- tal 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,

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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 pe- riod; and for the purposes of this paragraph the daily amount of the qualifying premium must be deter- mined--

(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 re- spect of a personal pension scheme and is so payable on or after the date of application.

Calculation of deduction of tax and contributions of self-employed earners 62

(1) The amount to be deducted in respect of income tax under paragraph 61(1)(b)(i), (3)(b)(i) or
(9)(a)(i) (calculation of net profit of self-employed earners) must be calculated--

(a) on the basis of the amount of chargeable income, and

(b) as if that income were assessable to income tax at the basic rate, or in the case of a Scottish taxpayer, the Scottish basic rate, of tax applicable to the assessment period less only the personal reliefs to which the applicant is entitled under Chapters 2, 3 and 3A of Part 3 of the Income Tax Act 2007 as are 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

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the applicant's chargea- ble 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 appli- cable 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 as- sessment 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 ex- penses 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 pay- ment 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.

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(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 em- ployed 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 ap- plicant's account.

(6) In the case of employment as an employed earner, any advance of earnings or any loan made by the applicant's employer is to be treated as capital.

(7) Any charitable or voluntary payment which is not made or due to be made at regular intervals, other than a payment which is made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the Independent Living Fund (2006) or the London Bomb- ings 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 per- son 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 receiv- ing 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

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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 King- dom 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 encum- brances secured on it.

Notional capital

67

(1) An applicant is to be treated as possessing capital of which he has deprived himself for the pur- pose of securing entitlement to a reduction or increasing the amount of that reduction except to the ex- tent 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.

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(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 pen- sion 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 Liv- ing Fund (2006), the Skipton Fund, the Caxton Foundation, or the London Bombings Relief Charita- ble Fund;

(b) pursuant to section 2 of the Employment and Training Act 1973 in respect of a person's partic- ipation--

(i) in an employment programme specified in regulation 75(1)(a)(ii) of the Jobseeker's Allow- ance 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 Regula- tions; 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--

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(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 fore- going 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 satis- fied; 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

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(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 capi- tal he is treated as possessing for the purposes of sub-paragraph (1)(a) must be equal to the aggre- gate of--

(a) an amount equal to the additional amount of the reduction in council tax to which sub-para- graph (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 re- spect 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 regu- lation 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 Allow- ance 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 re- spect 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,

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within the meaning of regu- lation 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 at- tained 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 en- titled; 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 Regu- lations 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 rele- vant amount") is in respect of a part-week, the amount that is to be taken into account under that para- graph 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-para- graph 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 fol- lowing 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-para- graph (11), the date on which he last made an application which resulted in the weekly amount being re-determined, or

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(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 in- come-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-de- termining 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

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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 satis- fied; 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 pension- ers, 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 capi- tal 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-para- graph (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-para- graph (2) refers but for the application of regulation 51(1) of the Income Support (General) Regula- tions 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 re- spect of the whole or part of the reduction week to

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which sub-paragraph (2) refers but for the appli- cation of regulation 115 of the Employment and Support Allowance Regulations 2008 (notional capi- tal).

(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 rele- vant 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 bene- fit 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 en- titled; 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 Regu- lations 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 rele- vant amount") is in respect of a part-week, the amount that is to be taken into account under that para- graph 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

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(b) subject to sub-paragraph (9), the amount as re-determined has effect from the first week fol- lowing 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-para- graph (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 in- come-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-de- termining 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;

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"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 provi- sions 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--

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"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 pur- pose 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 Ire- land) 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 stu- dents in further education by institutions out of funds provided by the Secretary of State under section 14 of the Education Act 2002, 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 rea- sonable 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;

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"covenant income" means the gross income payable to a full-time student under a Deed of Cove-

nant 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 depart- ment, 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, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 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, or under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 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, in the student's learning agree- ment signed on behalf of the establishment which is funded by the Secretary of State 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 col- lege of further education and involves--

(i) more than 16 hours per week of classroom-based or workshop-based programmed learn- ing 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 pack- ages 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;

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"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 pay- ment from access funds or any payment to which paragraph 16 of Schedule 8 or paragraph 55 of Schedule 10 (allowances and payments for courses of study) applies;

"grant income" means--

(a) any income by way of a grant;

(b) any contribution whether or not it is paid;

"higher education" means higher education within the meaning of Part 2 of the Further and Higher Education (Scotland) Act 1992;

"last day of the course" means--

(a) in the case of a qualifying course, the date on which the last day of that course falls or the date on which the final examination relating to that course is completed, whichever is the later; (b) in any other case, the date on which the last day of the final academic term falls in respect of the course in which the student is enrolled;

"period of study" means--

(a) in the case of a course of study for one year or less, the period beginning with the start of the course and ending with the last day of the course;

(b) in the case of a course of study for more than one year, in the first or, as the case may be, any subsequent year of the course, other than the final year of the course, the period beginning with the start of the course or, as the case may be, that year's start and ending with either--

(i) the day before the start of the next year of the course in a case where the student's grant or loan is assessed at a rate appropriate to his studying throughout the year or, if he does not have a grant or loan, where a loan would have been assessed at such a rate had he had one; or

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

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

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

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

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

"standard maintenance grant" means--

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(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 par- agraph 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 Regu- lations 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 un- der section 22 of the Teaching and Higher Education Act 1998, section 73 of the Education (Scot- land) 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' Allow- ances (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 mod- ular 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.

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(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 relat- ing 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 retak- ing 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 con- sidered 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 provi- sions 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 se- vere disability premium;

(d) whose applicable amount would include the disability premium but for his being treated as ca- pable 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 pur- pose any two or more separate periods separated by a break of not more than 56 days must be treated as one continuous period;

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(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 Regu- lations 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 organi- sation 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 edu- cation, 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 un- der 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-para- graph (8) if--

(a) at any time during an academic year, with the consent of the relevant educational establish- ment, 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-para- graph (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;

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(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 stu- dent 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

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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 contribu- tion 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 spec- ified 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.

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(2) Where a student is in receipt of income by way of a grant and no contribution has been as- sessed, 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 in- come 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 in- tended 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 pay- able 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,

Appendix 3

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 fol- lows, the first day of that academic year, and

(ii) ending with the reduction week, the last day of which coincides with or immediately pre- cedes, 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 dura- tion), a loan which is payable in respect of that final academic year is to be apportioned equally be- tween 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 be- ginning 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.

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(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 re- spect of that year; and (ii) no deduction in that loan was made by virtue of the application of a means test.

(5) There must be deducted from the amount of income taken into account under sub-paragraph (4)-

-

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

(b) the sum of £390 per academic year towards the cost of books and equipment,

whether or not any such costs are
incurred.

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

Treatment of payments from access funds

82

(1) This paragraph applies to payments from access funds that are not payments to which para- graph 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 ap- plicant 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,

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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 re- ceipt 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 in- come.

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 as- sessing 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 con- tributory 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 in- come-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 entitle- ment 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 ex- tended 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 (quali- fying 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.

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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 Mon- day 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 be- fore 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 author- ity, 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

9

2

(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 88(1)(b), that reduction does not cease to have effect until the end of the extended reduction period.

(2) Part 13 (when entitlement begins and change of circumstances) does not apply to any extended reduction (qualifying contributory benefits) payable in accordance with paragraph 90(1)(a) or paragraph 91(2) (amount of extended reduction--movers: pensioners).

Continuing reductions where state pension credit claimed: pensioners

93

(1) This paragraph applies where--

(a) the applicant is entitled to a reduction under this scheme;

(b) sub-paragraph (2) is satisfied; and

(c) either--

(i) the applicant has attained the qualifying age for state pension credit; or (ii)

the applicant's partner has actually claimed state pension credit.

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(2) This sub-paragraph is only satisfied if the Secretary of State has certified to the authority that the applicant's partner has actually claimed state pension credit or that--

(a) the applicant's award of--

(i) income support has terminated because the applicant has attained the qualifying age for state pension credit; or

(ii) income-based jobseeker's allowance or income-related employment and support allowance has terminated because the applicant has attained the qualifying age for state pension credit; and

(b) the applicant has claimed or is treated as having claimed or is required to make a claim for state pension credit.

(3) Subject to sub-paragraph (4), in a case to which this paragraph applies, a person continues to be entitled to a reduction under this scheme for the period of 4 weeks beginning on the day following the day the applicant's entitlement to income support or, as the case may be, income-based jobseeker's allowance, income-related employment and support allowance, ceased, if and for so long as the appli- cant 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 re- duction week, then a reduction under this scheme must continue to be awarded until the end of the re- duction 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

Appendix 3

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 appli- cant'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 in- come-related benefit, jobseeker's allowance or a combination of those benefits for a continuous pe- riod of at least 26 weeks before the day on which the entitlement to a qualifying income-related ben- efit 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 entitle- ment 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.

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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 appli- cant'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.

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(2) The amount of the extended reduction awarded from the Monday from which this paragraph ap- plies 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 author- ity, 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

9

9

(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 par- agraph 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 par- agraph 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 con- tributory 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

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(d) the applicant or the applicant's partner was not entitled to and not in receipt of a qualifying in- come-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 entitle- ment 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

1
0
1

(1) Where an applicant is entitled to an extended reduction (qualifying contributory benefits), the ex- tended reduction period starts on the first day of the reduction week immediately following the reduc- tion week in which the applicant, or the applicant's partner, ceased to be entitled to a qualifying contrib- utory 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 pension- ers

1
0
2

(1) For any week during the extended reduction period the amount of the extended reduction (quali- fying 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 fall- ing 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 pension- ers) 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 author- ity, 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

1

0

4

(1) Where an applicant's reduction under this scheme would have ended when the applicant ceased to be entitled to a qualifying contributory benefit in the circumstances listed in paragraph 100(1)(b), that reduction does not cease until the end of the extended reduction period.

(2) Paragraphs 106 and 107 (dates on which entitlement begins and change of circumstances take effect) do not apply to any extended reduction (qualifying contributory

benefits) payable in accordance with paragraph 102(1)(a) or 103(2) (amount of extended reduction--movers: persons who a re not pensioners).

Chapter 3
Extended Reductions: Movers in the Authority's Area

Extended reductions: applicant moving into the authority's area

105

Where--

(a) an application is made to the authority ("the current authority") for a reduction under this scheme, and

(b) the applicant, or the partner of the applicant, is in receipt of an extended reduction from--

(i) another billing authority in England; or

(ii) a billing authority in Wales,

the current authority must reduce any reduction to which the applicant is entitled under this scheme by the amount of that extended reduction.

Part 13
When Entitlement Begins and Change of Circumstances

Date on which entitlement begins

106

(1) Subject to sub-paragraph (2), any person by whom or in respect of whom an application for a re- duction 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 circum- stances which affects entitlement to, or the amount of, a reduction under this scheme ("change of cir- cumstances"), takes

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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 re- spect 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 appropri- ate 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

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(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 com- mence 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 satis- fied. 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.

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(17) In determining whether it is reasonable to grant an application for the purposes of sub-para- graph (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 ap- plication 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 pay- able 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

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(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 re- duced 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 re- ceives under this scheme, the change takes effect from the first day of the reduction week next follow- ing 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 re- sults 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 ap- plicant or his partner and this would result in an increase in the amount of a reduction the applicant re- ceives under this scheme, the change takes effect from the first day of the reduction week next follow- ing 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 pre- ceding provisions of this paragraph within the 4 week period specified in paragraph 93 (continuing re- ductions where state pension credit claimed), that change takes effect on the first day of the first reduc- tion 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 pur- poses of the award of state pension credit;

"relevant determination" means a change in the determination by the authority of the applicant's in- come 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--

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(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 be- ing 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 ap- pointed 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 be- half of that person.

(3) Where a person who is liable to pay council tax in respect of a dwelling is unable for the time be- ing 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 exer- cise 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 una- ble 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 una- ble to act may be done by or to the persons mentioned in sub-paragraph

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(2) above or by or to the per- son appointed or treated as appointed under this paragraph and the receipt of any such person so ap- pointed 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 pen- sion 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 appli- cant or his partner, and

(ii) the application is made within one month of the date on which the claim for that income sup- port, 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;

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(d) in a case where--

(i) an applicant or his partner is a person on income support, an income-based jobseeker's al- lowance 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 sep- aration, 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 appli- cation 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 notify- ing, by whatever means, the authority of an intention to make an application, the date of first notifi- cation;

(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 en- titled 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 tele- phone)--

(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 reasona- ble) of the date the authority last drew attention to it, the authority must

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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 com- pleted 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

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(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 Pen- sions 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 fol- lowing 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 fail- ing 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 in- clude a past period.

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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 estab- lishing 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 reduc- tion 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 enti- tlement 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

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(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 with- out 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 in- come other than earnings: persons who are not pensioners) or paragraph 38 of Schedule 10 (capital disregards: persons who are not pensioners); or

(ii) made under or by the Trusts, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton Foundation, the London Emergencies Trust, the We Love Manchester Emergency Fund, the Grenfell Tower charitable funds, the Grenfell Tower Residents' Discretionary Fund, the Windrush Compensation Scheme or the London Bombings Relief Charitable Fund;

(aa) a Grenfell Tower support payment;

(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 de- riving entitlement to a pension under, a personal pension scheme, he must where the authority so re- quires 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 with- drawal 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 tel- ephone; 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 reasona- bly 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;

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(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 no- tify 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 re- duction) 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 or where the ab- sence is from Great Britain, which exceeds or is likely to exceed 4 weeks.

(8) In addition to the changes required to be reported under sub-paragraph (7), a person whose state pension credit comprises only the savings credit must also report--

(a) changes affecting a child living with him which may result in a change in the amount of reduion 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 ac- cordance with paragraph 34 (circumstances in which income of a non-dependant is to be treated as applicant's); or

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(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 re- sumes 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 there- after.

(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 pro- cedure 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.

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(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 Inca- pacity (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 bene- fit, has been appointed by that person under the Powers of Attorney Act 1971, the Enduring Pow- ers 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 re- fers would be inappropriate,

it may make a payment to him of the amount of reduction to which he is entitled, rounded where neces- sary 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 un- der 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 appli- cations, by telephone.

3

(1) An application which is made in writing must be made to the designated office on a properly com- pleted 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.

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(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 evi- dence 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.

Appendix 3

10

Where, following notification under paragraph 9(b)(i) or (ii), the person is still aggrieved, or if the au- thority fails to notify the person aggrieved in accordance with paragraph 9(b) within two months of the service of his notice, he may appeal to a valuation tribunal under section 16 of the 1992 Act.

Part 3
Procedure for Applying for a Discretionary Reduction

Procedure for an application to the authority for a reduction under section 13A(1)(c) of the 1992 Act

11

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

(a) in writing;

(b) by means of an electronic communication in accordance with Part 4 of this Schedule; or

(c) where the authority has published a telephone number for the purposes of receiving such ap- plications, 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 sat- isfied.

(3) The first condition is that the person is for the time being permitted to use an electronic communi- cation 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 infor- mation, 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 Execu- tive 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.

Appendix 3

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.

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(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).

Column (1) *Person or couple*	*Column (2)* *Amount*
(1) Single applicant or lone parent who has attained pensionable age	£187.75
(2) Couple where one or both members have attained pensionable age	£280.85
(3) If the applicant is a member of a polygamous marriage and one or more of the members of the marriage has attained pensionable age—	
(a) for the applicant and the other party to the marriage;	(a) £280.85;
(b) for each additional spouse who is a member of the same household as the appli- cant.	(b) £93.10.

Child or young person amounts

Appendix 3

2

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are the amounts, for the relevant period specified in column (1), specified for the purposes of paragraph 25(1)(b).

Column (1) *Child or young person*	*Column (2)* *Amount*
Person in respect of the period--	
(a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birthday;	(a) £68.27;
(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) £68.27.

(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

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(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 appli- cant 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 re- ceipt of that benefit; and

(b) any period spent by a person in undertaking a course of training or instruction provided or ap-

proved 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.

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Severe disability premium

6

(1) The condition is that the applicant is a severely disabled person.

(2) For the purposes of sub-paragraph (1), an applicant is to be treated as being a severely disabled person if, and only if--

(a) in the case of a single applicant, a lone parent or an applicant who is treated as having no partner in consequence of sub-paragraph (3)--

(i) he is in receipt of attendance allowance, or the care component of disability living allowance at the highest or middle rate prescribed in accordance with section 72(3) of the SSCBA, or the daily living component of personal independence payment paid at either rate prescribed in ac- cordance 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 pre- scribed 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 nor- mally 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 mem- ber 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

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(welfare services) or, in Scot- land, 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 allow- ance 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 pa- tient 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 uni- versal 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 re- striction under section 6B or 7 of the Social Security Fraud Act 2001 (loss of benefit).

Enhanced disability premium

7

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(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 con- sequence 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 Wel- fare 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 per- son).

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 per- son 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 allow- ance.

(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,

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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 men- tioned in those paragraphs is to be treated as if it were a payment of that benefit. **Person in receipt of benefit**

11

For the purposes of this Part of this Schedule, a person is to be regarded as being in receipt of any benefit if, and only if, it is paid in respect of him and is to be so regarded only for any period in respect of which that benefit is paid.

Part 4 Amounts of Premium Specified in Part 3

12

(1) Severe Disability Premium--

Provision	*Amount*	
(a) where the applicant satisfies the condition in para- graph 6(2)(a);	(a)	£66.95;
(b) where the applicant satisfies the condition in para- graph 6(2)(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)	£66.95;
(ii) in a case where there is no-one in receipt of such allowance or such an award of universal credit.	(ii)	£133.90. an
(2) Enhanced disability premium.	(2)	£26.60 in respect of each child

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			or young person in respect of whom the conditions specified in paragraph 7 are satisfied.
(3)	Disabled Child Premium.	(3)	£65.52 in respect of each child or young person in respect of whom the condition specified in paragraph 8 is satisfied
(4)	Carer Premium.	(4)	£37.50 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)--

Column (1) *Person or couple*	*Column (2)* *Amount*
(1) A single applicant who--	
(a) is entitled to main phase employment and support allowance;	
(b) is aged not less than 25;	
(c) is aged not less than 18 but less than 25.	*Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time*
(2) Lone parent. (3) Couple.	

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.

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3

(1) The amounts specified in column (2) below in respect of each person specified in column (1) are, for the relevant period specified in column (1), the amounts specified for the purposes of paragraphs 26(1)(b) and 27(1)(c)--

Column (1) *Child or Young person*	*Column (2)* *Amount*
Person in respect of the period-- (a) beginning on that person's date of birth and ending on the day preceding the first Monday in September following that person's sixteenth birth- day; (b) beginning on the first Monday in September following that person's sixteenth birthday and ending on the day preceding that person's twenti- eth birthday.	*Amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time*

(2) In column (1) of the table in sub-paragraph (1), "the first Monday in September" means the Mon- day 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,

(b) in any other case,

in both cases, the amounts as specified in the Housing Benefit Regulations 2006 as amended from time to time

(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 Ben- efit (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.

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(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 para- graphs 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

Appendix 3

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 ap- proved 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 pay- able 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

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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 disabil- ity 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 inca- pacity 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 or a state pension under Part 1 of the Pensions Act 2014 and the applicant remained continuously entitled to--

(aa) council tax benefit (in relation to the period prior to 1st April 2013, or

(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

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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 pro- vided 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.

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(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 nor- mally 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--

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(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 allow- ance 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 re- spect 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 per- son).

(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

1

4

(1) The condition is that the applicant or his partner is, or both of them are, entitled to a carer's allow- ance 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 allow- ance 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 enti- tled 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

Premium	*Amount*
(1) Disability Premium-	

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(a) where the applicant satisfies the condition in paragraph 9(a);
(b) where the applicant satisfies the condition in paragraph 9(b).
(2) Severe Disability Premium--
(a) where the applicant satisfies the condition in paragraph 11(2)(a);
(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 satis- fies that condition only by virtue of paragraph 11(5);
(ii) in a case where there is no-one in receipt of such an allowance.
(3) Disabled Child Premium.
(4) Carer Premium.
(5) Enhanced disability premium

Amounts as specified in the Housing Ben- efit Regulations 2006 as amended from time to time

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Part 5 The Component

1
8

Subject to paragraph 20 the applicant is entitled to the support component in paragraph 22 if--

(a) the applicant or the applicant's partner has made a claim for employment and support allow- ance;

(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-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 com- ponent arises does not apply) applies.

19

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Subject to paragraph 20, the applicant is entitled the support component in paragraph 22 if the appli- cant or his partner is entitled to a converted employment and support allowance.

2
0

(1) The applicant has no entitlement under paragraph ~~21 or~~ 22 if the applicant is entitled to the disa- bility premium under paragraphs 9 and 10.

(2) Where the applicant and the applicant's partner each satisfies paragraph ~~21 or~~ 22, the compo- nent to be included in the applicant's applicable amount is that which relates to the applicant. **The work-related activity component**

21

Not in use

The support component

22

The applicant is entitled to the support component if the Secretary of State has decided that the appli- cant or the applicant's partner has, or is to be treated as having, limited capability for work-related ac- tivity.

Part 6 Amount of Component

23

Not in use

24

The amount of the support component is the amount as specified in the Housing Benefit Regulations 2006 as amended from time to time.

Part 7 Transitional Addition

2
5

(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

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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) Reg- ulations 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 ap- plicant'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 en- titled 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 in- come-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 ap- plicant again becomes entitled to a reduction under this scheme, to a transitional addition of the amount of the transitional addition that would have

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applied had the applicant's entitlement to a transi- tional addition not ended (but taking account of the effect which any intervening change of circum- stances 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.

2

7

(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 sup- port 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), un- less 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;

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(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 in- crease 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.

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(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

(1) *Second adult*	*(2)* *Alternative maximum council tax reduction*
(a) Where the second adult or all second adults are in receipt of income support, an in-come-related employment and support allowance or state pension credit or are persons on an in- come-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 in-come-related employment and support allowance, state pension credit or an incomebased jobseeker's allowance--	(b)
(i) is less than £215.00 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is not less than £215.00 per week but less than £279.00 per week;	(ii) 7.5 per cent of the council tax due in respect of that day;

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(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 in- come-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

(1) *Second adult*	*(2)* *Alternative maximum council tax reduction*
(a) Where the second adult or all second adults are in receipt of income support, an in- come-related employment and support allowance or state pension credit or are persons on an in- come-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 in- come-related employment and support allowance, state pension credit or an incomebased jobseeker's allowance--	(b)
(i) is less than the amount specified above in Table 1 per week;	(i) 15 per cent of the council tax due in respect of that day;
(ii) is in accordance with the amounts specified above in Table 1 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 in- come-related employment and support allowance or are persons on an incomebased 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;

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(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 un- der 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.

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(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 earn- ings 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 (Disable- ment 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

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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 part- ner 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 bene- fit 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 termi- nation 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,

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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 para- graph 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 under- taking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision re-

ferred 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.

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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-para- graph (3), the amount of his earnings that falls to be disregarded under this Schedule is to be in- creased 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 aver- age 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) (deduc- tions 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 per- son 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.

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11

Where a payment of earnings is made in a currency other than Sterling, any banking charge or com- mission 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 Re- serve 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 by a government to victims of National Socialist persecution **2**

The whole of any amount included in a pension to which paragraph 1 relates in respect of--

(a) the applicant's need for constant attendance;

(b) the applicant's exceptionally severe disablement.

3

Any mobility supplement under article 20 of the Naval, Military and Air Forces Etc (Disablement and Death) Service Pensions Order 2006 (including such a supplement by virtue of any other scheme or order) or under article 25A of the Personal Injuries (Civilians)

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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--

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(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.

1
1

Where an applicant receives income under an annuity purchased with a loan, which satisfies the fol- lowing conditions--

(a) that the loan was made as part of a scheme under which not less than 90 per cent. of the pro- ceeds 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, or, if it was higher at the time, pensionable age;

(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

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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.

1

2

(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 dis- cretion 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 Regula- tions 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 sport- ing 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 pen- sioner'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.

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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 es- tablishment 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) £58.90 less the weekly amount of any award, bursary, scholarship, allowance or payment referred to in sub-paragraph (1)(b),

whichever is less.

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2
0

(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 part- ner, 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 de- termining 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 enti- tled on that date to income support or an income-based jobseeker's allowance but ceased to be so en- titled 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 a state pension under Part 1 of the Pensions Act 2014, or is not so entitled solely because of his failure to satisfy the contribution conditions or to have the minimum number of qualifying years,

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any earnings paid or due to be paid in respect of that employment, but only for a period commenc- ing 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 re- spect 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 para- graph 1(b)(i) or (ii)(bb);

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(ii) where that employment has not been terminated, any payment or remuneration of the na- ture 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 selfemployed 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, or support component under Schedule 3 (applicable amounts: persons who are not pensioners) or where the applicant or the applicant's partner is a member of the work-related activity group.

(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

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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 ag- gregated 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 par- agraph 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 ap- plies;

(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 Se- curity (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

Appendix 3

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)

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(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 under- taking other work.

(7) The specified amount is the amount of money from time to time mentioned in any provision re- ferred 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-re- lated 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 com- mission 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-para- graph (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--

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(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 remu- nerative 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 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 the support component above and is en- gaged in remunerative work for on average not less than 16 hours per week; (cc) is a member of the work-related activity group; 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 per- son works for on average not less than 30 hours per week, but as if the reference to 16 hours in sub- paragraph (1) of that paragraph were a reference to 30 hours.

1

9

In this Schedule "part-time employment" means employment in which the person is engaged on aver- age 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

Appendix 3

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 incomerelated 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

Appendix 3

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--

Appendix 3

(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 sec- tion 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 Develop- ment 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, ordi- nary 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.

1

9

(1) Subject to sub-paragraph (2), any of the following payments--

Appendix 3

(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 appli- cant.

(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 Re- serve 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;

Appendix 3

(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 dwell- ing 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,

Appendix 3

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--

Appendix 3

(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--

Appendix 3

(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 ad- vice 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.

Appendix 3

(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.

3

5

(1) Subject to sub-paragraph (2), any payment received under an insurance policy taken out to in- sure 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).

3

6

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.

Appendix 3

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 para- graph 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--

Appendix 3

(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 per- son who is or had been a member of that person's family; and

(b) the payment is made either--

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

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

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

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

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

(b) the payment is made either--

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

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

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

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

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

42

Any housing benefit.

43

Any payment made by the Secretary of State to compensate for the loss (in whole or in part) of

entitlement to housing benefit.

44

Any payment to a juror or witness in respect of attendance at a court other than compensation for loss of earnings or for the loss of a benefit payable under the benefit Acts.

Appendix 3

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

Appendix 3

(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

Appendix 3

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 per- son 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.

6

1

(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 mem- ber 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.

6

6

Any payment of child benefit.

SCHEDULE 9

CAPITAL DISREGARDS: PENSIONERS

Paragraph 63

Part 1 Capital to be Disregarded

Appendix 3

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 ad- vice or first commenced such proceedings whichever is the earlier, or such longer period as is reason- able 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.

Appendix 3

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.

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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 per- son 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--

Appendix 3

"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.

1
5

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 de- ceased spouse or civil partner--

(a) was a slave labourer or a forced labourer;

(b) had suffered property loss or had suffered personal injury; or

(c) was a parent of a child who had died,

during the Second World War.

16

(1) Any payment made under or by--

(a) the Macfarlane Trust, the Macfarlane (Special Payments) Trust, the Macfarlane (Special
Payments) (No 2) Trust, the Fund, the Eileen Trust, MFET Limited, the Skipton Fund, the Caxton
Foundation, the Scottish Infected Blood Support Scheme, an approved blood scheme, the London
Emergencies Trust, the We Love Manchester Emergency Fund, the Grenfell Tower charitable

funds, the Grenfell Tower Residents' Discretionary Fund, the Windrush Compensation Scheme, or the London Bombings Relief Charita- ble Fund (collectively referred to in this paragraph as "the Trusts"); or

(b) the Independent Living Fund (2006).

(1A) Any Grenfell Tower support payment."

(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 or from a Grenfell Tower support payment 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

Appendix 3

(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 or from a Grenfell Tower support payment 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 or from a Grenfell Tower support payment, 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 or from a Grenfell

Tower support payment, 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.

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(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—

(a) any payment of income or capital made under or deriving from any of the Trusts; or (b) a Grenfell Tower support payment.

16A

Any payment made under, or by, a trust which is approved by the Secretary of State and which is established for the purpose of giving relief and assistance to a disabled person whose disabilities were caused by their mother having taken a preparation containing the drug known as Thalidomide during her pregnancy.

1

7

(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 un- der Rule 128 of those Rules; or

(c) in accordance with the terms of a trust established for the benefit of the applicant or his part- ner,

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 oc- cupied 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 pur- pose 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

Appendix 3

(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, be- ing 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 assis- tance (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 con- stant 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 Fi- nancial Assistance Regulations 2001;

(n) working tax credit;

(o) income-related employment and support allowance;

(p) social fund payments under Part 8 of the SSCBA; (q) universal credit.

(r) maternity allowance under section 35 of the SSCBA1 (state maternity allowance for employed or self-employed earner);

(s) early years assistance given in accordance with section 32 of the Social Security (Scotland) Act 2018; or

Appendix 3

(t) funeral expense assistance given in accordance with section 34 of that Act.

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 or an error on a point of law 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 reduc- tion 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

Appendix 3

(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 pay- able 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 coun- cil 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 Sched- ule 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.

Appendix 3

28A

Where a person chooses a lump sum under section 8(2) of the Pensions Act 2014 or in accordance with Regulations made under section 10 of that Act which include provision corresponding or similar to section 8(2) of that Act, or fails to make a choice, and a lump sum payment has been made, an amount equal to—

(a) except where sub-paragraph (b) applies, the amount of any payment or payments made on ac- count of that lump sum; or (b) the amount of that lump sum, but only for so long as that person does not alter that choice in favour of an increase of pension.

29

Any payments made --

(a) by virtue of regulations made under section 57 of the Health and Social Care Act 2001 (direct payments);

(b) …

(c) by virtue of regulations made under sections 12A to 12C of the National Health Service Act

2006 (direct payments for health care);

(d) by virtue of regulations made under Article 15 of the Health and Personal Social Services (Northern Ireland) Order 1972 (general social welfare); or

(e) by virtue of regulations made under section 8 of the Carers and Direct Payments Act (North- ern Ireland) 2002 (direct payments);

(f) under sections 31 to 33 of the Care Act 2014 (direct payments); or

(g) by virtue of regulations made under section 50 or 52 of the Social Services and Well-being (Wales) Act 2014 (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 (per- sonal budgets and direct payments).

29C

Appendix 3

(1) Any payment made by a local authority in accordance with section 26A of the Children (Scot- land) Act 1995 (duty to provide continuing care).

(2) Any payment or part of a payment made by a local authority in accordance with that section to a person ("A") which A passes on to the applicant where A—

(a) was formerly in the applicant's care;

(b) is aged 16 or over; and

(c) continues to live with the applicant.

Part 2

Capital Disregarded Only for the Purposes of Determining Deemed Income

30

The value of the right to receive any income under a life interest or from a life rent.

31

The value of the right to receive any rent except where the applicant has a reversionary interest in the property in respect of which rent is due.

32

The value of the right to receive any income under an annuity or the surrender value (if any) of such an annuity.

33

Where property is held under a trust, other than--

(a) a charitable trust within the meaning of the Charities

Act 1993; or (b) a trust set up with any payment to which

paragraph 16 applies,

and under the terms of the trust, payments fall to be made, or the trustees have a discretion to make payments, to or for the benefit of the applicant or the applicant's partner, or both, that property.

SCHEDULE 10

CAPITAL DISREGARDS: PERSONS WHO ARE NOT PENSIONERS

Paragraph 63

1

Appendix 3

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 in- curred, 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 in- curred, 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 sep- arately, 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 ena- ble 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 incomerelated employment and support allowance, the whole of his capital.

Appendix 3

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.

1

2

(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;

Appendix 3

(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 pay- ment.

(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 pos- session 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, re- placement or improvement.

14

Appendix 3

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 re- ceives 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.

Appendix 3

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 out- standing 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 ad- vice 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 pur- pose of acquiring an interest in the home or carrying out repairs or improvements to the home.

27

Appendix 3

Any capital which by virtue of paragraph 55 or 81 (capital treated as income: persons who are not pen- sioners, 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 com- mission 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 Inde- pendent 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--

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(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 per- son 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 qualify- ing 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 deriv- ing 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 Foun- dation, 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 part- ner, 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 situ- ated.

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 ad- vice or first commenced such proceedings whichever is the earlier, or such longer period as is reason- able 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 altera- tions 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 entitle- ment 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.

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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 sec- tion 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 sup- plies);

(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 ser- vice 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.

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4

4

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.

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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 un- der 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 mem- ber 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

Appendix 3

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 sec- tion 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 Feb- ruary 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 mem- ber 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;

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(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 per- son'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 per- son 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 per- son'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--

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(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 per- sons, 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 26 November 2019. 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 those in receipt of defined disability benefits or responsible for a child in the same household.

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.

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Appendix 4

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 between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

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 protect 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	Approval of Council Tax Reduction Scheme for 2021/22
Service area	Finance Revenues and Benefits

Officer completing assessment	David Graaff, Head of Service Delivery
Equalities/ HR Advisor	Emma Carroll, Policy and Equalities Officer
Cabinet meeting date (if applicable)	Full Council,
Director/Assistant Director	Jon Warlow, Director of Finance

2. Summary of the proposal

Please outline

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *The decision-making route being taken*

Proposal

The proposal to maintain the current Council Tax Reduction Scheme into 2021/22 will mean that all working-age non-protected claimants will have to pay something towards their Council Tax bill.

Pensioners, those in receipt of certain disability benefits and working age claimants with children will continue to be protected.

Process

The Council is seeking agreement from Full Council to continue the scheme unchanged into 2021/22. There is a statutory obligation for the scheme to be approved by Full Council each year, regardless of whether there are any changes.

Key Stakeholders

As detailed in this EQIA, there is support in place for those in receipt of CTRS, however it is recognised and understood that the reduction of Council Tax Support compared to Council Tax Benefit has had, and will continue to have, a negative impact on many vulnerable groups. As no change is proposed for 2021/22, it is anticipated that people will be similarly affected as at present, so we will continue to use existing support mechanisms such as signposting to other sources of help including the CAB and voluntary groups for our customers and will seek to build upon these. We will routinely check our progress with those customers who tell us they have difficulty in paying, to ensure that we can come up with the best solution to meet their needs.

Duty to vulnerable groups

In 'Localising Support for Council Tax: Vulnerable People – key local authority duties', the government stated that in addition to their public sector equality duty, there were additional duties of the Council in regard to developing its CTRS. These duties 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

The EqIA reviews each of these areas in more detail and provides data where they are held. Although equality data is routinely requested in new applications, this data is not mandatory and so the information the Council holds does not provide a comprehensive overview of CTRS claimants.

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 Council's CTRS database as they do not form part of the application criteria. Prior to the Equality Act 2010, these characteristics were not covered by the public sector equality duty, and no historical data exists relating to them. The Council takes routine steps to request the data as part of new application processes. The data available to the Council has been used in considering the effect of the proposal on the protected groups.

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	The Council's CTRS database, December 2020; Census, 2011	N/A
Gender Reassignment	No Council data recorded EHRC national data	N/A
Age	The Council's CTRS database, September 2019GLA Population Projection, 2015	N/A
Disability	The Council's CTRS database, September 2019ONS Disability in England & Wales, 2011	N/A
Race & Ethnicity	The Council's CTRS database, September 2019Census, 2011	N/A
Sexual Orientation	No Council data recorded ONS Sub-National Sexual Identity Data, 2013-15	N/A
Religion or Belief (or No Belief)	No Council data recorded Census, 2011	N/A
Pregnancy & Maternity	No Council data recorded Census, 2011	N/A
Marriage and Civil Partnership	No Council data recorded Census, 2011	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.

As of December 2020, there were 26,073 claimants in receipt of Council Tax Reduction in Haringey. The caseload had been falling year on year since Council Tax Benefit was abolished in 2013. However, this trend has reversed since April 2020 due to the Covid-19 Pandemic. There has been an overall increase in the CTRS caseload of 1238 claims which equates to 5% of our caseload from April 2020 to December 2020. Table 1.0 summarises the breakdown of the Council's CTRS caseload.

Table 1.0 – Total CTRS caseload (December 2020)

December 2020	Pensionable	Protected/disability-related	Protected/child in household	Non-protectedd/other Working Age	Total CTR Claimants	% All CCTR Claimants	% Total Working Age (excluding pensioners & protected Working Age)
26073	7750	7511	5877	4935	26073	100%	18.93%

29.7% of the Council's CTRS caseload is of **pensionable age**. Those claimants in the pensionable category are assessed against a maximum 100% of their Council Tax liability, which mirrors all Local Authorities in England and Wales. When Council Tax Benefit was abolished, the government stipulated that pensioners would receive the same level of protection under the new CTRS. The Council is not proposing to change any aspect of the CTRS therefore this protection will continue.

28.8% of the Council's CTRS caseload is of **working age but in receipt of a specific disability benefit**, and therefore the Council has 'protected'. Those claimants in the 'protected' category are also assessed against a maximum 100% of their Council Tax liability. The Council is not proposing to change any aspect of the CTRS therefore this protection will continue.

22.5% of the Council's CTRS caseload is of **working age with children**, and therefore the Council has 'protected'. Those claimants in the 'protected' category are also assessed against a maximum 100% of their Council Tax liability. The Council is not proposing to change any aspect of the CTRS therefore this protection will continue.

18.9% of the Council's CTRS caseload is of **working age and not 'protected'** under the scheme. This group is assessed against a maximum 80.2% of their Council Tax liability.

Data definitions:

- Protected = working age claimants who are in receipt of a prescribed disability related benefit or premium or working age claimants with children and therefore subject to up to a maximum 100% CTR
- Pensionable = pensionable age claimants – subject to up to a maximum 100% CTR
- Working Age Employed = working age claimants who are currently in employment
- Working Age Other = working age claimants who are currently not in employment

1. Sex

Table 1.1 – Total CTRS caseload by Sex (December 2020)

Sex	Pensionable	Protected/disability	Protected/child in household	Non-prtotected/other Working Age	Total CTR Claimants	% All CCTR Claimants	Haringey[1]	London[2]
Female	4402	4209	4398	2397	15406	59.09%	50.5%	50.9%

[1] 2011 Census
[2] 2011 Census

Male	3192	3118	1353	2470	10133	38.86%	49.5%	49.1%
Unknown	156	184	126	68	534	2.05%	N/A	N/A
Total	7750	7511	5877	4935	26073	100%	100%	100%

There are disproportionately more women in receipt of CTR than the Haringey and London population as a whole. This is the case both for working age claimants (protected and non-protected) and all claimants. Maintaining the current CTRS into 2021/22 will continue to disproportionately impact women more than men.

2. Gender Reassignment

We do not hold data on the number of people who are seeking, receiving, or have received gender reassignment surgery, and there is not national data collected for this protected characteristic. The Equality and Human Rights Commission estimate that there is between 300,000-500,000 transgender people in the UK[3].

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

3. Age

Table 1.2 – Total CTRS caseload by Age

[3] https://www.equalityhumanrights.com/en/trans-inequalities-reviewed/introduction-review

Age	Pensionable	Protected/disability	Protected/child in household	Non-protected/other Working Age	Total CTR Claimants	Total Working Age (excluding pensioners & protected Working Age)	% All CCTR Claimants	% Total Working Age (excluding pensioners & protected Working Age)
18-24	0	57	202	85	344	85	1.36%	0.34%
25-44	<10	1822	3779	985	6590	985	26.07%	3.90%
45-59	48	4176	1623	2312	8159	2312	32.28%	9.15%
60-64	77	1152	59	662	1950	662	7.71%	2.62%
65+	7979	145	<10	63	8191	63	32.40%	0.25%
Not provided	0	44	0	0	44	0	0.17%	0.0%
Total	**8108**	**7396**	**5667**	**4107**	**25278**	**4107**	**100%**	**16.25%**

40.12% of the Council's CTRS caseload is aged 60 or over, which is higher than the Haringey and London averages.

Table 1.3 – Age breakdown in Haringey and London[4]

Age	Haringey	London
0-15	19.4%	20%
16-64	71.6%	68.6%
65+	9%	11.4%

The percentage of people in particular age brackets of the population in Haringey broadly match that of the wider London population.

For households where a claimant or their partner is of state pensionable age, the claimant is categorised as 'pensionable' and receives up to 100% Council Tax Reduction under the scheme.

[4] GLA population projection, 2015

Working age claimants in receipt of a prescribed disability benefit or premium and working age claimants with children will continue to be protected under the scheme and receive up to 100% maximum Council Tax Reduction.

Therefore, the only impact on the continuation of the scheme will be on non-protected working age claimants. This group is predominantly aged between 25 and 44. However, this group is unlikely to be disproportionately impacted as a whole because it appears to be under-represented in the CTRS caseload when compared to the wider Haringey and London populations.

4. Disability

Table 1.4 – Total CTRS caseload by Disability

In receipt of a prescribed disability benefit?	Pensionable	Protected/disability	Protected/child in household	Non-protected/other Working Age	Total CTR Claimants	% All CTR Claimants
Yes	1602	7396	0	0	8998	35.60%
No	6506	N/A	5667	4107	16280	64.40%

Table 1.5 – Disability data in Haringey, London, and England & Wales

	Haringey	London	England & Wales
Day-to-day activity limited a lot	6.8%	6.7%	8.3%
Day-to-day activity limited a little	7.2%	7.4%	9.3%
Day-to-day activity not limited	86.0%	85.8%	82.4%
Day-to-day activity limited a lot: Age 16-64	3.8%	3.4%	3.6%
Day-to-day activity limited a little: Age 16-64	4.6%	4.2%	4.6%
Day-to-day activity not limited: Age 16-64	62.4%	61.5%	56.5%

Working age CTRS claimants in receipt of a prescribed disability related benefit or premium will continue to receive up to a maximum 100% CTR under the existing CTRS. Therefore, this protected characteristic will not be disproportionately impacted on by maintaining the current CTRS in 2021/22.

5. Race & Ethnicity

Race and ethnicity data was not historically recorded as part of the CTRS application process. Therefore, the data provided in table 1.6 does not give a complete overview of the current caseload.

For those CTRS claimants who provided an ethnicity (see Table 1.6), the majority of working age non-protected claimants and all claimants were 'White Other' and 'Non-White'. Therefore, it is likely that the Black and Minority Ethnic population will be disproportionately impacted by any changes to the CTRS, including the continuation of the current scheme.

Table 1.6 – Total CTRS caseload by Ethnicity

Ethnicity	Pensionable	Protected/disability	Protected/child in household	Non-protected/other Working Age	Total CTR Claimants	Total Working Age (excluding pensioners & protected Working	% All CCTR Claimants	% Total Working Age (excluding pensioners & protected
White British	232	393	335	283	1243	283	4.92 %	1.12%
White Other	228	366	425	190	1209	190	4.78 %	0.75%
Non-White	408	697	832	637	2574	637	10.18 %	2.52%
Unknown	7240	5940	4075	2997	20252	2997	80.12 %	11.86%
Total	**8108**	**7396**	**5667**	**4107**	**25278**	**4107**	**100%**	**16.25%**

Table 1.7 – Ethnicity in Haringey and London[5]

Area	Black and Minority Ethnic
Haringey	39.5%
London	40.2%

The data in Table 1.7 shows that the Black and Minority Ethnic population in Haringey is approximately the same as for London as a whole.

6. Sexual Orientation

We do not hold ward or borough level data on sexual orientation, and it is not collected nationally through the Census. However, the ONS estimates that 3.7% of Haringey's population are lesbian, gay, or bisexual (LGB), which is the 15th largest LGB community in the country[6].

Parliament estimates that in the UK there are around 20,000 dependent children living in same-sex couple families7. It is unclear what the figure would be for same-sex single parents.

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

7. Religion or Belief (or No Belief)

[5] 2011 Census
[6] https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/articles/subnationalsexualidentityestimates/uk2013to2015#introduction
[7] http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03372#fullreport

We do not hold data on religion or belief among Haringey's CTR caseload. However, the borough and region's data can be summarised as the following:

Table 1.8 – Religion in Haringey and London

Religion/Belief	Haringey	London
Christian	45.0%	48.9%
Buddhist	1.1%	1.0%
Hindu	1.8%	5.0%
Jewish	3.0%	1.8%
Muslim	14.2%	12.4%
Sikh	0.3%	1.5%
Other religion	0.5%	0.6%
No religion	25.2%	20.7%
Religion not stated	8.9%	8.5%

The distribution of religions in Haringey is broadly consistent with London as a whole. There is a slightly higher proportion of residents with no religion than in London.

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

8. **Pregnancy & Maternity**

Table 1.9 – CTRS caseload by Dependant Category

Dependents Categories	Pensionable	Protected/disability	Protected/child in household	Non-protected/other Working Age	Total CTR Claimants	Total Working Age (excluding pensioners & protected Working Age)	% Total CTR Claimants	% Total Working Age (excluding pensioners & protected Working Age)
Those with dependants aged 1 and under	*<10*	*107*	*813*	*11*	932	11	3.69%	1.18%
Those with dependants aged 5 and under	*<10*	*455*	*2556*	*13*	3037	13	12.01%	0.43%
Those with dependants aged 16 and under	*64*	*1682*	*5430*	*16*	7200	16	28.48%	0.22%
Those with more than 3 dependants	*<10*	*471*	*1606*	*<10*	2084	<10	8.24%	0.10%
Count of All Lone Parents with dependants	*26*	*1102*	*3603*	*<10*	4746	<10	18.78%	0.15%

Table 2.0 – Proportion of 0–4-year-olds in Haringey and London

	Haringey	London
Proportion of 0–4-year-olds	7.1%	7.2%

Table 1.9 provides statistics on a number of scenarios regarding dependants. It should be noted that there will be considerable overlap between the different scenarios (for example, the number of claimants with dependants aged 1 and under is accumulated in the number of claimants with dependants aged 5 and under, etc).

A significant proportion of households on the CTRS scheme are single-parent households, a continuation of the scheme will continue to disproportionately impact on this group. However, the scheme currently protects working age claimants with children and there are no proposed changes to this.

9. Marriage and Civil Partnership

We do not hold data on marriage and civil partnership among Haringey's CTR caseload. However, the borough and region's data can be summarised as follows:

Table 2.1 – Marital and civil partnership status in Haringey and London

Marital and civil partnership status	Haringey	London
Married	32.2%	40%
Civil Partnership	0.6%	0.4%

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

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

Public consultation exercises took places in 2012 and 2018 to shape the current CTRS, which is proposed to continue unchanged into 2021/22. The consultation aimed to be inclusive and not discriminate on the basis of any protected

characteristics and included open ended questions and free text boxes to allow respondents to provided information about equalities issues if they had any concerns.
Overall, the equality data sources from consultation in 2018, did not suggest that individuals or groups who share a protected characteristic would be negatively impacted on by changes to the CTRS. As the proposal is to continue the current CTRS for 2021/22 it is not anticipated that there will be any negative impacts.

The 2018 consultation also showed that residents were broadly in support of the changes to the CTRS, details on how to access the full results of the consultation can be found

https://www.haringey.gov.uk/council-tax-and-benefits/council-tax/council-tax-reductions/proposed-changes-201920-council-tax-reduction-scheme

As there are no proposed changed to the CTRS there is no requirement to conduct any further consultation exercises, however the council will routinely check progress with customers to ensure the scheme continues to support and respond to the needs of residents.

We will routinely check our progress with those customers who tell us they have difficulty in paying, to ensure that we can come up with the best solution to meet their needs.

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?

As above, given that there are no proposed changes to the CTRS for 2021/22, and that consultation took place in 2018 to inform the scheme there is no requirement to conduct any further consultation exercises at present.

Full details of the 2018 consultation can be found:

https://www.haringey.gov.uk/council-tax-and-benefits/council-tax/council-tax-reductions/proposed-changes-201920-council-tax-reduction-scheme

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

Women are overrepresented in the current CTRS caseload and so are likely to positively affected by the continuation of the scheme as is.

It seems likely from the data that most single parents in the Haringey CTRS caseload are women, as women are overrepresented in the caseload. Maintaining the scheme as is means additional financial support to households with children for non-protected working age claimants.

There may be some women who do not qualify for up to 100% maximum CTR as a result of not being pensioners, entitled to certain disability benefits or having children.

Positive	X	Negative		Neutral impact		Unknown Impact	

2. Gender reassignment

Overall, maintaining the scheme as is would leave most affected claimants financially better off.

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

3. Age

Maintaining the scheme as is will have a positive impact on pensioners, working age claimants in receipt of certain disability premiums, working age claimants with children and children themselves.

Children

Child poverty is a significant issue in the borough and maintaining the scheme as is will continue to reduce the financial contribution that working households with children are required to pay towards their Council Tax.

Therefore, it is considered likely that the preferred option will have a positive impact for children.

Adults aged between 25 and 44

There may be some individuals in this group who do not qualify for up to 100% maximum CTR as a result of not being entitled to certain disability benefits or having children.

However, on balance it is considered that the overall impact on this protected characteristic would be positive.

Positive	X	Negative		Neutral impact		Unknown Impact	

4. Disability

Maintaining the scheme as is will have a positive impact on working age claimants in receipt of certain disability premiums, as they will continue to be protected.

Positive	X	Negative		Neutral impact		Unknown Impact	

5. Race and ethnicity

The borough profile data suggests that the Black and Minority Ethnic population is overrepresented among those in receipt of CTRS.

Generally, maintaining the scheme as-is is likely to have a positive financial impact on most CTRS claimants. There may be some who do not qualify for up to 100% maximum CTR, however, the number of people affected is likely to be comparatively small.

Therefore, it is thought likely that maintaining the scheme would also have an overall positive impact on the Black and Minority Ethnic CTRS claimants.

Positive	X	Negative		Neutral impact		Unknown Impact	

6. Sexual orientation

Overall, maintaining the scheme as is would leave most affected claimants financially better off.

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

7. Religion or belief (or no belief)

Overall, maintaining the scheme as is would leave most affected claimants financially better off.

At this stage, we do not have any data to suggest that any religious or faith group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

8. Pregnancy and maternity

Maintaining the scheme as is will have a positive impact on working age claimants with children.
Child poverty is a significant issue in the borough and maintaining the scheme as is will continue to reduce the financial contribution that working households with children are required to pay towards their Council Tax.

Therefore, it is considered likely that the preferred option will have a positive impact for this group.

Positive	X	Negative		Neutral impact		Unknown Impact	

9. Marriage and Civil Partnership

Overall, maintaining the scheme as is would leave most affected claimants financially better off.

At this stage, we do not have any data to suggest that this group would be any more or less likely than the rest of the population to be in receipt of CTRS. Therefore, it is anticipated that the continuation of the current scheme will not have a disproportionate impact on this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

10. Groups that cross two or more equality strands e.g. young black women

- Female single parents
- BAME women

The data suggests that female single parents and BAME women are more likely to be disproportionately positively impacted by maintaining the scheme as-is, as the equality strands are overrepresented in the CTRS caseload.

There is nothing to suggest that these groups will be negatively impacted by the preferred option.

Overall, the preferred option would leave most affected claimants financially better off.

Positive	X	Negative		Neutral impact		Unknown Impact	

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

The scheme is not changing for 2021/22, therefore all those currently protected will continue to be so.
This therefore has a positive impact on the groups that share protected characteristics:

- Sex
- Age
- Disability
- Race and Ethnicity
- Pregnancy and Maternity

Duties to particular groups

As above, continuing the scheme is considered likely to have a positive impact on child poverty and persons with a disability. As most CTRS claimants are considered likely to financially benefit from continuing the scheme it is thought likely that this would reduce the risk of homelessness by reducing the financial burden on groups in particular need.

Since 2013, the Council's CTRS has reflected armed forces benefits.

Outside the CTRS, the Council holds a range of Council Tax Discounts, Exemptions and Disregards. These powers include complete Council Tax exemption for residents who are "Severely Mentally Impaired".

Additional powers to support vulnerable residents:

The Council has the discretionary power, under S13A(1)(c) of the Local Government Finance Act, to eliminate the Council Tax liability for residents in extenuating circumstances.

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. 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.	Yes
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly set out below 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	No
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.	No

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 relevant protected characteristics are impacted?	Action	Lead officer	Timescale
N/A	N/A	N/A	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:
The Council will continue to provide support to Council Taxpayers where vulnerabilities are identified and respond appropriately. This includes: • Supportive and flexible payment arrangements • Promotion of wider support available in the Council and with our Voluntary and Community Sector partners across the borough • Signposting to Citizens Advice Haringey

7. Authorisation	
EqIA approved by: Jon Warlow, Director of Finance	Date ...19 Feb 2021.....

8. Publication *Please ensure the completed EqIA is published in accordance with the Council's policy.*
This EQIA will be published along with all papers relating to the report

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

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REPORT OF THE CORPORATE COMMITTEE No. 2, 2021/22

COUNCIL 1 March 2021

Chair:
Councillor Isidoros Diakides

Deputy Chair:
Councillor Zena Brabazon

INTRODUCTION

1.1 This report to Full Council arises from the Treasury Management Strategy Statement (TMSS) 2020/21, which was considered by the Corporate Committee at their meeting on the 4th February 2021. Prior to its submission to Corporate Committee, the report had also been considered by Overview and Scrutiny Committee at its meeting on 18th January. The report sets out the Council's borrowing and investment strategies, along with the associated risks.

1.2 The CIPFA Treasury Management Code of Practice requires the Authority to approve a Treasury Management Strategy before the start of each financial year. CIPFA requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management (Corporate Committee) before being approved by Full Council.

SUMMARY

<u>Treasury Management Strategy Statement 2021/22</u>

We considered the Council's Treasury Management Strategy Statement for 2021/22 and received advice from the Head of Pensions &Treasury. We also took account of the comments provided by the Overview and Scrutiny Committee on 18th January. The Treasury Management Strategy Statement sets out a five year position throughout the report, which better aligned with the Council's medium term financial strategy and budget report. The Council has an increasing need to borrow in order to fund the capital programme. As part of this, the authority will maintain borrowing and investments below their underlying levels, by utilising internal borrowing. The report also set out the Annual Investment Strategy & Minimum Revenue Provision Policy Statement.

2.1 The Committee sought clarification around other debt liabilities, outside the ordinary costs of borrowing. We noted that examples of this included leases and items bought on hire purchase. These were listed as other debt liabilities in the Council's Statement of Accounts.

2.2 We queried the potential impact of negative interest rates on the Council. In response, we were advised that the impact on the Council's investments would be limited as the Council did not have much in the way of surplus cash that it would need to invest to generate interest on. The Committee was advised that negative interest rates may, in fact, have some positive impact on the Council's ability to borrow money at a cheaper rate. In light of this we enquired whether there was any scope for the Council to renegotiate some of the larger contracts we have in place deals with development partners. Officers acknowledged that this was something that would be monitored

going forwards as part of the normal processes of finance and contract monitoring but that renegotiating contracts would be difficult.

2.3 We expressed concerns around the use of PFI contracts and our opposition to entering into new ones. We were advised that all of the PFI contracts held by the Council were historical, with the most recent being from the late 2000s. We received assurances that there were no plans of entering into any new PFI contracts and that if this were to happen then it would need to go through a process of political decision making and oversight such as Cabinet and Overview & Scrutiny.

2.4 We sought assurances around where the financial risk of each project in the Capital programme was assessed and monitored. In response, we noted that every capital bid had an assessment of financial assumptions undertaken as part of the process of developing an outline business case. We felt strongly that, given the size of the capital programme, that a more robust process of monitoring the ongoing financial risks needed to be developed across the organisation. In particular, the Council needed to better understand the impact that either appreciating or depreciating land values could have on individual capital projects and that this needed to be monitored closely.

2.5 Corporate Committee sought assurances around what would happen if Haringey lent money to another local authority that subsequently could no longer afford to pay it back. In response, we were advised that no local authority had defaulted on its debts to another local authority and that if that was to ever happen then the government would step in. In the event that loans to a third party or commercial investments could not be paid back, we noted that this debt would be written off and that there was a clear process in place for doing this.

WE RECOMMEND

That Full Council agree the Treasury Management Strategy Statement 2021/22 as attached to agenda item 13, 2021-22 Budget and 2021-2026 Medium Term Financial Strategy at Annex 4.

Report for: Full Council 1st March 2021

Item number:

Title: 2021/22 Budget and Medium-Term Financial Strategy 2021/26

Report authorised by: Jon Warlow – Director of Finance – (Chief Finance Officer and Section 151 Officer)

Lead Officer: Frances Palopoli – Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: ALL

Report for Key/ Non-Key Decision: Key.

1. Describe the issue under consideration

1.1. Cabinet considered the 2021/22 Budget and 21/26 Medium Term Financial Strategy (MTFS) report at their meeting held on 9th February 2021 and resolved to propose that report for consideration and approval of the final Budget, MTFS and Council Tax for 2021/22 by Full Council in accordance with the Council's constitution.

1.2. The council tax and savings proposals remain unchanged from those in the Cabinet report.

2. Cabinet Member Introduction

2.1. My comments on the 2021/22 budget which can be found in the Cabinet report of 9 February 2021 attached at Annex 1 remain unchanged.

3. Recommendations

3.1. Council are asked:

(a) To approve the proposed 2021/22 Budget and Medium-Term Financial Strategy (2021/26) agreed by Cabinet on 9th February 2021 as set out in Annex 1;

(b) To approve the increase of 1.99% in Haringey's element of the Council tax and an additional 3% for the Adult Social Care Precept;

(c) To approve the General Fund budget requirement for 2021/22 of £249.077m, net of Dedicated Schools Budget, as set out in Appendix 1 of Annex 1 to this report;

(d) To approve the Priority Cash Limits for 2021/22 of £ 249.077m as set out in Annex 2;

(e) To approve the 2021/26 General Fund Capital Programme set out in Appendix 4 of Annex 1 to this report;

(f) To approve the strategy on the flexible use of capital receipts as set out in and Appendix 6 of Annex 1 to this report;

(g) To approve the Housing Revenue Account (HRA) Budget 2021/22 as set out in Table 9.4 of Annex 1 to this report;

(h) To approve the 2021/26 HRA Capital Programme set out in Table 9.5 of Annex 1 to this report;

(i) To note the Greater London Authority (GLA) precept (para. 7.4);

(j) To approve the budgeted level of non-earmarked General Fund balance and the specific and other reserves as set out in Annex 3b;

(k) To approve the reserves policy including the Chief Finance Officer's (CFO) assessment of risk and the assessment of the adequacy of reserves, as set out in Annex 3 (a – c);

(l) To note the report of the Chief Finance Officer under Section 25 of the Local Government Act 2003 on the robustness of the estimates and the adequacy of proposed reserves set out in section 9;

(m) To approve the Treasury Management Strategy Statement 2021/22 set out in Annex 4; and

(n) To pass the budget resolution including the level of Council Tax, in the specified format, and to determine that the Council's relevant basic amount of Council Tax for the year is not excessive as set out in Annex 5.

(o) To note the results of consultation as set out in Appendix 8 of Annex 1.

4. Reasons for decision

4.1. The Council approved the Borough Plan 2019-2023 (the Plan) in February 2019. In response to the impact of the Covid19 pandemic on the Borough, its residents and businesses, a Recovery and Renewal process was instigated with the intention that the outcomes be used to inform a review and refresh of the Plan. The Borough Plan sets out the Council's priorities and the 2021/22 Budget and 2021/26 MTFS outlines the overall financial strategy for delivering those priorities. The latter has been developed with reference to the Recovery and Renewal process.

4.2. This final MTFS (2021/26) now proposed projects further unidentified savings of £21.9m across the period even if all budget reductions included in the MTFS are delivered and no new pressures identified. This is higher than the £15.5m assumed one year ago in the 2020/25 MTFS. The Council will therefore need to quickly identify major budget reduction measures in future years in order to balance the Budget/MTFS, as set out in section 9.

4.3. The 2021/22 Budget & 2021/26 MTFS Cabinet report of 9th February included relevant budgetary allocations announced in the Provisional Local Government Finance settlement on 17th December 2020. The Final Settlement ratified by Parliament on 10th February 2021 made no changes impacting on Haringey's figures so no adjustments to the Budget or MTFS were required. The 9th February report also included Cabinet's response to feedback from the Budget consultation, the views of Overview and Scrutiny Committee and also the outcome of the overall equalities assessment.

4.4. Taking all relevant factors into account, including the overall equalities assessment, the outcomes from consultation with residents and business rate payers and the recommendations from the Overview and Scrutiny committee meeting held on 18th January 2021, this report sets out Cabinet's 2021/22 Budget and 2021/26 MTFS proposals, including the level of Council tax for 2021/22, for the Council to consider and approve.

4.5. The report and recommendations from the Cabinet meeting on 9th February 2021, were agreed in full and are attached as Annex 1.

5. Alternative options considered

5.1. The Council has a statutory requirement to set a balanced budget for 2021/22. Therefore, in accordance with legislation and the Council's constitution, this report recommends that the Council should approve the proposed 2021/22 Budget and 2021/26 Medium Term Financial Strategy agreed by Cabinet on 9th February 2021, including the outcomes from the budget consultation exercise, budget scrutiny and equalities review, which is attached as Annex 1 and approve the Council tax for 2021/22. Accordingly, no other options have been considered.

6. Background information

6.1. On 9th February 2021 Cabinet agreed a proposed 2021/22 Budget and 2021/26 MTFS for submission to this meeting of the Council, including: a General Fund revenue budget for 2021/22 of £249.077m; the Dedicated Schools Budget and the Housing Revenue Account (HRA) revenue budget for 2021/22; and the 2021/26 Capital Programmes for both the General Fund and HRA. Cabinet agreement to these proposals was subject to the decisions of levying and precepting authorities, not available at that time.

6.2. The Cabinet report of 9th February 2021 (attached as Annex 1 to this report), and the proposed Budget/MTFS recommended to Full Council by Cabinet are the subjects of discussion at this meeting.

6.3. This report also addresses:

- The final local government finance settlement 2021/22 (see para 4.3);
- The decisions of levying bodies and precepting authorities;
- Considerations in setting the Council Tax;
- The robustness of the Council's budget process;
- The adequacy of the Council's reserves; and,
- The Treasury Management Strategy Statement 2021/22.

6.4. The report concludes by presenting the Budget Resolution to set the Council Tax for 2021/22.

7. Key Developments and Updates

Levying Bodies

7.1. The Board of the North London Waste Authority (NLWA) met on 11 February 2021 and agreed an overall levy of £57.8m for 2021/22 which is an overall 4.65% increase over the 2020/21 position. The quarterly forecasts provided for the 2021/22 levy have been volatile this year due to the impact of the Covid-19 pandemic; the various lock downs and restrictions have impacted on more established patterns of waste disposal and collection. Increases in the levy have though been expected and budget step up built into budget assumptions. The final levy on Haringey approved by the NLWA Board for 2021/22 is £9.0m, which can be accommodated within this enhanced budget. The increase in the Haringey levy reflects the decrease in the applicable balances and the updated forecasts of waste in totality. The MTFS has built in an element of growth in future years from 2022/23 to address the expected increase in levy to fund the costs associated with the new Energy and Resource Recovery Facility however, this is based on estimates and will need to be kept under review.

7.2. The levies payable to all other bodies have remained stable and can be accommodated within the current proposed budget.

7.3. The below table provides a summary of levy charges to Haringey Council in 2020/21 and 2021/22.

Table 7.1: Summary of 2020/21 and 2021/22 Levies

	Amount Due 2020/21 £'000	Amount Due 2021/22 £'000
Environment Agency	176	180
Lee Valley Regional Park Authority	184	184
London Borough Grants Scheme	203	200
London Pensions Fund Authority	265	261
North London Waste Authority (NLWA)	8,007	9,000
Total Paid/ Due	**8,834**	**9,825**

The Greater London Authority Precept

7.4. The Mayor's final draft budget proposals for the 2021/22 consolidated budget were scheduled to be published on Tuesday 19th January 2021 and will be considered by the London Assembly on Thursday 25th February 2021. The current draft proposals indicate an increase of £31.59 (9.5%) to £363.66 (Band D) (comprising an additional £15 for the Metropolitan Police and an extra £15 for Transport for London to maintain free bus and tram travel for under 18s and the over 60s Oyster card). This currently conforms to the council tax referendum principles relevant for 2021-22 for the Greater London Authority.

7.5. It is possible that the proposed increase in the precept may change before the final Budget is approved – including the possibility of a change at the GLA meeting on the 25th February 2021. Therefore, the amounts shown in respect of the GLA precept in Annex 5, the formal Budget resolution, may change. If this happens, the revised figures will be added as an addendum item to this report. The Council as a billing authority is required to reflect the level of any relevant precept notified to it and so it is not a decision of the Council as to whether the level of the GLA precept should be approved or not. It is, however, imperative that the Council Tax information produced by the Council as the Billing Authority reflects the final decision taken by the GLA.

7.6. In the unlikely event that the GLA finally resolve a Council tax precept at a level requiring them to undertake a referendum (i.e. if the unadjusted amount of council tax - the non-police precept - were increased by 2 per cent or more; or if the adjusted amount of council tax (i.e. the total Band D precept payable in the 32 boroughs) were increased by more than £16.59 (i.e. a £15 increase in the policing element and the maximum increase of £1.59 permitted by the 2 per cent limit for the unadjusted amount)), a further report considering the implications of this on the Council would need to be considered.

8. Considerations in setting the Council Tax

8.1. The Localism Act 2011 gave electors the right to veto excessive Council tax rises. Councils that set 'excessive' council tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum in their area.

8.2. In the Spending Round 2020 (SR20) the Government announced that those authorities with Adult Social Care functions could implement a further Adult Social Care (ASC) precept for 2021/22; this is on top of the previous legislation which allowed up to 2% in 2016/17 and a maximum of 6% between 2017/18 and 2019/20. Haringey applied the full 8% between 2016/17 and 2018/19. This ASC precept must be allocated entirely towards Adults Social Care costs and specific information must also be made available on the face of the Council tax bill highlighting this to taxpayers.

8.3. For 2021-22, the relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2021-22 is 5% (comprising 3% for expenditure on adult social care, and 2% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2020-21. The Budget now proposed assumes that both elements will be charged to residents i.e. a 1.99% increase in basic Council Tax and a 3% increase in the Adult Social Care element. These proposals are below the levels that would trigger a referendum.

8.4. Council is, therefore, recommended to resolve the relevant basic amount as not excessive at paragraph 6 of the Formal Budget Resolution (Annex 5).

8.5. The projected income from Council tax in 2021/22 is £110.3m based on 76,544 Band D equivalent dwellings (the Tax Base) (78,543 in 2020/21) a collection rate of 95.5% (96.5% in 2020/21) and the proposed Band D Council tax rate of £1,441.04 (£1,372.56 in 2020/21).

8.6. These proposals result in total available funding (the 'Budget Requirement') for 2021/22 of £249.077m, as set out in recommendation 3.1(c), above.

9. Statements of the Designated Chief Finance Officer

9.1. The importance of local authority financial resilience has taken up greater significance more recently due to a prolonged period of austerity. This year it has been compounded by the impact of the Covid-19 pandemic.

9.2. The CIPFA Financial Resilience Index is a useful tool that can aid the Council in identifying pressure points via a number of indicators. CIPFA has been developing this index since 2018 and it can support Chief Finance Officers in carrying out their statutory role, particularly in relation to Section 25 of the Local Government Act 2003, as well as providing an independent view for the local leadership on the overall financial resilience of their Council and the proximity of their authority to its financial limits.

9.3. It is recommended by CIPFA that councils refer to these indicators to support the Chief Finance Officer's S25 statement and this is the third year that Haringey has referred to this document. The underlying data used for the index

(currently 2016/17 – 2019/20) is necessarily based on publicly available data and is therefore historic in nature but does illustrate trends. As a consequence of this it should be emphasised that the Resilience Index provides a pre-COVID picture of resilience at the end of March 2020.

9.4. Haringey's 2019/20 position compared to other London Boroughs is shown in Annex 3d along with further description and interpretation for each of the indicators and their relationship to risk.

9.5. The key messages to note are that:

- The highest risk indicated by the model remains, as per last year, the high percentage of Social Care Spend out of Total Net Service Expenditure. This is likely to continue in future years as well due to increased service growth pressures.
- Haringey's level of reserves is assessed as a medium risk compared to other London Boroughs. The unearmarked General Fund reserve has remained at a constant level and this trend is expected to continue.

9.6. The Council's Chief Financial Officer is required by Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purposes of the final budget calculations.

9.7. To meet the scale of the financial challenge facing the Council, the Council refreshes its five-year MTFS on an annual basis to ensure that assumptions, especially those around budget reductions are reviewed and updated as necessary.

9.8. The Spending Round 2019 (SR19) was the first time since 2010 that Local Government saw an increase in funding with Core Spending Power increased by 6.3% nationally. The Queen's Speech delivered on 19th December 2019 also announced that the £1bn additional Social Care funding included in SR19 was committed for each year of the Parliament.

9.9. The Spending Round 2020 (SR20) also showed an increase (4.5%) in Core Spending Power nationally however, it should be noted that 85% of this increase is dependent on council tax increases, with only 15% from increased government support. The SR20 also, for the second year in a row, only covered funding announcements for 2021/22. This decision was taken in order for the government to prioritise the response to the C19 pandemic. While this is understandable it continues to expose the local government sector yet again to significant uncertainty across the following years of the MTFS and hampers longer term planning and decision making.

9.10. This uncertainty is further compounded by the fact that, even after a year since the C19 entered the UK, the country is still operating with serious restrictions. The public sector has received a significant package of one-off funding support during the current financial year and the SR20 and local government finance settlements both included funding commitments from central government to support local authorities with on-going C19 pressures in 2021/22. At this stage, it is too early to assess whether it will be sufficient to

cover the expected pressures however, the planning assumption taken in setting the 2021/22 Budget is that the council can rely on general and specific grants from government to offset additional budgetary impacts.

9.11. The impact of the C19 pandemic on public finances will not disappear quickly. The OBR report published on 25 November 2020 forecast that, even with expected growth in 2021, it was unlikely that the economy would return to pre-C19 levels before the end of 2022. That was before the current lockdown was put into place. The Chancellor's Budget statement is planned to take place on 3 March 2021 and is expected to focus on initiatives to stimulate the economy however, until the detail is seen, it remains as a potential risk to current assumptions in the MTFS. The impact of the UK's exit from the EU is also another macro-economic risk which could potentially build in significant additional costs to the current MTFS assumptions, but there is currently insufficient concrete intelligence to actively build into our financial plans.

9.12. The Government is committed to progressing the expected reform of the Business Rates system during 2021/22 and if so it must be expected that the Fair Funding Review will also conclude. The latter, in particular, could have significant ramifications for the distribution methodology used to allocate out government funding to the various authorities. Therefore, even if national funding to Local Government remains at 2021/22 levels or improves, the actual sum received by Haringey could be less. The impact of forecast population numbers reducing across London could also be significant in terms of funding into the region.

9.13. In the light of these considerable uncertainties, largely outside the Council's direct control, further weight is given to the S151 considerations on the adequacy of reserves and other balances.

Robustness of the budget process

9.14. The financial planning process this year had looked to build on the progress made last year where the budgets adjustments agreed were more realistic and understood and owned by the wider organisation. The forecast budget gap for 2021/22 in last year's MTFS was £1.954m and this would have allowed the organisation to develop larger scale, transformational programmes to address the widening gap beyond 2021/22.

9.15. However, the subsequent impact of the global pandemic (Covid-19) has led to a significant shift in the MTFS assumptions in place when the last budget and MTFS were agreed. This, in particular, led to a downwards assessment of local tax revenues. It also impacted on the ability of the Council to deliver agreed savings to the set timeframes and the 2021/22 Budget proposes reprofiling £2.9m into future years. A detailed challenge to the growth assumptions in the existing MTFS was also undertaken alongside a review of base budget pressures highlighted as part of the in year budget monitoring. A number of policy growth proposals are also proposed. The outcome of this detailed work

on the revised forecast gap for 2021/22 was significant with an estimated shortfall of £17m, an increase of £15m to the forecast in February 2020.

9.16. This highlighted the need for change to take place at a faster pace than originally envisaged. Furthermore, with the forecast level of budget reductions now required for 2021/22, it became apparent that a focus purely on a directorate led basis would be unable to achieve the magnitude required. This would also have been a barrier to progressing the more transformational, council-wide changes which emerged as a key output from the Recovery and Renewal activity which:-

- Looked at our borough plan priorities and principles and reflected on what needed to change as a result of Covid-19, including as part of conversations with partners, to understand systems-wide perspective
- Reviewed our service delivery, to meet the challenge of delivering services in a new world of living with Covid-19 and doing so in a smaller budget envelope
- Worked with partners to understand the systems-wide impact

9.17. This led to the formulation of cross-cutting programmes which have identified forecast budget reductions albeit requiring a longer lead in time, so not delivering fully until 2022/23.

9.18. The financial planning approach taken, which has built on the groundwork put in place over the last couple of years does provide greater confidence of managing within the agreed budget. However, the size of savings to be achieved alongside business as usual activity and the on-going impact of C-19, still retains a delivery risk and the budget proposals now proposed maintains the Budget Resilience contingency for 2021/22 and across the whole of the MTFS period to be used to mitigate any in-year overspend/delay in implementation of planned savings.

9.19. The budget process will continue to be supported by a regular cycle of budget management and reviews. The Council's Risk Management process also underpins all these activities.

9.20. The Council closely monitors progress on delivering agreed savings and provides quarterly RAG rated reports to Cabinet. The C-19 pandemic has had a negative impact on delivery during 2020/21 but this is in line with the experience of other authorities, as officers had to re-focus efforts on responding to the demands of supporting local communities at this challenging time. The financial planning process has acknowledged this and has re-profiled savings where necessary. The new service budget reductions proposed in this Budget/ MTFS have been reviewed by Overview and Scrutiny, public consultation and assessed for any negative equalities impacts. The implications of the proposed capital programme to the future revenue budgets of the authority were highlighted during this process.

9.21. The introduction of a "live budgeting" approach during 2019/20 will continue to be an additional tool to enable the Council to respond in a timely manner to pressures or opportunities that present; this may be more salient in the forthcoming year as the country continues to respond to the pandemic.

9.22. Table 9.1 below confirms the total savings agreed by Cabinet for 2021/22 and for each of the remaining years of the MTFS. While the Council has identified new budget reductions of £11.4m (Appendix 3 of Annex 1 to this report) across the MTFS period bringing total agreed budget reductions to £27.6m, there are still unidentified savings of £21.9m across the MTFS period, £12.2m of which will need to be found in 2022/23 a considerable step up.

Table 9.1: Summary of Agreed/Unidentified MTFS Reductions

Total Savings Proposals - 2021/2026						
Priority	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**Total Proposals**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Housing	1,328	340	51	12	1	1,732
People - Adults	3,161	3,980	535	0	0	7,676
People - Children	(225)	1,679	130	230	0	1,814
Place	4,378	2,649	(1,370)	1,360	170	7,187
Economy	225	100	100	100	70	595
Your Council	716	1,032	6	0	0	1,754
Subtotal	**9,583**	**9,780**	**(548)**	**1,702**	**241**	**20,758**
Cross-Cutting Proposals	750	2,250	0	0	0	6,850
Total	**10,333**	**12,030**	**(548)**	**1,702**	**241**	**27,608**
Use of Reserves	1,688	0	0	0	0	1,688
Unidentified Savings	0	12,230	8,420	1,261	0	21,911
Total Savings Requirement	**12,020**	**24,260**	**7,872**	**2,963**	**241**	**51,206**

9.23. In summary, the Council is required to deliver £51.2m of budget reductions before 2025/26 which equates to a 20% reduction to the 2021/22 net budget which is expected to be achieved by both budget reductions and increasing sources of income. This represents a fundamental challenge to the Council.

9.24. At the end of Quarter 3 for 2020/21, the draft budget monitoring position indicates a year end deficit of circa £8.1m however, £4.32m of this is C19 related and the council still expects to be recompensed by the government for this element. The non-C19 pressure has reduced since Qtr2 and it is expected that services will continue to look to address their overspends before year end; any residual balances are expected to be met from utilisation of the budget contingency.

9.25. The position of the Dedicated Schools Grant continues to be of concern to Haringey, with a projected negative balance of in excess of £16m to be carried forward into 2021/22, largely owing to overspends in the High Needs Block in the last 3 years. This is a national issue with many Councils in a similar position to Haringey. Whilst the government's clarity that DSG is now a ringfenced fund which will not currently become a pressure to the general fund is helpful, this

is a significant deficit balance to hold within the Council's balance sheet. Local action by the Council will be developed to help mitigate the position, however this in itself will not be sufficient to address the overspend position. The issues faced by the sector require a systemic review of funding from the government, including funding or mechanisms to rebalance carried forward deficits.

9.26. The Chief Financial Officer is satisfied that the estimates underpinning the Cabinet's proposals for the 2021/22 Budget are robust however, the challenge for 2022/23 and beyond is considerable and the council must take action now to tackle this.

Adequacy of Reserves

9.27. Section 25 of the Local Government Act 2003 also requires the Chief Finance Officer to report on the adequacy of the proposed level of financial reserves. The Council's Reserves Policy is set out at Annex 3a, which the Council should formally review each year.

9.28. The level of reserves is subject to the approval of the Council and will be set at the level commensurate with their identified need.

9.29. The Council holds a number of reserves which are detailed in Annex 3b and can be categorised as follows:

- Non-earmarked (general) Reserves - These are held to cover the net impact of risks, opportunities and unforeseen emergencies;
- Earmarked (specific) Reserves - These are held to cover specific known or predicted financial liabilities;
- Other Reserves - These relate to ring-fenced accounts which cannot be used for General Fund purposes e.g. the Housing Revenue Account and schools' accumulated balances.

9.30. All reserves have been reviewed and their level judged to be adequate and the continued need for them appropriate.

9.31. Annex 3b also shows the projected movement on the reserves over the current (2020/21) financial year, based on the position at Period 10.

9.32. It is projected that the Council will have un-earmarked General Fund balance of £15.8m at 31st March 2021. The final position will be dependent however on the Council's 2020/21 financial outturn.

9.33. It is imperative that the un-earmarked general reserves and contingencies are adequate to meet the net financial impact of the risks facing the Council. These risks have been assessed at £20.8m, as set out in Annex 3c, which can be covered by the existing Resilience reserve and the General Fund reserve although it should be recognised that this cannot be a complete assessment. Accordingly, the proposed levels of general reserves set out above, together with the contingency provision in the Council's base budget are judged to be adequate within the meaning of the 2003 Act.

9.34. No change to the Council's Reserves Policy is recommended.

Treasury Management

9.35. The Treasury Management Strategy Statement (TMSS) for 2021/22 in Annex 4 sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It was considered by Corporate Committee on 4th February 2021 and recommended it for approval by Full Council; the report from that Committee is included elsewhere on this agenda.

9.36. The Council's Overview and Scrutiny Committee also considered the TMSS on 18th January 2021 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

9.37. The proposed prudential indicators are based on the proposed Capital Programme as reported to Cabinet on 9th February 2021. Any future decision by the Council to undertake further debt financed capital expenditure, including, in particular, any changes associated with the Capital Strategy will require a review of the prudential indicators and further approval by full Council.

10. Summary and Conclusions

10.1. This report finalises the Budget process for 2021/22 and proposes that Council Tax is increased by 1.99% with an additional 3% increase in relation to Adult Social Care precept.

10.2. The level of financial reserves is also reported, and those levels are considered to be adequate.

10.3. The Council is required to determine whether its increase in Council Tax for 2021/22 is 'excessive' and, if so, would trigger a referendum. The proposal in this report is not an "excessive" increase.

10.4. The recommendations of the Cabinet are reflected in the formal Council tax Resolution in Annex 5.

10.5. The Medium Term Financial Strategy 2021-2026 recognises the risks arising predominantly from funding constraints and increases in demands for council services, but it remains essential that the Cabinet and Council keep the key assumptions under close review, identify and deliver the requisite level of budget reductions, maintain financial discipline and control, focus on their highest priorities and strive to improve further the value for money the Council secures from its resources.

11. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

11.1. As the report is primarily financial in its nature, comments of the Chief Finance Officer are contained throughout the report.

Head of Legal & Governance Comments and legal implications

11.2. The Head of Legal & Governance (interim) has been consulted in the preparation of this report and makes the following comments.

11.3. In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council tax are to be discharged by the Full Council.

11.4. The Local Authorities (Standing Orders) (England) (Regulations) 2001 set out the process of approving the budget and provide that the adoption of the budget and calculation of the Council tax by Full Council is to be on the recommendation of the Cabinet. The council tax and savings proposals remain unchanged since their consideration by the Cabinet on 9th February 2021. In reaching a decision Full Council may adopt the Cabinet's proposals, amend them, refer them back to Cabinet for further consideration, or substitute its own proposals in their place.

11.5. Under section 25 Local Government Act 2003, in considering decisions on the budget, and the level of Council tax, Full Council must take into account this report from the Council's Chief Finance Officer, as the Section 151 Officer, who has a statutory duty to report on the robustness of the estimates and the adequacy of the proposals for reserves.

11.6. Full Council may take decisions which are at variance with this advice provided there are reasonable grounds so to do. However, Members must take into consideration their exposure to personal risk if they disregard clearly expressed advice.

11.7. Full Council has a legal duty to set a lawfully balanced budget and adoption of the recommendations in this report would fulfil the statutory obligations in this regard.

11.8. In accordance with section 31A of the 1992 Act, Full Council is required to calculate the Council tax chargeable by way of a Council tax requirement. The Council must calculate its expected outgoings and income for the year. Where the expected outgoings exceed the expected income, the difference is the Council's Council tax requirement for the year. The relevant basic amount of Council tax for the year is calculated by dividing the Council tax requirement after the deduction of levies by the Council tax base.

11.9. Under section 52ZB of the 1992 Act the Council is required to determine whether its proposed relevant basic amount of Council tax is excessive on the basis of criteria set by the Secretary of State. It has been confirmed by the Referendums Relating to Council tax Increases (Principles) (England) Report 2021/22 that for 2021/22 an increase is excessive if the authority's relevant basic amount of Council tax for 2021/22 is 5% (comprising 3% for expenditure on adult social care and 2% for other expenditure), or more than 5%, greater than its relevant basic amount of Council tax for 2020-21. In such circumstances such an increase would be regarded as excessive and automatically trigger a referendum in the borough. The 'relevant basic amount' of Council tax was redefined by section 41 of the Local Audit and Accountability Act 2014, and accordingly section 52ZX of the 1992 Act has been updated. Essentially an authority's relevant basic amount of Council tax is the authority's own level of Band D Council tax. With the current proposals of a less than 5% increase the Council is entitled to conclude in accordance with the Direction issued by the Secretary of State, that the relevant basic amount of Council tax is not excessive.

11.10. In accordance with section 30 of the 1992 Act, the Council is required to set the Council tax for the next financial year on or before 11 March. Under section 106 of the 1992 Act, any Member who is in arrears of two months or more Council tax must declare it at the meeting and abstain from voting upon this report.

Equalities and Community Cohesion Comments

11.11. Equality comments are included in the report to Cabinet dated 9th February 2021, attached as Annex 1.

12. Use of Appendices

Annex 1 – Cabinet report of 9th February 2021 including Appendices 1 - 11.

Annex 2 – Cash Limits analysed at Priority Level

Annex 3 – Reserves

3a: Reserves Policy

3b: Reserves and their adequacy

3c: Risk evaluation

3d: Financial Resilience Indicators

Annex 4 – The Treasury Management Strategy Statement

Annex 5 – The Formal Budget Resolution

13. Local Government (Access to Information) Act 1985

13.1. The following background papers were used in the preparation of this Report

- Final Local Government Finance Settlement 2021/22.
- NLWA Budget Proposals report agreed 11th February 2021.
- GLA Budget proposals report agreed 25th February meeting 2021.

For access to the background papers or any further information please contact Frances Palopoli – Head of Corporate Financial Strategy & Monitoring ext. 3896

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Report for:	Cabinet 09 February 2021
Item number:	To be added by the Committee Section
Title:	**2021-22 Budget and 2021-2026 Medium Term Financial Strategy**
Report authorised by :	Jon Warlow, Director of Finance
Lead Officer:	Frances Palopoli, Head of Corporate Financial Strategy & Monitoring
Ward(s) affected:	All
Report for Key/ Non Key Decision:	Key

1. Describe the issue under consideration

1.1 Cabinet received a report on the Draft Budget on 8 December 2020 which recommended to start consultation on the budget proposals and also highlighted that the Council could set a balanced budget for 2021/22 but only with a significant (£5.4m) one-off use of reserves. This draft budget included estimated funding changes as a result of the announcements included in the Spending Round 2020 (SR20), but also underlined that the detailed allocations, included in the Provisional Local Government Finance Settlement, were still awaited.

1.2 The Provisional Local Government Finance Settlement was announced on December 17th 2020. In totality, this confirmed the December estimates as sound but did also include new announcements such as a Local tax income guarantee compensation scheme and a new one-off Local Council Tax Support Grant (LCTSG). Announcements were also made about some other significant grant streams, outside of the Settlement, such as those directed at reducing Homelessness.

1.3 The Budget and MTFS have been revised to include the impact of these funding changes and with due regard to the corporate Equalities Impact Assessment, consultation feedback and recommendations from the Council's Overview and Scrutiny Committee. As such the Budget position for 2021/22 has improved, with the proposed balanced budget having a reduced requirement for using reserves of £1.7m, though of course this in itself is still significant. It should also be noted that the forecast position for the years 2022/23 and beyond continue to very difficult a further step- up in the financial challenge.

1.4 The provisional Local Government Finance Settlement also confirmed that local authorities could increase their Council Tax up to 1.99% without referendum and also allowed for an additional 3% ASC precept to be raised. This Budget

assumes that both of these increases are adopted by Haringey; this is in line with the December draft Budget proposal.

1.5 The relevant sections of the report have been updated to highlight the pertinent new information arising from the provisional Local Government Finance Settlement, other funding announcements and the decision by the London Leaders and GLA, made since the last report, to discontinue the London business rates pool in 2021/22. The report also includes summaries of the responses to the public Budget Consultation as well as those from Overview and Scrutiny Committee along with Cabinet responses.

1.6 The Council has a statutory requirement to set a balanced budget for 2021/22 and this report forms a key part of the budget setting process by setting out the planned funding and expenditure for that year. Additionally, in order to ensure the Council's finances over the medium term are built on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years (2022/26) in the form of an MTFS. Cabinet's role in this is to recommend the Budget and key policy proposals to Full Council for agreement and this report satisfies this duty.

1.7 In accordance with the Local Government Finance Act (LGFA) 1992, Full Council must approve the budget for the forthcoming year and agree the Council tax for that year by the statutory deadline of 11th March. Full Council will consider the Budget package contained in this report at their meeting on 1st March 2021.

1.8 As highlighted in the December report, the proposed budgets have been prepared with reference to the Borough Plan 2019-2023 but also the work undertaken earlier this year to review and refresh it to recognise, and respond to, the impact that the Covid-19 pandemic has had on the Council, residents, businesses and partners.

1.9 One of the financial planning strategies used by this Council is to acknowledge and respond to forecast demands upon the Council and take a realistic view of its circumstances. As such, a detailed challenge to the growth and savings assumptions in the existing MTFS was undertaken alongside base budget pressures highlighted as part of the in year budget monitoring. As a result of this, the proposed budgets for next year have been adjusted to respond to this intelligence as far as resources practically allow and to ensure that they reflect the reality of demand that exists for certain services. As a consequence, the 2021/22 Budget now proposed invests a further £8.6m, primarily into its Adults and Children's services to meet care needs (before savings).

1.10 While the revenue budget remains tightly constrained, some additional funding has also been identified for progressing key priorities for our communities:

- Free Schools Meals - £0.300m funding in 2021/22 and 2022/23 (on top of the £0.050m pa put in place in 2019/20)
- Welfare Assistance Scheme - £0.3m funding in 2021/22 and 2022/23
- Voluntary and Community Sector – £0.25m in 2021/22
- Youth Services – £0.25m in 2021/22
- Haringey University Bursary Scheme - £0.12m over 3 years
- Recruit Local People - £0.10m over 2 years

1.11 This report also sets out substantial proposed additions to the current General Fund Capital Programme including funding for:

- the creation on the Wood Green Youth Hub: £1m
- further school conditions work: £33m
- increased investment in our roads, pavements and other public realm: £18m
- expansion of the strategy to tackle empty homes: £5m
- the completion of the Pendarren refurbishment: £4.6m
- replacement of the Adults Social Care system: £2.5m
- the Good Economy Plan £2m, and a number of additional workspace creation schemes: £3.4m
- implementing the Alternative Provision Strategy: £12m
- the complete refurbishment of the Civic Centre £14.25m (additional to existing budget of £9.75m).

1.12 Almost one year on from the first National lockdown, the country is still severely impacted by the pandemic. The December report underlined the impact that the Covid-19 pandemic has had on the financial planning process this year and the steps that the Council has taken to respond to this challenge. One of the main impacts on next years budget is the assumed level of support that the Council will provide via the Council Tax Reduction Support (CTRS) scheme. For other financial impacts of C19 on 2021/22, the planning assumption is that the Council can rely on general and specific grants from government to offset budgetary impacts, some of which was confirmed in the SR20. However, the eventual medium to long-term economic impact still remains unknown and could create greater pressures for the Council, particularly as the Office for Budget Responsibility (OBR) has forecast that a return to pre-pandemic levels will not take place until late 2022. A further, as yet unquantifiable, risk is the immediate and longer term impact of the Brexit trade deal. Both of these risks underline the continued imperative for the Council to maintain sufficient financial resilience.

1.13 The Council always maintains a five year future forecast of its finances via its MTFS. After the above assumptions and taking account of planned greater future years savings, it is still forecasting a significant gap of circa £12.2m for 2022/23 and more in subsequent years. This points towards a difficult budget round again next year and underlines the significance of the Council's proposal's for council tax increases this year.

1.14 How this gap will be closed will need to be addressed by this time next year. Given the extent of changes already factored into our plan, this will be very challenging to the Council.

1.15 For schools, the Dedicated Schools Budget (DSB) funding, which is ring fenced for the delivery of education services, is also outlined. The final Dedicated Schools Budget (DSG) allocations for Haringey have seen increases in the Schools and High Needs Block but a reduction the Central block.

1.16 The report includes the draft Housing Revenue Account (HRA) revenue budget and HRA Capital programme, incorporating the work undertaken during the Autumn to update the HRA Business Plan. This revised HRA financial plan, which is its third year, recognises certain risks such as the impact of the current pandemic, COVID-19, on collection of rent, the impact of government policy

changes in respect of types of tenancy, rent levels, right to buy, and treatment of voids.

1.17 The Plan now presented, compared to the current one, supports the delivery of increased number of new homes in the borough, with greater proportion of these new homes being developed for social rents. A more granular approach was also taken in the costing of our new homes and acquisition programmes, drawing upon our increased knowledge from the first two years. The change in the PWLB borrowing rate and updated inflation (CPI) which informs the rent charges and affects cost have also been incorporated.

1.18 In summary, this report finalises the Council's General Fund and HRA 2021/22 Budgets and Medium-Term Financial Strategies for 2021-2026.

1.19 The only items not confirmed at this stage are:

- Notification of final levy sums however, we are not forecasting any levies to be significantly different to the sums currently budgeted for;
- Confirmation of the GLA council tax element;
- Final 2020/21 Local Government Finance Settlement announcement – again there are no indications that this will bring forward any / material changes to the provisional figures already received.

1.20 As stated, these final notifications are not expected to lead to any significant budget implications, but an update will be included in the Full Council report on 1st March; this will also include details of any final budget adjustments required.

Cabinet Member Introduction

2.1 This is a progressive budget at a time of hardship.

2.2 The events of the last year have been unprecedented. The impact of the global coronavirus pandemic has been felt in every home, business and community in our borough. What began as a public health crisis swiftly became a food crisis, a housing crisis, an education crisis and an economic crisis. This has demanded unprecedented action from Haringey Council. In particular we have had a relentless focus on the most vulnerable people in our community – taking action to protect and support our people.

2.3 This has taken a toll on our finances. In the current year the gross financial impact of the pandemic is around £40millon compared to our planned budget. Due to the sound management of our finances, the authority has been able to do what was necessary knowing that we were not at risk as an organisation. This continues to be particularly important given the on-going uncertainty, even with the vaccine rollout, about when some levels of normality will return.

2.4 The budget monitoring reports I have presented this year not only highlight the scale of the impact of Covid on the organisation's finances, but also highlight that progress that has been made on stabilising our business as usual budgets and delivering on our planned MTFS savings programme. The budget reductions proposed in this report focus as much as possible on delivering efficiencies, service re-design, programmes which cut across departmental boundaries or increasing income instead of service level cuts.

2.5 The Council remains alive to reviewing all budget risks and savings programmes annually. Underlying pressures such as base budget issues which have arisen, demographic growth that is unavoidable and savings that will be delayed or no longer achievable, are all addressed as part of the 2021/22 Budget and MTFS now proposed. I am pleased to confirm that, since the draft Budget was presented in December, the level of reserves required to set the Budget for 2021/22 has reduced to £1.7m. This is still a considerable sum and underlines that this budget has clearly been much more challenging when compared to the £0.6m gap presented at this time than last year, however this reflects the effects of the pandemic on our organisational financial resilience.

2.6 We welcome the additional resources confirmed in the Spending Review and subsequent Local Government Finance Settlement however, Covid and the resulting recession will have a continuing impact on our finances, made worse by the chronic underfunding from 10 years of austerity. It was also disappointing that, for a second year, funding announcements covered one year only making robust planning for the medium term almost impossible. So, we will continue to call on Government to provide certainty and properly fund local councils so that we can serve our communities and build a fairer society.

2.7 Despite this hugely challenging situation we are proud that we have developed a budget in line with our values. It invests in young people, supports the most vulnerable and those impacted hardest by the pandemic, and seeks to build our local economy.

- This budget includes real additional resources in 2021/22 for:
- Free Schools Meals: £300k
- A Welfare Assistance Scheme: £300k
- Our local Voluntary and Community Sector: £250k
- Youth Services: £250k
- Haringey Fairer Education Fund (University bursary scheme): £120k
- Recruitment of local people: £100k over the next two years

2.8 In addition, our capital programme will invest more than £90m of additional investment to address our communities' needs and invest for the long term. This includes:

- creation of the Wood Green Youth Hub: £1m
- further school building improvements work: £33m
- increased investment in our roads and pavements: £19m
- expansion of the strategy to tackle empty homes: £5m
- completion of the Pendarren refurbishment: £4.6m
- the Good Economy Recovery Plan: £2m. Additional workspace creation schemes: £3.4m
- implementing the Alternative (school) Provision Strategy: £12m
- the complete refurbishment of the Civic Centre £14.25m (additional to existing budget of £9.75m) creating a public building we can all be proud of.

2.9 This budget also maintains measures implemented in previous years such as the Council Tax Reduction Scheme (CTRS), and London Living Wage (LLW) rates. These vital commitments, alongside our continued investment in public services, are only possible through an increase in council tax income. This draft budget proposes a general council tax increase of 1.99% and a further Adults Social Care Precept of 3% (the maximum allowed by Government), which give a total council tax charge increase of 4.99%.

2.10 We recognise that raising council tax at this time will be an additional ask at a challenging time. However, without these resources we would have to cut back the support and services for the most vulnerable in our borough. We do not believe that this is the right thing to do. The increase for a Band D property (excluding GLA element) is £1.32 per household per week and we continue to have a comprehensive Council Tax Reduction Scheme. Indeed, this Budget acknowledges the increased numbers eligible for the scheme during the course of this year as well as those additional residents forecast to claim in 2021. We estimate that circa 28,000 may receive support under this scheme next year.

2.11 The new 10 year HRA financial plan supports the delivery of increased number of new homes in the borough, with greater proportion of these new homes being developed for social rents. The proposed increase in spend on existing homes

further highlights the Councils commitment to improving the quality of life of residents, ensuring homeless households are provided a safe place to live, and maintaining the overall safety of our dwellings.

2.12 Haringey was characterised by unacceptable inequalities before this pandemic and it has got worse. The financial challenge we face does not diminish our commitment to build a more equal borough – as you can see from this budget.

2.13 Indeed, we will redouble our efforts to build the houses we need, create opportunities for our young people; and ensure a cleaner, greener Haringey.

3. Recommendations

Cabinet is asked to:

3.1 Consider the outcome of the budget consultation as set out in Appendix 8, to be included in the report to Council. Having taken this into account this report does not propose any amendment to the Budget for 2021/22 nor to the MTFS 2021/26.

3.2 Approve the responses made to the Overview and Scrutiny Committee recommendations following their consideration of the draft budget proposals as set out in Appendix 9. Having taken this into account this report does not propose any amendment to the Budget for 2021/22 nor to the MTFS 2021/26.

3.3 Propose approval to the Council of the 2021/22 Budget and MTFS 2021/26 Budget Reduction Proposals as set out in Appendix 2.

3.4 Propose approval to the Council of the 2021/22 General Fund Revenue Budget as set out in Appendix 1, including specifically a General Fund budget requirement of £249.077m, but subject to final decisions of the levying and precepting bodies and the final local government finance Settlement.

3.5 Propose approval to the Council of the General Fund Medium Term Financial Strategy (MTFS) 2021-2026 as set out in Appendix 1.

3.6 Propose approval to the Council that the overall Haringey element of Council Tax to be set by London Borough of Haringey for 2021/22 will be £1,441.04 per Band D property, which represents a 1.99% increase on the 2020/21 Haringey element and with an additional 3% for the Adult Social Care Precept amount.

3.7 Note the Council Tax Base of the London Borough of Haringey, as agreed by the Section 151 Officer under delegated authority (Article 4.01(b), Part 2, of the Constitution), as 76,544 for the financial year 2021/22.

3.8 Propose approval to the Council of the 2021/22 Housing Revenue Account budget as set out in Table 9.4.

3.9 Propose approval to the Council of the Housing Revenue Account Medium Term Financial Strategy (MTFS) 2021-2026 as set out in Table 9.4.

3.10 Approve the changes to the rent levels for residents in temporary accommodation, Council tenants in General Needs, Sheltered/Supported, and

Affordable homes reflecting the recent rent guideline requiring Councils in England to increase rent by no more than the Consumer Price Index (CPI) at September of the previous year plus 1%. This will increase the average weekly rents as set out in Tables 9.1 and 9.2.

3.11 Agree the changes to service charges to tenants as set out in Table 9.3.

3.12 Approve that the 18 currently Affordable properties, shown in Table 9.2, be changed to Social Rents from 5 April 2021.

3.13 Propose approval to the Council of the 2021/22 – 2025/26 General Fund capital programme detailed in Appendix 4.

3.14 Propose approval to the Council of the 2021/22 – 2025/26 Housing Revenue Account (HRA) capital programme detailed in Table 9.5.

3.15 Propose approval to the Council of the Capital Strategy detailed in Section 8 of this report.

3.16 Propose approval to Council of the strategy on the use of flexible capital receipts to facilitate the delivery of efficiency savings including capitalisation of redundancy costs (Appendix 6).

3.17 Propose to the Council the Dedicated Schools Budget (DSB) allocations for 2021/22 of £278.755m as set out in Appendix 7.

3.18 Note the funding to be distributed to primary and secondary schools for 2021/22 based on the figures advised to Schools Forum and submitted to the Education Funding Agency in January 2021 set out in Section 10.

3.19 Note the budgets (including the use of brought forward DSG) for the Schools Block, Central Services Block, High Needs Block and Early Years Block as per Appendix 7.

3.20 Delegate to the Director of Children Services, in consultation with the Cabinet Member for Children, Education and Families, the power to amend the Delegated Schools Budget to take account of any changes to Haringey's total schools funding allocation by the Education and Skills Funding Agency.

3.21 Delegate to the Section 151 officer, in consultation with the Cabinet Member for Finance, the power to make further changes to the 2021/22 budget proposals to Full Council up to a maximum limit of £1.0m.

4. Reasons for decision

4.1 The Council has a statutory requirement to set a balanced budget for 2021/22 and this report forms a key part of the budget setting process by setting out the forecast funding and expenditure for that year. Additionally, in order to ensure the Council's finances for the medium term are maintained on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium Term Financial Strategy.

5. Alternative options considered

5.1 The Cabinet must consider how to deliver a balanced 2021/22 Budget and sustainable MTFS over the five-year period 2021/26, to be reviewed and ultimately adopted at the meeting of Full Council on 1st March 2021.

5.2 Clearly there are options available to achieve a balanced budget and the Cabinet has developed the proposals contained in this report after determining levels of both income and service provision. These take account of the Council's priorities, the extent of the estimated funding shortfall, estimated impact of Covid-19, Brexit and the Council's overall financial position.

5.3 These proposals reflect feedback received as part of the consultation both externally and through the Overview & Scrutiny process and the outcome of the Equalities impact assessments.

6. General Fund Revenue Funding Assumptions

6.1 The Council has access to five main sources of funding:

- Business Rates
- Grants
- Council Tax
- Fees & Charges
- Reserves

Business Rates and Grants are largely driven by the outcome of Spending Rounds and the Local Government Finance settlement.

The following paragraph provides an update on the Spending Round 2020 (SR20) and the Local Government Finance Settlement. This is then followed by a section on each of the main sources of funding and sets out the assumptions made about each of them in this 2021/22 Budget & MTFS 2021/2026 .

SR20 and Local Government Finance Settlement 2021/22

SR20

6.2 On 20 October 2020 government announced that, in order to prioritise the response to Covid-19, the Chancellor and the Prime Minister have decided to conduct a one-year Spending Review, setting department's resource and capital budgets for 2021-22, and Devolved Administration's block grants for the same period. This replaced the planned 3 year Spending Round.

6.3 The Spending Review 2020 (SR20) was announced on 25 November 2020 and comprised of three themes:-

- Tackling Covid-19 next year
- Stronger public services
- Capital spending, including infrastructure to drive UK's recovery and support jobs

6.4 The SR20 was set in the context of the OBR report that was also published on 25 November. This forecast a 11.3% fall in GDP in 2020 and, despite expected growth in 2021, it is unlikely that the economy will return to pre-C19 levels before the end of 2022.

6.5 The funding allocations announced in SR20 to Local Government are summarised in the table below. This shows a 4.5% increase in Core Spending Power nationally. This includes core grants, business rate income and council tax, but it should be noted that 85% of this increase is dependent on council tax increases, with only 15% from increased government support.

Table 6.16: Local Government

	£ billion		
	2019-20	2020-21	2021-22
Resource DEL excluding depreciation[1]	7.5	8.6	9.1
Covid-19 resource DEL excluding depreciation	1.6	3.5[2]	3.0
Total DEL[3]	9.1	12.1	12.0
Core Spending Power (CSP)	**46.2**	**49.0**	**51.2**

6.6 SR20 also announced funding of £1.55bn to support local authorities with Covid-19 pressures next year and it remains to be seen as to whether it is sufficient to cover the pressures faced by local authorities, including any further responsibilities they might be given. Government also confirmed the extension of the existing Covid-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021.

Provisional Local Government Finance Settlement

6.7 The report to Cabinet in December provided indicative funding changes for Haringey signalled by the SR20 but these were refined in the Provisional Local Government Finance Settlement announced on 17th December 2020. These remain 'provisional' up to the publication of the Final settlement however, it is not expected that there will be significant changes. The Final settlement is unlikely to be published until early February so any resultant changes will be incorporated in the report to Full Council on 1st March.

6.8 The £1 billion for adult and children's social care announced at SR19 is being maintained in 2021-22 in line with the government's previous commitment but

with no inflationary increase. Haringey's share of the SR20 £300 million of new grant funding is £1.8m, £0.5m higher than the estimate included in the December report. The improvement is due to the allocation methodology used to distribute the funds.

6.9 There has been a reduction of £0.9m in the New Homes Bonus (NHB) for 2021/22 although the impact has largely been offset by the announcement of a new Lower Tier Services Grant worth £0.8m for 2021/22 Consultation is expected to commence during the Spring on reforms to the NHB scheme with effect from 2022/23. In the light of the uncertainty about the nature of the new scheme, the MTFS removes any expectations of NHB funding beyond 2022/23; the new Lower Tier Service Grant is also only assumed for 2021/22.

6.10 The referendum threshold for increases in council tax will remain at 2% for 2021/22 which is in line with the existing MTFS. Additionally, the SR20 announcement that local authorities will be able to levy a 3 per cent adult social care precept has been confirmed. Given the level of growth required in the Social care budgets, the Budget assumes the full 3% is levied from 2021/22; this is estimated to deliver £3.3m for Haringey next year with an ongoing benefit into subsequent years.

6.11 The SR20 announced an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. The provisional local government finance settlement papers included further details of how the compensation is expected to operate however, the methodology for calculating, particularly council tax, is complex. Furthermore, the final figures can only be calculated once this financial year closes. Therefore, the adjustments made to the Budget and MTFS now proposed take a prudent view of the compensation. Any eventual variance to the estimates will be highlighted in the 2020/21 provisional outturn report which will also address solutions for any discrepancies between the estimate and actual.

6.12 The provisional settlement also confirmed the £670m Local Council Tax Support Grant (LCTSG) for 2021/22 proposed in recognition of the increased costs of providing local council tax support following the pandemic. The funding will be un-ringfenced and will be distributed on the basis of each billing authority's share of the England level working-age local council tax support caseload, adjusted to reflect the average bill per dwelling in the area. Haringey's share is £3.6m and this has been a significant factor in reducing the requirement to draw down reserves to balance the budget.

6.13 There has been a notable increase in CTRS claimant numbers in 2020/21 with a 6.1% increase forecast by the end of March 2021. However, the change has not been consistent across each group. There continues to be an on-going c. 2% -

3% annual reduction in pension age claimants. Claimants with disabilities caseload is rising by about 3% annually, a broadly consistent rate for many years. However, for working age claimants, the annual downward trend in claim numbers has been sharply reversed this year with an 8% increase in those with children and 25% increase in those without children.

6.14 It is difficult to accurately estimate change in CTRS numbers for 2021/22 but an increase is expected and the Budget assumes a net 9% increase over and above the figures seen in the current year. This manifests in a reduced Taxbase for 2021/22, with circa £2.7m less revenue generated, excluding any increases in the Band D rate. The Council's allocation of the LCTSG largely offsets the impact of this loss for next year. Should claimant numbers remain at this level into 2022/23 and beyond with no additional government support, the estimated gaps in the MTFS will increase further.

6.15 The SR20 confirmed that government expects to publish a final report setting out the full conclusions of the review of the business rates system in Spring 2021. To support businesses in the near-term, the government has decided to freeze the business rates multiplier in 2021-22, saving businesses in England an estimated £575 million over the next five years. Local authorities will be fully compensated for this decision via Section 31 grants.

6.16 Earlier this year, the government announced that it would delay the move to 75 per cent Business Rates Retention and the implementation of the fair funding review. This decision allowed local authorities to focus on meeting the public health challenge posed by the pandemic.

6.17 In order to provide further stability to the sector, the SR20 confirmed that government has decided not to proceed with a reset of business rates baselines in 2021-22. The Budget and MTFS have been amended to reflect this.

6.18 The SR20 also announced a reform to the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield, which presents a risk for both national and local taxpayers. The government will cut PWLB lending rates to gilts + 100bps for Standard Rate and gilts + 80bps for Certainty Rate. The impact on budgets is not forecast to be felt until 2022/23+ but the MTFS has been updated to reflect the changes.

Other Announcements Since December 2020

6.19 Some specific grants fall outside the scope of the Local Government Finance Settlement. In terms of the General Fund, in recent years the largest of these has been the Flexible Housing Support Grant (FHSG) worth £7.7m to Haringey in the current year. The 2021/22 allocations were announced on 21 December which saw Haringey's allocation of the newly named Homelessness Prevention Grant increase to £8.4m. This has helped the Homelessness budget and the consequent pressure that it puts on the borough.

Covid-19 Impact on the Collection Fund

6.20 As the Covid-19 Pandemic has had a negative impact on the collection of local taxation, authorities due to record deficits on their Council Tax and NNDR collections for 2020/21 will be able to spread these evenly over the next three financial years in order to smooth out the impact. There will not be discretion for authorities to opt out of spreading and the rules apply exclusively to deficits occurring in 2020/21.

6.21 At the moment, Haringey is forecasting a general fund impact of £0.675m due to the reduction in NNDR collection for 2020/21. This is included in the new budget assumptions. In line with government guidance, a deficit of £0.225m is estimated for the first three years of the MTFS period. These figures take into account the Government compensating Local Authorities for irrecoverable local taxation losses – it is estimated that Haringey will receive £2m in compensation for lost NNDR income, which reduces the initially-estimated deficit.

6.22 The Authority has received £46.2m in additional funding in order to accommodate a 100 per cent business rates discount for eligible hereditaments occupied by businesses that are classified as in retail, leisure and hospitality sectors, regardless of rateable value and which are subject to business rates in the year 2020-21. This funding has been applied to the collection fund and has been taken into account when calculating the estimated deficit.

6.23 Council Tax Collection has not been impacted to the same extent as NNDR and the Authority is still forecasting a surplus for each year of the MTFS period. Part of the reason for this is due to the broad CTRS scheme in place in Haringey coupled with the Hardship funding which has enabled the Council to support taxpayers through this difficult time.

6.24 The number of claimants on the authority's Council Tax Reduction scheme is projected to have increased by 6% by then end of the 2020/21 financial year. This currently impacts on the expected receipts for 2020/21 and on the budgeted figure for 2021/22. Additional support for residents on the Authority's Council Tax Reduction Scheme is being provided via the Council's £3.7m share of a £500m Covid-19 Hardship Fund

Business Rates

6.25 A number of changes were introduced to business rates in April 2017 including a revaluation of the business rates base. Although, the revaluation was revenue neutral nationally, some businesses in Haringey would have seen increases in their business rates charges. For small businesses in this position, relief was

provided in the form of a three-year transitional grant that is administered and distributed to affected businesses in each year during the transition period.

6.26 When the new localised business rates system was introduced in 2013, it set a 'baseline' for each local authority against which growth could be measured. It was recognised that the baseline would need to be re-visited after a number of years to ensure that the incentive to grow businesses in local areas was maintained.

6.27 The intention was for Business Rates Baselines to be reset from April 2020, however in SR19 Government announced that this would be delayed until April 2021. The recent SR20 confirmed a further delay to April 2022 and the impact of this has been modelled into the Budget and MTFS. This provides a benefit to the council in 2021/22 as the reliefs described above, paid to the Council as Section 31 grants, will continue for a further year.

6.28 The Council has been part of the London Pool since 2018/19. In that year, London retained 100% of business rates locally, generating a significant additional benefit to the Council (£6.4m). The estimated financial benefit to Haringey in 2020/21 pre-pandemic was £2.7m - £3m due to a lower percentage (75%) being retained in London. The latest in-year monitoring exercise suggests that, despite the impact of the pandemic, there will still be a net financial benefit from pooling in 2020-21, totalling approximately £21.8 million across the Capital, as the Pool will benefit from the 75% income compensation scheme. Based on the most recent calculation, Haringey is due to receive £0.6m.

6.29 Haringey, along with the rest of the existing members of the London Pool, provisionally expressed an interest to MHCLG in continuing the arrangement in 2021/22 not least because of the operational, administrative and strategic benefits. However, further modelling undertaken during December which includes the expected impact of changes to rateable value of office buildings, indicated a real risk that a number of authorities, including Haringey, would be worse off financially within the Pool. As such, London Councils has written to MHCLG confirming that, for 2021/22 at least, the Pool will not operate. Because of the uncertainty around pooling beyond 2021/22 and resultant financial benefits no pool growth had been assumed in any year of the MTFS.

6.30 A decrease in the collection rate for 2020/21 is forecast, due to the impact of the pandemic and this will impact on the General Fund in 2021/22. The Government has announced that collection fund deficits which arise due to reduced collections and 2020/21 and would normally hit general fund budgets in 2021/22 will be spread across a 3 year period. The SR20 announced an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. Further

details were included in the Provisional finance settlement and the estimated improvement built into the Budgets for 2021/22- 2023/24.

6.31 In terms of Revenue Support Grant (RSG), current estimates are that approximately £22.1m will be paid in 2021/22 with this grant increasing in line with CPI across the remainder of the MTFS period. The MTFS assumes that CPI Inflation will return to 2% from 2023/24 onwards, however this assumption will be kept under review.

6.32 The estimated mandatory reliefs applied to Haringey businesses are £6.5m in 2021/22. These reliefs cover, among others, discounts for small businesses and will be fully reimbursed via Section 31 Grants by Central Government. It is assumed that any further discount schemes that are put in place by Government to respond to C19 pressures on businesses would also be covered by S31 grants. SR20 announced a freeze to the business rates multiplier in 2021/22. The Council will be fully reimbursed for this via a Section 31 grant. From 2022/23, it is expected that the Section 31 Grants will be rolled into the SFA and the Council's Top Up grant will be increased partially but not fully compensating the loss in Section 31 Grant on the back of the expected Reset. The impact of the Reset can be seen in the estimated dip in business rates related income overall in 2022/23.

6.33 The planning assumption across the MTFS period is that there will be no net growth in the business rates taxbase / hereditaments. This is in line with previous assumptions.

6.34 The forecast income across the MTFS period from business rates related income, including revenue support grant is shown in table 6.1 below.

Table 6.1 – Business Rates Related Income Forecast

Business Rates Related income Forecast	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Revenue Support Grant	21,993	22,115	22,118	22,561	23,012	23,472
Business Rates Top Up	58,412	58,412	61,695	62,915	64,134	65,416
Retained Business Rates	22,100	22,137	21,219	21,643	22,292	22,738
NNDR Surplus/(Deficit)	(1,654)	(225)	(225)	(225)	0	0
S31 Grants	6,019	6,515	-	-	-	-
Share of Pool Growth	400	-	-	-	-	-
Total	**107,270**	**108,954**	**104,808**	**106,893**	**109,438**	**111,626**

6.35 There are considerable planned and potential changes to the business rates regime beyond 2021/22. These are set out below:

- Business rate baselines are expected to be reset in 2022/23.
- The Government have been consulting on a simplification of the Business Rates Retention scheme including how growth can be incentivised and how it can be

measured. SR20 confirmed government intention to publish a final report in Spring 2021

- The outcome of the Fair Funding Review is still awaited. This will impact on business rates as it derives each authority's baseline funding against which growth is measured.

6.36 Because of the uncertainty beyond 2021/22, the assumptions in Table 6.1 and their impact on the MTFS are open to significant risk.

Council Tax

6.37 The following assumptions have been made about Council Tax:-

- A 1.99% increase in Council Tax in 2021/22 and for each subsequent year is assumed (subject to the referendum limits set by Government)
- A 3% increase in ASC Precept for 2021/22 only, as announced in the SR20
- The number of new properties coming into rating, and thus being subject to Council Tax charges, has increased by 0.6% during 2020/21. This is forecast to increase by 1% per annum during the remainder of the MTFS period.
- When projecting forward the number of CTRS Claimants has increased by 6% for 2020/21 and is forecast to further increase by 9% for 2021/22.
- The collection rate will be at least 95.50% throughout the planning period. This has been reduced by 1% compared to the previous year for 2021/22 and 2022/23 and is projected to increase to 96% in 2023/24, before reverting back to the pre-Covid 19 level of 96.5% in the subsequent years.
- The Council Tax Collection Fund account has had surpluses over the past few years. The forecasting has been refined in order to include the impact of Covid-19 and is reflected in a reduced forecast surplus across the MTFS period (£1.9m for the first three years, increasing to £2.15m for each subsequent year). This takes into account the 75% Government compensation for lost taxation income.
- The "relevant" amount of properties (i.e. total number of properties after adjusting for estimated impact of proposed changes to CTRS and lower collection rate) is 1,999 lower than the relevant amount for 2020/21. This equates to a 1.5% reduction in the tax base calculated for budgeting purposes.
- The resulting projections for Council Tax income and Band D Rates are set out below. These figures are based on the Council Tax Base for 2021/22, agreed in January 2021; formal Council ratification of Council Tax Rates will take place in the Full Council meeting on 1 March.

Table 6.2 Council Tax Assumptions

COUNCIL TAX ASSUMPTIONS						
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Taxbase before collection rate	80,067	81,392	80,151	80,952	81,762	82,579
Taxbase change	1.7%	-1.5%	1.0%	1.0%	1.0%	1.0%
Taxbase for year	81,392	80,151	80,952	81,762	82,579	83,405
Collection Rate	96.50%	95.50%	95.50%	96.00%	96.50%	96.50%
Taxbase after collection rate	**78,543**	**76,544**	**77,309**	**78,491**	**79,689**	**80,486**
Council Tax increase	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	2.00%	3.00%	0%	0%	0%	0%
Band D rate	£1,372.55	£1,441.04	£1,469.72	£1,498.97	£1,528.80	£1,559.22
Council Tax Before Surplus (£000)	**£107,805**	**£110,303**	**£113,623**	**£117,656**	**£121,828**	**£125,495**
Previous Year (Estimated) Surplus	£2,175	£1,925	£1,925	£1,925	£2,175	£2,175
CIPFA Counter Fraud Income	£0	£25	£25	£25	£25	£25
Council Tax Yield (£000)	**£109,980**	**£112,253**	**£115,573**	**£119,606**	**£124,028**	**£127,695**

Grants

6.38 The Council receives a number of grants in addition to its main funding allocation. The Council is mostly allowed to use these grants to fund any council services, but some are ring-fenced, which means they can only be spent on specific services.

Social Care Grants

6.39 The SR 20 announced that specific grants would remain 'cash flat' for 2021/22. Estimated inflationary increases of 1.5% in 2022/23 and 2% in 2023/24 are applied to the values in Table 6.3 below. Forecast figures for 2022/23 onwards remain uncertain and should these assumptions not materialise, it could have a significant impact on the current forecast gap across those years.

6.40 It should also be noted that all these social care grants have been netted against the service budget expenditure heads rather than being shown separately.

Table 6.3 – Social Care Grants

Grant Name	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Better Care Fund (BCF) - (CCG Contribution)	6,017	6,017	6,047	6,138	6,138	6,138
Improved Better Care Fund (iBCF)	9,518	9,518	9,566	9,709	9,709	9,709
Social Care Support Grant	6,960	6,960	6,995	7,100	7,100	7,100
Additional Social Care Funding	0	1,766	1,766	1,766	1,766	1,766
Total	**22,495**	**24,261**	**24,373**	**24,713**	**24,713**	**24,713**

Core Grants

6.41 Following the outcome of the SR20, the current MTFS assumptions for the Core Grants received by Haringey are as follows:

- Public Health Grant will continue to be received by Haringey although the allocation for 2021/22 has yet to be announced. The MTFS prudently assumes no increases to the 2020/21 amount over the five year period.
- New Homes Bonus – SR20 confirmed that the New Homes Bonus (NHB) scheme will continue in 2021/22, with no new legacy payments, but consultation will commence shortly on reforms to this scheme with effect from 2022/23. The final payment from the scheme is expected to be received in 2022/23. In the light of this uncertainty, the draft MTFS now removes any expectations for NHB funding beyond this final year.
- The Council Tax Support and Housing Benefit Admin Grants are expected to continue at 2020/21 levels in 2021/22 (£2m), although allocations have yet to be confirmed. They are forecast to remain at this level across the remainder of the MTFS.
- Section 31 (S31) grants in relation to mandatory business rate reliefs are expected to continue for 2021/22 but beyond that it is expected that these will be rolled into the baseline figures and come through as part of the SFA (as outlined in the Business Rates section above).
- The Flexible Housing Support Grant (FHSG) was originally established in 2017 for three years but was extended by one year again in 2020/21. As a consequence of its renewal, the current 2020/21 budget and 2020/25 MTFS built this grant into base budgets. It was worth £7.7m to Haringey in the current year and the 2021/22 allocation of the newly named Homelessness Prevention Grant has increased to £8.4m. This grant is allocated directly to the Housing service so is not included in Table 6.4 below.

6.42 The table below shows assumptions about these grants over the 5-year MTFS period.

Table 6.4 – Core Grants

Grant Name	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Council Tax Support Grant	457	457	457	457	457	457
Housing Benefit Admin Grant	1,491	1,491	1,491	1,491	1,491	1,491
Public Health Grant	20,228	20,353	20,353	20,353	20,353	20,353
New Homes Bonus	2,199	1,208	656	-	-	-
Business Rates - Section 31 Grants	6,019	6,515	-	-	-	-
Council Tax Support Grant	-	3,606	-	-	-	-
Lower Tier Services Grant	-	756	-	-	-	-
Total	**30,393**	**34,386**	**22,957**	**22,301**	**22,301**	**22,301**

Fees and Charges

6.43 The Council's policy in relation to varying external income requires service managers to review the level of fees and charges annually as part of budget setting and that charges should generally increase by the rate of inflation to maximise allowable income.

6.44 The setting of fees and charges, along with raising essential financial resources, can contribute to meeting the Council's objectives. Through the pricing mechanism and wider market forces, outcomes can be achieved, and services can be promoted through variable charging policies and proactive use of fees to promote or dissuade certain behaviours.

6.45 In the main, fees and charges are set at a level where the full cost of provision is recovered through the price structure. However, in many circumstances those charges are reduced through subsidy to meet broader Council priorities.

6.46 Each year the Council reviews the level of its fees and charges through consideration of a report by the Cabinet and its Regulatory Committee where it is a requirement that they are considered and approved outside of the Executive.

6.47 The impact of fees and charges increases have been included in the revenue income projections in the MTFS.

Use of Reserves

6.48 The Council's (Non-Earmarked) General Fund Balance is held to cover the net impact of risks and opportunities and other unforeseen emergencies. The funds held in the General Fund Reserve can only be used once and therefore are not a recurring source of income that can meet permanent budget gaps.

6.49 The Budget now proposed assumed a £1.7m one-off use of reserves in 2021/22; this is an improvement from the £5.4m assumed in the December draft budget.

6.50 The March 1st Full Council report will provide a more comprehensive review of the overall sufficiency of Council reserves as part of the S151 statement. However, it should be recognised here that the need to maintain sufficient levels of reserves to help the authority cope with unforeseen changes in circumstances must be more important now than ever before.

Summary of Corporate General Funding Assumptions

6.51 A summary of the of the funding assumptions and breakdown of funding sources is set out in the table.

Table 6.5 – Funding Assumptions

	Source of Funding	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
		£'000	£'000	£'000	£'000	£'000	£'000
Table 6.1	Revenue Support Grant	21,993	22,115	22,118	22,561	23,012	23,472
	Top up Business Rates	58,412	58,412	61,695	62,915	64,134	65,416
	Retained Business Rates	22,100	22,137	21,219	21,643	22,292	22,738
	NNDR Growth	400	-	-	-	-	-
	NNDR Surplus/(Deficit)	(1,654)	(225)	(225)	(225)	0	0
Table 6.2	Council Tax	107,805	110,303	113,623	117,656	121,828	125,495
	Council Tax Surplus	2,175	1,950	1,925	1,925	2,175	2,175
Table 6.4	New Homes Bonus	2,199	1,208	656	-	-	-
	Public Health	20,228	20,353	20,353	20,353	20,353	20,353
	Other Core Grants	8,634	12,825	1,947	1,947	1,947	1,947
	Total (External) Funding	**242,292**	**249,077**	**243,313**	**248,775**	**255,742**	**261,597**
	Contribution from Reserves	-	1,688	-	-	-	-
	TOTAL FUNDING	**242,292**	**250,765**	**243,313**	**248,775**	**255,742**	**261,597**

General Fund Revenue Assumptions

7.1 2020/21 Financial Performance – General Fund Revenue

7.1.1 The 2020/21 Budget Update report, reported to Cabinet in December, provides an update on the Quarter 2 budget position. Since the budget was agreed, the lock-down and associated Government directed actions in response to the Covid-19 pandemic has significantly impacted on the Council's agreed budget and Borough Plan delivery. The forecasts provided in that report are as up to date as possible and based on the most recent return to central government (i.e. at month 7 of the financial year). However, there remains great uncertainty, not least associated with the impact of the second wave of the virus and the current and further local or national lockdowns.

7.1.2 The Budget Update report separates the General Fund (GF) impact of Covid-19 and base budget related pressures. Some of the latter can be mitigated however, some will need to be resolved by permanent budget adjustments and as such are now built into the draft 2021/22 Budget as growth items. In any large organisations it must be accepted that some plans will require change as the result of internal and/or external factors, and the growth built into the draft budget is a reflection of both of these.

7.1.3 The biggest impact of Covid-19 on future budgets is slippage in delivery of some planned MTFS savings which has been built into the Budget and MTFS now presented.

7.1.4 Covid-19 is also expected to impact significantly on Business Rates and Council Tax (Collection Fund) income and the forecast impact has been built into the draft proposals presented in this report. Guidance from Government is that any

Collection Fund deficits must be spread over three years, which is how it has been modelled. SR20 announced an estimated £762 million to compensate local authorities for 75 per cent of irrecoverable loss of council tax and business rates revenues in 2020-21 that would otherwise need to be funded through local authority budgets in 2021-22 and later years. Adjustments have been made in the light of this (see Section 6).

7.1.5 The Dedicated Schools Grant (DSG) year-end forecast has worsened in quarter 2 and now stands at £5.3m (£4.6m Qtr1). This is due to the on-going pressures in the High Needs Block (HNB) which Members will be aware is a national issue facing the entire local government sector mainly as a consequence of the expansion of age ranges for EHCP eligibility. Over the course of the year more clarity has been received over the ultimate responsibility for this overspend and the brought forward balances from prior years, and authorities may not now use general fund balances to contribute to DSG deficits without approval from the government. The Government is considering what if any additional assistance will be provided to local authorities to address this position.

7.1.6 In summary, the key underlying budget pressures that have manifested during this financial year which services cannot mitigate will be resolved as part of the 2021/22 budget setting process. In terms of the in year GF forecast of non-Covid 19 related overspend (£5.9m) officers will continue to work on reducing this to bring it to a balanced position by March 2021 to avoid having to draw on reserves which will be much needed in 2021/22 to offset on-going pandemic pressures and any wider economic impacts.

7.2 Budget Growth / Pressures

7.2.1 As clearly outlined above, the 2021/22 financial planning process has sought to identify, and where possible address, budget pressures and necessary growth in order that the 2021/22 Budget in particular, but also the MTFS 2021-2026, are set are realistically as possible – matching forecast expenditure against forecast income and deliverability of newly proposed savings.

7.2.2 Some growth for the period to 2025 was already built into last year's MTFS and the financial planning work undertaken this year has reviewed the assumptions driving those figures, updated them where appropriate and has also assessed new pressures or identified growth.

7.2.3 The main corporate assumptions across the forthcoming 2021-2026 period are outlined below followed by a paragraph which focusses on the policy priorities and service specific items.

7.3 Pay Inflation

7.3.1 The pay deal for 2020/21, was agreed at 2.75%. Negotiations are underway over the next agreement but the current planning assumptions are c. 3% increase for the next 2 years. Beyond that, it reduces to around 2.5% for the remainder of the MTFS period.

7.4 Non-Pay Inflation

7.4.1 The assumption continues that the services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, in recognition that (a) some contracts include inflation-linked increases (b) utility costs continue to be volatile and difficult to predict and (c) legislative changes can impact on cost of services. An increase of £2m pa has been built into the following two years to recognise potential volatility from Brexit and Covid legacy. Thereafter it returns to £1m pa.

7.5 Employer Pension Contributions

7.5.1 The outcome of the last triennial valuation, which covered the period 2021/22 – 2022/23, confirmed that the Pension Fund performance allowed for a decrease in the Council's contribution rate of 0.5% each year for three years, equating to a saving of c. £0.5m per annum each year. No assumptions have been made about the next triennial valuation.

7.6 Treasury & Capital Financing

7.6.1 The MTFS has been updated to reflect the capital financing costs associated with the new capital schemes that are proposed. These are reflected in the Capital Strategy at section 8 of this report and include the forecast impact of the SR20 notification of a reduction in the PWLB rate.

7.7 Levies

7.7.1 The current assumption is that all Levy costs except the North London Waste Authority (NLWA) levy will remain broadly in line with the 2020/21 figures across the period.

7.7.2 The NLWA's North London Heat and Power Project will replace the existing Energy from Waste plant at the Edmonton EcoPark with an Energy Recovery Facility and includes a new Resource Recovery Facility. This major project will have financial implications for each of the 7 London boroughs involved, representing 2 million people. The existing MTFS assumed a £0.5m p.a. levy increase to commence from 2021/22, due to the impact of increased borrowing costs which must be met by the levy.

7.7.3 The 2020/21 Levy was lower than the budgeted figure and, as this increase was no longer applicable, it was agreed for this amount to be transferred to a reserve in order to smooth the future financial pressure. This will be drawn on when required. The budget assumptions across the MTFS period will be revisited before the Full Council report, when the final Levy will be announced for 2021/22.

7.8 Policy Priorities

7.8.1 Since the start of this Administration, the following policy priorities have received additional funding through the annual budget setting cycles:

- Council Tax Reduction Scheme - £1.6m
- Youth Services programme - £0.25m

- Apprenticeship support - £0.134m
- School meals pilot - £0.05m
- London Living Wage – pump priming to deliver

7.8.2 Despite the significant challenges to set a legal, balanced budget for 2021/22, a number of policy growth proposals have been incorporated into the budget and MTFS. These are set out in the table below:-

- Free Schools Meals £0.3m funding in 2021/22 and 2022/23
- Welfare Assistance Scheme £0.3m funding in 2021/22 and 2022/23
- Voluntary and Community Sector – £0.25m in 2021/22 only
- Youth Services – £0.25m in 2021/22 only
- Haringey University Bursary Scheme - £0.12m over 3 years
- Recruit Local People - £0.10m over 2 years

7.9 Service Budget Adjustments Required

Service Growth Budget Adjustments

7.9.1 The table below shows the new service specific growth proposals made necessary by base budget or demand pressures identified as part of the current years financial planning process. These have been built into the Budget and MTFS now proposed. This are in addition to the growth already factored into the MTFS as part of last years planning process, the primary one being £3.2m for Adults (before the application of savings).

Table 7.1 – Service Growth Budget Adjustment Proposals

Priority	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
People - Adults	2,300	0	0	0	0	2,300
People - Children's	3,046	(459)	(264)	0	0	2,323
Your Council	367	66	(300)	0	0	133
Place	1,896	(355)	0	0	0	1,541
Economy	1,000	0	0	0	0	1,000
Total	**8,609**	**(748)**	**(564)**	**0**	**0**	**7,297**

7.9.2 The biggest service areas requiring growth in this budget continue to be in the People Priorities. As in the last couple of years, the Council has recognised the growing pressure in these critical services which cannot be fully contained through service transformation alone. Clear action has therefore been taken once again to address these forecast budget issues in order that the Services are provided with realistic budgets to work within. This has been a key feature of recent years' budget process where robust action is taken to address clearly evidenced budget pressures.

7.9.3 It is forecast that the Adults service will need to address both demographic and inflationary pressures coupled with an expected growth in Mental Health and

Learning Disabilities support required as a legacy of the Covid-19 pandemic. The figures have been generated by detailed modelling and trend analysis.

7.9.4 Children's services are now seeing growth above that provided in the last MTFS (£0.5m) and therefore £2.2m has been built into the relevant budgets for next year. The key pressure points are SEND, both service demand and transport pressure but more significantly placement costs due to an increase in children with more complex needs.

7.9.5 The growth provided in the Place priority is required to address a recognised shortfall in the facilities management budgets, for both soft and hard services, as well as to resolve a number of areas where budgeted and actual income have become mis-aligned over time including CCTV, Pay by Phone, Residential Permit Parking income, plus reactive maintenance and the clamping contract.

7.9.6 The remaining growth proposals look to address historic or forecast base budget pressures across a number of service heads.

Impact of Delayed and Undeliverable Savings Proposals

7.9.7 The table below shows the delayed and undeliverable savings proposals now built into the proposed Budget and MTFS.

Table 7.2 – Delayed and Undeliverable Savings

Description	2021/22		2022/23		2023/24		2024/25		2025/26		Total	
	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings	Delayed Savings	Undeliverable Savings
	£'000		£'000		£'000		£'000		£'000		£'000	
Adults	1,621	0	(710)	0	(911)	0	0	0	0	0	0	0
Children	1,066	390	(1,066)	125	0	0	0	0	0	0	0	515
Place	0	25	0	0	0	0	0	0	0	0	0	25
Economy	120	325	30	0	20	0	(100)	0	(70)	0	0	325
Housing	(136)	0	(136)	0	136	0	136	0	0	0	0	0
Your Council	252	318	(252)	250	0	0	0	0	0	0	0	568
Total	**2,923**	**1,058**	**(2,134)**	**375**	**(755)**	**0**	**36**	**0**	**(70)**	**0**	**0**	**1,433**

7.9.8 The majority of the delayed savings have occurred as a consequence of the Covid-19 Pandemic and are forecast to be realised in future years, after rigorous review and challenge.

7.10 Budget Reduction Proposals / Savings

Pre-Agreed Budget Reduction Proposals

7.10.1 The 2020/21 Budget and MTFS 2020/2025 agreed a total of £29.4m budget reductions to be delivered across that period. Whilst the Council was able to set a balanced budget for 2020/21, the MTFS acknowledged that a forecast of £15.6m as at yet unidentified additional savings would be required over the years from 2021/22 to match the assumed funding and expenditure plans at that point.

7.10.2 The table below summarises the position included in the February 2020 Budget/MTFS report.

Table 7.3 – Agreed Savings and Forecast Unidentified Savings at February 2020

Priority	Total					
	2020/21	2021/22	2022/23	2023/24	2024/25	Total Savings
	£000	£000	£000	£000	£000	£000
Housing	1,176	709	136	136	136	2,293
People - Adults	5,073	3,245	3,270	(376)	-	11,212
People - Children	2,261	909	419	100	200	3,889
Place	3,368	2,073	1,162	70	-	6,673
Economy	830	120	130	120	-	1,200
Your Council	2,934	536	687	6	-	4,163
Total Savings	15,642	7,592	5,804	56	336	29,430
Unidentified Savings	0	1,954	3,178	6,684	3,743	15,559
Total Savings Requirement	15,642	9,546	8,982	6,740	4,079	44,989

Approach to Budget Reduction Proposals / Savings 2021-2026

7.10.3 The financial planning process this year had looked to build on the progress made last year where the budgets adjustments agreed were more realistic and understood and owned by the wider organisation; the forecast budget gap for 2021/22 in last year's MTFS was £1.954m and this would have allowed the organisation to develop larger scale, transformational programmes to address the widening gap beyond 2021/22.

7.10.4 The subsequent impact of the global pandemic (Covid-19) has led to a significant shift in the MTFS assumptions in place when the last budget and MTFS were agreed. This, in particular, led to a downwards assessment of local tax revenues as set out in more detail in Section 6 of this report. It also impacted on the ability for the Council to deliver agreed savings to the set timeframes. A detailed challenge to the growth assumptions in the existing MTFS was also undertaken alongside base budget pressures highlighted as part of the in year budget monitoring. The impact on the revised forecast gap for 2021/22 was significant with an estimated shortfall of £17m, an increase of £15m to the forecast in February 2020.

7.10.5 This highlighted the need for change to take place at a faster pace. Furthermore, with the forecast level of budget reductions required for 2021/22, it became apparent that a focus purely on a directorate led basis would be unable to achieve the magnitude required. This would also have been a barrier to progressing the more transformational, council-wide changes which emerged as a key output from the Recovery and Renewal activity which:-

- Looked at our borough plan priorities and principles and reflected on what needed to change as a result of Covid-19, including as part of conversations with partners, to understand systems-wide perspective
- Reviewed our service delivery, to meet the challenge of delivering services in a new world of living with Covid-19 and doing so in a smaller budget envelope
- Worked with partners to understand the systems-wide impact

7.10.6 This led to the formulation of cross-cutting programmes described briefly below which have identified forecast budget reductions albeit requiring a longer lead in time, so not delivering fully until 2022/23+:-

- Digital Together - An empowered, energised and enabled resident community engaging with us through increased digital channels that quickly direct them to the right resources through anticipation of their needs.
  A more digitally aware and confident council, embracing digital technologies to maximise our opportunities.
  These actions will enable the removal of duplication and non-standard processes and consolidation of activities and processes delivering a reduced cost base.

- Property – initial focus on the generation of capital receipts for 2021/22 to provide investment to support transformational activity. Longer term, opportunities are being pursued for the Council's property portfolio to enable and deliver general fund revenue savings e.g. Savings from operational property / progress with the Accommodation Strategy; support for the Localities strategy; asset rationalisation and the commercial portfolio.

7.10.7 Through the Covid-19 pandemic, we have learned more about the day to day impacts of inequalities and about how we could change as an organisation. We need to connect with local residents to support them with the wide range of issues they may be facing at the very earliest opportunity, using a range of methods including access to digital.

7.10.8 In addition to the above cross-cutting programmes we will focus more on three areas of activity:

- Being close to residents – by working out in localities and improving our digital offer, ensuring that we can shape what best suits local neighbourhoods, making use of local strengths
- Intervening earlier – proactively building confidence and skills and not waiting until a crisis point is reached before we and partners step in
- Extending our reach – building trust by working in partnership with local community organisations

7.10.9 The total new budget reduction proposals arising from both the Directorate led and cross-cutting programmes are set out in Table 7.4 below.

Table 7.4 – New Budget Reduction Proposals by Priority

Priority	2021/22	2022/23	2023/24	2024/25	2025/26	Total Proposals
	£000	£000	£000	£000	£000	£000
Housing	483	68	51	12	1	615
People - Adults	1,537	0	0	0	0	1,537
People - Children	321	319	30	30	0	700
Place	2,336	1,590	(1,440)	1,360	170	4,016
Economy	550	0	0	0	0	550
Your Council	744	240	0	0	0	984
Subtotal	**5,971**	**2,217**	**(1,359)**	**1,402**	**171**	**8,402**
Cross-Cutting Proposals	750	2,250	0	0	0	3,000
Total	**6,721**	**4,467**	**(1,359)**	**1,402**	**171**	**11,402**

7.10.10 When added to the pre-agreed reductions for next year (£7.6m initially – revised down to £3.6m largely as a consequence of the Covid-19 Pandemic – as presented in Table 7.2), the total to be delivered is £10.3m in 2021/22. A summary of the future years' total savings position across the MTFS, including those agreed in previous budget rounds, is provided in Appendix 3.

7.10.11 To help de-risk the budget in future years, officers have assessed delivery confidence of all the new proposals and have re-profiled agreed savings that have been impacted by the pandemic. These proposals have been subject to scrutiny and consultation and all proposals have been reviewed by the Policy and Equalities team. All were subject to initial equalities screening and where these have indicated that full EqIA's were required, these have been undertaken. Appendix 10 provides a report summarising the outcome of this work plus the 6 full EqIAs undertaken.

7.10.12 The monitoring of savings delivery in 2020/21 has, notwithstanding the impact of Covid-19 on plans, provided a growing assurance that services have a greater understanding of, and capacity to deliver, budget reduction proposals.

7.11 Summary Revenue Budget Position 2021/22 – 2025/26

The summary revenue budget position, including current projected gaps is identified below.

Table 7.5 – Summary Revenue Budget Position

	2020/21 Budget	2021/22 Draft Budget	2022/23 Projected	2023/24 Projected	2024/25 Projected	2025/26 Projected
Priority Area	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Housing	16,382	16,102	15,762	15,711	15,699	15,698
People - Children	55,189	58,289	56,651	56,757	57,027	57,027
People - Adults	83,784	83,208	80,248	81,751	84,853	84,853
Place	24,915	23,999	20,817	22,193	20,839	20,669
Economy	1,006	6,166	6,066	5,966	5,866	5,796
Your Council	35,999	32,995	30,063	29,757	29,757	29,757
Non-Service Revenue	25,017	30,006	45,961	57,314	63,636	66,642
Council Cash Limit	**242,292**	**250,765**	**255,568**	**269,449**	**277,677**	**280,442**
Planned Contributions from Reserves	-	(1,688)	-	-	-	-
Further Savings to be Identified	-	-	(12,230)	(20,650)	(21,911)	(18,820)
Total General Fund Budget	**242,292**	**249,077**	**243,338**	**248,800**	**255,767**	**261,622**
Council Tax	107,805	110,303	113,623	117,656	121,828	125,495
Council Tax Surplus	2,175	1,950	1,950	1,950	2,200	2,200
RSG	21,993	22,115	22,118	22,561	23,012	23,472
Top up Business Rates	58,412	58,412	61,695	62,915	64,134	65,416
Retained Business Rates	22,100	22,137	21,219	21,643	22,292	22,738
NNDR Surplus/(Deficit)	(1,654)	(225)	(225)	(225)	0	0
NNDR Growth	400	-	-	-	-	-
Total (Main Funding)	**211,231**	**214,691**	**220,381**	**226,499**	**233,466**	**239,322**
Core/Other External Grants						
New Homes Bonus	2,199	1,208	656	-	-	-
Public Health	20,228	20,353	20,353	20,353	20,353	20,353
Other core grants	8,634	12,825	1,947	1,947	1,947	1,947
TOTAL (Core/Other External Grants)	**31,061**	**34,386**	**22,957**	**22,301**	**22,301**	**22,301**
Total Income	**242,292**	**249,077**	**243,338**	**248,800**	**255,767**	**261,622**

7.11.1 The General Fund Budget 2021/22 now presented assumes a one-off contribution from reserves of £1.7m.

7.11.2 In undertaking this multi-year financial planning, the levels of uncertainty and risk increase substantially beyond the immediate budget for next year. Reference has been made above to the scale of the assumption made in regard to current and future years grants. This report elsewhere highlights the many other risks that may impact and increase the size of the gaps forecasted above for years 2 and beyond. This authority, like all other social care councils, must be particularly concerned about the risks regarding its care services finances. While the year-on-year cash limit profiles for our care services detailed above have been prepared with reference to best intelligence on future years grants, demographics, savings and other pressures, these need to be kept under closest review.

7.12 Review of assumptions and risks 2021/22 – 2025/26

7.12.1 The Council's Section 151 Officer has a statutory responsibility to assess the robustness of the Council's budget and to ensure that the Council has sufficient contingency/reserves to provide against known risks in respect of both expenditure and income. This formal assessment will be made as part of the final report on the Council's budget in February 2021 and will draw on independent assessments of the Council's financial resilience where available however, it is critical that this report outlines the assumptions and approach to risk taken when arriving at the budget proposals included in the draft Budget & MTFS.

7.12.2 Given the increased financial pressure that is falling upon this council's budget and the uncertain national political picture, this statutory role is acquiring more and more significance. The number and breadth of potential risks and level of uncertainty, particularly around the Covid-19 pandemic and Government funding, underlines the need to maintain both a budgeted resilience contingency and keep general and earmarked reserves at current levels.

7.12.3 The main uncertainties and risks identified to date which my impact on the Council's budget for 2021/22 and over the period of the MTFS are:

- Funding assumptions for 2021/22 are subject to the final local government settlement expected in February 2021 although not expected to lead to significant changes.
- On-going uncertainty about the final impact of the Covid-19 pandemic on 2020/21 budgets and future years. It is likely that Covid-19 will also impact on the level of Government resources available for the sector in future years of the MTFS
- Brexit, even with the trade deal with the EU, could put pressure on costs and increase inflation; potentially lead to difficulty in attracting staff in critical social care & health services and increase numbers presenting as No Recourse To Public Funds (NRPF)
- The shift to a one-year spending review with no announcements about funding beyond 2021/22. Therefore, professional judgement has had to be used in forecasting funding for the later years of the MTFS. These assume that Government funding generally increases at an inflationary level, and that specific grants are not discontinued by the government. Should this assumed funding not be realised it will have a significant impact on the current forecast gap across those years. This will be kept under close review.
- The implications arising from the next Spending Round and the period that will be covered are not known
- The continued pressure on High Needs Block Dedicated Schools Block (DSG) resources, lack of a clear strategy for resolution from the DfE, although it is now confirmed that deficits are not currently to be funded by general fund resources
- The expected Fair Funding Review and redesign of the Business Rates Retention scheme did not complete during 2020/21 and are now planned for 2021/22. The impact on funding for the Council is not known at this time
- Increases in London Living Wage in future years.
- The impact of pay and general inflation pressures above current assumptions
- General population increases that are expected over the next 5 years and any associated growth in demand - other than specifically allowed for – may lead to financial pressure.

- Planned actions to increase Council managed temporary accommodation options do not progress at the pace expected and/or are potentially exacerbated by Covid-19
- The Council's Transformational Programmes do not deliver the required savings, do not deliver savings quickly enough, or are impacted by demographic trends particularly in critical areas such as Children's and Adults Social Care and Temporary Accommodation.
- Business rates base negatively impacted by the impact of Covid-19, permanent shifts to on-line services and any economic slowdown

8. Council's Capital Strategy and Capital Programme 2021/22 – 2025/26

8.1 Introduction

8.1.1 This is the third capital strategy report that has been prepared since it became a mandatory requirement of local authorities to produce one. It gives a high-level overview of how capital expenditure, capital financing, and treasury management activities contribute to the provision of public services. It also provides an overview of how the risks of the capital programme are managed and the implications for future financial sustainability.

8.1.2 The Covid-19 pandemic has affected the Council's capital strategy as it responds to the ravages wrought by Covid-19. In particular the capital programme for 2020/21 has been redirected to provide for an acceleration of the school streets programme, revisions to the public realm works to create Covid-19 safe public spaces through widening pavements, works around school streets to make them safe and an early start to the capital works required for the Good Economy Recovery Plan. In addition, resources have been directed to providing emergency temporary accommodation for rough sleepers.

8.1.3 Looking forward, the Council's capital proposals include provision for a new youth hub in Wood Green £1m, a significant increase in investment in education with a further £33m allocated for condition works in schools, £12m into the Alternative Provision strategy and an £4.6m additional funding for Pendarren.

8.1.4 The proposals also include for overall investment of £5.5m in the Good Economy Recovery Plan, further investment in the economic future of the borough through its workspace creation programme and investment in Haringey Adults Learning Service (HALS).

8.1.5 The Council is also investing in the public realm through the Streetsplan scheme as well as further investment in pavements, disabled parking bays and the wider public realm all of which link to the Good Economy Recovery Plan through making high streets safe and welcoming places.

8.1.6 The Council continues to invest in housing through its new homes programme. This expenditure is contained within the housing revenue account (HRA) and is reported here in summary form and elsewhere on the agenda in detail.

8.1.7 There is additional investment in the empty homes scheme of £5m. This scheme aims to bring back into use homes that have been left empty for various reasons. Ultimately this may require the Council to exercise its compulsory purchase order powers (CPO) but to do so the Council must show that it has the resources available to complete the purchase. This budget supplies that evidence.

8.1.8 Finally, the proposals provide for significant investment in the Civic Centre to provide a place of civic pride for the borough, as well as £2m investment in Wood Green Library.

8.1.9 Background

8.1.10 Capital expenditure in local government is defined in statute and accounting practices/codes and as such must be complied with. Within these rules, capital budgets and capital expenditure decisions offer the opportunity for the Council to profoundly affect the lives of its residents, businesses, and visitors in both the immediate and the longer term.

8.1.11 Capital programmes can shape the local environment (e.g. through the provision of new housing, traffic schemes or regeneration schemes); positively impact people's lives (e.g. through creating appropriate housing for adults with learning difficulties or investment in parks and open spaces); transform the way the Council interacts with local residents (e.g. through the libraries investment programme or proposals for a new customer service centre); and deliver fit for purpose schools. The advent of Covid-19 has highlighted how capital expenditure can be used to positively impact people's lives.

8.1.12 The key objectives for the Council's capital programme are to deliver the borough plan and assist the Council in meeting the financial challenges that it continues to face.

8.2 Capital Programme expenditure and financing

8.2.1 Capital expenditure is where the Council spends money on a project, with the view to derive economic benefit from the outcome of the expenditure, for a period longer than twelve months. This also includes spending on assets owned by other bodies, loans and grants to other bodies enabling them to buy assets.

8.2.2 The table below shows a high-level summary of the Council's outline capital spending in the medium-term i.e., for the financial years 2021/22-205/26 which shows the continued and growing capital investment that is being undertaken to support the achievement of the borough plan objectives.

Table 8.1: Capital expenditure plans overview 2021/22 - 2025/26

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	Total (£'000)
Previously Agreed							
General Fund Account (GF)	217,762	213,535	170,420	139,435	96,888		**838,040**
Housing Revenue Account (HRA)	236,331	214,146	204,392	165,200	194,501		**1,014,570**
Total =	**454,093**	**427,681**	**374,812**	**304,635**	**291,389**		**1,852,610**
Proposed							
General Fund Account (GF)		288,854	190,863	150,613	120,687	67,469	**818,485**
Housing Revenue Account (HRA)		277,033	346,575	334,086	375,571	222,787	**1,556,052**
Total =		**565,887**	**537,438**	**484,699**	**496,258**	**290,256**	**2,374,537**

8.2.3 The capital programme is composed of individual priority programmes. Within these priority totals there are schemes and within most schemes there are individual projects. For instance, Scheme 302, Borough Roads, will contain individual projects on individual roads.

8.2.4 Where additional funding is proposed for an existing scheme this has been added to the project rather than creating a new scheme. Since December the following schemes have been varied in the light of further information:

8.2.4.1 Future High Street Fund. The Stoneleigh Road scheme (£1.4m) and the 551b scheme (£2.0m) are now in the capital programme as funded by the Council.

8.2.4.2 Canning Crescent. The scheme budget has been updated by £0.8m to reflect the latest estimated cost.

8.2.4.3 The High Road West. The Council budget for site acquisition is currently set at £139m and has been increased by £9m to reflect increases in land values. These costs will be reimbursed by the development partner.

8.2.4.4 Mosaic System. This budget has been increased by up to £0.7m to reflect increased implementation costs.

8.2.5 About a third of the capital programme is composed of schemes that are wholly funded by Council borrowing and that arenot self-financing. These schemes largely reflect the statutory duties of the council. In large part these schemes are not able to attract external resources to either supplement or supplant Council borrowing.

8.2.6 The Children's Services capital programme is largely reliant on Council borrowing. For the period 2021/22-2025/26 the Council is planning to spend

£105m on schools, of which approximately £27m is funded through government grant leaving a borrowing requirement of £78m. The majority of the cost of the increased investment in schools falls on the Council through increased borrowing costs.

8.2.7 Within the Place priority the proposed capital programme for the period 2021/22-2025/26 is broadly estimated at £77.0m of which approximately £14.6m is externally funded.

8.2.8 The Economy capital programme has an estimated value of £470.9m. The majority of the programme is either funded through contributions from developers or are self-financing. The level of Council borrowing in this part of the capital programme is proportionately lower than in others at £52.7m. Most of this borrowing is to match fund to the Tottenham Hale Regeneration project, the Tottenham High Road Strategy and the Wood Green Regeneration Strategy.

8.2.9 The basic premise for the economy programme is to provide a funding envelope within the budget and policy framework which enables the council to respond to opportunities in a timely way. This means that this capital programme is both front loaded and prone to reporting slippage.

8.2.10 The General Fund housing programme has no schemes that rely on borrowing as they are all self-financing.

8.2.11 The Your Council capital programme is estimated at £83.4m with the majority, £52.7m funded through borrowing. £40m of this borrowing relates to the asset management function of the Council and to the Civic Centre refurbishment. The majority of the balance of the investment relates to the Responsiveness Fund, £2m and the approved capital programme contingency, £6.3m.

8.2.12 The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of an approved business case that validates the high-level cost and time estimates contained within the programme. An integral part of the business case will be an assessment of the risks that a project faces and once a project is agreed, the review of the risk register is a standing item on the agenda for the project's governance arrangements.

8.2.13 There are a range of schemes within the General Fund capital programme that will only proceed if they are estimated to result in a net reduction in expenditure. That reduction will include the cost of financing the capital expenditure and contribute to the MTFS through making savings or increasing income. These schemes are known as self-financing schemes. The decision to proceed with these schemes will follow the production of a detailed business that supports the investment and identifies reductions in expenditure.

8.2.14 Service managers bid annually as part of the Council's budget setting process. The bids are assessed against their "fit" in relation to the Borough Plan, the asset management plan and meeting the objectives of the medium-term financial strategy (MTFS). In addition, schemes have been considered for their contribution to economic recovery, to growth, to jobs, and to creating a Covid-19 safe public realm.

8.2.15 The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that the Council's housing activities are not subsidised by the Council's non-housing activities. It also ensures that the Council's non-housing activities are not subsidised by its HRA. HRA capital expenditure is recorded separately.The table below details the proposed capital expenditure plans by priority.

Table 8.2: Capital expenditure plans by priority

	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	Total (£'000)
People - Children's	26,471	23,909	24,006	20,101	10,731	**105,218**
People - Adults	26,570	28,120	12,400	4,470	2,377	**73,937**
Place	27,009	14,382	13,360	11,495	10,795	**77,041**
Economy	177,498	105,171	84,316	66,971	36,916	**470,871**
Housing (GF)	6,000	1,000	1,000	0	0	**8,000**
Your Council	25,306	18,281	15,531	17,650	6,650	**83,418**
Total General Fund (GF)	**288,854**	**190,863**	**150,613**	**120,687**	**67,469**	**818,485**
Housing (HRA)	**277,033**	**346,575**	**334,086**	**375,571**	**222,787**	**1,556,052**
Overall Total	**565,887**	**537,438**	**484,699**	**496,258**	**290,256**	**2,374,537**

8.2.16 Appendix 4 includes the previously agreed schemes plus any changes since the last budget (up to and including the December 2020 Cabinet), plus the new schemes proposed. It also indicates how each scheme is financed:

H is for schemes that are funded by borrowing,

S is for schemes that are funded by the borrowing but where compensating savings are made in service budgets,

E is for schemes that are funded by an external party, and

Where there is more than one letter, this indicates that the scheme is funded from more than one source with the source contributing the most indicated first.

The particular significance of those schemes which have a borrowing cost which will be met by the General Fund (not offset by consequent savings or externally funded) is that they produce a consequent ongoing pressure on the revenue account, similar to any other new revenue expenditure commitments.

Appendix 5 provides details of the new schemes. The following paragraphs provide a high-level description of each priority's new capital proposals.

8.2.17 Children's Services

Extensive work has been undertaken during 2019/20 and 2020/21 to understand the extent of the investment required in the Children's Services estate. This work has provided comprehensive information on the condition of the estate and has provided the foundation of the Children's Services asset management plan. The asset management plan provides a framework for the decisions on where and when the investment in the estate best serves the needs of our young people so that they are educated in facilities that are fit for today and the future.

The proposed capital programme has further, significant investment in the school estate. An additional £33m is proposed over the next five years. This additional funding will bring the Council's investment in the condition of the Children's Services to £105.5m over the period 2021/22-2025/26. The proposed budget allocation is geared towards the primary school estate to deal with a range of condition issues that can be undertaken in a cost-effective manner with minimal disruption to school life and without incurring abortive costs. This is because in most of the primary schools there are site constraints and/or planning issues meaning that there are real limitations on any significant alternative site approaches.

This is unlike the position in the secondary school sector where a masterplan for the secondary school estate is being prepared with the five secondary schools being the subject of a detailed options appraisal that takes a holistic view of the individual school and of its contribution to the overall secondary school estate. This approach was outlined in the Schools Estate Strategy. The outcome of this work is likely to place further pressure on the Council's capital programme in the future years of the MTFS.

In addition, the proposed capital programme has provision for the delivery of a new Youth Hub in Wood Green as well as investment in the Alternative Provision Strategy and Pendarren.

8.2.18 Adult Services

The continued focus of the Adults Services capital programme is to enhance the lives of disabled and older adults. The 2020/21 capital programme delivery has been severely affected by Covid-19 and is therefore delayed. Accordingly, the aim for the coming period is to deliver those schemes that are delayed There is one new proposal for capital expenditure, the renewal of the Mosaic ICT system, which is the Adult and Children's social care case work system. Currently a procurement exercise is underway which could result in the upgrading of the current system or its total replacement. The proposed bid is based on the complete replacement of the current system. Should the procurement exercise result in an upgrade to the existing system then there will be a lower level of capital spend.

8.2.19 Place

The existing Place priority capital programme is designed to make the borough a cleaner and safer place where residents can lead active and healthy lives. The proposed new capital schemes build on these priorities with additional investment.

A previously significant source of funding for the borough's infrastructure were grants received from Transport for London (TfL). Due to the financial situation of TfL these grants have largely ceased. Even though these grants have ceased the works still need to be undertaken.

Part of the new investment is to offset the TfL reductions but there is additional investment in the borough's pavements, and additional funding for the Parkland Walk Bridges programme as well as investment in our depots to provide greener and more fit for purposes spaces. The programme also allows for the continuation of investment in street lighting and borough roads.

8.2.20 Economy

The existing Economy capital programme directly supports wealth creation, regeneration and community aspirations in the borough. The considerable investment in the Council's own commercial property, along with the potential acquisition of other properties, will allow for the expansion of industrial, commercial and office space. Once invested in or acquired, these can be used to expand existing businesses or to attract new businesses to the borough.

The new proposals build on this existing programme through the funding of the Good Economy Recovery Plan, further investment in creating workspaces and investment in HALS.

8.2.21 Your Council

The Communities First initiative will help transform the way in which the Council engages with its residents. The investment in the library estate sits beside the Connected Communities initiative and will improve the accessibility of libraries and the range of services that they offer. In addition, a new £2m budget has been incorporated into the programme for the Wood Green Library to undertake urgent works and to improve the environment for visitors.

There are a further two new capital proposals. The first relates to the approved capital programme contingency that is being replenished with £3.8m, and the second is the responsiveness fund which is been set a budget of £2m.

Financing

All capital expenditure must be financed from either external sources (government grant and other contributions), the Council's own resources (revenue, reserves or capital receipts) of debt (borrowing, leasing, Private Finance Initiative). The Council's capital programme has moved to a financing strategy that seeks to ensure that investment via the capital programme is self-financing or funded from external resources. The new schemes proposed to be added to the programme for 2021/22-2025/26 are analysed in the table below and show that the majority of schemes being proposed (70%) are either self-financing or funded via external resources:

Table 8.3: Financing Strategy

	General Fund Borrowing		External	Total
	Met from General Fund (£'000)	Self-Financing met from Savings (£'000)	(£'000)	(£'000)
People - Children's	77,259	0	27,959	**105,218**
People - Adults	4,485	54,970	14,482	**73,937**
Place	58,063	4,400	14,578	**77,041**
Economy	52,715	164,416	253,741	**470,872**
Housing - GF	0	8,000	0	**8,000**
Your Council	52,663	30,755	0	**83,418**
Total	**245,184**	**262,541**	**310,760**	**818,485**

8.2.22 The self-financing schemes will normally only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. This is necessary to ensure that the investment contributes to meeting the financial challenges that the Council faces. It is noted however, that in some limited circumstances, that schemes may proceed even if they do not produce a reduction in expenditure enough to cover the cost of financing the investment.

8.2.23 As debt needs to be repaid the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay borrowings. This is known as the minimum revenue provision (MRP). The MRP for the period is set out below:

Table 8.4: Estimated MRP

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)
MRP	5,533	8,734	16,438	22,455	25,807	29,043

8.2.24 The Council's cumulative outstanding amount of debt is measured by the capital financing requirement (CFR). This increases when new debt financed expenditure is incurred and reduces when MRP is made. The increase in MRP in 2022/23 is due to the end of the MRP holiday and will be addressed in detail in the Treasury Management Strategy to be considered by Council in February 2021.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)
CFR	1,073,041	1,300,885	1,590,485	1,836,902	1,999,393	2,008,509

Asset Management

8.2.25 The Asset Management Plan is the subject of a separate report elsewhere on the agenda.

Asset Disposals

8.2.26 When a capital asset is no longer needed, it may be sold and the proceeds (known as capital receipts) can be spent on new assets or can be used to repay debt. Repayments of grants, loans and non-treasury investments also generate capital receipts. The Council is currently permitted by legislation to spend capital receipts to deliver cost reductions and/or transformation until 2021/22. This is known as the flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2022.

8.2.27 As stated above, capital receipts can be used to fund capital expenditure or repay debt. The budget assumption is that capital receipts will not fund capital expenditure or debt repayment. It is anticipated that the capital receipts received in the MTFS period covered by the flexibility (up to 31st March 2022) will be used to deliver cost reductions and/or transformation. There is a separate policy statement and schedule of proposed initiatives to utilise capital receipts flexibly.

Treasury Management

8.2.28 The Council has a separate Treasury Management Strategy Statement (TMSS) that deals in detail with treasury management matters. The Capital Strategy document repeats some of the information contained within the TMSS but places the information in the context of the capital programme and Borough Plan.

8.2.29 Treasury management is concerned with keeping enough but not excessive cash balances available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing. This is to avoid excess credit balances or overdrafts at the bank. The Council is typically cash rich in the short term as cash revenue income is received before it is spent but cash poor in the long-term as capital expenditure is incurred before it is financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce borrowing.

Borrowing Strategy

8.2.30 The council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should its plans change in the future. These objectives are often in conflict as the Council seeks to strike a balance between cheap short-term loans and long-term fixed loans where the future cost is known, but higher.

8.2.31 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leasing) are shown below and compared to the capital financing requirement.

Table 8.6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31/3/20 Actual (£'000)	31/3/21 Budget (£'000)	31/3/22 Budget (£'000)	31/3/23 Budget (£'000)	31/3/24 Budget (£'000)	31/3/25 Budget (£'000)	31/3/26 Budget (£'000)
Borrowing Debt	531,693	811,902	1,076,962	1,370,737	1,621,512	1,786,520	1,804,057
PFI & Lease Debt	31,172	27,303	23,470	19,471	15,297	10,938	8,421
Total Debt	**562,864**	**839,205**	**1,100,432**	**1,390,208**	**1,636,809**	**1,797,459**	**1,812,479**
Capital Financing Requirement	723,447	1,073,041	1,300,885	1,590,485	1,836,902	1,999,393	2,008,509

8.2.32 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the above, the Council expects to comply with this requirement.

Affordable Borrowing Limit

8.2.33 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach the limit.

Table 8.7: Prudential Indicator: Authorised limit and operational boundary for external debt

	2020/21 limit (£'000)	2021/22 limit (£'000)	2022/23 limit (£'000)	2023/24 limit (£'000)	2024/25 limit (£'000)	2025/26 limit (£'000)
Authorised limit – borrowing	979,646	1,207,414	1,501,014	1,751,605	1,918,455	1,930,088
Authorised limit – PFI & leases	30,882	30,981	25,702	20,192	14,438	11,116
Authorised limit – total external debt	**1,010,528**	**1,238,395**	**1,526,716**	**1,771,797**	**1,932,893**	**1,941,204**
Operational boundary - borrowing	929,646	1,157,414	1,451,014	1,701,605	1,868,455	1,880,088
Operational boundary – PFI & leases	28,075	28,164	23,366	18,356	13,126	10,106
Operational boundary – total external debt	**957,720**	**1,185,579**	**1,474,380**	**1,719,961**	**1,881,581**	**1,890,193**

8.2.34 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs. This is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 8.8: Proportion of financing costs to net revenue stream

	2020/21 Budget (£'000)	2021/22 Budget (£'000)	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)
Financing Costs General Fund	9,343	12,198	16,533	21,033	23,299	26,299
Proportion of net revenue stream	3.9%	5.0%	6.6%	8.2%	8.9%	10.0%
Financing Costs HRA	16,426	16,242	22,889	30,007	35,725	38,807
Proportion of net revenue stream	15.4%	15.1%	20.3%	25.0%	27.9%	29.0%

8.2.35 It can be seen that over the MTFS period that the General Fund ratio increases. However, whilst costs of financing investment increases there will be offsetting revenue savings from those schemes which are self-financing, and these savings will be reflected in reduced service area budgets. It is also possible that once business cases are prepared that some of the schemes within the capital programme may well not proceed. The ratio also increases for the HRA. This level of ratio has been modelled into the current version of the evolving HRA business plan and capital programme and is affordable.

Governance

8.2.36 Decisions on treasury management investment and borrowing are made on a daily basis and are delegated to the Director of Finance. There is a further sub-delegation to members of the Director of Finance's staff to facilitate day-to-day operations. Whoever is making the decision(s) will need to act in line with the treasury management strategy as approved by full Council.

Flexible use of capital receipts

8.2.37 This strategy sets out the Council's approach to the flexibility afforded by the government's change to the rules surrounding the use of capital receipts. Capital receipts can only be used for specified purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which is made under Section 11 of the Local Government Act 2003. The main permitted use of capital receipts is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.

8.2.38 The Secretary of State is empowered to issue directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Were such a direction is made, the specified expenditure can be then be funded by utilising capital receipts.

8.2.39 The then Secretary of State for the Department for Communities and Local Government issued guidance in March 2016, giving local authorities greater

freedoms over how capital receipts can be used to finance expenditure. The direction allows for the following expenditure to be financed by utilising capital receipts:

"Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners."

8.2.40 In order to comply with this direction, the Council must consider the Statutory Guidance issued by the Secretary of State. The guidance requires authorities to prepare, publish and maintain a flexible use of capital receipts strategy with the initial strategy being effective from the 1st April 2016 with future strategies being included within future annual budget document.

8.2.41 The Statutory Guidance for the flexible use of capital receipts strategy states that the strategy should include a list of each project that is intended to be funded via this flexibility, together with the expected savings that the projects will realise. The strategy should also include the impact that the flexibility has on the affordability of borrowing by including updated prudential indicators.

8.2.42 The Secretary of State for Ministry of Housing, Communities and Local Government issued revised directions for the flexible use of capital receipts which extended the period of the flexibility to the financial year 2021/22.

8.2.43 The Council's strategy for capital receipts will be focused on transformation of services and is set out in Appendix 6.

9. Housing Revenue Account (HRA)

9.1 The HRA is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing. Under self-financing Councils retain all the money they receive from rent and use it to manage and maintain their homes.

HRA 10 Year Financial Plan Overview

9.1.1. The HRA is made up of the Revenue account (Income and Expenditure) and Capital account (Investments and Financing). Following the abolition of HRA borrowing cap in October 2018, the Council embarked on expansion of its investment in its existing and new housing stock. This is laid out in its HRA Business Plan and HRA 10 Year Financial Plan, which is now in its third year.

9.1.2. In this revised plan, a more granular approach was taken in the costing of our new homes and acquisition programmes, drawing upon our increased knowledge from the first two years. The change in the PWLB borrowing rate and updated inflation (CPI) which informs the rent charges and affects cost have been incorporated.

9.1.3. This revised 10 Year Financial Plan, compared to the current one, supports the delivery of increased number of new homes in the borough, with greater proportion of these new homes being developed for social rents.

The proposed increase in spends on Major works (existing homes), Temporary accommodation and Fire Safety further highlights the Councils commitment to: improving the quality of life of residents; ensuring homeless households are provided a safe place to live; and maintaining the overall safety of our dwellings.

9.1.4. These all-encompassing delivery and financial plans address the affordability of the entire HRA capital programmes, which includes the new homes build and homes acquisition programmes, and existing stock maintenance, carbon reduction programmes for both existing stocks and new stocks, fire safety programmes and the BWF estate renewal programme.

9.1.5. It includes a long-term assessment of maintenance, improvement, and management requirements, as well as forecasts on income streams such as rents, in line with rent standards, and other future developments. The impact of the current pandemic on rent collection and delay in capital programmes informed the update of the HRA financial plan.

9.1.6. The December cabinet version of the revised Financial plan highlighted a weakened revenue position in the early years of the plan because of the reduction in CPI from 1.7% to 0.5% and the impact of COVID 19 on rent collection. Alongside these, some heavy capital investment in the early years of the plan added to the pressures. These have been dealt with in this final version by rephasing of this year's capital programmes based on actual works carried and realistic timeframes set for completion.

The main sources of income to the HRA: Rents and Service Charges.

9.2 Housing rents

9.2.1. Rent limits for council-owned housing are set by the government through the Rent Standard which prescribes the formula for calculating social housing rents. These rents are also called formula rents and excludes service charges.

The formula for setting social housing rents is complex but involves the value of the property and average regional earnings compared to the national averages for these and is increased/decreased according to the number of bedrooms.

9.2.2. From 2020/21, at least until 2024/25, the government has permitted Local Authorities in England to increase rents every year by no more than the Consumer Price Index (CPI) at September of the previous year plus 1%.

The current rent for 2020/21, approved by Cabinet on 11 February 2020, was set at the 2019/20 rent uplifted by 2.7%. The rent increase is due to the CPI inflation rate in September 2019 of 1.7% plus 1% allowed by the government.

9.2.3. Haringey Council must set the rents for 2021/22 using the formula set out in the Rent Standard. Given that the CPI at September 2020 was 0.5%, rents in council-owned housing will increase by no more than 1.5% (CPI plus 1%) from 5 April 2021 (the first Monday in April).

Applying the maximum rent increase of 1.5% will give £1.08m of additional rental income to the Housing Revenue Account (HRA) from tenants. However, the HRA business plan had assumed annual rent increases of 3% (CPI of 2% plus 1%) which was expected to produce additional rental income of £3.78m in 2021/22 (a reduction of £2.7m).

9.2.4. The 10-year HRA financial plan has been revised to reflect the lower rent increase in 2021/22. An assumed annual rent increases of current CPI plus 1% in 2022/23 and reversion to CPI of 2% plus 1% for the remaining 2 years of this current rent regime (2024/25) has been built in. It also assumed annual rent increases ofCPI only, for the remaining five years of the HRA financial plan.

9.3 General needs and sheltered / supported housing

9.3.1. Provisional rents for general needs and sheltered / supported housing for 2021/22 have been calculated so that the weekly rents paid by tenants increase by no more than 1.5% from 5 April 2021. On this basis, the average weekly rent will increase by £1.57 from £104.57 to £106.14.

9.3.2. There is a range of rents across different sizes of properties. Table 9.1 sets out the provisional average weekly rents for 2021/22 and the proposed rent increase by property size.

Table 9.1

Average General needs and sheltered / supported housing rent

Number of Bedrooms	Number of Properties	Current average weekly rent 2020/21	New average weekly rent 2021/22	Proposed average rent increase	Percentage increase
Bedsit	130	£84.84	£86.11	£1.27	1.5%
1	5,236	£89.85	£91.20	£1.35	1.5%
2	5,129	£104.72	£106.29	£1.57	1.5%
3	3,663	£119.91	£121.71	£1.80	1.5%
4	597	£136.52	£138.57	£2.05	1.5%
5	105	£159.71	£162.10	£2.40	1.5%
6	15	£165.96	£168.45	£2.49	1.5%
7	2	£157.04	£159.39	£2.36	1.5%
8	1	£177.77	£180.44	£2.67	1.5%
All dwellings	14,878	£104.57	£106.14	£1.57	1.5%

9.3.3. As some properties have not reached the formula rent, the current policy of increasing rents to the formula rents on re-let to new secure tenants will continue.

9.4 Affordable rent housing

9.4.1. There are eighteen properties, built under the New Homes Infill Programme, currently let at affordable rents.

9.4.2. It is proposed that the rent on these properties will be changed to social rents from 5 April 2021. This is to bring these rents in line with the Council's new homes rent.

On this basis, the current average weekly affordable rent of £253.31 will decrease by 34.3% to social rent levels at an average of £166.38 per week. There is a range of rents across different sizes of properties. Table 9.2 sets out the proposed average weekly social rents for 2021/22 by property size.

Table 9.2

Conversion of affordable rents to social rents

Number of Bedrooms	Number of Properties	Current average weekly affordable rent 2020/21	Proposed average weekly social rent 2021/22	Proposed average rent increase	Percentage increase
1	1	£210.79	£148.88	-£61.91	-29.4%
2	5	£234.29	£157.62	-£76.67	-32.7%
3	7	£235.00	£166.38	-£68.62	-29.2%
4	3	£294.78	£175.12	-£119.66	-40.6%
5	2	£324.03	£183.89	-£140.14	-43.2%
All dwellings	18	£253.31	£166.38	-£86.94	-34.3%

9.5 Temporary accommodation

9.5.1. All properties acquired since 1 April 2020 for housing homeless households held in the HRA are leased to Haringey Community Benefit Society (HCBS) and let by HCBS at Local Housing Allowance (LHA) rent levels.

9.5.2. The HRA financial plan includes these rental incomes from 2021/22 to 2027/28. From year eight, it recognises incomes from these properties at formula rent plus CPI as these properties will revert to the HRA.

9.5.3. From 5 April 2021, all other council-owned properties used as temporary accommodation but not leased to HCBS will have their rents increased by 1.5% from their current levels.

9.6 Tenants' service charges

9.6.1. In addition to rents, tenants pay charges for services they receive which are not covered by the rent. The Council's policy has been to set tenants' service charges at the start of each financial year to match budgeted expenditure.

9.6.2. Service charges must be set at a level that recovers the cost of the service, and no more than this. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service.

9.6.3. Therefore, a flat rate is charged to tenants receiving each service and the weekly amount is fixed. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.

Tenants currently pay for the following services:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Light and power (Communal lighting)
- Heating
- Integrated reception service (Digital TV)
- Estates road maintenance
- Door entry system maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Converted properties cleaning
- Window cleaning service.
- TV aerial maintenance

Tenants living in sheltered and supported housing also pay the following additional support charges:

- Sheltered Housing Charge
- Good Neighbour Charge
- Additional Good Neighbour Charge

Table 9.3. Proposed tenants' service charges for 2021/22

Tenants' service charges	Current Weekly Charge 2020/21	Proposed Weekly Charge 2021/22	Increase/ (decrease)		Draft Budget 2021/22
Concierge	£17.25	£17.72	£0.47	2.7%	£1,741,000
Grounds Maintenance	£3.13	£3.13	£0.00	0.0%	£1,458,000
Caretaking	£4.42	£4.54	£0.12	2.7%	£1,716,000
Street Sweeping	£5.26	£5.23	-£0.03	-0.6%	£2,338,000
Integrated Reception Service (Digital TV)	£0.77	£0.00	-£0.77	-100.0%	£0
Estates Road maintenance	£0.60	£0.60	£0.00	0.0%	£276,000
Communal Lighting (Light & Power)	£2.39	£2.24	-£0.15	-6.3%	£1,016,000
Gas (Elderly Person)	£10.04	£10.12	£0.08	0.8%	£198,000
Gas (Not Elderly Person)	£9.61	£9.68	£0.07	0.8%	£54,000
GLC Heating	£10.99	£11.08	£0.09	0.8%	£35,000
District Heating 6	£9.83	£9.91	£0.08	0.8%	£1,000
District Heating 8	£10.09	£10.17	£0.08	0.8%	£313,000
Oil/Electricity (Elderly Person)	£7.86	£7.93	£0.07	0.9%	£16,000
TV aerial maintenance	£0.32	£0.33	£0.01	3.1%	£147,000
Door entry system maintenance	£0.89	£0.90	£0.01	1.1%	£320,000
Sheltered housing cleaning service	£1.82	£1.87	£0.05	2.7%	£89,000
Good neighbour cleaning service	£1.30	£1.32	£0.02	1.5%	£30,000
Window cleaning	£0.55	£0.56	£0.01	1.8%	£39,000
Converted properties cleaning	£1.77	£1.79	£0.02	1.1%	£69,000
Total Property Charge Income					**£9,856,000**
Sheltered Housing Charge	£28.31	£28.31	£0.00	0.0%	£1,178,400
Good Neighbour Charge	£12.64	£12.64	£0.00	0.0%	£310,500
Additional Good Neighbour Charge	£2.76	£2.76	£0.00	0.0%	£6,100
Total Support Charge Income					**£1,495,000**
Proposed Tenants' Service Charge Income Budget - 2021/22					**£11,351,000**

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9.7 Rent and Service charge consultation

9.7.1. There is no requirement for tenant consultation as Haringey council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges.

9.7.2. However, the Council must give written notice to tenants at least four weeks before the new rents for 2021/22 start on 5 April 2021. This will include:

- Council housing rent charges for 2021/22
- Proposed weekly tenants service charges for 2021/22
- HRA hostel rent charges for 2021/22

HRA Expenditure

The Council's Arms' Length Management Company (ALMO), Homes for Haringey (HfH) manages the dwellings stock and garages on behalf of the Council. The management fee the council pays for these services is budgeted at £41.2m for 2021/22. This includes £19.4m for repairs and about £1.9m for housing demand.

Other significant items of expenditure include the capital financing charge and depreciation. The capital financing charge is the interest on HRA loans and internal funding and is budgeted at a higher level than 2020/21 due to increase in the level of capital works programme and New build programme.

Update of HRA 10 Year Financial Plan – Capital Programmes

The HRA long term financial plan has been updated in order to determine how the council might best use the new HRA borrowing capability (still of course constrained by the prudential borrowing code) to both fulfil its responsibilities in respect of its existing stock and deliver the council's objectives for its provision of additional housing.

The HRA financial plan recognises certain risks such as the impact of the current pandemic, COVID-19 on collection of rent, the impact of government policy changes in respect of types of tenancy, rent levels, right to buy, and treatment of voids.

The plan assumes a revenue contribution to capital outlay (RCCO) minimum of £8m. This means that the surplus after expenditure should not be below £8m. It also assumes a working balance of £14.2m.

HRA 5 Years MTFS (2021/22-2025/26)

The HRA budget for 2021/22 is a balanced budget maintaining a reasonable revenue contribution to capital (RCCO) of £8.8m. This report sets out the proposed HRA 5 years Budget/MTFS in Table 9.4 below. It accommodates the

scale of development presently assumed within the business and financial planning in terms of its impact of the future years HRA revenue position.

Table 9.4 - Draft HRA 5-Year Revenue Budget (2021/22 – 2025/26)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
Income & Expenditure	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Income						
Dwellings Rent Income	(84,863)	(89,713)	(96,187)	(103,341)	(108,573)	**(482,677)**
Void Loss	849	897	962	1,033	1,086	**4,827**
Hostel Rent Income	(2,263)	(2,292)	(2,331)	(2,371)	(2,412)	**(11,669)**
Service Charge Income	(11,351)	(11,758)	(12,326)	(12,888)	(13,400)	**(61,723)**
Leaseholder Income	(7,562)	(7,475)	(7,614)	(7,756)	(7,978)	**(38,385)**
Other Income (Garages /Aerials/Interest)*	(2,555)	(2,568)	(2,594)	(2,620)	(2,672)	**(13,009)**
Total Income	**(107,745)**	**(112,909)**	**(120,090)**	**(127,943)**	**(133,949)**	**(602,636)**
Expenditure						
Repairs	19,410	19,507	19,702	20,601	21,419	**100,639**
Housing Management	19,861	19,960	20,160	20,362	21,170	**101,513**
Housing Demand	1,879	1,888	1,907	1,926	1,965	**9,565**
Management Fee (HfH)	**41,150**	**41,355**	**41,769**	**42,889**	**44,554**	**211,717**
Estates Costs (Managed)	10,510	10,563	10,669	11,156	11,599	**54,497**
Provision for Bad Debts (Tenants)	2,603	1,949	1,228	932	958	**7,670**
Provision for Bad Debts (Leaseholders)	91	90	91	93	96	**461**
Total Managed Expenditure	**13,204**	**12,602**	**11,988**	**12,181**	**12,653**	**62,628**
Other Costs (GF Services)	5,274	4,959	5,009	5,059	5,160	**25,461**
Other Costs (Property/Insurance)	2,894	2,537	2,562	2,588	2,640	**13,221**
Capital Financing Costs	16,242	22,889	30,007	35,725	38,807	**143,670**
Contribution to Major Repairs (Depreciation)	20,197	20,298	20,501	20,706	21,120	**102,822**
Revenue Contributions to Capital	**8,784**	**8,269**	**8,254**	**8,795**	**9,015**	**43,117**
Total Expenditure	**107,745**	**112,909**	**120,090**	**127,943**	**133,949**	**602,636**
HRA (Surplus) / Deficit	0	0	0	0	0	0

Draft HRA 5 Years Capital Programme (2021/22 – 2025/26)

This represents the capital implications of the new HRA financial plan where the current pandemic has placed a strong emphasis on meeting the needs of homeless households while ensuring that the needs of the existing stock are met. It also focuses on the delivery of new homes, renewal of BWF estate, carbon reduction in existing stock, and fire safety of the entire stock.

The HRA MTFS is geared towards maximising the use of other available resources and use borrowing as last resort. The MTFS capital programme funding assumes a mix of grant funding, S106 monies, revenue contribution and prudential borrowing. The total capital investment in 2021/22 is £277m fully funded from revenue contribution, grants, RTB retained receipt, Major Repairs Reserve and borrowing.

Table 9.5 - Draft HRA 5 Year Capital Programme (2021/22 – 2025/26)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	**Total**
Investment & Financing	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**5 Years**
	£'000	£'000	£'000	£'000	£'000	**£'000**
Capital Investment						
Major Works (Haringey Standard)	65,278	56,835	69,868	79,393	25,348	**296,722**
Carbon Reduction Works (Affordable Energy)	5,892	5,142	6,285	17,597	17,597	**52,513**
Fire Safety Works	15,329	13,771	11,000	18,113	4,500	**62,713**
Broadwater Farm Works	14,529	16,820	11,200	21,102	8,952	**72,603**
Total Existing Stock Investment	**101,028**	**92,568**	**98,353**	**136,205**	**56,397**	**484,551**
New Homes Build Programme	66,687	173,899	175,285	141,678	82,414	**639,963**
New Homes Acquisitions	75,441	45,892	25,890	46,671	31,428	**225,322**
TA Acquisitions	33,877	34,216	34,558	51,017	52,548	**206,216**
Total Capital Investment	**277,033**	**346,575**	**334,086**	**375,571**	**222,787**	**1,556,052**
Capital Investment Financing						
Grants (GLA Allocation)	40,986	0	0	0	0	**40,986**
Grants (Additional Bid)	5,934	31,256	72,226	83,114	58,365	**250,895**
Major Repairs Reserves	20,197	20,298	20,501	20,706	21,120	**102,822**
Revenue Contributions	8,784	8,269	8,254	8,795	9,015	**43,117**
RTB Capital Receipts	10,163	10,265	10,367	14,922	10,655	**56,372**
Leaseholder Contributions to Major Works	8,848	9,176	9,356	7,925	7,138	**42,443**
S.106 Contributions	1,000	1,000	1,000	0	0	**3,000**
Market Sales Receipts (at cost)	1,898	0	1,661	55,790	68,086	**127,435**
Market Sales Contributions	360	0	332	11,158	13,617	**25,467**
Borrowing	178,863	266,311	210,389	173,161	34,791	**863,515**
Total Capital Financing	**277,033**	**346,575**	**334,086**	**375,571**	**222,787**	**1,556,052**

The current business and financial plan highlight an improvement, over a 10-year period, in the number of new homes planned to be delivered and the ratio of social rent homes to market sales homes.

10. Dedicated Schools Budget (DSB)

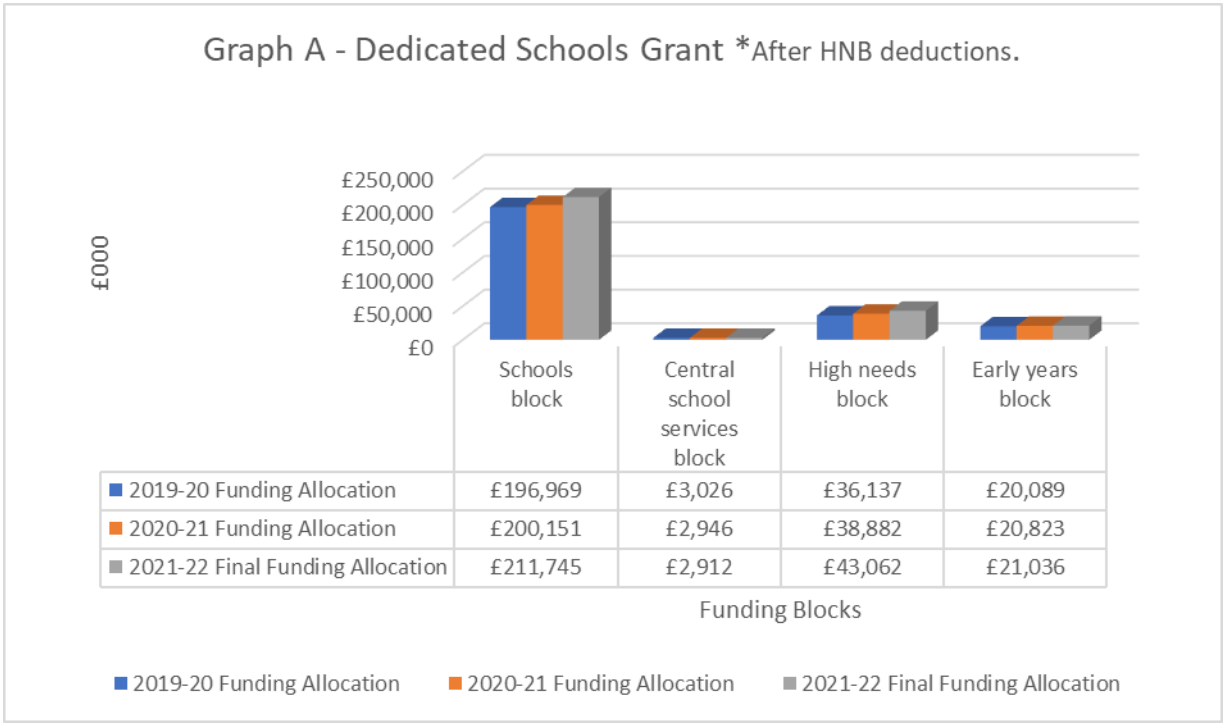
10.1 The Dedicated Schools Budget (DSB) is substantially funded from the ring-fenced Dedicated Schools Grant and two other funding streams (Pupil Premium and Post 16 Grant) which are, in effect, passported to schools. Spending must be consistent with the requirements of the prevailing Schools and Early Years Funding Regulations. There are requirements for Schools Forum to act as a decision-making and/or a consultative role in determining budget levels for each year.

10.2 The financial position reported at Quarter 2 2020-21 set out the forecast year end position. This highlighted the budget pressures in the High Needs Block which is estimated to add an additional £5.3m to the existing deficit of £10.2m.

2021/22 Budget Allocation

10.3 The Final DSG allocation for Haringey's 2021-22 DSG Budget has seen increases in the Schools and High Needs Block and a reduction in the Central block allocation when comparing to 2019-20. Graph A below sets out Haringey's DSG allocations for 2019-20, the DSG allocation for 2020-21, and the Final National Funding Formula for 2021-22.

10.4 Graph A: Dedicated Schools Grant Year on Year Allocations



10.5 The Haringey Schools Block funding increased by 5.8% inclusive of rolling in of the Teachers Pay and Teacher's Pay and Pension Grants (detailed in the Authority Proforma Tool (APT) at £6.1M). The specific breakdown provided to Schools will be dependent on the January School Forum decision. Falling rolls have impacted on overall funding leading to pressures in individual schools.

10.6 The Haringey High Needs Block allocation has an increase £4.2m against a current in-year deficit of £6.5m. This equates to an increase of 10.75% from last year which is in line with the average increase in London (11%) and marginally lower than the national average (12%).

10.7 For Haringey, this means continued pressure on the High Need Block should demand continue at the current rate. The service continues to work on reducing and mitigating the current year and future year pressures.

10.8 The Early Years' Block has also seen a marginal increase of £0.21m to £21.04m in the 2021/22 allocations. Actual allocations to Early Years' settings, based on current guidance, could be significantly impacted by the reduced attendance due to COVID-19. The Children & Young people service is continuing to work with Early Years providers and the DfE to minimize the impact on sustainability of provision in the borough.

11 Consultation & Scrutiny

11.1 The Council, as part of the process by which it sets its budget, seeks the views and opinions of residents and service users which is used to inform the final decision of the Council when setting the budget.

Public Consultation

11.2 As such, a formal consultation has taken place based on the consultation plan included in the December Budget/MTFS report. A detailed summary of the process and the responses received can be found in Appendix 8. Cabinet has considered the responses and, after due consideration, considers that the issues raised are addressed in the budget strategy and it is therefore not proposing any consequential changes.

Overview and Scrutiny

11.3 As part of the Council's governance arrangements for scrutiny of the Budget and Medium-Term Financial Strategy, the Council's Overview and Scrutiny Committee and Panels met during late December 2020 and early January 2021 and have scrutinised all the proposals presented in the 8th December 2020 report to Cabinet.

11.5 Cabinet Members, senior officers and heads of finance were in attendance at each meeting to present proposals and respond to questions from members. For some proposals, additional information was requested, which was provided.

11.6 All recommendations put forward by the Panels and the main Committee were considered by the Overview and Scrutiny Committee on 18th January 2021 and a schedule of final recommendations were agreed and referred to Cabinet. These recommendations, along with the Cabinet responses, are provided in Appendix 9.

Equalities Impact Assessment

11.7 The implications of the proposals in the 2021/22 Budget Report and Medium-Term Financial Strategy Proposals (MTFS) on groups of residents who share the protected characteristics defined in the Equality Act 2010 have been assessed and, where relevant, full Equalities Impact Assessments have been undertaken.

11.8 The report attached as Appendix 10 considers the cumulative impact of those savings and the ways in which negative impacts across the Council might be minimised or avoided. In addition, this report considers the wider context internal and external to Haringey Council in terms of potential equalities impact.

12. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

12.1 As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are essentially contained throughout the report.

12.1 Ensuring the robustness of the Council's 2021/22 budget and its MTFS 2021/22 – 2025/26 is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable and that they will be achieved in a number of ways including consideration of the budget setting process itself, the quality and extent of both statutory and non-statutory consultation, the assessment and management of risks, feedback and challenge via scrutiny processes, and the coherence of the working papers supporting budget proposals. The process this year has been made more challenging and complex due to the impact of the coronavirus pandemic.

12.2 The Draft General Fund Budget 2021/22 requires the one-off draw down from reserves of £1.7m. This level of reserve application can be accommodated from within the Authority's reserve position and more details of this will be provided in the final budget report to Full Council on 1st March. Balancing the Council's budget using reserves is not a sustainable strategy over the medium to long term, and the Council will look over the next year to develop plans such that any reliance on reserve utilisation is reduced in future years. The Council forecasts a savings requirement that steps up considerably from the second year of this MTFS to circa £12m, highlighting the need for this work to develop at pace.

12.3 The announcements of SR20 have improved the Council's budget position for next year. However, 85% of the sectoral improvement in spending power announced in SR20 has come from the ability to raise Council Tax and the Adult Social Care precept by a combined 4.99%. The sector, and Haringey, continue to require ongoing multi-year funding devices that holistically address the various increasing financial challenges of the sector.

12.4 The formal Section 151 Officer assessment of the robustness of the council's budget, including sufficiency of contingency and reserves to provide against future risks will be made as part of the final budget report to Council in February and will draw on independent assessments of the Council's financial resilience if available. This statutory role is acquiring more and more significance given the increased pressure falling upon this council's budget as a result of the C19 pandemic following years of austerity and the uncertainty surrounding the implications of Brexit.

Procurement

12.5 Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions.

Assistant Director of Corporate Governance

12.6 The Head of Legal & Governance (interim) has been consulted in the preparation of this report, and makes the following comments.

12.7 The Councils duties and legal implications arising in relation to the budget setting process are covered in the main body of the report.

12.8 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the

12.9 Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budge. However, the setting of rents and service charges for Council properties is an executive function to be determined by the Cabinet.

12.10 The Council must ensure that it has due regard to its public Sector Equalities Duty under the Equalities Act 2010 in considering whether to adopt the recommendations set out in this report.

12.11 Where detailed savings proposals are yet to be developed, the Cabinet will need to ensure that where necessary, consultation is carried out and equalities impact assessments are undertaken, and the outcomes of these exercises inform any final decisions.

Equality

12.12 The Council has a Public Sector Equality Duty under the Equality Act (2010) 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.

12.13 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.

12.14 The Covid-19 pandemic has both thrown into focus the significant inequalities experienced by our residents, in particular health inequalities, but it has both highlighted and exacerbated inequalities that Haringey residents had experienced before the pandemic, particularly groups of people who are more vulnerable, who have been marginalised historically, and who share the protected characteristics under the Equality Act 2010 are being disproportionately impacted.

12.15 The Borough Plan sets the strategic direction for the Council's commitment to reduce inequality in the borough. A key theme of the Borough Plan is to promote fairness, this includes, but is not limited to, discharging the Council's duties under the Equality Act.

12.16 The Equality Principles and Objectives act as the strategic guidance for the development of individual policy changes for the duration of the Borough Plan period, 2019-23. The Equality Principles and Objectives positively impact individuals and groups with protected characteristics as they focus on ensuring that any decision taken by the Council aims to reduce the inequality that exists in Haringey.

12.17 The new budget savings proposed in this report focus on delivering efficiencies, service re-design, programmes which cut across departmental boundaries or increasing income, as opposed to being service level cuts proposals. The development of these proposals has been informed by the explicit objective of reducing inequality. Equality assessment of the proposals showed them to either advance equality of opportunity for groups who share a protected characteristic, or, assessed proposals to have adequately mitigated any negative impacts or be a proportionate way of achieving legitimate ends.

12.18 The MTFS includes a number of growth proposals. These proposals are designed to address the needs of Haringey residents who experience financial hardship, increase opportunities for young people, and increase local economic opportunities. As such, they are expected to have a positive impact on equality in Haringey.

12.19 Appendix 10 sets our detailed approach to ensuring that the proper equalities analysis is undertaken for individual MTFS savings proposals and the outcome of this assessment. This assessed all of the MTFS savings proposals to have paid due regard to the Public Sector Equality Duty. Where proposals were subject to full EQIAs, these assessed proposals to either advance equality of opportunity for groups who share a protected characteristic, or, assessed proposals to have adequately mitigated any negative impacts or be a proportionate way of achieving legitimate

13. Use of Appendices

Appendix 1 – Summary of Draft Revenue 2021/22 Budget and Medium Term Financial Plan 2010-2026
Appendix 2 – Summary of new budget reduction proposals
Appendix 3 – Summary of total budget reduction proposals by year
Appendix 4 – Draft General Fund Capital Programme 2021/22 – 2025/26
Appendix 5 – Summary of new proposed capital investment
Appendix 6 – Flexible Use of Capital Receipts Strategy
Appendix 6a – Flexible Use of Capital Receipts Detail
Appendix 7 – DSB Budget 2020/21
Appendix 8 – Budget Consultation Summary of Responses
Appendix 9 – Overview and Scrutiny Committee recommendations and Cabinet responses
Appendix 10 – Equalities Impact Assessment (EqIA) Report
Appendix 10a – Completed Full EqIA Proformas Pack

- Appendix 10a.1 Diesel Surcharge
- Appendix 10a.2 Residents Permits
- Appendix 10a.3 Visitors Permits
- Appendix 10a.4 Introduction of Sunday Charges
- Appendix 10a.5 Client Contributions
- Appendix 10a.6 Selective Licensing

Appendix 11 – Council Tax base Report 2020/21

14. Local Government (Access to Information) Act 1985
2020/21 Qtr 1 and Qtr 2 Budget Reports
2020/21 Budget & MTFS 2020-2025

Appendix 1 - Summary of General Fund Revenue 2021/22 Budget and Medium Term Financial Plan 2021-2026

	2020/21 Budget	Movement	2021/22 (Draft) Budget	Movement	2022/23 Projected	Movement	2023/24 Projected	Movement	2024/25 Projected	Movement	2025/26 Prolected
Priority Area	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Housing	16,382	(280)	16,102	(340)	15,762	(51)	15,711	(12)	15,699	(1)	15,698
People - Children	55,189	3,100	58,289	(1,638)	56,651	106	56,757	270	57,027	0	57,027
People - Adults	83,784	(576)	83,208	(2,959)	80,248	1,503	81,751	3,102	84,853	0	84,853
Place	24,915	(916)	23,999	(3,182)	20,817	1,376	22,193	(1,354)	20,839	(170)	20,669
Economy	1,006	5,160	6,166	(100)	6,066	(100)	5,966	(100)	5,866	(70)	5,796
Your Council	35,999	(3,004)	32,995	(2,932)	30,063	(306)	29,757	0	29,757	0	29,757
Non-Service Revenue	25,017	4,989	30,006	15,954	45,961	11,354	57,314	6,322	63,636	3,006	66,642
Further Savings to be Identified	0	0	0	(12,230)	(12,230)	(8,420)	(20,650)	(1,261)	(21,911)	3,091	(18,820)
Council Cash Limit	**242,292**	**8,473**	**250,765**	**(7,427)**	**243,338**	**5,462**	**248,800**	**6,967**	**255,767**	**5,856**	**261,622**
Planned Contributions form Reserves	-	(1,688)	(1,688)	1,688	0	0	0	0	0	0	0
Total General Fund Budget	**242,292**	**6,785**	**249,077**	**(5,739)**	**243,338**	**5,462**	**248,800**	**6,967**	**255,767**	**5,856**	**261,622**
Funding											
Council Tax	(107,805)	(2,498)	(110,303)	(3,320)	(113,623)	(4,033)	(117,656)	(4,173)	(121,828)	(3,667)	(125,495)
Council Tax Surplus	(2,175)	225	(1,950)	0	(1,950)	0	(1,950)	(250)	(2,200)	0	(2,200)
RSG	(21,993)	(122)	(22,115)	(4)	(22,118)	(442)	(22,561)	(451)	(23,012)	(460)	(23,472)
Top up Business Rates	(58,412)	0	(58,412)	(3,283)	(61,695)	(1,219)	(62,915)	(1,219)	(64,134)	(1,283)	(65,416)
Retained Business Rates	(22,100)	(36)	(22,137)	918	(21,219)	(424)	(21,643)	(649)	(22,292)	(446)	(22,738)
NNDR Growth	(400)	400	0	0	0	0	0	0	0	0	0
NNDR (Surplus)/Deficit	1,654	(1,429)	225	0	225	0	225	(225)	(0)	0	(0)
Total (Main Funding)	**(211,231)**	**(3,460)**	**(214,691)**	**(5,690)**	**(220,381)**	**(6,118)**	**(226,499)**	**(6,967)**	**(233,466)**	**(5,856)**	**(239,322)**
New Homes Bonus	(2,199)	991	(1,208)	552	(656)	656	0	0	0	0	0
Public Health	(20,228)	(125)	(20,353)	0	(20,353)	0	(20,353)	0	(20,353)	0	(20,353)
Other core grants	(8,634)	(4,191)	(12,825)	10,877	(1,947)	0	(1,947)	(0)	(1,947)	0	(1,947)
TOTAL (Core/Other External Grants)	**(31,061)**	**(3,325)**	**(34,386)**	**11,429**	**(22,957)**	**656**	**(22,301)**	**(0)**	**(22,301)**	**0**	**(22,301)**

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REF	Priority	Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Savings Total - (£'000)	Capital Investment - (£'000)
HO101	Housing	Housing Team Salaries - increase HRA contribution	274	-	-	-	-	**274**	-
HO102	Housing	HfH taking over the lease of PSL properties on their expiry	209	68	51	12	1	**341**	-
		TOTAL - Housing	**483**	**68**	**51**	**12**	**1**	**615**	**-**
AS101	People - Adult Services	Fast Track Financial Assessments	1,050	-	-	-	-	**1,050**	-
AS102	People - Adult Services	Client Contributions	487	-	-	-	-	**487**	-
		TOTAL - Adults	**1,537**	**-**	**-**	**-**	**-**	**1,537**	**-**
CH102	People - Children's Services	Maya Angelou Assessment and Contact Centre Traded Service	82	50	-	-	-	**132**	-
CH103	People - Children's Services	Delivering residential mother and baby assessments	239	269	30	30	-	**568**	-
		TOTAL - Children's Services	**321**	**319**	**30**	**30**	**-**	**700**	**-**
PL20/1	Place	Remodelling of the proposed Selective Licensing Scheme	-	100	-	-	-	**100**	-
PL20/3	Place	Management of ASB Enforcement & Remodel of ASB & Waste Enforcement and Waste Services	78	100	-	-	-	**178**	-
PL20/9	Place	Full Cost recovery of services	130	100	70	50	-	**350**	-
PL20/14	Place	Commercial Waste	-	30	35	35	10	**110**	400
PL20/15	Place	Fleet	-	-	50	50	-	**100**	-
PL20/17	Place	Increase green waste subscriptions	-	15	15	20	20	**70**	-
PL20/18	Place	Crematorium Lease and Parks Property	20	20	20	20	-	**80**	-
PL20/20	Place	PL12 (Stage 2) Fuel Savings from Electric Vehicles	-	-	-	25	-	**25**	-
PL20/21	Place	Reduction of Events team from three to two.	45	-	-	-	-	**45**	-

REF	Priority	Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Savings Total - (£'000)	Capital Investment - (£'000)
PL20/22	Place	Visitors Vouchers Pricing Structure change	198	50	50	50	50	**398**	-
PL20/25	Place	Pay for Parking - Introduce a minimum 30 minute purchasable sessions, (currently 15 minutes)	250	-	-	-	-	**250**	-
PL20/26	Place	NSL contract negotiation	-	300	-	-	-	**300**	-
PL20/27	Place	Back office services efficiencies.	100	-	-	-	-	**100**	-
PL20/28	Place	Introduce Sunday charges - Car Park Pricing Structure	27	-	-	-	-	**27**	-
PL20/29	Place	Introduce Sunday charges - Pay for Parking Pricing Structure	63	10	-	-	-	**73**	-
PL20/30	Place	Targeted recovery of PCNs issued to persistent evaders. Dedicated resources introduced as part of new operational model and PMIS	80	80	80	80	80	**400**	-
PL20/31	Place	Concessionary Fares	1,200	600	(1,800)	-	-	**-**	-
PL20/32	Place	Visitors Vouchers Pricing Structure change -	(10)	190	-	-	-	**180**	-
PL20/33	Place	Residents Permits Pricing Structure	-	-	- 10	210	-	**200**	-
PL20/34	Place	Change 2 hour restrictions to full day	-	-	- 40	270	-	**230**	-
PL20/35	Place	Night Time Enforcement	(10)	(10)	-	80	20	**80**	-
PL20/36	Place	Pay for Parking - Introduce a minmum 1 hour purchaseable sessions,	-	-	- 20	120	-	**100**	-
PL20/38	Place	Moving Traffic PCN - expansion of moving traffic enforcment such as virtual road closures to support LTN	-	-	100	360	-	**460**	350
PL20/39	Place	Management and Support structure review	160	-	-	-	-	**160**	-
		TOTAL - Place	**2,331**	**1,585**	**(1,450)**	**1,370**	**180**	**4,016**	**750**

REF	Priority	Description	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Savings Total - (£'000)	Capital Investment - (£'000)
EC101	Economy	Additional Recharge to Housing Services	300	-	-	-	-	**300**	-
EC102	Economy	Additional Planning income from introducing new charges	200	-	-	-	-	**200**	-
EC103	Economy	Reduction in Energy Consumption on corporate buildings	50	-	-	-	-	**50**	50
		TOTAL - Economy	**550**	**-**	**-**	**-**	**-**	**550**	50
YC101	Your Council	Finance Savings	202	-	-	-	-	**202**	-
YC104	Your Council	Highway Searches	24	-	-	-	-	**24**	-
YC105	Your Council	Digital Services - Establishment Savings	250	-	-	-	-	**250**	-
YC109	Your Council	HR Savings	105	204	-	-	-	**345**	-
YC106	Your Council	Reduction in Legal Services Support	163	-	-	-	-	**163**	-
		TOTAL - Your Council	**744**	**204**	**-**	**-**	**-**	**984**	**-**
		TOTAL - Savings Proposals	**5,966**	**2,176**	**(1,369)**	**1,412**	**181**	**8,402**	**800**

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Appendix 3 - Total Savings Proposals 2021-2026

Pre-Agreed Saving Proposals (a)						
Priority	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**Total Proposals**
Housing	709	136	136	136	0	1,117
People - Adults	3,245	3,270	(376)	0	0	6,139
People - Children's Services	909	419	100	200	0	1,628
Place	2,067	1,059	70	0	0	3,196
Economy	120	130	120	0	0	370
Your Council	542	790	6	0	0	1,338
Total	**7,592**	**5,804**	**56**	**336**	**-**	**13,788**
Pre-Agreed Saving Proposals - C19 Budget Adjustments (b)						
Housing	136	136	(136)	(136)	0	0
People - Adults	(1,621)	710	911	0	0	0
People - Children's Services	(1,455)	941	0	0	0	(515)
Place	(25)	0	0	0	0	(25)
Economy	(445)	(30)	(20)	100	70	(325)
Your Council	(570)	2	0	0	0	(568)
Total	**(3,980)**	**1,759**	**755**	**(36)**	**70**	**(1,433)**
New Saving Proposals (c)						
Housing	483	68	51	12	1	615
People - Adults	1,537	0	0	0	0	1,537
People - Children	321	319	30	30	0	700
Place	2,336	1,590	(1,440)	1,360	170	4,016
Economy	550	0	0	0	0	550
Your Council	744	240	0	0	0	984
Subtotal	**5,971**	**2,217**	**(1,359)**	**1,402**	**171**	**8,402**
Cross-Cutting Proposals	750	2,250	0	0	0	3,000
Total	**6,721**	**4,467**	**(1,359)**	**1,402**	**171**	**11,402**
Total Savings Proposals - 2021/2026 (a+b+c)						
Housing	1,328	340	51	12	1	1,732
People - Adults	3,161	3,980	535	0	0	7,676
People - Children	(225)	1,679	130	230	0	1,814
Place	4,378	2,649	(1,370)	1,360	170	7,187
Economy	225	100	100	100	70	595
Your Council	716	1,032	6	0	0	1,754
Subtotal	**9,583**	**9,780**	**(548)**	**1,702**	**241**	**20,758**
Cross-Cutting Proposals	750	2,250	0	0	0	6,850
Total	**10,333**	**12,030**	**(548)**	**1,702**	**241**	**27,608**

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APPENDIX 4: 2021/26 DRAFT CAPITAL MTFS BUDGET AS AT 20/01/2021

Key for Source of Funding	
H	Haringey Borrowing
S	Self-Financing
E	External

		2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2021/22 - 25/26 Total	Source of Funding
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000	
101	Primary Sch - repairs & maintenance	1,000	1,000	1,000	1,000	1,000	**5,000**	**H & E**
102	Primary Sch - mod & enhance (Inc SEN)	21,355	17,525	17,480	15,000	8,000	**79,360**	**H & E**
110	Devolved Sch Capital	531	531	531	531	531	**2,655**	**E**
114	Secondary Sch - mod & enhance (Inc SEN)	750	110	0	0	0	**860**	**H**
121	Pendarren House	745	2,243	1,495	70	0	**4,553**	**H**
123	Wood Green Youth Hub	790	0	0	0	0	**790**	**E & H**
122	Alternative Provision Strategy	1,300	2,500	3,500	3,500	1,200	**12,000**	**H**
People - Children's		**26,471**	**23,909**	**24,006**	**20,101**	**10,731**	**105,218**	
201	Aids, Adap's & Assistive Tech -Home Owners (DFG)	2,193	2,193	2,193	2,193	2,200	**10,972**	**E**
208	Supported Living Schemes	2,500	2,500	1,000	1,000	0	**7,000**	**S**
209	Assistive Technology	500	500	0	0	0	**1,000**	**S**
211	Community Alarm Service	177	177	177	177	177	**885**	**E**
213	Canning Crescent Assisted Living	1,750	1,050	0	0	0	**2,800**	**S**
214	Osborne Grove Nursing Home	15,000	19,250	8,430	500	0	**43,180**	**S**
217	Burgoyne Road (Refuge Adaptations)	2,250	250	0	0	0	**2,500**	**E & S**
218	Social Emotional & Mental Health Provision	600	600	600	600	0	**2,400**	**E & S & H**
221	Mosaic System Implementation	1,600	1,600	0	0	0	**3,200**	**H**
People - Adults		**26,570**	**28,120**	**12,400**	**4,470**	**2,377**	**73,937**	

		2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2021/22 - 25/26 Total	Source of Funding
SCHEME REF	SCHEME NAME	£,000	£,000	£,000	£,000	£,000	£,000	
301	Street Lighting	1,300	1,300	1,300	1,300	1,300	**6,500**	**H**
302	Borough Roads	4,373	4,769	6,044	6,924	6,924	**29,034**	**H**
304	Flood Water Management	650	680	710	0	0	**2,040**	**H**
305	Borough Parking Plan	321	321	321	321	321	**1,605**	**H**
307	CCTV	830	1,000	550	0	0	**2,380**	**H & E**
309	Local Implementation Plan(LIP)	1,000	1,000	1,000	1,000	1,000	**5,000**	**E**
310	Developer S106 / S278	250	250	250	250	250	**1,250**	**E**
311	Parks Asset Management:	300	300	300	300	300	**1,500**	**H & E**
313	Active Life in Parks:	230	230	230	230	230	**1,150**	**H & E**
314	Parkland Walk Bridges	0	496	85	0	0	**581**	**H**
322	Finsbury Park	600	600	600	0	0	**1,800**	**S**
328	Street & Greenspace Greening Programme	100	100	100	100	0	**400**	**S & H**
329	Park Building Carbon Reduction and Improvement Programme	800	800	800	0	0	**2,400**	**S**
331	Updating the boroughs street lighting with energy efficient Led light bulbs	3,500	0	0	0	0	**3,500**	**H**
332	Disabled Bay/Blue Badge	200	0	0	0	0	**200**	**H**
333	Waste Management	200	200	0	0	0	**400**	**H**
119	School Streets	600	600	600	600	0	**2,400**	**E**
444	Marsh Lane	4,700	266	0	0	0	**4,966**	**H**
447	Alexandra Palace - Maintenance	470	470	470	470	470	**2,350**	**H**
621	Libraries IT and Buildings upgrade	85	0	0	0	0	**85**	**H**
623	Wood Green Library	1,000	1,000	0	0	0	**2,000**	**H**
334	Parks Depot Reconfiguration	400	0	0	0	0	**400**	**H**
335	Streetsplan	5,100	0	0	0	0	**5,100**	**E**
Place - Safe & Sustainable Places		**27,009**	**14,382**	**13,360**	**11,495**	**10,795**	**77,041**	

SCHEME REF	SCHEME NAME	2021/22 Budget £,000	2022/23 Budget £,000	2023/24 Budget £,000	2024/25 Budget £,000	2025/26 Budget £,000	2021/22 - 25/26 Total £,000	Source of Funding
401	Tottenham Hale Green Space	810	2,961	5,096	3,794	0	**12,661**	**H & E**
402	Tottenham Hale Streets	7,930	850	600	350	0	**9,730**	**H & E**
4003	Tottenham Hale Housing Zone Funding	6,663	4,326	0	3,663	0	**14,652**	**E**
411	Tottenham Heritage Action Zone (HAZ)	1,007	2,000	1,200	0	0	**4,207**	**E & H**
421	HRW Acquisition	90,000	3,940	6,830	6,000	4,600	**111,370**	**E**
429	Site Acq (Tott & Wood Green)	14,750	14,000	10,000	12,000	0	**50,750**	**S**
430	Wards Corner CPO	10,000	0	0	0	0	**10,000**	**E**
464	Bruce Castle	4,000	6,000	8,500	0	0	**18,500**	**S**
465	District Energy Network (DEN)	1,500	6,500	3,500	0	0	**11,500**	**S & E**
480	Wood Green Regen (2)	4,900	8,000	7,750	8,664	0	**29,313**	**H & E**
481	Strategic Investment Pot	1,987	1,950	0	0	0	**3,937**	**E**
482	Strategic Property	1,273	254	3	0	0	**1,530**	**H**
4001	Maintenance of Tottenham Green Workshops	50	0	0	0	0	**50**	**H**
4002	Northumberland Park estate area public realm	500	0	0	0	0	**500**	**E**
4005	SME Workspace Intensification	2,000	3,500	4,000	0	0	**9,500**	**S**
4006	Acquisition of head leases	10,000	12,000	0	0	0	**22,000**	**S**
4007	Tottenham Hale Decentralised Energy Network (DEN)	1,814	2,000	5,000	7,000	7,500	**23,314**	**E & S**
4008	Wood Green Decentralised Energy Network (DEN)	1,614	2,000	2,500	7,500	7,500	**21,114**	**E & S**
4009	Additonal Carbon Reduction Project	3,000	3,000	3,000	3,000	0	**12,000**	**S**
4010	Selby Urban Village Project	5,000	25,000	25,000	15,000	17,316	**87,316**	**E & S**
473	Enterprising Tottenham High Road (ETHR)	1,730	451	0	0	0	**2,181**	**E & S**
474	Tottenham High Road Strategy	600	587	0	0	0	**1,187**	**H & E**
475	Heart of Tottenham (HOT)	866	0	0	0	0	**866**	**H**
488	Liveable Seven Sisters (LSS)	1,227	2,250	1,019	0	0	**4,496**	**H & S**
493	Bruce Grove Yards (BGY)	1,300	1,670	218	0	0	**3,188**	**H**
4993	Pride in the High Road (PITHR)	400	432	0	0	0	**832**	**H**
404	Good Economy Recovery plan	1,400	500	100	0	0	**2,000**	**H & E**
453	New workspace scheme at Stoneleigh Road car park	400	1,000	0	0	0	**1,400**	**S**
454	HALS Improvement Programme	125	0	0	0	0	**125**	**H & E**
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	652	0	0	0	0	**652**	**H**
Economy - Growth & Employment		**177,498**	**105,171**	**84,316**	**66,971**	**36,916**	**470,871**	
509	CPO - Empty Homes	6,000	1,000	1,000	0	0	**8,000**	**S**
Housing (GF) Homes & Communities		**6,000**	**1,000**	**1,000**	**0**	**0**	**8,000**	

SCHEME REF	SCHEME NAME	2021/22 Budget £,000	2022/23 Budget £,000	2023/24 Budget £,000	2024/25 Budget £,000	2025/26 Budget £,000	2021/22 - 25/26 Total £,000	Source of Funding
604	Continuous Improvement	950	950	950	950	950	**4,750**	**H**
607	Financial Management System Replacement	2,000	650	0	0	0	**2,650**	**S**
622	Customer First	500	0	0	0	0	**500**	**S**
639	Ways of Working	255	0	0	0	0	**255**	**S**
650	Connected Communities	700	0	0	0	0	**700**	**S**
653	Capital Support for IT Projects	450	450	450	450	450	**2,250**	**S**
698	Responsiveness Fund	2,000	0	0	0	0	**2,000**	**H**
316	Asset Management of Council Buildings	4,651	4,331	1,381	4,000	4,000	**18,363**	**H**
330	Civic Centre Works	5,000	5,500	4,500	5,000	1,250	**21,250**	**H**
470	Wood Green HQ, Library & Customer Service Centre	5,000	6,400	7,000	6,000	0	**24,400**	**S**
699	P6 - Approved Capital Programme Contingency	3,800	0	1,250	1,250	0	**6,300**	**H**
Your Council		**25,306**	**18,281**	**15,531**	**17,650**	**6,650**	**83,418**	
TOTAL GF CAPITAL PROGRAMME		**288,854**	**190,863**	**150,613**	**120,687**	**67,469**	**818,485**	
Housing (HRA) Housing Revenue Account								
	Capital Investment							
	Major Works (Haringey Standard)	65,278	56,835	69,868	79,393	25,348	**296,722**	
	Carbon Reduction Works (Affordable Energy)	5,892	5,142	6,285	17,597	17,597	**52,513**	
	Fire Safety Works	15,329	13,771	11,000	18,113	4,500	**62,713**	
	Broadwater Farm Works	14,529	16,820	11,200	21,102	8,952	**72,603**	
	Total Existing Stock Investment	**101,028**	**92,568**	**98,353**	**136,205**	**56,397**	**484,551**	
	New Homes Build Programme	66,687	173,899	175,285	141,678	82,414	**639,963**	
	New Homes Acquisitions	75,441	45,892	25,890	46,671	31,428	**225,322**	
	TA Acquisitions	33,877	34,216	34,558	51,017	52,548	**206,216**	
TOTAL HRA CAPITAL PROGRAMME		**277,033**	**346,575**	**334,086**	**375,571**	**222,787**	**1,556,052**	
OVERALL CAPITAL PROGRAMME		**565,887**	**537,438**	**484,699**	**496,258**	**290,256**	**2,374,537**	

Adults & Children's Services

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
221	Mosaic System Implementation	3,200	0	0	**3,200**

Mosaic System Implementation. This bid is to upgrade the current Adult & Children's social care arrangements to enhance its functionality and to future proof the system either through enhancing the existing system or implementing a new one. This will enable clients and providers of care to engage with each other directly through the system cutting down on manual processes. It will also enable mobile working by providing an interface between care providers and the system thus having real time access to information and real time updating. Currently the council is in a procurement process for a new system. If the current supplier is chosen, then it is estimated that the upgrade cost will be £0.950m. However, if a new supplier is chosen then it is estimated that a budget of up to £3.2m will be required to implement the new system. The budget profile is £0.950m in 2021/22 should the current supplier be chosen. If a new supplier is chosen, then the budget profile would be £1.6m in 2021/22 and £1.6m in 2022/23.

Children's Services

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
102	Schools Estate	33,000	0	0	**33,000**

Schools Capital Estate Maintenance. There has been a major review of the condition and suitability of the Children's Services estate which has informed the Children's Service's asset management plan (CSAMP). This identified the condition and suitability deficiencies in the primary, secondary, and wider Children's Service estate that needed addressing in the short, medium, and long-term. The very immediate issues that could give rise to health & safety issues or school closure have been addressed by works carried out across the primary, secondary, and wider Children's Service estate**.** These reviews are identifying a substantial investment requirement to remedy all condition and suitability issues.

The initial further investment is geared towards the primary school estate to deal with a range of condition issues that can be undertaken in a cost-effective manner with minimal disruption to school life and without incurring abortive costs. This is because in most of the primary schools there are site constraints and/or planning issues meaning that there are real limitations on any significant alternative site approaches.

This is unlike the position in the secondary school estate where a masterplan for the secondary school estate is being prepared with the five secondary schools being the subject of a detailed options appraisal that takes a holistic view of the individual school and of its contribution to the overall secondary school estate. This approach was outlined in the Schools Estate Strategy.

Accordingly, preparatory design work is being undertaken in 2021/22 to address those urgent condition issues with any substantive spend being incurred in 2022/23. The estimated cost of the preparatory works is contained within the current secondary school budget allocation of £0.86m. The outcome of this work is likely to place further significant pressure on the Council's capital programme in the future years of the MTFS.

The bid is for £33m and profiled as £6m in each of the years 2021/22 to 2024/25 and £9m in 2025/26. The programme proposed would allocate a further £33m to the programme which, when combined with existing allocations, provides a budget of over £105m for the current MTFS period (£119m including 2020/21) which will make significant inroads to the backlog of building and suitability issues within the Children's Services estate.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
122	Alternative Provision Strategy	12,000	0	0	**12,000**

Alternative Provision Strategy. The option being proposed is for the establishment of an Alternative Provision Capital Programme within the MTFS. The programme will support the delivery of a comprehensive transformation plan for alternative provision and SEND in Haringey and contribute to the achievement of a deficit recovery plan for the Dedicated Schools Grant. It is suggested that a robust capital investment plan for alternative education provision, over a programme number of years, will deliver significant cost benefits and realise more sustainable, long term savings. In March 2020, Cabinet agreed to the implementation of a strategic change plan, Model for Change, 2020-2023 for the delivery of alternative provision in Haringey. Alternative Provision is 'Education arranged by Local Authorities for pupils who, because of exclusion, illness or other reasons would not otherwise receive suitable education: education arranged by schools for pupils on a fixed term exclusion and pupils being directed by schools to offer off-site provision to improve their behaviour'.

Local authorities are responsible for arranging suitable full-time education for permanently excluded pupils, and for other pupils who, because of illness or other reasons, would not receive suitable education without such provision. This applies to all children of compulsory school age resident in the local authority's area whether they are on the roll of a school or not, and whatever type of school they attend. The Model for Change, 2020-2023 document sets out key areas for transformational change with a view to reshaping how schools, partner organisations, parents, young people and the Council work together to deliver positive changes in the outcomes for some of our most vulnerable, and at risk, children and young people.

Our strategy for alternative provision aligns with the ambitions set out in the Borough Plan, 2019-2023, to improve outcomes for children, young people and their families. Our aims and objectives for the future of alternative provision delivery in the borough, also contribute to achieving the outcomes set out in the Council's Young People at Risk Strategy, 2019 – 2029, the emerging Early Help Strategy, BAME Attainment Strategy and the refreshed SEND Strategy. The case for change in alternative provision, is not only located in the substantial evidence pointing to poor, lifelong outcomes for children excluded from school and the significant number of young people excluded from school becoming vulnerable to, or involved, in the criminal justice system. We are also clear about the prevalence of children and young people with Special Educational Needs and Disabilities

(SEND) facing barriers within mainstream education, ending up at risk of exclusion or being excluded requires some targeted attention.

Our strategy for alternative provision is located within a local and national context of increasing numbers of children and young people with identified SEND and also significant pressures on Council budgets to meet these needs. As is the case for local authorities across the country, in Haringey, Alternative Provision and the wider education offer for SEND is funded, in the main, through the High Needs Block (HNB) within the wider Dedicated Schools Grant (DSG). Projections indicate the numbers of pupils with additional needs are on an upward trajectory and becoming increasingly complex, particularly in respect of Social, Emotional and Mental Health (SEMH). For Haringey, we face challenges from: rising demand, lack of a strong early intervention tier of support, lack of appropriate targeted and specialist provision in the borough.

The overall strategic drive is to slow, and where possible, reverse the upward trajectory in demand and costs. In addition to this, a major strategic drive on inclusion is likely to be shaped around three broad tenets: Inclusive Practice, Inclusive Schools and Inclusive Neighbourhoods. The Inclusive Schools element considers how school buildings and environment can contribute to how we are able to tackle current challenges and those we anticipate arising in future years.

Proposals within the alternative provision strategy recognise these issues and set out plans that seek to address:

- Prevention and Early Intervention - creating the culture and environment within Haringey's mainstream education landscape to reduce school exclusions and the risk of school exclusion.

- Increase and improve local access - develop more local, targeted and specialist provision to improve access to support. Contribute to MTFS and DSG long term savings.

- Develop and increase in borough place capacity to reduce demand for high cost, out of borough placements and transport.

The bid is for £12m and is profiled as £1.3m 2021/22, £2.5m 2022/23, £3.5m, 2023/24, £3.5m 2024/25 and £1.2m for 2025/26.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
121	Additional funding for Pendarren	4,553	0	0	**4,553**

Pendarren Outdoor Centre. A Condition and Suitability Survey was undertaken at the Pendarren Outdoor Education Centre in May 2019, which identified approximately £5.6 million of remedial works to bring the Centre back to fit for purpose condition. A budget allocation of £2m was made to address urgent condition and compliance issues in the main house as well as works to the Annexe to facilitate two schools using the Centre simultaneously. Based on the original condition survey and taking into account H&S items already being addressed (£1.7m) and adding inflation, fees and on costs, there are remaining condition costs from 2021/22 to 24/25 of £4.56m which would address

residual fabric mechanical electrical and external condition issues. The surveys undertaken, on which the data above is based, were non-invasive for structural elements. There is a risk that structural work could add to project costs.

The budgeted profile of the additional budget is £0.745m in 2021/22, £2.243m in 2022/23, £1.495m in 2023/24 and £0.07m in 2024/25.

Economy

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
404	Good Economy Recovery Plan - High Streets Recovery Action Plan fund	1,340	0	660	**2,000**

The Good Economy Recovery Plan. The plan was published in August 2020 and includes a set of subsidiary strategies. The High Streets Recovery Action Plan was published alongside and includes a list of both funded and unfunded projects. Of the unfunded projects, some can be capitalised. Officers have produced outline costings for these activities, which this bid seeks to cover. Costs that can be capitalised include:

- Making High Streets Fit for purpose - £500k (building on short-term Reopening High Streets Safely interventions and targeting high streets not covered by that grant)
- Meanwhile...in Haringey - £400k (capital works to bring vacant shops into use, new signage treatment, fit out and occupation with Haringey SMEs/creatives/producers - focus on Council premises but with investigations for private vacant buildings, to be match funded in return)
- Shutter Gallery - £250k build on pilot project, circa £30k per parade for 10 creative murals/treatments
- Market trading investment - £30k capital investment for TGM, £30k for Crouch End / other Town Centres
- 'Welcome Back' to town centres - signage/commissions at key gateways
- Shopfront improvement schemes - £550k for schemes in 4 town centres, circa 20 businesses
- Unallocated - £240k

It is intended that this is a borough-wide allocation, which would concentrate activities on areas with highest concentrations of businesses to maximise impact. This would address existing area gaps (no capital funding currently for Crouch End or any other businesses outside Wood Green and Tottenham) and gaps in uncommitted spend (existing allocations of capital for Tottenham and Wood Green are project-specific and do not include allocations for the above projects). This allocation would deliver against the Place and Economy priorities of the Borough Plan and would be pivotal in allowing the Council to meaningfully respond to the pressures created by the Covid-19 pandemic.

An allocation from the approved capital programme contingency has been made for 2020/21 of £0.25m. The balance of funding for the scheme is £1.4m in 2021/22, £0.5m in 2022/23 and £0.1m in 2023/24.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
488	551B High Road	0	2,000	0	**2,000**

The 551b High Road. This bid is to expand the existing proposal for a mixed-use development. The current scheme at the site is not viable and initial studies indicate that a larger project would be viable. The project sits within the 'Enterprising Tottenham High Road' scheme. The bid is seeking to cover the costs of delivering a larger building, with increased outputs. The project is high priority within the repair and renewal plans for the following reasons:

- A viability appraisal has concluded that the larger option is viable if let at market rents
- The project is supported by contractually committed external match funding
- It is part of a wider programme (Enterprising Tottenham High Road) and forms evidence to support a current bid to Future High Streets Fund
- The building is a Council owned asset, and so further investment will allow the Council to extract social value through new employment opportunities
- The project delivery is in line with Community Wealth Building principles, targeting a locally orientated multi-disciplinary design team and maximising opportunities for paid local commissioning
- The project's ambitious sustainability targets align with the Council's target to become a Carbon Neutral Borough by 2041
- The project supports the GERP's top priorities, including helping businesses into work/training through offering work experience/apprenticeships and delivering new, high quality workspace
- The project represents significant investment into the physical environment of the High Street (Tottenham High Road) through delivery of publicly accessible yard space and a new F&B facility.

The funding for the scheme is £0.750m in 2021/22, £1.250m in 2022/23.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
453	New workspace scheme at Stoneleigh Road car park	0	1,400	0	**1,400**

Stoneleigh Walk Car Park. This project covers a range of schemes to develop mixed use housing and employment space on several council owned car parks. The car parks involved are:

Stoneleigh Rd Car Park C:
Stoneleigh Rd Car Park B
Stoneleigh Rd Car Park A
Tottenham Green Workshop Car Park
Somerset Rd Car Park

This is a new bid for a capital scheme covering the mixed use development of 7 Council owned car park sites supporting employment uses, housing delivery (c. 82 homes) and placemaking. This bid is for the non housing costs only. The housing related costs will be contained within the HRA capital programme. The bid cost includes:

Design team fees for masterplanning and development of the employment elements of the scheme to RIBA 4 (tender). The housing elements of the project will be separated at the commencement of RIBA Stage 2 and will be delivered and funded by the Housing Delivery Team.

- Masterplanning design fees to assist with early viability appraisals and brief development - £100k
- Design fees for employment uses from RIBA 0-4 - £450k
- Surveys and due diligence - £100k
- QS fees - £50k
- Planning fees (Pre app and QRP) - £20k
- Legal fees - £15k
- Procurement/DPS fees - £15k
- Delivery costs for 1 workspace element - £1m
- Total - £1.75m

Currently the early stages of the project are being funded through the existing capital programme. The proposed allocation for future years is £0.4m in 2021/22, £1.0m in 2022/23.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
454	HALS Improvement Programme	114	0	11	**125**

HALS Improvement. The HALS bid is to remodel their existing accommodation to facilitate new models of service delivery as well as investment in ICT to improve the online learning experience for learners and the wider Haringey workforce. This bid provides for deploying a multi-modal learning solution, that will allow HALS to offer a hybrid approach to delivering courses, supporting learners at its Wood Green Facility, online in their homes, and out in the community. It includes a project to procure and deploy a corporate Learning Management Solution, taking advantage of an opportunity to combine the requirements of HR Workforce to replace the Fuse Learning Solution, with HALS need for a VLE and learning delivery needs from services across the council. The proposal will increase HALS capacity and reach, improve the quality of their facilities and online delivery, increasing their engagement with the community and opportunities to secure future funding. While the corporate LMS solution will provide a more compliant workforce, delivering better knowledge retention, and improved rates of training completion, while streamlining administration and course management contributing to improved opportunities and outcomes for learners. The risks in not progressing with this piece of work are, a severely degraded learner experience, an inability to meet the learning needs of our community in light of the Coivd-19 restriction to the operating model, and an increasing risk of critical failure of HALS infrastructure. The Fuse contract would also have to be extended beyond Aug-21, and/or alternative service specific LMS solutions procured, at greater council wide expense. The combined cost of these solutions is £300k over the next two financial years (through to Dec-21). The 2020/21 cost of £175k will be met from the existing IT Capital Budget and this bid is to fund the additional expenditure of £125k.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	652	0	0	**652**

Cloud Based ICT for planning and building control. The planning and building control service have identified a need to move to a cloud based online system that will reduce risks and costs and improve the service offer. The project will commence and complete in 2021 so the spend profile will be £652k in 2021/22

Housing

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
509	CPO Empty Properties	0	5,000	0	**5,000**

Expansion of CPO budget. In response to the growing number of empty homes in the borough, Cabinet agreed a refreshed version of the Council's existing empty homes policy in July 2020 - the Policy's overarching aim is to bring all empty homes back into use. Building on the work already carried out to manage empty homes, the refreshed Policy offers a variety of tools and balances support and advice for landlords and an enforcement approach when efforts to work with the owner fails. The strengthened enforcement approach requires an increase in capital funding and Cabinet agreed at its meeting in July to - Note that a capital bid of £5m will be made to increase the CPO budget to £6m as part of the 2021/22 budget setting process. The increase in capital will meet the increase in CPO action and the introduction of Empty Dwelling Management Orders.

Compulsory Purchase Orders (CPO). Where it can be proven that no other means is available to the Council which will result in the property being returned to use, the Council can seek to use Compulsory Purchase Orders (CPO). The Council's CPO powers are used as a final option and are governed by legislation and must be in accordance with Government guidance. In pursuing a CPO the Council must show that all necessary funding is likely to be available to bring this property back into use as housing accommodation, failure to do so is likely to result in the Secretary of State refusing the application. Capital funding is currently available for the purchase of empty homes, however the current market value of homes in the borough often allows for only one or two purchases to be made at any one time.

Empty Dwelling Management Orders (EDMOs). Cabinet agreed to extend enforcement powers to include EDMOs. EDMOs bridge the gap between voluntary measures and CPOs. The process is complex, resource-intensive, and requires two stages, an interim and final stage, at the end of which the council can let and renovate the property and then recover the costs of that process through rental income. The bid is for £5m in 2021/22.

Place

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
314	Parkland Walk Bridges	581	0	0	**581**

The Parkland Walks Bridges. This scheme is already within the approved capital programme. This bid is to seek additional funding to complete works to three of the seven Parkland Walk Bridges that the Parks Service is responsible for. Of the agreed 2020/21 capital budget, £300k was redirected to the Covid reserve. Further review has identified additional scheme costs of a further £280k. Therefore, the total additional bid is for £0.581, which is profiled £0.496m in 2022/23 and £0.085m

in 2023/24. The additional £280k costs relate work required to investigate and prepare design solutions for the three additional bridges (St James Lane Viaduct, MP Villas and Northwood Road). The additional cost also includes an allowance for temporary works in the period between now and when the full works can take place. At the end of this phase works will have been completed on the bridges at Upper Tollington, Vicarage Road and Stanhope Road. Design solutions and tender packages will have been prepared for Stapleton Hall Road, St James Lane, MP Villas and Northwood Road. The works on these bridges will be subject to a separate capital bid which is expected to be made in 2023/24.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
302	Principal Road Maintenance for 2021/22	500	0	0	**500**

Principal Road Maintenance. This bid covers the planned maintenance for the Principal Road Network (PRN). These roads are the most important borough managed transport routes and carry the highest volumes of vehicles including buses, cyclists, and pedestrians. Funding for maintenance of the PRN has historically come from Transport for London via an annual settlement as part of the Annual Spending Submission (ASS) through the Local Implementation Plan process. TfL initially suspended funding for maintenance of the PRN for 2 years in 2018/19 due to financial difficulties. This has now extended into a 3rd year. In 2019/20 and 2020/21 due to the deteriorating network and level of member and public concern a one-off allocation has been made to undertake essential maintenance of the PRN. With the full suspension of all TfL ASS programmes due to financial difficulties and a redirection of emergency DfT funding for TfL to social distancing, it is unclear whether any principal road maintenance (PRM) funding will be made available in 2021/22. We are unclear when TfL will be able to provide further clarify on the matter which is likely to be dependent on future DfT funding. This bid level takes into account the continued deterioration of the highways network represents the minimum level required to be able to be able to maintain the operation of PRN during 2021/22 at which point it is hoped that TfL will reinitiate funding of the programme, or at least provided clarity for future arrangements. Failure to secure this level of funding is likely to result in the need to divert essential funding from other programmes and may well impact on the ability to meet walking and cycling aspirations. Should TfL decide to restart mainstream funding for PRM within 2021/22 via the ASS, or alternative mechanisms, then that funding will replace this requirement through the council's capital programme. The budget is proposed for 2021/22 and is for £0.5.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
302	Investing in Pavements	9,169	0	0	**9,169**

Investing In Pavements. There is the legal obligation on any authority to maintain its highways and they must provide for a safe and expedient movement to, from and around our borough. Decisions on the way the Council manages its highways have economic, social, and environmental impacts and

need to be made carefully. Like many other boroughs in London and across the country, Haringey has historically underinvested in its highway maintenance, and the condition of the highway network in Haringey has been declining. This underinvestment was confirmed in recent condition surveys indicating that the borough's highway assets were in a relatively poor condition. Assessments forming part of a recent review of the Council's Highway Asset Management Strategy established that some 16% of the Council's unclassified roads (carriageway) network was in need of maintenance and that some 59% of footways required treatment. Having regard for the generally poor condition of the highway infrastructure, the review also sought to establish the level of funding needed for a combination of reactive and planned maintenance using benchmarking across London. It was concluded that reactive maintenance funding needed to be increased by £1.1m per annum, and that funding for planned footway maintenance would need to be increased from £1.9m to £3.5m per annum. The budget proposal is for £0.896m in 2022/23, £2.171m 2023/24, £3.051m 2024/25 and £3.051m in 2025/26.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
305	Borough Parking Plan - 21/26	1,605	0	0	**1,605**

Borough Parking Plan. The funding requested here is to be able to respond to requests for new CPZ's and any changes to existing CPZ's arising from consultation. The new Tottenham Hotspur Stadium has prompted an increase in parking complaints. The stadium complex hosts many more events and employs many more staff; thereby adding to parking congestion in the area. The wider area development plan includes high-density housing, much of which may be designated car free. It also includes a hotel, a museum, a community health centre and other sports and leisure facilities. All of these will result in increased activity in the area with even greater parking pressure on local roads. Other developments, including increased rail services and several railway station upgrades in the local area together with a major new housing regeneration to be located at the northern boundary of the borough, are likely to see a marked increase in demand for parking by commuters using the improved transport connections. The regeneration project will also see a significant increase in the population of the local area, again adding to parking demand. Our current and future programmes will prioritise CPZ areas that have not been recently reviewed providing an opportunity for the council to establish how effective the operational times and days are and if they continue to provide a good use of kerb space. The planned schemes listed in the table are to address the following issues:

- Parking in Finsbury Park during events that has been addressed using temporary measures, however this is proving to be unnecessarily costly and it is the Councils intention to consider a more permanent solution.
- Parking changes in the areas around the Tottenham Hotspur Stadium (Tottenham North) are now out of date with the new stadium and its changes in use. As these zones have not been reviewed it is necessary that a more tailored approach is needed to ensure that events are properly catered for in the interests of resident, businesses and visitors.
- Interzonal commuting have been reported between Wood Green inner and Wood Green outer zones. As with the Tottenham North zone these zones are overdue for a review and issues of congestion and intra zonal parking have been raised by

residents. The need to address vehicle displacement is a regular theme and is the case for Hornsey North and Bruce Castle, with Hornsey North being the result of a successful smaller zone and Bruce Castle being a consequence of new neighbouring zones. Following an agreed review of feedback from residents White Hart Lane will be assessed to see if changes to the operational days and hours best meet the needs of residents and businesses.

The profile of investment is £0.321m in each of the years 2021/22 through to and including 2025/26.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
307	CCTV Moving Traffic Enforcement camera's	350	0	0	**350**

CCTV Monitoring. This is a new capital scheme to purchase 14 mobile cameras to further enhance and expand the moving traffic enforcement initiative. These cameras will support virtual road closures and the low traffic neighbourhood initiative. They will also support the delivery of MTFS savings of £500k and will contribute towards the transport strategy and clean air policy. CCTV. A complete desktop survey is required to identify correct camera location, lamp column and commardo socket. Surveys will need to be commissioned from contractors to ensure sites are sound and suitable for installation. Further surveys will need to be commissioned to identify contravention captured for new potential sites. Order, complete structural testing, install and configure cameras. Full implementation is expected to be complete by 31st March 2024. Following implementation there will be on-going revenue costs estimated at £50k to support back office activities; software licence charges, warranty (after one year) maintenance & repair, and processing costs. Successful implementation will be measured by capturing contraventions. Likely Performance Indicator will be how many contraventions captured. The cost of this bid is estimated £0.35m in 2023/24.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
332	Disabled Bay/Blue Badge	200	0	0	**200**

Disabled Parking Bay. This scheme will improve access for disabled motorists as well as complying with new DfT requirements on disabled parking bay dimensions. We are required to comply with DfT requirements and can be challenged legally if we do not, impacting on our ability to enforce associated parking restrictions. The increase in size of the disabled parking bay (an extra 1.2m in length) caters for those with aids such as wheelchairs + ramps and is also intended to provide space for those disabled motorists to either walk or use wheelchairs between parking bays. The regulations were changed a few years ago and we were upgrading bays to the new dimensions when reviewing parking arrangements in various areas. Those bays are in town centres and near other places of interest, such as health centres, libraries etc. They are also installed in residential areas. However at least 85% of bays are yet to be upgraded, hence the proposed accelerated upgrade programme. This will ensure we will meet the needs of disabled Motorists.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
333	Waste Containment	400	0	0	**400**

Waste Containment. This proposal is to enable delivery of proposed MTFS saving PL20-14 on Commercial Waste. PL20-14 seeks to deliver net savings of £0.110m by increasing income from commercial waste. Delivery of the saving will be achieved by investing in waste containment infrastructure and bin storage capacity in areas of time banded collections. The profile of expenditure is £0.2m in 2021/22 and £0.2m in 2022/23.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
334	Parks Depot Reconfiguration	400	0	0	**400**

Parks Depot Reconfiguration. The proposed investment in the parks depots will ensure that they are fit for purpose. This investment will complement the existing capital programme budgets that seek to make the depots more carbon efficient.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
335	Streetsplan	0	0	5,100	**5,100**

Streetspace Plan. Projects to support active travel and reducing carbon emissions in line with the Borough Plan, Transport Strategy, Climate Change Action Plan and Air Quality Action Plan. The interventions also support social distancing during Covid19, the local economy, employment, businesses, and high streets, and are referenced in the Good Economy Recovery Plan. A range of projects were submitted to TfL/DfT for funding bids totalling around £7m. £1.1m was secured in Summer 2020. The remaining bids not yet funded externally are around £5.7m. We expect up to approximately £0.6m to be confirmed by TfL/DfT in December 2020 but this is not guaranteed. If confirmed, this would leave around £5.1m to be funded. There may be future TfL/DfT funding tranches announced but this is not confirmed and highly unlikely to cover the whole cost of the projects. These walking and cycling projects are eligible for funding from Strategic Community Infrastructure Levy (SCIL). The budget proposed is £5.1m for 2021/22.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
623	Wood Green Library	2,000	0	0	**2,000**

Wood Green Library. Wood Green Library is Haringey's main library, and one of the busiest in the UK. Keeping this building in a good condition is essential to provide a good service to our residents. The building has suffered from historic lack of investment. As a result, there are a number of serious defects requiring attention, as well as a need to invest in the interior of the building to provide a more suitable space for the three services using the building, namely the Library Service, Customer Services, and Haringey Works. The total additional funding in this funding options is £2m. This is made up of:

- £1.5m for urgent/essential works for safety, condition and compliance including replacement fire doors, roof repairs, boiler room replacement, M&E renewal and fire compartmentation works.
- £350K for Customer Services refurb and decant of & integration of HFH frontdoor from 48 Station Road Ground Floor.
- Contingency of £150K given incomplete survey information and early stage of analysis of requirements.

Your Council

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
330	Additional funding for the Civic Centre	14,250	0	0	**14,250**

Civic Centre Refurbishment. Additional funding to enable the refurbishment and improvement works at the Civic Centre. The project will provide modern, fit-for-purpose Civic and office accommodation, supporting a variety of strategic aims in the Borough Plan objective Your Council. It will renew a Listed Building in a Conservation Area, providing improved amenity value for the community. The project will address environmental issues with the existing building, supporting the Council's Zero Carbon objectives, reducing energy costs, and improving liveability for building users. The project will deal with a variety of H&S compliance issues. The effect of not proceeding would be to have a significant heritage building remaining vacant. The budget profile for the additional expenditure is £4m in 2022/23, £4m in 2023/24, £5m in 2024/25, and £1.25m in 2025/26.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
698	Responsiveness Fund	2,000	0	0	**2,000**

Responsiveness Fund. The proposed budget will enable the Council to respond to in year requests for match funding from external bodies. It is anticipated that the Government will respond to the Covid-19 pandemic with economic stimulus. An effective route is through capital spending. This budget would enable the Council to respond to such requests. Failure to have such a budget may risk opportunities for inward investment in the borough. The proposed budget is £2m in 2021/22.

Scheme Ref.	Scheme Description	General Fund Borrowing		External £'000)	Total (£'000)
		Met from General Fund (£'000)	Self Financing met from Savings (£'000)		
699	Approved Capital Programme Contingency	3,800	0	0	**3,800**

Approved Capital Programme Contingency. It is prudent for a capital programme of Haringey's size that a contingency is included. The contingency will enable the Council to respond to pressures that the capital programme may experience. The budget allowance is £3.8m in 2021/22.

APPENDIX 6

Flexible Use of Capital Receipts Strategy

1. The Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

> "expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners"

2. The schedule of the proposed utilisation of the flexible capital receipts is split into two components. The first is a list of investments that are a continuation of previously agreed schemes but are required to be reaffirmed as part of the Council's budget setting process. The second list is of new proposals for 2020/21.

3. List 1 - Previous indicative proposals for the flexible use of capital receipts requiring agreement

a) Connected Communities. This is the continuation of the investment in the programme.
b) Weight Restrictions. This proposal is for the continuation of the scheme to locate cameras the highway to enforce weight limits and emissions.
investment capacity for a range of initiatives such as purchasing specialist software to optimise the transport routes for children with SEND to a revised in-house foster care service to reduce the demand for agency foster care and the need for residential placements. The release of resources will be subject to a satisfactory business case.
c) Demand Management in Adult Services. This budget is to support the continuation of initiatives such as increasing day opportunities to reduce the demand for higher cost care solutions and through the employment of care negotiators who reduce the cost of high demand placements.
d) New Ways of Working. The resources will be deployed continue with the work to transform the way in which the council uses its building to deliver services.

4. List 4 - New proposals for the flexible use of capital receipts

e) Restructure costs. It is anticipated that there will be a limited reduction in the number of people employed by the council in 2021/22. This budget is to pay for the costs associated with the reduction. The savings are embedded in the individual improvement programmes so are not accounted for here.
f) Demand management in Adults Services. This additional funding is for the transition team to ensure that when young people with special needs become adults that they are transitioned to high quality settings or care packages.
Counter Fraud Hub is a London wide initiative to reduce the level of fraud perpetrated on London Councils through a data sharing and analytics service.
g) Children's Services improvements. This funding is to continue with the transformation of Children's Services though improvements to the special educational needs and disabilities services including home to school transport.
h) Expansion of moving traffic enforcement. This expenditure will ensure that the council can respond rapidly to enforce traffic violations including helping to supervise low traffic neighbourhoods and school streets.
i) Strategic Asset Management Planning. The council has invested in its asset management function recently and is continuing to do so. This resource will also be used to ensure that

the council can respond rapidly and effectively to bids to external funders for energy and carbon reduction funding.
j) Corporate Support to all improvement programmes. A range of corporate services are required to assist in the delivery of the many improvement programmes. This funding will allow dedicated support to be accessed for all programmes. The savings are embedded in the individual improvement programmes so are not accounted for here.
k) Counter fraud work. Whilst the London counter fraud hub did not materialise there is an enhanced need to undertake this work as the volume of Covid-19 grant related work has consumed a lot of resource that would otherwise be directed to fraud work.
l) Digital Together. This expenditure will assist in delivering an empowered, energised and enabled resident community engaging with us through increased digital channels that quickly direct them to the right resources through anticipation of their needs with no duplication.

The guidance requires that the impact on the Council's prudential indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. The indicators that will be impacted by this strategy are set out below:

a. The Capital Financing Requirement will increase as these capital receipts would otherwise have financed capital expenditure or reduced borrowing.
b. Financing costs as a percentage of the net revenue stream will rise as more borrowing is undertaken but the savings generated by the schemes will offset the costs arising from the additional borrowing. Therefore, there is no impact on Council Tax.

The prudential indicators show that this strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.

It is estimated that there will be sufficient capital receipts to fund the estimated expenditure.

APPENDIX 6A

Previous indicative proposals for the flexible use of capital receipts requiring agreement

		Proposed Investment							Estimated Savings					
Ref.	Title	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	**Total (£'000)**		2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	**Total (£'000)**
a	Connected Communities	1,718					**1,718**							**0**
b	Weight Restrictions	200					**200**		(280)	(300)	(300)	(300)	(300)	**(1,480)**
c	Demand Management in Adult Services	1,339	390	227	227		**2,184**		(3,021)	(3,945)	(4,007)	(3,905)	(3,905)	**(18,783)**
d	New Ways of Working	255					**255**							**0**
		3,512	**390**	**227**	**227**	**0**	**4,357**		**(3,301)**	**(4,245)**	**(4,307)**	**(4,205)**	**(4,205)**	**(20,263)**

APPENDIX 6A

New proposals for the flexible use of capital receipts requiring agreement

		Proposed Investment							Estimated Savings					
Ref	Title	2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	**Total (£'000)**		2021/22 (£'000)	2022/23 (£'000)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	**Total (£'000)**
e	Restructure costs	650	1,000				1,650							**0**
f	Demand Management in Adult Services	108	320	0	0	0	428		(250)	(250)	(250)	(250)	250	**(750)**
g	Children's Services Improvements	518	40	40	40	0	638							**0**
h	Expansion of moving traffic enforcement such as virtual road closures to support LTN	350					350				(100)	(360)	(360)	**(820)**
i	Improvement to asset management & energy management arrangements	350	325		0	0	675							**0**
j	Corporate Support to all improvement programmes	1,948	1,271	1,295	0	0	4,514							**0**
k	Counter fraud work	90	90	90	0	0	270							**0**
l	Digital Together	2,000	1,500	0	0	0	3,500		(750)	(3,000)	(3,000)	(3,000)	(3,000)	**(12,750)**
		6,014	**4,546**	**1,425**	**40**	**0**	**12,024**		**(1,000)**	**(3,250)**	**(3,350)**	**(3,610)**	**(3,110)**	**(14,320)**
Grand Total		**9,525**	**4,936**	**1,652**	**267**	**0**	**16,381**		**(4,301)**	**(7,495)**	**(7,657)**	**(7,815)**	**(7,315)**	**(34,583)**

APPENDIX 7

2021/22 - INDICATIVE BUDGET BREAKDOWN BASED ON DSG ALLOCATION / SCHOOLS FORUM

Funding Block	Stream	Indicative Budget breakdown based on DSG Allocation/School Forum				Total
Schools Block	Attendance & Welfare Service	122,000				
	Growth Fund	1,100,000				
	Schools Block Allocation with Academies	210,463,094				
	Split Site Nursery LA	60,000				
	School Block Total	**211,745,094**				**211,745,094**
Central Block	ESG - Other Statutory and Regulatory Duties (Include SACRE)		377,851			
	ESG - Statutory Education Welfare Service		172,000			
	School Standards		273,035			
	Looked After Children Placements		733,753			
	Early Help		350,000			
	Servicing of Schools Forum		10,000			
	Admissions		300,000			
	Governor Support		130,000			
	Music & Performing Arts		168,000			
	Support Costs		192,000			
	Copyright Licences		205,000			
	Central Block Total		**2,911,639**			**2,911,639**
High Needs Block	HNB DSG Contribution to Early Help			1,230,000		
	HNB DSG Contribution to SEN Transport			225,000		
	HNB Support to Alternative Provisions			1,521,000		
	HNB Support to Early Years			682,000		
	HNB Support to Schools (PRU + Hospitals)			908,500		
	HNB-DSG Cont Adm & Welfare			350,000		
	Independent & Voulntary Schools			7,639,219		
	Learning Support Services			1,100,000		
	Maintained - Funding			6,180,000		
	Maintained - Top Ups			21,000,000		
	Parenting -Information Advice & Support			96,000		
	SEN contingency			1,300,000		
	SEND Manager/Admin			300,000		
	Sensory Support			530,000		
	High Needs Block Total			**43,061,719**		**43,061,719**
Early Years Block	Add Working Parents Funding(+15 Hrs)				4,309,107	
	Centrally Retained				833,472	
	Early Years Passported				3,006,872	
	Universal Funding (15 Hrs)				12,886,855	
	Early Years Block Total				**21,036,306**	**21,036,306**
					Total DSG	**278,754,758**

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APPENDIX 8

Budget Consultation Report

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APPENDIX 8

1. Executive Summary

1.2. Summary of Findings – Q1 – Which proposals do you support and why?

- Proposals relating to '**Children & Young People in Haringey'** (CYP) – a theme that emerged from consultation responses – was referenced most by respondents to this question. Just under a third of respondents who answered this question (28%, 30 out of 107 respondents) indicated they agree with the saving, investment and income proposals identified in this area.

- '**Climate Change & Environment'** (CCE) was the second most referenced theme emerging from consultation responses. 26% of respondents who answered this question indicated they agree with proposals in this area (28 out of 107 respondents) with many stating they would like to see the Council do more to tackle what they believe is a climate change emergency.

- The third most referenced theme was '**Infrastructure'** which comprised proposals related to **roads, pavements and cycle lanes**. 12% of respondents who answered this question) indicated that they support proposals in this area (13 out of 107 respondents).

1.3. Summary of Findings – Q2 – Which proposals do you not support and why?

- The **Civic Centre Refurbishment, Council Tax Increase and Parking** related proposals received the least support for their saving, investment and income proposals. Combining all responses, over two-thirds (63%) of respondents stated that they supported these ideas the least.

- The least supported of all these proposals, however, was the **Civic Centre Refurbishment**. Almost one quarter of all respondents to this question indicated that they do not support this idea (24%, 19 out of 77 responses).

- The proposed **Council Tax increase** was also unpopular. 22% of respondents (17 out of 77 respondents) indicated they do not support this, claiming it was not an appropriate way to use funds given the financial crisis residents find themselves in after the Covid-19 pandemic.

- Respondents also expressed their lack of support for **Parking** related proposals. 16% of respondents felt the extension of the Controlled Parking Zone in particular was an unattractive option to pursue (13 out of 77 respondents).

N.B. The responses above should not be taken as representative of the views of the wider Haringey population as there was a total number of 110 responses.

APPENDIX 8

2. Detailed Findings

2.1 Introduction

The budget proposals for 2021/2022 have been subject to a formal public consultation. This report sets out the findings from the council's consultation on its budget for 2021/22 which also refreshes its Medium-Term Financial Strategy (MTFS) to cover the period up to 2025/26. The findings will be considered by Haringey Council's Cabinet where the final decision on the council's budget for 2021/2022 will be taken.

2.2 Technical Details & Method

2.2.1 In summary, the consultation was administered as follows:

- The general consultation consisted of an online questionnaire published on: https://www.haringey.gov.uk/local-democracy/policies-and-strategies/your-haringey-your-future together with a Budget Consultation Booklet which provided background information about the council's budget setting process and the financial challenges the council faces. Paper copies were made available at libraries across the borough.

- The consultation was widely prompted via the council's resident magazine, Haringey People Extra, the council's business e-newsletter, the council's website, the local press, Twitter Facebook as well as through various partners: The Wood Green Bid & The Bridge Renewal Trust.

- Over 13,000 emails were also sent directly to residents to promote the consultation.

2.2.2 Questionnaire Design

The questionnaire was developed to ascertain residents' views on the proposals put forward in the budget. In particular, the consultation invited views on the:

- Proposals respondents supported (the consultation also asked respondents to provide their reasoning)

- Proposals respondents did not support (the consultation also asked respondents to provide their reasoning)

- Suggestions on proposals respondents thought we should include.

- Comments outlining whether respondents thought individuals with Protected Characteristics may be impacted by proposals.

2.2.3 Questionnaire Analysis

Although a number of themes arose from the consultation responses, only the three that were mentioned most frequently have been reported on in greater detail. The number of respondents for other themes were too low to draw any lasting conclusions.

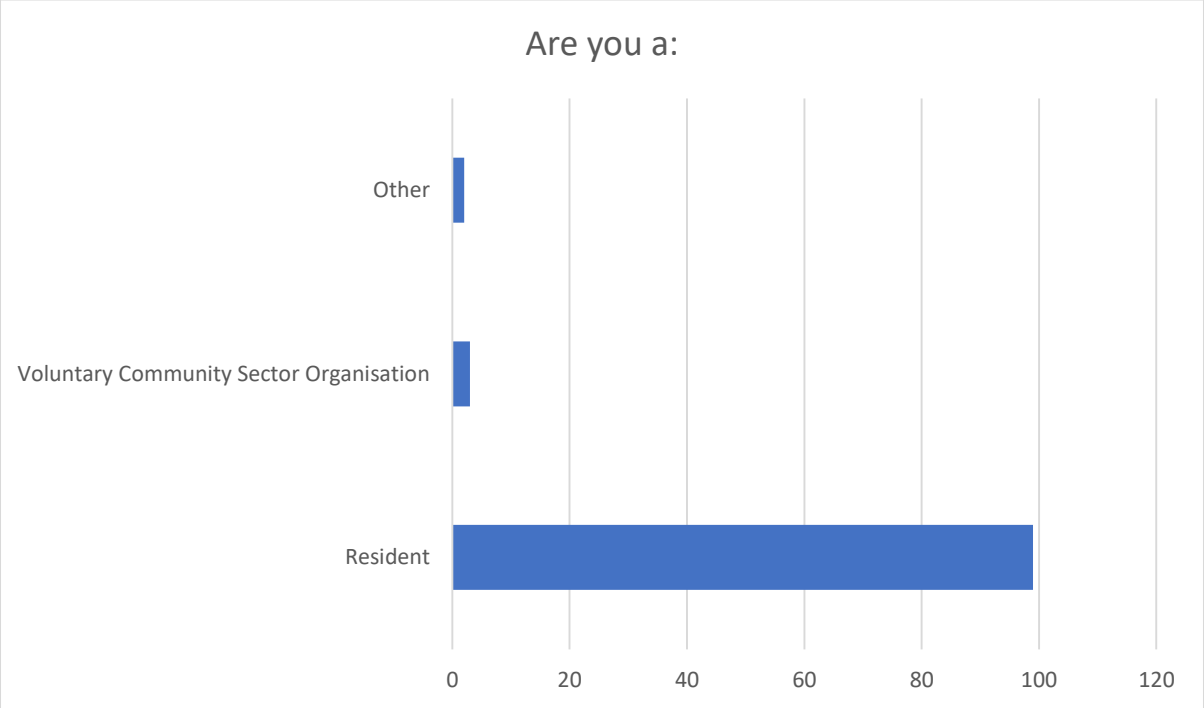
2.3 Response to the Consultation

A total of 110 questionnaires have been completed – all of which came through the council's online survey platform.

2.3.1 Response Profile

As the graph below depicts, respondents were asked to identify themselves as either: residents, business-owners, members of the voluntary community sector (VCS) or 'other'. The majority of respondents to this consultation were residents (99). Only 3 responses were received from members of the VCS, while 2 respondents selected 'other'.

The two individuals that selected 'other' stated that they were a former resident and resident/business owner, respectively.



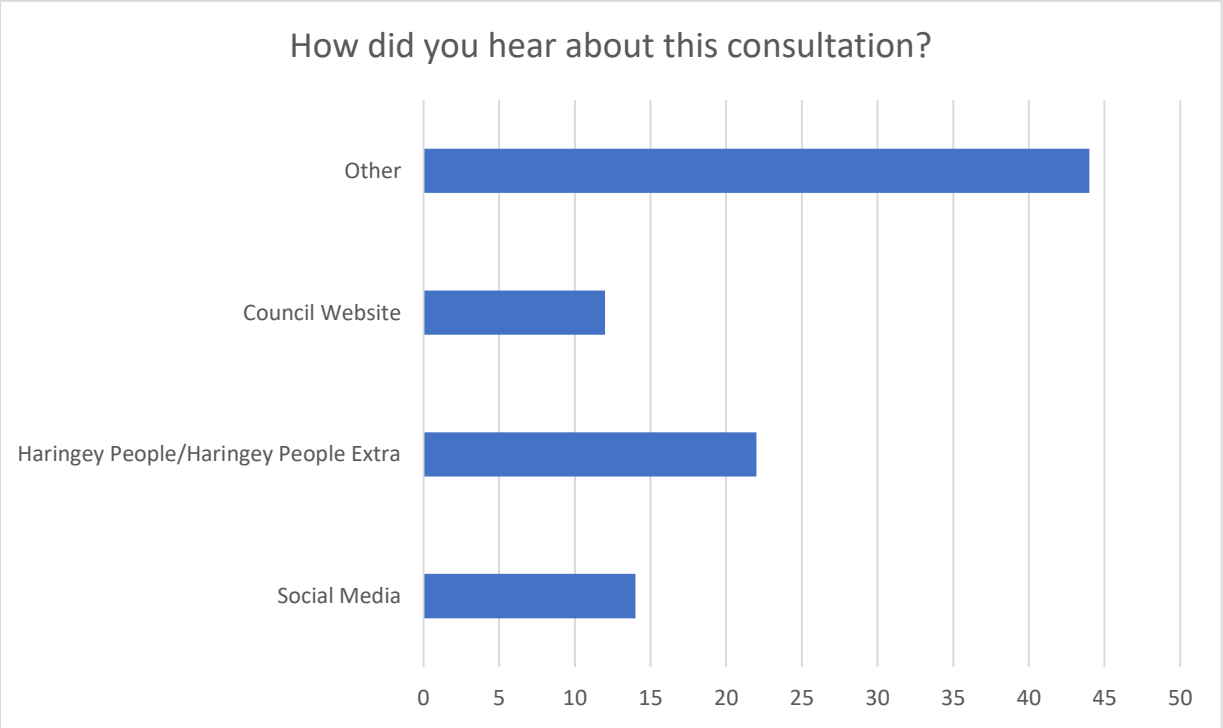
APPENDIX 8

How did you hear about this consultation?

The majority of respondents selected 'Other' when asked how they heard about the consultation (44 respondents). When selecting this option, respondents were asked to specify. These specified answers are outlined below.

According to the data, the second most common way respondents were informed about the consultation was through the residents' magazine Haringey People/Haringey People Extra (22 respondents). This was closely followed by our social media channels (14 respondents) and the Haringey Council website (12 respondents).

This suggests that the adoption of a multi-faceted communication approach was helpful in promoting the budget consultation.



Respondents were asked to specify where they heard about the consultation if they selected 'Other'. As can be seen from the graph below, the most common response was via email – referencing the 13,000 emails that were sent directly to Haringey residents to promote the Budget Consultation.

Some respondents were informed about the consultation directly through Cllr's and their affiliation to environmental groups (2 respondents each). While others were prompted to respond by letters, the council's Citizen's Panel and Autism Groups they are a member of (1 respondent each).

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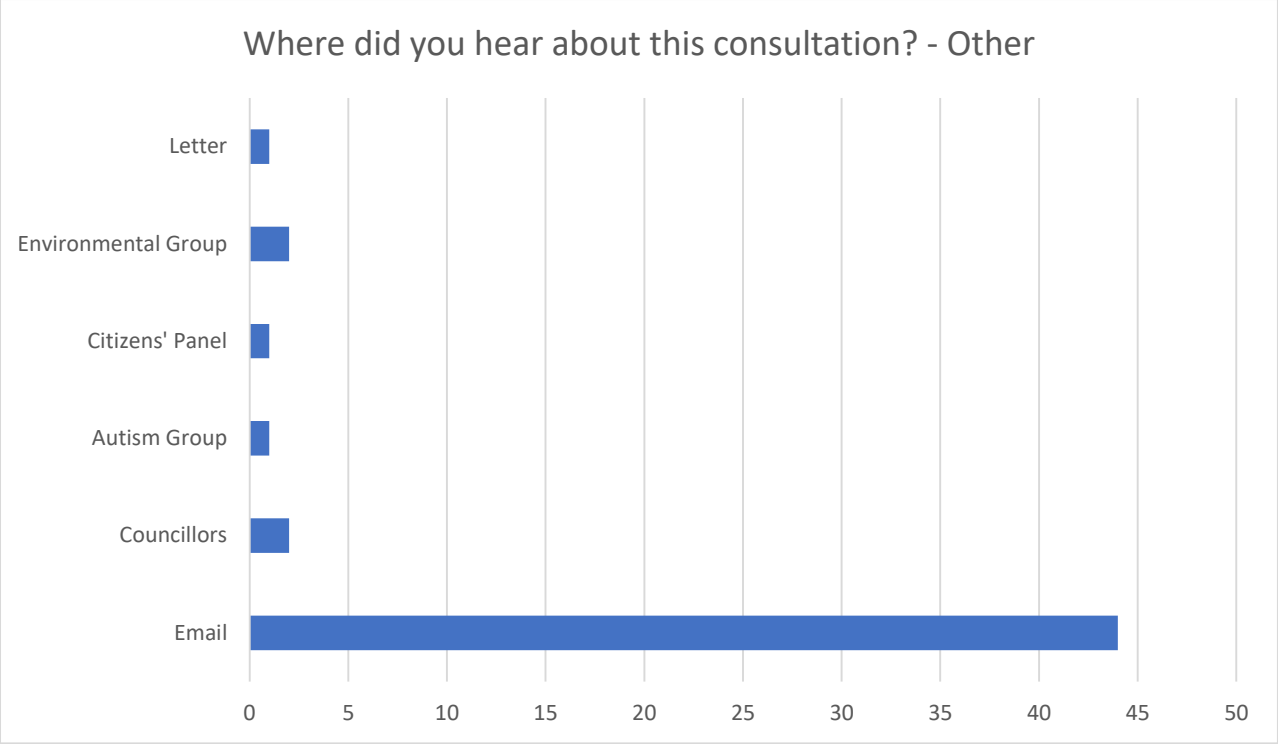

Where did you hear about this consultation? - Other
Letter
Environmental Group
Citizens' Panel
Autism Group
Councillors
Email
0
5
10
15
20
25
30
35
40
45
50

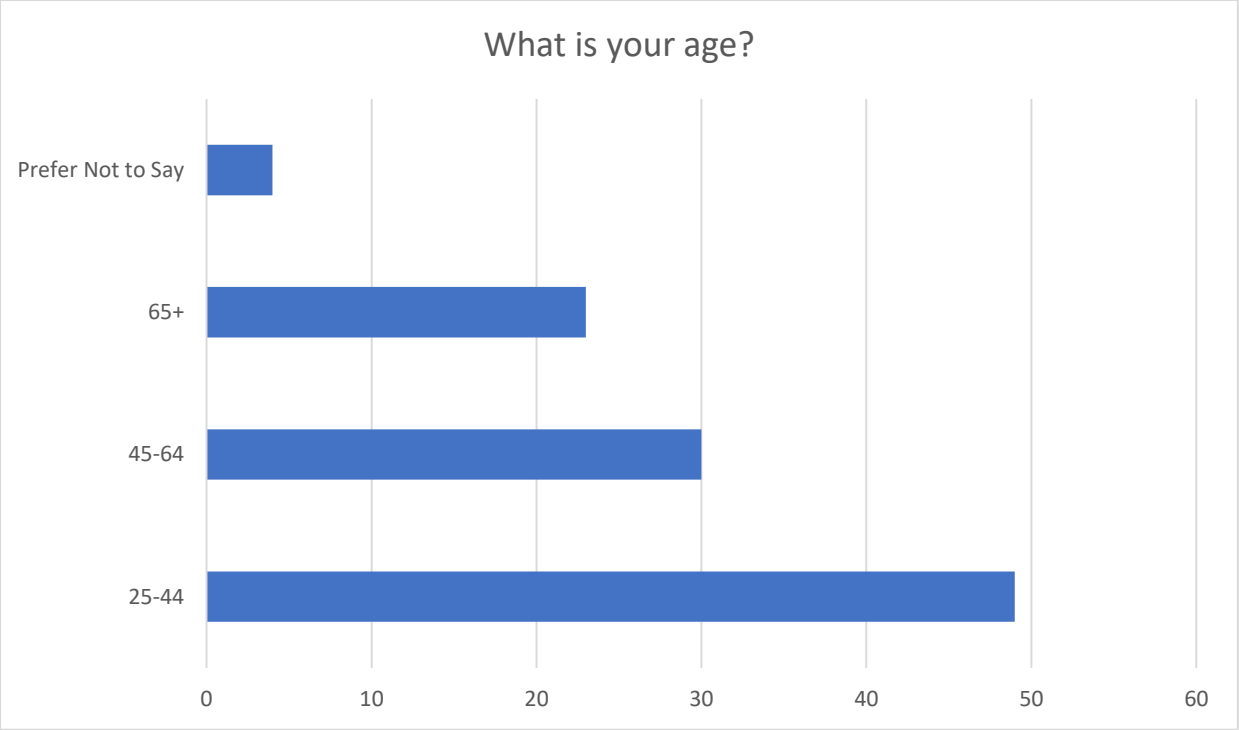
APPENDIX 8

What is your age?

The majority of respondents who answered this question were aged between 25-44 (49 respondents).

30 respondents selected the 45-64 category, while a further 23 individuals self-identified as 65+. These statistics are largely reflective of the wider Haringey population, as the 25-49 demographic in Haringey is significantly higher than other London boroughs (https://www.haringey.gov.uk/sites/haringeygovuk/files/haringey_demographics.doc).

4 respondents stated that they would prefer not to disclose their age.

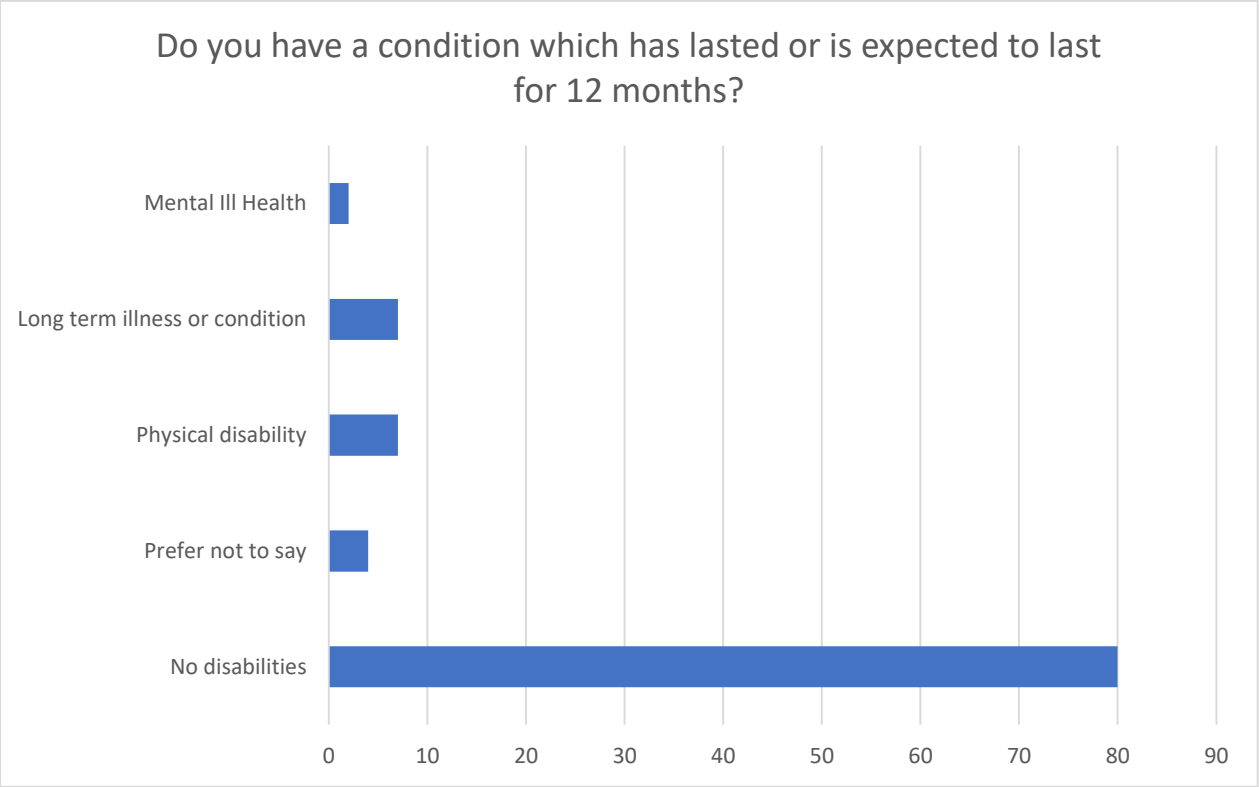


APPENDIX 8

Do you have any of the following conditions which have lasted or expected to last for at least 12 months?

This question asked respondents to identify whether they had any mental or physical conditions. As the graphs shows, the majority of respondents stated that they do not have any disabilities (80).

7 individuals stated they had a physical disability and another 7 said they had a long-term illness or condition. 2 respondents said they suffered from mental ill health. 4 respondents selected 'prefer not to say'.



APPENDIX 8

Country of Birth & Ethnicity

The majority of respondents to the Budget Consultation were born in the United Kingdom (69). There were 2 respondents each from Australia, France, Ireland, Spain & Somalia, respectively.

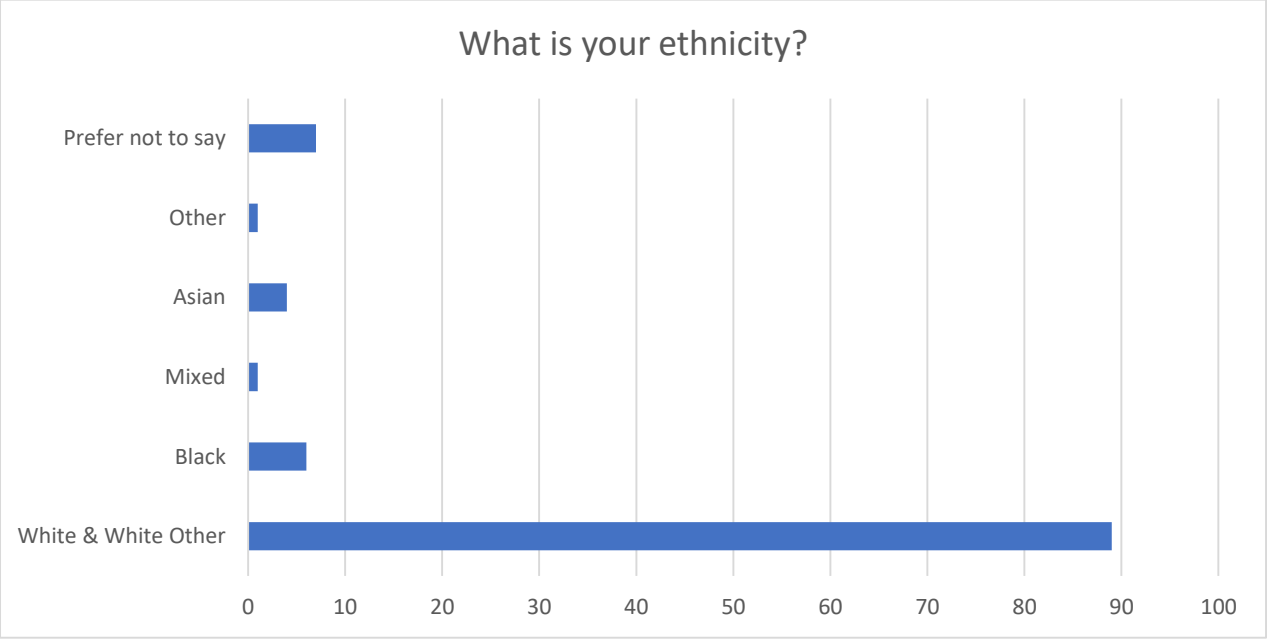
The following countries were represented by 1 respondent each: Belgium, Brazil, Canada, Cyprus, Hong Kong, Hungary, Italy, Luxembourg, Nigeria, Poland, Romania, Turkey, Russia.

The following question asked respondents for their ethnicity. 89 respondents selected 'White'. This category included English, Welsh, Scottish, N. Irish, Irish & British nationalities. An 'other' category was also included. Respondents identified with the following nationalities:

- Belgian
- Turkish
- Italian
- Chinese
- Australian
- Romanian
- Spanish

6 respondents selected 'Black' which included African, Caribbean, and Black British. There were 4 respondents who identified as 'Asian', comprising Indian, Pakistani, Bangladeshi nationalities.

1 respondent identified as mixed ethnicity, while 7 respondents selected 'prefer not to say'.

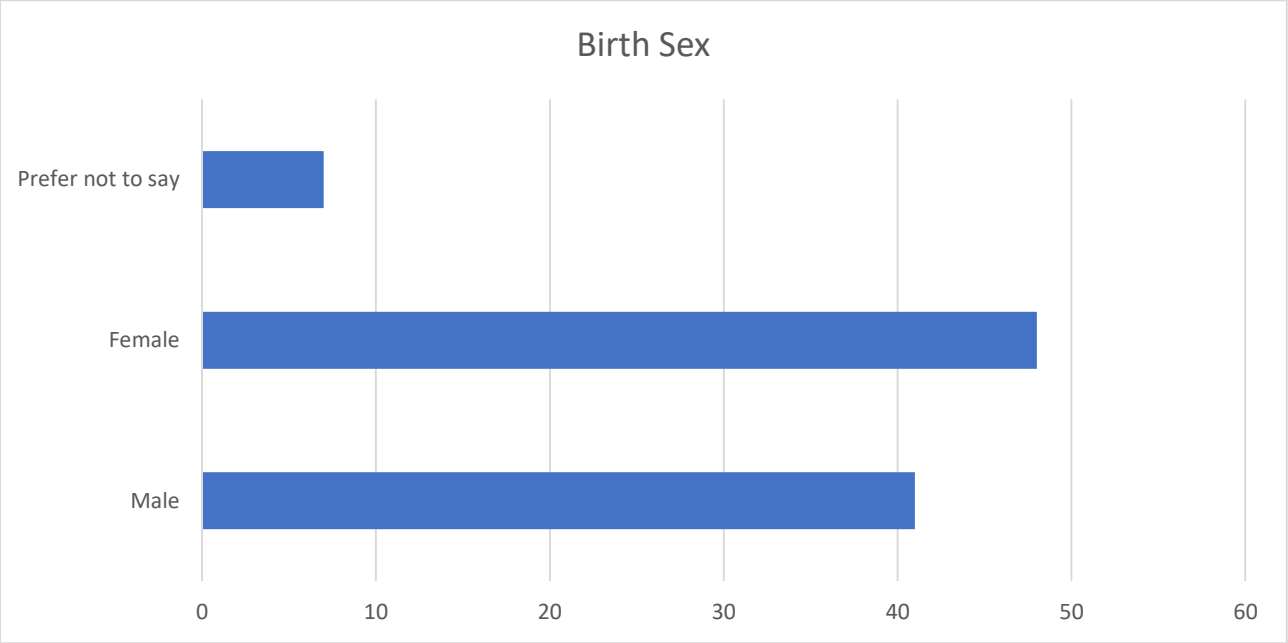


APPENDIX 8

Birth Sex & Gender

Respondents were asked whether they were described as male, female or intersex at birth. As the graph demonstrates, the majority of respondents to the consultation were described as female at birth (48 respondents). There were 41 respondents who identified as male, while 7 respondents selected 'prefer not to say'.

No respondents identified as intersex at birth.



Respondents were then asked which Gender they most identify with now. The graph below shows that the majority of respondents identify as female, although the number of respondents increased to 52.

The number of respondents identifying as male decreased, down to 39 respondents.

The number of respondents who preferred not to answer this question increased to 11.

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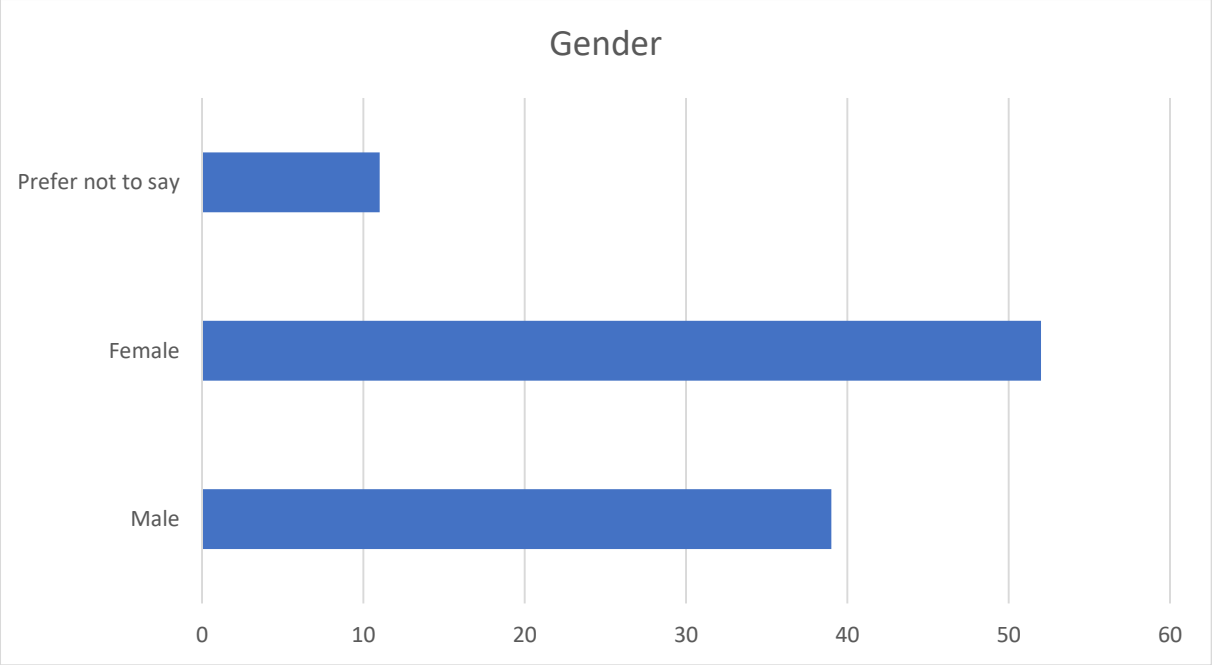


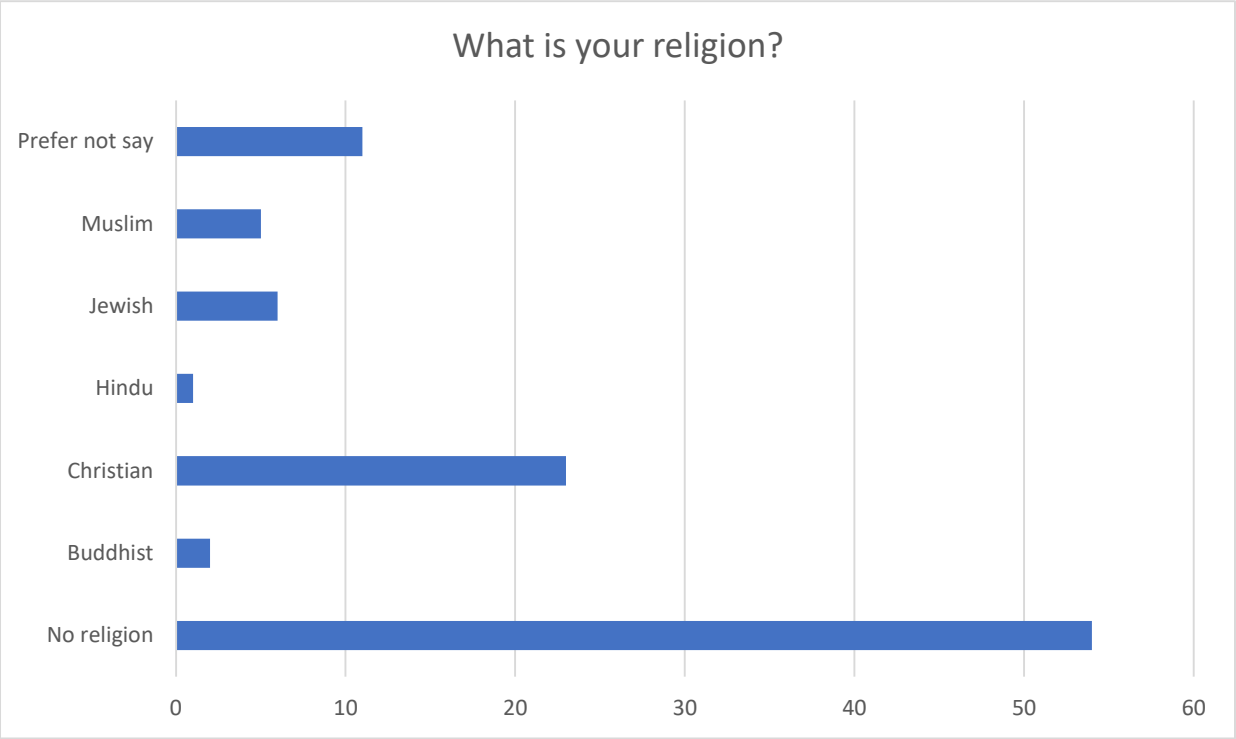
APPENDIX 8

Religion

Most respondents (54) said they had 'no religion' and a further 23 individuals identified themselves as 'Christian'. This follows a similar trend to Census data gathered in 2011, which highlights that these two categories were the most common among the Haringey population.

The graph below also shows that there were 6 Jewish respondents, 5 Muslim respondents, 2 Buddhist and 1 Hindu respondent.

11 respondents said they would 'prefer not to say'.

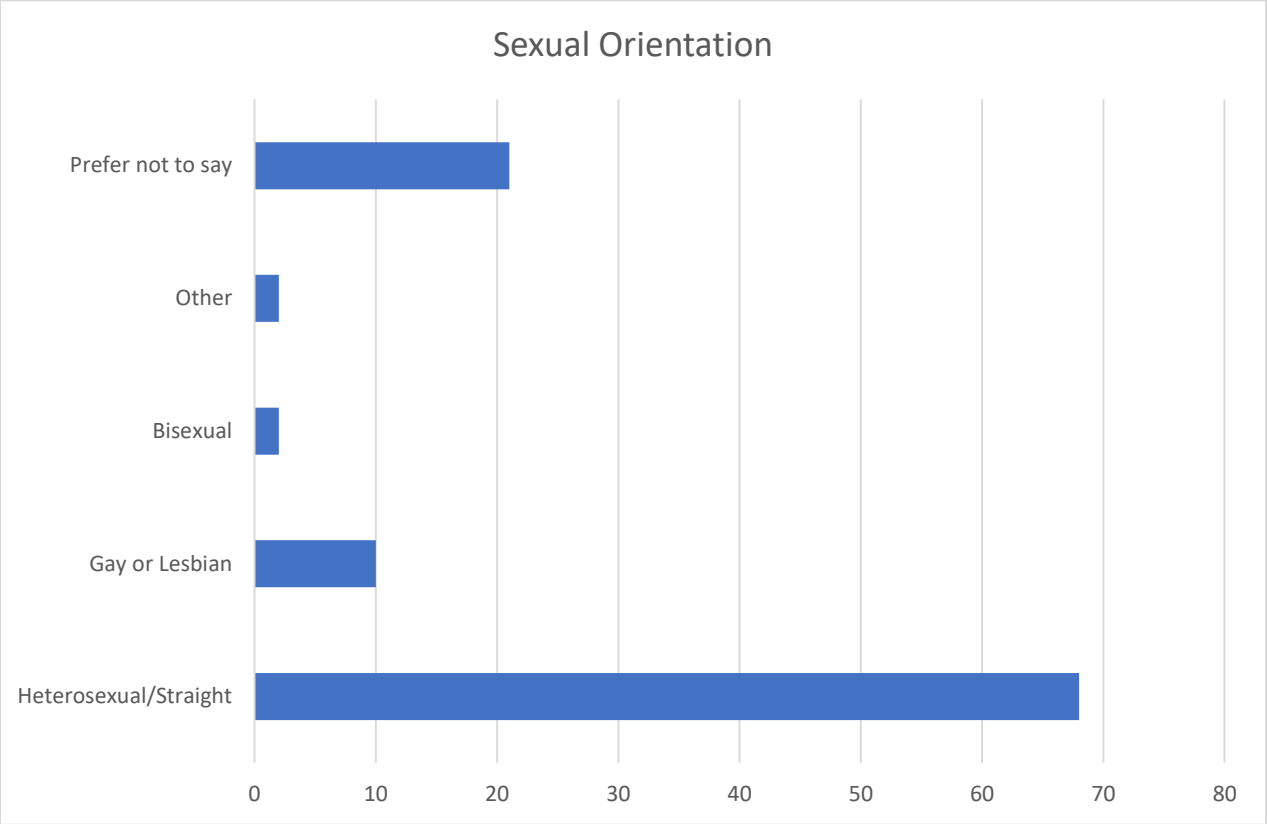


APPENDIX 8

Sexual Orientation

68 respondents who answered this question stated they were 'Heterosexual/Straight'. A further 10 said they were 'Gay or Lesbian'. 2 individuals each selected the 'Bisexual' or 'Other' categories.

21 respondents selected 'prefer not to say'.



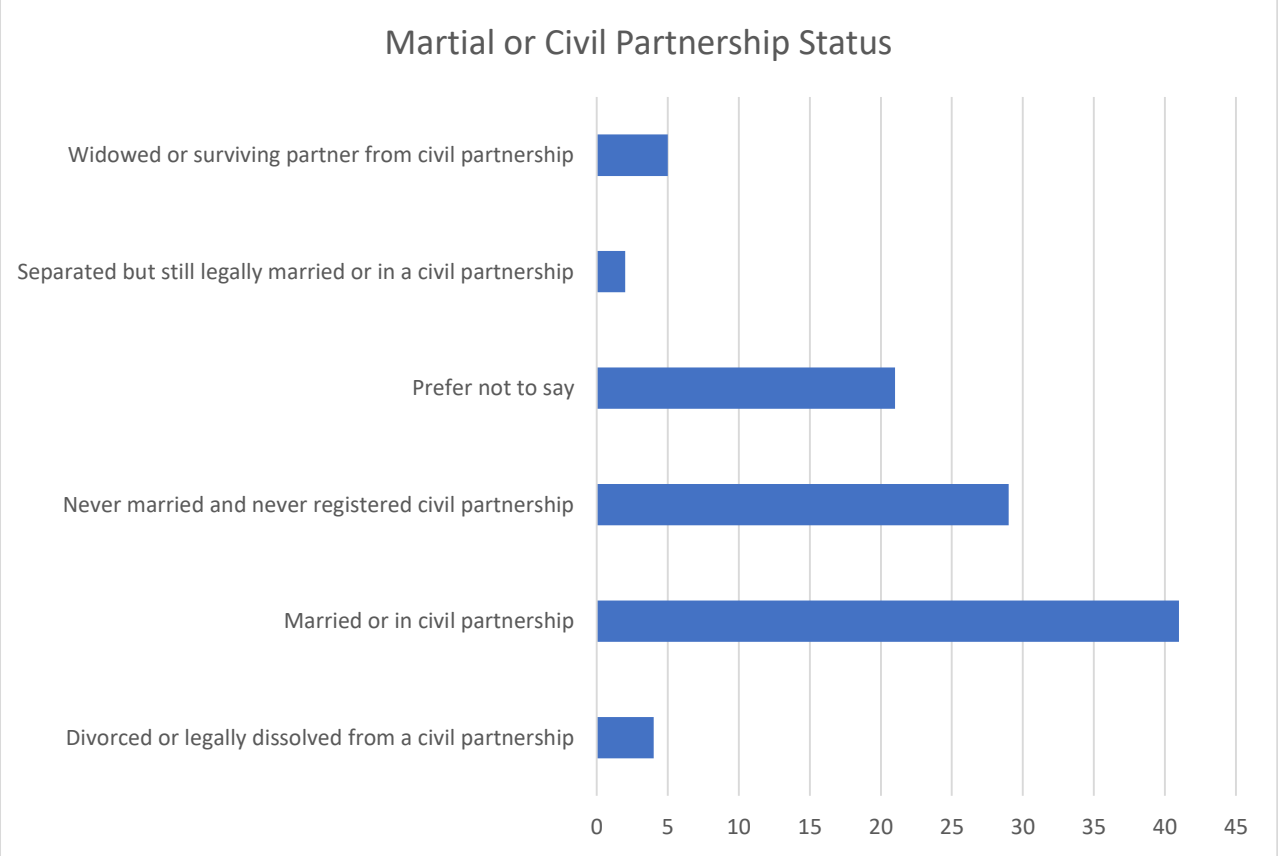
APPENDIX 8

Marital Status

The majority of respondents who answered this question were married or in civil partnerships (41).

29 respondents said they were never married and never registered in a civil partnership. 5 respondents were widowed or the surviving partner from a civil partnership. A further 4 respondents were divorced or legally dissolved from a civil partnership.

21 individuals said they would 'prefer not to say'.



APPENDIX 8

3. Results in Detail – Q1 – Which proposals do you support and why?

3.1. Table of themes

Which Proposals Do You Support? – General Themes	Number of Times Referenced by Respondents
Children & Young People	30
Environment (incl. green spaces, pollutant vehicles etc.)	28
Infrastructure (incl. roads, pavements & cycling infrastructure)	13
Supports All Proposals	7
Parking	5
Housing	4
Tackling Empty Homes	4
Digital Together	4
Civic Centre Refurbishment	4
Adult Social Care	3
Finance	2
Recruitment of Local People	2
Concessionary Fares	1

3.2. Children & Young People

As *Table 1* displays, the theme most prevalent throughout the consultation responses relates to Children & Youth. Respondents were keen to ensure that adequate funding and provisions were made for young people in Haringey. Many consultation responses cited 'school building improvements' and the building of the Youth Hub in Wood Green as vital initiatives. Other respondents suggested that while the proposals for young people were good, they could go even further.

- *"I support most of [the proposals], especially all the increases in expenditure on Young People. Wood Green Youth Hub may need more, and Youth Services should have much more to enable it to provide youth activities in all parts of the borough…"*

Quote from Respondent 61

The proposed additional funding in 2021/2022 for Free School Meals also proved to be extremely popular. Many respondents felt this was fundamental to help support children in Haringey and provide a better future for them.

- *"I support free school meals because a lot of children and families are struggling with food and poverty".*

Quote from Respondent 22

- *"Free school meals, youth hub and youth services as these groups have been most hard hit by the pandemic".*

Quote from respondent 25

It is reasonable to suggest that part of the reason free school meals has received such recognition throughout the Budget Consultation responses is because of the work campaigners such as Marcus Rashford have done to prioritise it during lockdown and the Covid-19 pandemic.

3.3. Climate Change & Environment

Climate Change & the Environment was the second most common theme that emerged from the consultation data. As Table 1 demonstrates the environment (and issues related to this wider theme) were referenced 28 times in respondents' answers to Q1.

Although some respondents' comments were generally calling for Haringey Council to tackle the wider climate change emergency, others linked this agenda to our specific proposals within the Budget Consultation Booklet. Namely, maximising the use of council owned vehicles and achieving fuel savings from electric vehicles. Several respondents showed support for the latter.

- *"I particularly like the proposal to introduce a fleet of electric vehicles in parks, although I think it would be best if the Council went further and introduced an all-electric fleet for all Council vehicles…*

Quote from respondent 65

In addition to this, respondents made several suggestions asking the Council to create new green spaces in Haringey. This links to other respondents' comments which emphasised the importance of outdoor spaces on mental health.

- *"…Haringey has fantastic green spaces for a megacity, and this is an attractive reason for living in the borough. It could spend more on encouraging the growth of green tech businesses and the lifestyle benefits for families of living in a green borough (lower air pollution etc.)."*

Quote from respondent 32

- "…Outdoor spaces – so important for wellbeing"

Quote from respondent 21

3.4. Infrastructure

The third most referenced theme in Q1 was infrastructure. This related to roads, pavements and cycling infrastructure. Within this theme, there was an overwhelming desire from respondents to see Haringey move from being 'car-centric' to being more inclusive of walking and cycling. This is perhaps best encapsulated by the following quote:

- *"The investment to roads and pavements needs to include investment to create safe cycling lanes. Encouraging people to walk or cycle rather than drive locally would create a safer and less polluted borough. In many places, there are no safe cycle lanes or no cycle lanes at all with cars and trucks speeding past".*

Quote from Respondent 23

Many of the responses that called for greater investment in cycle lanes also called for greater attention to be paid to the climate change and the environment. The individuals who referenced both themes, see them as inextricably linked.

- *[I support]"Moving Traffic PCN - Extend the enforcement of road closures implemented through Low Traffic Neighbourhoods to support the adoption of the Walking and Cycling Action Plan". More of these across Haringey would make huge improvements to reduce pollution, rat-running and pedestrian/cycling safety and, after a bedding-in period, provide traffic benefits as well by inducing behavioural change for those travelling within and through the borough."*

Quote from Respondent 65

Not all responses captured within the Infrastructure theme related to cycling. Other responses called for greater investment into roads and pavements for the safety of elderly residents in the borough.

- *"This is important as my elderly parents have both fallen recently due to uneven paving on Alexandra Road… It has made them reluctant to leave the house and pulling their trolley on Turnpike Lane is also an issue due to broken paving stones. They are also unsightly, covered in chewing gum from top to bottom causing health and hygiene issues too."*

Quote from Respondent 55

4. Results in Detail – Q2 – Which proposals do you not support and why?

4.1. Table of Themes

Which Proposals Do You Not Support? – General Themes	Number of Times Referenced by Respondents
Civic Centre Refurbishment	19
Increase in Council Tax	17
Parking	13
Does Not Support Any Proposals	9
Housing	5
Children & Youth	3
Environment	4
Infrastructure	3
Adult Social Care	2
Recruiting Local People	1
Digital Together	1

4.2. Civic Centre Refurbishment

- *"Civic centre costs sound crazy in the context of other cuts/decisions not to invest."*

Quote from Respondent 10

As the quote above alludes to, there was staunch opposition amongst some respondents to the proposal to invest in the refurbishment of the Civic Centre. The majority of respondents who had an issue with this echoed the sentiments expressed by Respondent 10, claiming that in the context of the Covid-19 pandemic, it did not feel like the correct thing to do.

- *"Civic centre is an absolutely terrible idea, a total vanity project… especially at a time most of us have zero income… appalling".*

Quote from Respondent 20

- *"Civic centre refurbishment – one of the biggest budgets and is not going to be used fully with Covid. People in our borough need the budget more than buildings".*

Quote from Respondent 27

However, not all respondents were opposed to the idea of refurbishing the Civic Centre. Although there was still scepticism about conducting a refurbishment project at this time, it was acknowledged by some individuals that there might be ways to keep it to essential improvements only.

- *"The budget for the civic center dwarfs spending on many services and is way too high. Can the repairs be essential only and no extravagance or improvements other than essential e.g. wheelchair access?"*

Quote from Respondent 58

- *"I think the refurbishment of the civic centre should be minimised to absolutely essential activities for the next two or three years at least. The budget is out of proportion to the budget for essential services, youth projects, and similar".*

Quote from Respondent 80

It is evident that some respondents see the importance of the refurbishment, but believe the costs are too high in comparison to other spending areas and proposals.

4.3. Council Tax Increase

Respondents showed similar opposition for the proposed increase to council tax. Many responses also cited the pandemic as part of the reason for their opposition.

- *"Increase in council tax to fund unnecessary projects such as refurbishing the civic center is an unacceptable act in the wake of COVID".*

Quote from Respondent 5

- *"Putting up council tax is probably the most despicable part of it all! I won't be able to claim any support as I would be above the threshold for it, but enough to make my life way more difficult than it has been already, disgusting!"*

Quote from Respondent 13

Other respondents were concerned because they could not understand exactly how much their council tax would increase by. According to some responses, there were too many numbers quoted in the Budget Consultation booklet, which made it difficult to understand the cost to residents.

- *"…I'm confused however about the costs to us the residents. In one bit you say: 'council tax increase of 1.99% and a further Adults Social Care Precept of 3%, which give a total council tax charge increase of 4.99%' And then further down the document you say: We are proposing to increase council tax by 1.99% and to levy the 3% supplement allowed by national Government to support the increasing costs of adult social care. My education isn't great (although I do have a degree) and I had to check and look up levy and work out it's just another word for 'charge you'. And precept? Don't try and mislead us. Straight talking please…"*

Quote from Respondent 52

4.4. Parking

The third most frequent theme that was referenced in response to Q2 was parking. Much of the opposition came from residents who believe that parking charges are already too expensive and should not be increased further, especially in for proposals relating to Controlled Parking Zones (CPZs).

- *"I accept that you want to raise money any way you can. I have some concern about the proposal to extend CPZ's to all day as it is unclear what that will mean for visitor parking permits. It's already become necessary to provide one permit per hour so how many would one need to provide for the whole day and at what cost?"*

Quote from Respondent 14

Other respondents commented on their belief that the extension of CPZs would not only have an impact on them, but the environment also.

- *"…The 2hr restriction impact isn't too bad but by making this all day it will create more traffic / pollution in the evenings after the restrictions end as anyone from the surrounding area who needs to use a car will need to wait until then in order to do grocery shopping. Is there scope to make it so bordering zones can park in each other (e.g. SG zone resident permit holders can park in Crouch End)?"*

Quote from Respondent 36

It is reasonable to assume these three themes (particularly the council tax increase and parking charges) have received the least amount of support because respondents can see the direct impact the proposals will have on them.

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5. Results in Detail – Q3 – Proposals We Have Not Considered

The predominant theme which arose from respondents' answers to this question was Leisure Facilities/Outdoor Activities.

5.1. Leisure Facilities/Outdoor Activities

Leisure facilities, parks and outdoor activities featured heavily in respondents' answers to Q3. As some respondents alluded to in their comments, this is in part due to people being more active during the various lockdowns over the past year.

- *"I think that a huge area which has been ignored in the proposals is Parks and Public Realm. In the past year we have all been using the parks extensively and believe the importance of them has been proven. I think there should be a plan to improve the quality of the pathways in many of the parks in Haringey, especially Lordship Recreation ground. Many people including myself use this park to exercise… People will likely have less income in the next few years and will continue to make good use of the parks. I propose that a section about pathways in parks should be added to the budget consultation".*

Quote from Respondent 81

Other respondents however, felt it was important to prioritise the mental and physical well-being of children in Haringey through outdoor provisions. Some respondents said this was especially true for children living in areas with the lowest income.

- *"… Also, on a very local level – improve drainage of Albert road recreational children's playground as so many winters days are lost to playground being completely flooded. Vital for kids to play during Covid winter."*

Quote from Respondent 29

Throughout the answers to this question, there was also a significant number of respondents that were keen to ensure that adequate infrastructure was provided for cycling. The following themes and proposals were also mentioned by respondents in answer to Q3, although they were not referenced as frequently:

- Anti-social behaviour
- Youth Services
- Housing
- Environment
- Improving mental health facilities
- Improving services for residents with Special Needs and/or Learning Disabilities

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- Tackling Homelessness
- Rubbish, waste & fly-tipping
- Wood Green Shopping Centre refurbishment
- Increasing broadband speeds
- Arts Festival in Haringey

6. Results in Detail – Q4 – Advancing Equality of Opportunity

Given the number of respondents who commented on the financial hardship that residents and businesses in Haringey are currently facing, it is unsurprising to see that this came to fruition in Q4.

Many of the ideas to advance equality of opportunity for residents in Haringey are based around Business & Employment and aim to provide greater prospects for residents in that respect. The two quotes below summarize these ideas best.

- *"I believe that local departments and local firms should offer employment to local people before recruiting from other boroughs".*

Quote from Respondent 39

- *"Create BAME job roles and a specific bulletin for BAME opportunities and FREE training opportunities / PAID internships".*

Quote from Respondent 81

7. Results in Detail – Q5 – Are there any specific equality impacts because of these proposals?

Respondents believed that proposals would negatively impact the poorest in Haringey. This was especially true in relation to the proposed council tax increase, which many residents said would have an adverse effect on low-income families.

- *"Those who are working but have lost hours or been furloughed on reduced pay for much of this year will struggle to find extra money for council tax. Your support measures will not apply to some of the people worst hit by the pandemic who have taken on debt and can't afford rises to their bills. If you believe this rise is genuinely justifiable and reasonable, make it 2% rather than 1.99% and let your constituents decide".*

Quote from Respondent 47

- *"I believe there will be negative impact on those on low incomes and those with decreased incomes".*

Quote from Respondent 6

Another group of people who respondents thought would be negatively impacted by proposals were residents with disabilities and/or complex needs, as there appeared to be no provisions made for them in the Budget Consultation Booklet. This was a theme that ran through numerous comments in various questions.

- *"From what I have read nothing is being allocated to the disabled part of the community."*

Quote from Respondent 94

- *"So, has this consultation been put out to SEND parents? Who you are oh so keen to engage with…"*

Quote from Respondent 85

Appendix 9

Budget Scrutiny Recommendations

Ref	Subject	Recommendation	Cabinet Response
General			
N/A	Capital Programme	Concern was expressed that the borrowing costs of our capital programme will reach £27.3m in 2025/26. There was particular concern about the costs of this to our revenue budget and the fact that the authority will likely have to make additional savings/cuts to service this debt. Cabinet is requested to provide further information about how the additional borrowing costs will be monitored going forward and assurances that the authority can afford to service this level of additional borrowing, especially in light of an uncertain economic outlook with Covid-19 and Brexit. As there is a much greater spend within the capital budget this year, a commitment is requested that the progress of these projects will be rigorously monitored and that it will receive ongoing information around progress of these as well as any new proposals in future budget scrutiny reports.	The Council must act in accordance with the Prudential Code and can only make capital spending plans funded by borrowing where it is able to afford to service and repay the debt. All the revenue costs associated with the capital programme have been factored into the MTFS as presented. It should be noted that part (£5m) of the step up in capital financing costs relates to the Minimum Revenue Provision holiday that it is currently in place, relating to previous year's overprovision of repayment of debt. As is the case with any Council budget, both the delivery of individual capital schemes and the implications on Council revenue budgets for capital financing, will be monitored in the quarterly cabinet reports. The capital programme is a multi-year expression of our capital spending plans, and the affordability of these is kept under regular review, considering a number of factors such as the economic context. In future budget reports this will continue to be reviewed in light of the economic outlook at points in the future.

N/A	Unachieved savings	That budget scrutiny reports in future years include the impact of the unachieved savings from the current year on the budget for subsequent years and that these are clearly set out and made transparent. The provision of mitigation plans should also be included in the papers.	The Council's approach to budget setting is to reassess all savings and where these are unachievable or delivery will be delayed this is recognised in the budget. The effect of delayed or unachievable savings is therefore recognised in the budget report, and new savings proposals contribute to the net effect of this. The MTFS reports to cabinet and overview and scrutiny show the impact of unachieved savings, both in year and in future years. Commentary from services on mitigating plans is also included.
N/A	Consultation	As part of its public consultation and engagement processes, Cabinet should undertake to provide more information to the public on its budget and spending commitments and the financial implications of these, including key messages on both the revenue and capital with a link to further details. Cabinet should also ensure that future budget scrutiny reports are written in plain English and are more readily accessible to ordinary members of the public. Assurance is requested that future budget scrutiny reports will include detailed financial information with each saving proposal and, in the case of pre-existing savings, whether these savings were achieved or will need to be carried forward.	The Council publishes its draft budget report in December which coupled with the budget proposal proformas provides full details of the Councils budget intentions. These are available to the public and Overview and Scrutiny. The MTFS and Quarterly Budget Update reports to Cabinet and Overview & Scrutiny include detailed financial information and in the case of pre-existing savings, whether they have been achieved or not.
N/A	Financial information	There is concern regarding the availability and accessibility of financial information contained within reports to the Committee. OSC would like Cabinet to commit to ensuring that adequate financial information is provided going	All Cabinet decision making reports, which are available to O&S, include a financial section appraising and describing the financial implications.

		forwards for all future scrutiny reports so that members of the public can see how much money is allocated to individual decisions and proposals and provide increased financial transparency about the decisions the authority makes.	The Overview & Scrutiny reports provided to the Panels and Committee as part of the budget scrutiny process included the full financial information on the draft budget proposals presented to Cabinet. Each year, as part of the preparation for the scrutiny process, we review how we can improve the process and we will seek to do so again in advance of the next year.
Environment and Community Safety			
N/A	Neighbourhood Watch Coordinator and Parks Link Officer post.	That Cabinet urgently consider how it can support the retention of the Neighbourhood Watch Coordinator and Parks Link Officer post, following its proposed deletion and a redundancy notice issued to the post holder. This post was part funded by the Council and part funded by the Police. If the Police are unable to fund 75% of this post, the Council should explore all options, including contributing additional funding to support the continuation of this role.	The North Area Basic Command Unit (BCU) recognises the valuable contribution the previous post holder made in this role, but unfortunately there is no allocated budget from MOPAC for Neighbourhood Watch Coordinators. The North Area BCU has confirmed that Neighbourhood Watch remains a key foundation of community policing and they are working through a number of options on the BCU to continue the good work. The local authority is currently awaiting details of future arrangements from the MPS. It is important to note that this decision does not form part of the 21/22 MTFS proposals. Two years ago the MPS took an operational decision to reduce the councils contribution to

			the Neighbourhood Watch post in response to the police's then proposal increase the role to include Enfield. However, it was subsequently determined by the MPS that this was not feasible. The opportunity presented by the police allowed the Parks service to reallocate this funding to competing priorities within the service. The contribution the service was due to make in 2021/22 will be redirected to frontline parks gardening resources.
PL20/17	Garden Waste Subscription Fees	That Cabinet provide further assurance about the business modelling used in calculating the new net additional savings. How realistic is projecting year on year increased subscriptions from a diminishing pool of available customers?	The savings proposal plans to review the marketing campaign and pricing structure. Effectively marketing the service with improved communication and utilising a more competitive, reduced pricing structure. At present (Financial year 20/21), there are 9,427 sign ups/Subscriptions – this represents c.17% of eligible households. This is based on HHS with gardens - estimated at 55,000 HHs) To meet the total budgeted income target of £820K pa by 25/26 will require the value of subscriptions to increase to 23% Estimating the total sign ups (including existing) to be 12,550 HHs. This equates to an increase of Total net additional sign ups of 3,120 (net growth in subscriptions by 25/26). <u>Key project management tasks to achieve growth:</u>

			- re-benchmark other boroughs' subscriptions levels - define total no. HHs with gardens and investigate mapping/GIS systems that could categorise, map subscriptions and aid in creating a tailored marketing plan. - Review pricing - Review impact of payment method – e.g. impact of direct debits on ensuring renewal
PL20/20	Fuel Savings from Electrical Vehicles	That reassurance be provided on whether the Council could make additional savings in this area and in particular, whether investment in this area can be expedited so that savings can realised earlier.	The savings cannot be realised earlier as the vehicles required by the parks team are yet to be on sale and aren't expected to be for another year or two. Therefore, timing is based on when vehicles will actually be in the borough. Whilst there is some saving in terms of reduce fuel purchase this will be replaced in part with increased electricity costs and additional purchase costs of vehicles. The vehicles are currently twice the cost to purchase of equivalent diesel vehicle.
PL20/28	Introducing Sunday charging in car parks	That this saving is paused until further assessment can be undertaken about the likely impact on businesses from the introduction of additional car parking charges. The impact of the Covid crisis on businesses is unprecedented and the Council should be doing all it can to support local businesses at this time.	Proposal to proceed. The process requires cabinet approval for the business case and authority to proceed to statutory consultation on the proposal. There will then be a requirement to report back to Cabinet on the feedback to that Consultation and a decision on whether or not to proceed to implementation.

		That assurance be provided that the cost to local businesses does not outweigh the additional revenue received.	
PL20/29	Introduce Sunday charges in Stop and Shop parking facilities.	That this saving is paused until further assessment can be undertaken about the likely impact on businesses from the introduction of additional car parking charges. The impact of the Covid crisis on businesses is unprecedented and the Council should be doing all it can to support local businesses at this time. That assurance be provided that the cost to local businesses does not outweigh the additional revenue received.	Proposal to proceed. The process requires cabinet approval for the business case and authority to proceed to statutory consultation on the proposal. There will then be a requirement to report back to Cabinet on the feedback to that Consultation and a decision on whether or not to proceed to implementation.
302	Principal Road Maintenance	That concern be expressed at the failure to secure sufficient funding from TFL for the principal road network, which will result in the need to divert essential funding from other programmes and may impact on the ability to meet walking and cycling aspirations. That Cabinet give firm assurances that they will protect walking and cycling schemes as a priority.	The level of funds awarded by TfL to principal road maintenance programme has significantly reduced over the last three years, with an allocation per Borough of approximately £100k, in the past we have used our local transport funds which is approximately £100k which is allocated to the borough to spend on transport project to complement the principal road renewal programme . Given the financial position of TfL needing to make savings and the reliance on DfT funding to keep TfL afloat, its not likely that the principal road renewal programme will be funded going forward. The best outcome we can hope for is that we are awarded the current level of funding as per our

			previous years Local Implementation Plan £100-200k principal road renewal per year. Our delivery for walking and cycling measures going forwards are included in the Borough's Draft Walking and Cycling Action Plan which will be going to cabinet in February for consultation. The document includes the Delivery Plan which assumes that for the next 3 year, the Council will invest £5.1 million on walking and cycling measures this will be complemented by or LIP allocation of £1.9 million per/ year for the next 3 years. Please note the Principal Road Renewal, Bus Priority and Structures programmes allocated as part of the LIP are allocated separately to our Core funding of £1.9million, hence the risk of diverting substantial amounts of funding from walking and cycling schemes is very low. The main concern is in relation to the DfT financial settlement with TfL and achieving the Boroughs Core funding of £1.9m, which when combined with own approved funding £5.1 million over the next 3 year will potentially give the borough £3.6 million per year to spend on the delivery of walking and cycling projects.
311	Parks Asset Management. Parks Depot Reconfiguration	That the disposal of Keston Road parks depot be re-examined. The Council should not be disposing of its most valuable asset - land - to the private sector for development, to fund services. Instead, Cabinet should be exploring other options; including whether it could be	There has been no decision to sell the Keston Road/Downhill Park depot. A parks depot reconfiguration programme to improve staff welfare facilities and operational service efficiency will lead to the Keston Road site

		incorporated into a site for the Housing Delivery Programme.	becoming surplus to operational requirements. At that point any decision about what to do with the site will be tested against the Council's disposals and acquisitions policy. This will include testing the site's suitability to become part of the Council Housing Delivery programme. The Council's Disposals and Acquisitions Policy forms part of the Council's Asset Management Plan which was agreed in February 2020.
311	Parks Asset Management Park funding	The year-on-year allocation of capital funding over the 5-year period of the MTFS is a flat figure (£300k). It is recommended that funding levels for this area be re-examined to offset the significant cuts that have been made to this area over the last ten years	The council is developing its new Parks and Greenspaces Strategy which includes an Asset Management Plan for the Parks service. This will properly quantify the needs of the service and the level of future funding will be considered as part of the 2022/23 MTFS budget setting process
322	Finsbury Park	That Cabinet give assurances that the proposed package of funding for Finsbury Park explicitly includes funding for the Changing Places scheme. Further assurances are also sought around funding for this scheme in Lordship Lane Rec along with another location in the west of the borough. That Cabinet also provide an update on when this scheme will be rolled out in each of these three locations.	The Finsbury Park capital budget is funded through events and other income and therefore money will only be spent where income has been generated first. The changing places scheme is a current project and is being funded in part by a government grant and in part by a small income reserve from prior year events. It is anticipated that the scheme will be delivered in late April / Early May 2021.

Housing and Regeneration			
HO101	Housing Team Salaries – Increase HRA contribution	That concern be expressed about the decision to increase charges to the HRA for officer salaries and the potential impact on the long-term viability of the HRA of loaded extra costs. That Cabinet clarifies how HRA funds are to be apportioned in relation to officer time, especially when Council developments may include homes for market sale.	The increased costs charged relate to posts working within the Housing service and are either fully or partly working on projects related to HfH/existing council stock or new council housing delivery and therefore the cost is more appropriately charged to the HRA than the General Fund. Only those who have involvement with Temporary Accommodation have time charged to the GF
EC101	Additional Recharge to Housing Services		
HO102	HfH taking over the lease of PSL properties on their expiry	That concerns be reiterated about the need to reduce the amount spent on consultancy staff and noted that senior staff administering this scheme are interim posts. That a review be initiated immediately into the number of consultants and interims employed in the Housing, Regeneration and Planning Directorate including and itemising all associated costs. The review should include details of the consultancy expenditure projected for 2021/22 compared with the previous three years and proposals as to how a reduction of dependency on consultancies and interims will be achieved within the next municipal year.	There was one interim Project Manager post related to this project that was in place from May – August 2020 to undertake project planning and startup. Other posts are either new posts within HfH (on fixed term contracts) or only working on this project as part of a wider remit. There are some consultants within the ALMO client management team which have been brought in to mobilise this function for a short period pending a full restructure of the Housing Service.
411	HRW Acquisition	That Cabinet provide further assurances around the £90m allocated in the Capital budget for the land assembly agreement as part of the High Road West scheme. Concern was expressed that the authority appeared to be providing a large sum of money to a large multi-national to provide homes on land which is largely owned by the Council, and which presumably could have been built cheaper by ourselves. Further clarification is requested as	The HRW Acquisition budget provides the funds necessary for assembling the site in order to deliver the High Road West scheme in accordance with the Development Agreement and CPO Indemnity Agreement. Whilst the Council will initially pay for all of the land interests acquired and the costs of the land assembly process, it will be reimbursed for

		to what the money in the land assembly agreement is for and how this will be recouped by the Council.	100% of these costs, on a phased basis over the duration of the High Road West Regeneration Scheme. The Council agreed the delivery approach for High Road West in 2015, resulting in the decision to tender for a development partner. Direct delivery by the Council was not a feasible solution due to the scale and complexity of the scheme
453	New workspace scheme at Stoneleigh Road car park	That reservations be expressed about this proposal and suggest that it requires further examination, noting that it relates to several car parks and that parking will be necessary to support any future improvements to Tottenham High Road.	Further examination is planned through: - Review of car parking provision and impact on the high road businesses; - Review of the development principles; - Meeting with lead members and ward members for Bruce Grove and Tottenham Hale. This will inform which of the 5 car parks are suitable for development.
N/A	CPOs	That Cabinet provides assurances around empty properties and the use of Compulsory Purchase Orders. It is noted that there are several properties that have been empty for 5 and 10 years plus and although CPO's are seen as a last resort, the Committee would like further information about in what circumstances Cabinet would be prepared to use these powers? Have any CPOs been used to purchase empty properties? If so, how many and when?	The Housing Improvement Team within Community, Safety and Enforcement are responsible for investigating Privately owned homes which remain empty. The officers within the team have been using Council tax data to identify the borough's longer term empty homes. Owners of al the homes which are showing on council tax as empty for more than 10 years have now been contacted. This contact has been two fold, one to remind owners of the new

			Council tax premiums being introduced in April 2021 for this type of empty home and also to ascertain the current situation with the property. Of the 24 homes left empty for longer than 10 years only 4 remain on the officer's list that require further intervention, the others are either occupied, no longer residential, works are in progress to renovate and bring back into use or are due to start due to property being sold. The same exercise is currently underway for all homes which have stood empty for more than 5 years. This exercise of engagement and education is always used in the first instance before any formal action is decided upon. In most cases owners have a reason for allowing their home to remain empty or they are caught up in a legal process, very few require the action of CPO. We have in the past used CPO powers, 41 properties have been put through Cabinet for approval to refer to Secretary of State, of these only 7 have actually been referred to secretary of State with all the others complying following cabinet approval.

Adults and Health			
N/A	General	That Cabinet clarify if unachieved savings are due to the pressure of Covid-19 or for another reason. For example, because staff had to be redeployed; or because specific service demand increased where savings could not be safely made, or for any other reason.	Any slippage that has occurred for a savings project whether directly or indirectly has been a result of COVID-19. This is set out in the financial monitoring reports presented to cabinet and papers presented to OSC.
209	Assistive Technology	That the Cabinet recognises the concerns raised around this savings proposal as any reduction in care visits could have an unforeseen risk of increasing loneliness and would therefore have a real impact on our residents wellbeing. More details to be provided on how the £1m allocated for this item is expected to be spent and what the expected results of this would be. (e.g. would residents provided with assistive technology have fewer care visits?) There are also concerns around the deliverability of adaptations or technology. Can Cabinet provide assurance that this service is running effectively before any cuts in care visits occur?	If someone has eligible care and support needs Adult Social Care will work with that individual (and family Carers as appropriate), to develop a support plan outlining care and support, personalised to their requirements and agreed with them, that ensures that their health, wellbeing, independence and safety is maintained and improved (where possible). This is a statutory duty and nothing that would compromise this would be considered. Assistive Technology can take many forms and can provide many different outcomes, • preventing the escalation of need and promoting independence for adults with care and support needs. • act as an enabler for greater independence at home • provide assurance and reduce stress for carers • facilitate social connection. • facilitate greater independence and less intrusive care for people living in supported living facilities and

			residential care, as well as those living at home. • Help us identify and understand care needs better so better wrap around care can be put into place. • Better information to help identify risks and issues earlier so prevent issues arising. The £1m funding supports a variety of key enablers for the programme including equipment, data cleansing of systems, and a call monitoring platform. The provision of any assistive technology would only be considered as part of the assessment of need and support planning process as detailed in point 1, providing assurance.
221	Mosaic System Implementation	That Cabinet provide a response to the Panel's query on whether an operational budget has been allocated to run any new system provided under this item.	There is already a systems team that supports Mosaic and provide staff with first line support /configuration changes /building new processes and modules. This team will remain and support any new system that is procured.

Capital – B2.7 (Cabinet Decision Date - Feb 2018)	Haringey Learning Disability Partnership	It was noted that less than a third of this year's savings had been achieved and that the information provided was unclear as to how this saving would be made. That Cabinet reassess this savings proposal to see if these savings are realistic, considering there is a recognised growth in demand.	HLDP original MTFS savings targets were revised in light of the delays and slippage that have occurred as a result of COVID-19. The service is on track to deliver the revised targets for this year in full and has further plans in place to deliver the slipped savings in later years.
Mental Health – B2.8 (Cabinet Decision Date - Feb 2018)	Mental Health	It was noted that this item was RAG rated red on the Savings Tracker and felt that there is the risk in making savings within the mental health care setting, particularly in a time of increased need. That Cabinet should give further consideration as to whether this is the best time given to make savings in this area, given what we know about increasing demand on mental health services. That Cabinet re-examines these new commissioning proposals to ensure that they are viable, will not compromise people's well-being, and will provide best care for residents.	The Mental Health savings programme has been affected by COVID-19. Despite the increase in demand for the service we have managed demand and are confident that existing savings targets, which not only achieve greater value for money but also deliver the most effective and suitable care for our residents, are achievable over the course of the MTFS.
N/A	Savings with mitigations	That the proposals on savings with mitigations be made clearer as it was not possible to comment due to the limited information provided.	Noted that consistency of information in papers to Cabinet and Overview and Scrutiny is important. The current savings position, any overspends and associated commentary, are reported as part of regular budget monitoring process and reported to Cabinet on a quarterly basis.

N/A	Savings Tracker	It was considered that the information presented in the Savings Tracker was insufficiently clear and it was noted that different versions were provided in the Cabinet papers and in the papers for Scrutiny Panels. In particular, the "Savings with Mitigations" section was omitted from the Panel's papers. The same version of the savings should be provided in both sets of papers from next year and that the Savings with Mitigations section should be more clearly defined and explained as it was no possible to comment on the limited information provided. The savings tracker should clearly set out the position of each saving in the current financial year, what overspends will be carried forward to the next year, commentary as to whether savings could realistically be achieved and full implications.	Noted that consistency of information in papers to Cabinet and Overview and Scrutiny is important. The current savings position, any overspends and associated commentary, are reported as part of regular budget monitoring process and reported to Cabinet on a quarterly basis.
N/A	Future budget scrutiny meetings – presentation of information	That the next year's budget papers separate out each individual area so that, for example, the Adults & Health Panel section is separated out from the main body of information on the budget when the Panel consider the savings (likewise for the other priorities when they go to the other scrutiny panels). This should be placed into Revenue and Capital sections with the MTFS table including the RAG ratings and the savings slippage (as is provided to Cabinet). We would also like to see the revenue budget section have an introduction into how the budget for Your Council sits within the main council budget and any specific risks within this area. The capital budget should include a table with the new capital programmes which includes the slippage, as is already provided in the Cabinet papers.	The information provided to each Scrutiny Panel / Committee this year was fuller and tied back better the place of the individual priorities into the Corporate picture. The process this year was additionally supported by pre-Panel/Committee performance & finance sessions. These focused on the in year budget position including delivery of savings and progress on delivery of the capital programme. It also highlighted any already agreed savings associated with the relevant Priority. Each year, as part of the preparation for the scrutiny process, we review how we can

		Furthermore, the following points are highlighted to Cabinet: • The information presented in the Savings Tracker was insufficiently clear, noting that different versions were provided in the Cabinet papers and in Panel papers. In particular, the "Savings with Mitigations" section was omitted from the Panel papers. It is recommended that the same version of the savings should be provided in both sets of papers from next year and that the Savings with Mitigations section be more clearly defined and explained as it was not possible to comment on the limited information provided. It is also recommended that the savings tracker should clearly set out the position of each saving in the current financial year, what overspends will be carried forward to the next year, commentary as to whether savings could realistically be achieved and full implications. • It should be made clearer in budget scrutiny papers whether savings can realistically be achieved, perhaps by setting out practical examples or case studies to illustrate how these would work in practice. • Reporting on the capital budget should include information on the progress made against key milestones and deadlines. • If any jobs losses (or posts not being filled) are involved in any budget changes, this should be	improve the process and we will seek to do so again in advance of the next year. Only proposals relevant to that specific Panel/Committee were included as appendices / supplementary material – for both Revenue and Capital. The MTFS reports to cabinet and overview and scrutiny show the impact of unachieved savings, both in year and in future years. Commentary from services on mitigating plans is also included.

		clearly highlighted in the documentation provided to the Panel along with an explanation of implications. • The Cabinet papers contained additional information about the Adults budget that had not been included in the Panel's papers (e.g. Service Growth Budget Adjustment Proposals, Delayed and Undeliverable Savings Proposals). From next year, papers provided to the Panel should include all information directly related to the Adults budget that had been provided in the Cabinet papers and should correlate with the Cabinet papers so that there is consistency and transparency. • From next year, information should be provided on progress made towards the amount of additional income generation that had been previously built into the plans. This would enable whether this was being achieved as intended to be tracked.	
Children and Young People			
N/A	DSG Reserve - High Needs Block	That concern be expressed on the continuing budgetary pressures relating to the High Needs Block that are likely to increase in future years and that Cabinet provide reassurance that there are contingency plans to address these should the government fail to provide sufficient funding to meet them.	The DSG is a ringfenced grant under legislation with clear guidance to indicate that the Council's general fund does not cover any deficits or benefit from surpluses from the DSG. There is provision in the guidance to fund DSG deficits from new year allocations with consent from the School's Forum and DfE

			The High Needs Block deficit it not unique to the council and the DfE recognises that this is an issue for many authorities across the country.
N/A	Lost Learning	That Cabinet commission an education loss mid-term review on what action may be necessary to address lost learning.	Any review will need to take account of whether schools are open fully, partially or closed to all other than stated groups. The timing of a review should be in discussion with schools and head teachers. It is anticipated that this will not before the second half of the summer term and potentially into the autumn 2021 term. This work should be carried out with and through our schools so as not to create an extra burden on schools at a time when they continue to be under pressure.
N/A	Children's Social Care	That Cabinet provide details of what plans and funding are available to tackle any increase in demand for children's social care because of the Covid-19 pandemic.	The service has seen a significant rise in the number of children on child protection plans which has put pressure across the system. Staff from across the service were redeployed in the initial phase of the pandemic to assist with this increase as a decision was made not to close child protection plans during the first COVID-19 lockdown. This bulge in child protection plans remains and the service has since recruited additional agency staff to provide the support required in the medium term. This has been identified as eligible for funding through the emergency government grant made available to all local authorities. The service monitors activity on a weekly basis and keeps caseloads and staffing under constant review.

N/A	Additional demands	That the additional funding of £8.6m for Adult and Children's services for one-off use be noted and that Cabinet provide reassurance that this will meet additional demands in both areas.	Growth proposals included in the MTFS are to meet known additional pressure in services. This growth forms part of the services' ongoing budgets
N/A	Free School Meals	That Cabinet provides a breakdown of what the £300k additional investment in free school meals will cover. The Committee would like further information about how and where this will be used and assurances about how sustainable this investment will be in light of rising poverty levels.	This proposal was agreed by Cabinet on 19th January and expands free school meal eligibility to approximately an additional 650 children between the ages of 7 and 10. These children live in families who are structurally disadvantaged as a result of high housing costs, low incomes, and gaps in the benefits system. They are: • Children aged 7-10 in families who live in temporary accommodation, Council housing, or social housing and claim Universal Credit or legacy benefits but who are not currently eligible for FSM • Children aged 7-10 in families who claim Discretionary Housing Payments (DHP) to help cover housing costs while experiencing financial hardship who are not currently eligible for FSM • Children aged 7-10 in families with no recourse to public funds The discretionary element will fund an additional 25,000 meals over the course of the school year which would be over and above those benefiting from the expanded eligibility criteria described

			above. This would be sufficient for an average of 140 pupils per day. It is likely that these will be hot meals in school rather than vouchers. Taken together, the expanded eligibility and the discretionary fund can be expected to support 790 children per day. Expansion of Free School Meals Eligibility Cabinet Report
Your Council			
N/A	General Point.	That next year's budget papers separate out each individual area so that, for example, the Your Council section is separated out from the main body of information on the budget when OSC consider the Your Council savings (likewise for the other priorities when they go to the relevant scrutiny panel). This should be placed into Revenue and Capital sections with the MTFS table including the RAG ratings and the savings slippage (as is provided to Cabinet).	The information provided to each Scrutiny Panel / Committee this year was fuller and tied back better the place of the individual priorities into the Corporate picture. The process this year was additionally supported by Performance & Finance sessions with each Panel and the main Committee; these focused on the in year budget position including delivery of savings and progress on delivery of the capital programme. It also highlighted any already agreed savings associated with the relevant Priority. Each year, as part of the preparation for the scrutiny process, we review how we can improve the process and we will seek to do so again in advance of the next year.

		We would also like to see the revenue budget section have an introduction into how the budget for Your Council sits within the main council budget and any specific risks within this area. The capital budget should include a table with the new capital programmes which includes the slippage, as is already provided in the Cabinet papers.	Only proposals relevant to that specific Panel/Committee were included as appendices / supplementary material – for both Revenue and Capital. The MTFS reports to cabinet and overview and scrutiny show the impact of unachieved savings, both in year and in future years. Commentary from services on mitigating plans is also included. This information was provided in the pre-Panel/Committee meetings finance & performance built into the Budget scrutiny process this year.
YC06	Libraries - Re-imaging our Libraries offer for a better future.	That Cabinet reconsider this savings proposal, especially in relation to the loss of around 7 staff posts and the feasibility of achieving the stated savings given the impact of Covid on libraries. It is felt that this proposal is out of kilter with the recent capital spend on the council's libraries.	The proposed savings were predicated on a combination of new ways of working and income generation. Not only has Covid had an immediate impact on service delivery, it is likely to have a much longer term effect on the way we work with will impact on staffing and the potential to generate income through the room hire and workplace provision. During the first National lockdown between March '20 and July 20' all libraries were

			instructed to close, after which they were able to reopen taking into account social distance measures. Despite these restrictions' libraries were able to phase in for a period of time a restricted offer such as enhanced click and collect, computer access and latterly study space. However, in-spite of best efforts to provide a service there has not been an opportunity to grow the income generation potential of libraries to meet increased targets and very limited opportunity to generate income through the usual streams such as room hire, fines, Audio Visual loans, book reservations and printing etc, a compassionate approach to applying fines has been taken during this time. Libraries have been in lockdown or on a restricted service offer since the start of 2020/21 and this is set to continue for the remainder of the year. As a result, the income generated is forecast to achieve circa 19% of the annual target. In addition, for example, the potential for letting of workspace is likely to be significantly reduced as others adapt the way that they work.

			We are exploring the potential for the social value libraries can offer by early intervention.
YC106	Reduction in legal support Services	That Cabinet reconsider this saving as there is a significant risk to our ability as an organisation to effectively provide legal support to statutory services such as safeguarding.	Following the OSC recommendation, the Service undertook a review of how to achieve the savings proposal. As a consequence, a proportion of the savings will now be achieved through other non-salary budget resources, and as such will not impact on the social care safeguarding functions. Pressure points within the Service continues to be monitored closely.
N/A	Digital Together Programme	It was noted that the risks in the report were identified as high. It is therefore recommended that Cabinet ensure that quarterly reviews of the Digital Together Programme were brought back to the Committee to provide ongoing monitoring of the programme and the savings being made. Further consideration should be given as to whether this could be adapted into a rolling programme of reporting, with a live spreadsheet of projects and their implementation maintained to help facilitate effective scrutiny.	The reason for the high risk against Digital Together is because the programme is required to influence, and effect change across areas of the Council it does not directly manage. In addition to this, individual project Business Cases are still in progress. The programme thinks that there could be some fluctuations in targets whilst this exercise is completed.
N/A	Consultants and interims	That budget reductions in respect of consultancy expenditure are to be written into the budget process for 2021/22.	The proposed Budget includes the impact of forecast savings from moving to the new arrangements for permanent and temporary staffing.

		That Cabinet provide assurances around how the use of agency and interim staff will be managed and monitored going forwards, across the organisation.	Directors take an active interest in agency staffing and look to manage down wherever possible. The regular People Report to staffing and remuneration committee tracks overall levels of agency staffing. The detail on the proposal and the aims and objectives of the new agency staff contract can be found in the Cabinet paper. Progress is being made in the organisation on agency staff reduction. It should be noted however that there will be an increase in the agency workforce in the short term due to the lateral flow testing sites.

Equality Impact Assessment
Budget Report (2021/22) and 2021-2026 Medium Term Financial Strategy
January 2021

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1. Introduction

1.1. Purpose of report

This report considers the implications of the proposals in the 2021/22 Budget Report and Medium-Term Financial Strategy Proposals (MTFS) on groups of residents who share the protected characteristics defined in the Equality Act 2010.

Wherever relevant, service areas have carried out EqIAs for each individual MTFS proposals. This report considers the cumulative impact of those savings and the ways in which negative impacts across the Council might be minimised or avoided. In addition, this report considers the wider context internal and external to Haringey Council in terms of potential equalities impact.

1.2. Public Sector Equality Duty

The Council has a Public Sector Equality Duty under the Equality Act (2010) 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 the protected characteristics and those who do not
- Foster good relations between people who share the protected characteristics and those who do not

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. These are sometimes referred to as the three aims or arms of the general equality duty.

Haringey Council also has specific duties to publish information to demonstrate compliance with the Equality Duty, at least annually; and to set and publish equality objectives, at least every four years. This includes publishing information relating to people who are affected by our policies and practices who share protected characteristics

Haringey Council undertakes Equality Impact Assessments (EqIAs) on significant changes to policy or services and decisions that may impact on individuals or groups protected under the Equality Act 2010.

Equality Impact Assessments enable to Council to:

- Demonstrate due regard for the provisions of the Public Sector Equality Duty
- Identify possible negative impacts of decisions on individuals and groups with protected characteristics and plan mitigating action accordingly
- Identify additional opportunities to advance equality within policies, strategies, and services

Haringey Council guidance stipulates that EqIAs should:

- Contain enough relevant information on the groups likely to be affected by a decision to enable the Council to demonstrate that it has had due regard for the aims of the equality duty in its decision making
- Consider ways of mitigating or avoiding any adverse impacts

EqIAs need to be proportionate to the decision being made. All proposals for changes in policy, practice, procedure, budgets are screened to establish whether a full EqIA is needed to inform the decision-taker.

Further detail on EqIAs in Haringey Council, including contextual information, published EqIAs and how to complete an EqIA, is available on the Haringey website[1].

1.3. Equalities profile of Haringey

The total population of the borough is 271,222 according to the State of the Borough.

In terms of equality, demographics break down as follows:

Gender:

- There is a relatively equal gender split in Haringey, just over half of the population is male (50.7%), in line with England and London.

Age:

- Haringey has a relatively young population with a quarter of the population under the age of 20.
- 91% of the population is aged under 65 (89% London; 83% England).

Ethnicity:

- Haringey is the 5th most ethnically diverse borough in the country. 67.1% of the Haringey population are from a BME group or Other White ethnic groups compared to 60.7% in London.
- Around 16.5% of residents in Haringey are from Black ethnic groups and one in ten are Asian (10.3%)
- The proportion of non-White British communities varies across the different wards from 35.2% in Muswell Hill to 83.4% in Northumberland Park

Religion:

- Haringey is one of the most religiously diverse places in the UK.
- The most common religion was Christianity, accounting for 45% of residents (London 48.4%; England 59.4%)
- The next most common religions were Islam (14.3%) – higher than London (12.3%) – and Judaism (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)

[1] Haringey Council. 2021. *Equality Impact Assessments (EqIA)*. [ONLINE] Available at: https://www.haringey.gov.uk/local-democracy/about-council/equalities/equality-impact-assessments-eqia. [Accessed 7 January 2021].

- A quarter of Haringey residents stated that they did not have a religion, higher than London (20.7%)

Disability:

- 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

Marital Status and Civil Partnership

- Haringey has a higher proportion of couples in a registered same sex civil partnership than England and London: 0.6% or 1,191 residents (London 0.4%; England 0.2%)

Sexual Orientation

- As per the ONS Integrated Household Survey, 3.2% of London residents aged 16 or over identified themselves as lesbian, gay or bisexual in 2013. In Haringey this would equate to 6,491 residents

Further detail on the equalities profile of Haringey is available on the Haringey website[2].

2. Internal context

2.1. Borough Plan 2019-2023: Equality Principles and Objectives

The Borough Plan 2019-2023 sets the Council's objectives for these four years. In addition to these, the Plan presents a set of Equality Principles reflecting Haringey Council's commitment to the principles of equality and opportunity, fairness and quality of life for all, both in terms of the work carried out with the community and in the role as an employer:

1. Work with residents and employees to create communities which are able to come together, value diversity and challenge discrimination
2. Actively talk to community groups who are made up of and/or support people with protected characteristics
3. Work alongside the wider voluntary sector, statutory partners and local businesses to promote equality of opportunity and foster good relations
4. Continue to monitor and assess the impact of our strategies, policies, programmes, projects and commissioning on equalities
5. Improve and strengthen the collection and use of equality data, so that we can seek to improve outcomes for groups with protected characteristics
6. Continuously seek to improve our approach to promoting equality, drawing on best practice from elsewhere, input from our staff equality networks and feedback from our residents

[2] Haringey Council. 2021. *Equalities Profile of Haringey*. [ONLINE] Available at: https://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf. [Accessed 7 January 2021].

7. Ensure that the requirements of the Equality Act are well communicated in the borough; starting conversations about equalities at the earliest opportunity; and fostering an environment where everyone understands their responsibilities under the Act

The Borough Plan 2019-23 also sets out four Equality Objectives:

1. To narrow the gap in outcomes
2. To identify and reduce violence that has a disproportionate impact on particular communities and groups
3. To support the development of strong communities
4. To have a diverse workforce at all levels of the organisation

In December 2020 the Council published its Recovery and Renewal framework for refreshing the Borough Plan, accessible at this link. This framework includes 'Equality and Fairness' as a principle that the Council will hold to in the course of the refresh.

2.2. Review of Fees and charges

Every year the Council reviews the level of fees and charges levied on service users. Where increases were proposed for 2021/22, relevant services conducted equality screenings on their proposals. In a few instances, the equality screenings identified small impacts and proposed satisfactory mitigating actions. In four cases the initial screening pointed at the possibility of the proposal impacting on the Council's Equality Duty and therefore the relevant service carried out full EqIAs. These assessments demonstrated that the proposals were robust and any negative impacts could be mitigated. These assessments are accessible at this link.

2.3. Council Tax Reduction scheme

Following the abolition of Council Tax Benefit by the then Conservative-Lib Dem coalition UK Government in 2013, many of the lowest income households in Haringey became liable to pay at least 19.8% of the Council Tax charge according to the band in which their property falls.

In response to the abolition of Council Tax Benefit at a national level, local Council Tax Reduction Schemes have been developed by individual local authorities. Haringey Council developed its own Council Tax Reduction Scheme (CTRS) in 2012/13 and decided to protect working-age claimants on a prescribed disability-related or disability premium. Those working age claimants received the same maximum level of CTR as those of pensionable age (100%).

As an enactment of the new administration's commitment in 2018 to redistribute the burden of Council Tax, Haringey Council amended its 2019/20 CTRS in order to provide more financial support to working age claimants with children and so re-instating extra support for over 6,000 families in Haringey on low income. The CTRS has been maintained for 2020/21 and on 1 March 2021 Full Council will decide if they are to maintain the existing scheme for 2021/2022.

The maximum level of Council Tax Reduction continues to be 100% for pensioners and working age claimants in receipt of disability related benefits.

An EqIA on the proposal demonstrated there was no potential for discrimination or adverse impact.

2.4. Council Tax rise

We are proposing to increase council tax by 1.99% (£2m) plus an additional 3% adult social care precept. The Council Tax Reduction Scheme will provide financial assistance with Council Tax bills for residents who are on a low income or less able to pay.

3. External context

The impact of the council budget proposals cannot be seen in isolation. The challenging economic climate is also likely to impact on some groups who share the protected characteristics and add to the cumulative impact of council proposals.

A more detailed view of the impact of tax and welfare reform is offered in subsection 3.1 below and a more detailed view of the impact of Covid-19 is offered in subsection 3.2.

3.1. Impact of tax and welfare Reform

Tax and welfare reforms brought forward by the UK Government since 2010 have had an impact on equality.

The Equality and Human Rights Commission conducted an analysis[4] of these welfare reforms (both implemented and proposed) and related government spending decisions as well as of the potential impacts on different groups protected under the Equality Act 2010. The key findings of this analysis are:

> *Overall, changes to taxes, benefits, tax credits and Universal Credit (UC) announced since 2010 are regressive, however measured – that is, the largest impacts are felt by those with lower incomes. This is true even when increases in gross earnings from the NLW are taken into consideration.*
> *Those in the bottom two deciles will lose, on average, approximately 10% of net income, with much smaller losses for those higher up the income distribution.*
>
> *Moreover, the changes will have a disproportionately negative impact on several protected groups, including disabled people, certain ethnic groups, and women:*
>
> - *Negative impacts are particularly large for households with more disabled members, and individuals with more severe disabilities, as well as for lone parents on low incomes.*

[4] Equality and Human Rights Commission. 2018. *The cumulative impact of tax and welfare reforms*. Available at: https://www.equalityhumanrights.com/en/publication-download/cumulative-impact-tax-and-welfare-reforms. This report is a cumulative impact assessment of the distributional impacts of tax and spending decisions on people sharing different protected characteristics. The analysis covers all policy changes made between May 2010 and January 2018, which will have been implemented by the financial year 2021–22.

- *For some family types, these losses represent an extremely large percentage of income. For example, for households with at least one disabled adult and a disabled child, average annual cash losses are just over £6,500 – over 13% of average net income.*
- *The impact of changes to direct taxes and benefits is to reduce the income of Bangladeshi households by around £4,400 per year on average.*
- *At an individual level, women lose on average considerably more from changes to direct taxes and benefits than men. Women lose about £400 per year on average, and men only £30, although these figures conceal very substantial variation within both genders.*
- *Lone parents in the bottom quintile (bottom fifth) of the household income distribution lose around 25% of their net income, or one pound in every four, on average.*
- *On average, disabled lone parents with at least one disabled child fare even worse, losing almost three out of every ten pounds of their net income. In cash terms, their average losses are almost £10,000 per year.*
- *Around one and a half million more children are forecast to be living in households below the relative poverty line as a result of the reforms.*

In addition, there will be particularly negative impacts on intersectional groups who experience multiple disadvantages (for example, lone parents with disabled children).

These negative impacts are largely driven by changes to the benefit system, in particular the freeze in working-age benefit rates, changes to disability benefits and reductions in UC rates. The changes are also likely to lead to significant increases in the number of children below a minimum acceptable standard of living.

3.2. Impact of Covid-19

The Covid-19 pandemic has both thrown into focus the significant inequalities experienced by our residents (in particular, health inequalities) but it also risks exacerbating these inequalities and reducing the life chances for some. The Council undertook a Community Impact Assessment in 2020 to inform the Recovery and Renewal framework for refreshing the Borough Plan. The assessment is available at this link. Key findings of this assessment include:

- The Covid-19 pandemic and the lockdown have highlighted and exacerbated existing inequalities and had a detrimental impact on the social determinants of health, raising the likelihood of long-term health inequalities among groups of people who are already vulnerable or marginalised
- Older people, Black people, migrants, people with disabilities, and people from disadvantaged socio-economic backgrounds have been more affected by the Covid-19 virus in terms of illness and deaths
- BAME communities have been relatively disadvantaged in terms of physical and mental health, housing, household incomes, employment, and food security

- Gender inequalities have deepened during the lockdown. While men have been more likely to die from Covid-19, women have been more economically disadvantaged. Black women have been disadvantaged to a greater extent.
- The lockdown restricted access to services, including education, healthcare and social support. The impact of this has been particularly acute for children and people with disabilities and/or serious health conditions.
- School closures have exacerbated existing inequalities in children's access to, experience of, and attainment in education
- Unemployment and reliance on benefits has increased at an unprecedented rate. Young people, BAME people, women, and people on lower incomes are more likely to have lost their jobs
- Household incomes have been negatively affected, with people living on lower incomes experiencing the largest proportionate drop in income

4. Cumulative EqIA of Medium-Term Financial Strategy and Savings Proposals

4.1. MTFS proposals

Even before the global pandemic, finding solutions to balance the Council's annual budget was becoming ever more challenging, particularly while seeking to manage the impact on those with the greatest need of our support. However, we continue to strive to do so, and this is why the new budget reductions proposed in this report focus as much as possible on delivering efficiencies, service re-design, programmes which cut across departmental boundaries or increasing income instead of service level cuts.

The MTFS proposals considered in this report put forward budget proposals for £6.8m of new budget adjustments for 2021/22 (on top of previously agreed and reprofiled savings of £3.7m).

The budget reduction proposals that have been developed through the budget setting process are summarised below:
People (Adult Services)
Proposals include client contributions to maximise council income collection.

People (Children's Services)
The service has two proposals. One is for a new collaborative approach between private sector residential providers and the Council to deliver residential mother and baby assessments at the Maya Angelou Assessment Centre. The other is a proposal to develop a traded service and provide contact facilities for children and parents.

Place – Clean and Safe borough
Proposals include major savings from transforming the way we control parking in the borough, particularly on Sundays, making it easier to buy permits for residents and visitors and more efficient for the council to run the service. Also, proposing a scheme for licensing privately rented homes and enforcing existing rules designed to limit the damage caused by the heaviest and most polluting vehicles.

Housing & Economy – Housing, Growth and Employment
Proposals include launching Homes for Haringey as leaseholders for Private Sector Lease (PSL) properties which are currently being used as Temporary Accommodation (TA). Proposals also include recharging property work, maximising income, and a Corporate Estate Energy Efficiency Programme.

Your Council – Enabling Savings

Proposals include a major investment in our digital services and Finance, Digital and HR savings to identify revenue saving opportunities. Also, proposals on property rationalisation, a reduction in legal services support to enable services to reduce and reprioritise resources, and Highway Searches proposal to maximise revenue generation streams.

More detail on the budget reduction required and how the Council is intending to save over the next 5 years is available on the Haringey website[3].

4.2. The MTFS includes a number of growth proposals:

- Free Schools Meals £0.35m funding in 2021/22 and 2022/23
- Welfare Assistance Scheme £0.3m funding in 2021/22 and 2022/23
- Voluntary and Community Sector – £0.25m in 2021/22 only
- Youth Services – £0.25m in 2021/22 only
- Haringey University Bursary Scheme - £0.12m over 3 years
- Recruit Local People - £0.10m over 2 years

These proposals are designed to address the needs of Haringey residents who experience financial hardship, increase opportunities for young people, and increase local economic opportunities. As such, they are expected to have a positive impact on equality in Haringey. The equalities implications of the expansion of free school meals eligibility is considered in a Cabinet report, accessible at this link. The growth in the youth services budget falls within the remit of the Young People at Risk strategy, the EqIA for which can be accessed at this link. An EqIA for the Haringey University Bursary Scheme can be accessed at this link. An EqIA for the Welfare Assistance Scheme will be developed as the scheme is designed and published in due course.

4.3. Assessing impact of MTFS proposals on equalities

The extent of the assessment of the MTFS proposals in terms of impact on equalities breaks down as follows:

- 30 were deemed not to require a full EqIA
- 6 had a full EqIA conducted

[3] Haringey Council. 2021. *Budget Consultation*. [ONLINE] Available at budget_consultation_2021-22.pdf (haringey.gov.uk) [Accessed 7 January 2021].

4.3.1. Proposals with full EqIAs conducted

6 MTFS proposals had a full EqIA conducted.

The table below shows the detail of the 6 MTFS proposals that had a full EqIA conducted:

Priority name	Title	Positive Impacts Identified	Negative Impacts Identified	Mitigating actions identified
People (Adult Services)	Client contributions income opportunities	None	Yes: Age, Disability, Race and Ethnicity	Yes
Place	Surcharge on diesel fuelled vehicles using stop and shop parking	Yes: Sex, Age, Disability, Race and Ethnicity, Religion, Pregnancy and maternity,	Yes: Sex, Age, Disability, Race and Ethnicity, Pregnancy and maternity,	Yes
Place	Selective Licensing Scheme	Yes: Sex, Age, Disability, Race and Ethnicity, Religion or belief (or not belief), Pregnancy and maternity	None	N/A
Place	Residents Permits Pricing Structure	Yes: Sex, Age, Disability, Race and Ethnicity, Religion, Pregnancy and maternity	Yes: Sex, Age, Disability, Race and Ethnicity, Pregnancy and maternity,	Yes
Place	Visitors Parking	Yes: Sex, Age, Disability, Race and Ethnicity, Pregnancy and maternity	Yes: Sex, Age, Disability, Race and Ethnicity, Pregnancy and maternity	Yes
Place	Sunday Parking	Yes: Sex, Age, Disability, Race and Ethnicity, Religion or belief (or no belief), Pregnancy and maternity	Yes: Sex, Age, Disability, Race and Ethnicity, Religion or belief (or no belief),	Yes

			Pregnancy and maternity	
Your Council	Digital Together PEAS	N/A at this stage	N/A at this stage	N/A at this stage
Total		**5**	**5**	**5**

4.3.2. Proposals for which EqIA's do not apply

With regards to those proposals for which an equality assessment does not apply:

- 31 went through EqIA screening with the result of no full EqIA required.
- 3 were reported not to require any equality assessment given that the proposals involve staffing arrangements.

4.3.3. MTFS 2021/22 Digital Together Programme

The MTFS 2021/22 proposals include the Digital Together programme. The programme objectives centre around standardisation and automation of processes across the Council with the aim of providing Council teams with more robust, efficient processes and digital tools to enable them to work more effectively and productively within critical resourcing levels. The programme is in its discovery phase, and whilst a number of projects are being explored, the set of solutions that will be implemented is not yet agreed. Therefore, it is not yet possible to undertake a full, detailed assessment of the likely equalities impact of the programme. In accordance with its usual equalities governance, the Council is committed to assessing the potential for the Digital Together programme to impact people and groups who share protected characteristics. An Equality Impact Assessment will be undertaken as the programme develops, which takes into account issues of digital access and inclusion, and this EqIA will be published at the earliest appropriate opportunity.

4.4. Mitigation of impact of MTFS on equalities

There are several ways in which the Council has worked to prevent or mitigate the potential impacts of MTFS proposals on equalities:

- The Council has mitigated impact by ensuring as far as possible that MTFS proposals taken forward align with the principles listed at para. 4.1.

- Where MTFS proposals had a full EqIA conducted, the proposals were found to be measures that would advance equality of opportunity for groups who share the protected characteristics. Where negative impacts were identified they tended to be relatively short-term and/or minor in nature. In these cases, the relevant proposals were all assessed as being proportionate means of achieving legitimate aims. Measures tailored to the relevant proposals are outlined in the EqIAs to mitigate for any potential negative impact.

5 Consultation

The budget proposals for 2021/2022 have been subject to formal public consultation. The consultation process on the MTFS saving proposals took place for five weeks between 10 December 2020 and 14 January 2021 and consisted of a questionnaire which was available online and in paper format. Copied of the questionnaire were available in libraries and the questionnaire was available in community languages or large print on request. Responses to this consultation are attached in Appendix 10.

There were 110 responses received through the online consultation platform, a relatively low response rate compared to previous years. This lower response rate this year is likely to be due to the pandemic and the lockdown measures, limiting opportunities for face-to-face consultation.

The consultation included a question asking for ideas about how as a Council we can advance equality of opportunity and a question about potential equality impacts associated with individual proposals. The analysis of consultation data also sought to identify any patterns of opinion or feedback by respondents with specific protected characteristics, although the potential for this type of analysis was limited by the relatively low response rate to the consultation compared to other years.

There were a relatively small number of proposals for which respondents identified potential negative equalities impacts. Respondents expressed some concerns about the impact of the planned increase in Council Tax on low income households, particularly in the context of the Covid-19 pandemic's impact on some residents' household finances, and signalled the desire for more information on the likely impact of the fee increase. It is anticipated that any negative impact of this increase will be mitigated through the Council Tax Reduction scheme (see sections 2.3 and 2.4). There were no identifiable patterns of response based on protected characteristic.

Summary

The forecast budget gap for 2021/22 in last year's MTFS was £1.954m. However, the subsequent impact of the global pandemic has led to a significant shift in the MTFS assumptions in place when the last budget and MTFS were agreed. Therefore, the MTFS proposals considered in this report put forward budget proposals for £6.8m of new budget adjustments for 2021/22 (on top of previously agreed and reprofiled savings of £3.7m).

In line with the Equality Act 2010 and in order to ensure that proposed budget reductions do not have a negative impact on equality within Haringey, the Council has completed the following process:

- The Council has **focused as far as possible on achieving savings through efficiencies and income generation**. In doing so, the aim has been to minimise cutting frontline services.

- The Council has evaluated the **impact of MTFS proposals following the appropriate equality impact assessment (EqIA) process**, conducting equalities screenings and full EqIAs where appropriate and proportionate to the proposal.

- For MTFS proposals **where full EqIAs have been applicable and where potential impacts on equalities been identified, EqIAs have been completed. These set out both positive and negative impacts and mitigating measures for any negative impacts**

- **The Borough Plan 2019/2023 contains Equality Principles and Objectives that set the Council's approach to reducing inequality and advancing equality of opportunity**. Budgets and savings proposals have been developed with these in mind.

5. Appendix 1: Compilation of all full EqIAs conducted for MTFS proposals
   This appendix contains the 6 full EqIAs conducted for MTFS proposals in one single document.

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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 between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

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 protect 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	Surcharge on diesel fuelled vehicles using stop and shop parking
Service area	Operations
Officer completing assessment	Greville Percival
Equalities/ HR Advisor	Melissa Nalubwama-Mukasa
Cabinet meeting date (if applicable)	January 2021
Director/Assistant Director	Stephen McDonnell, Director of Environment and Neighbourhoods

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*

Surcharge on diesel vehicles using short term parking facilities

The Council's MTFS Report develops several measures initially outlined in the 2019 *Parking Transformation Programme* designed to provide accessible parking for all users, discourage unnecessary use of higher-polluting vehicles, and encourage more use of sustainable travel modes.
While use of public transport and travel is discouraged during the current Covid restrictions, the proposed diesel surcharge is not planned to take effect until late 2021 by which time it is anticipated that Covid transmission and infection will be mitigated by the comprehensive vaccination programme carried out at local vaccination centres, GP surgeries, and pharmacies. Reduced vehicular traffic as a result of Covid restrictions has confirmed the improved air quality as a result.

The main element of the policy subject to this EqIA are:

- Diesel Surcharge. This proposes a 25% surcharge on all diesel-fuelled vehicles using stop and shop facilities. Stop & Shop refers to pay-to-park parking bays mainly located in town centre shopping and services locations. They include pay-to-park bays within Controlled Parking Zones. This measure will support the delivery of the transport strategy and air quality action plan objectives.

The Ultra-Low Emission Zone (ULEZ) introduced in central London in April 2019 is due to be extended up to the North Circular Road in 2021. Consultations confirm that many motorists commuting into central London frequently use boroughs outside the current ULEZ zone to park and then use the Tube to travel to central London. Construction vehicles and delivery vans cause significant parking congestion in Haringey – including at the current time of Covid restrictions. Increased protective measures such as diesel surcharges remain very important in terms of reducing vehicular pollution and improving air quality in areas such as Tottenham and Wood Green which continue to experience significant traffic volumes and parking demand.

Key Stakeholders
Key Stakeholders comprise all residents and those who need to use public highway parking facilities and pay to park bays. Key stakeholders also comprise those who use public transport, walk, and cycle - including Haringey residents, businesses, and services. Those with disabilities, young children, expectant mothers, and older people are groups most at risk from toxic air pollutants and who will benefit significantly from lower air pollution levels.

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	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html	No impact
Gender Reassignment	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	No impact
Age	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Disability	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Race & Ethnicity	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Sexual Orientation	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Religion or Belief (or No Belief)	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Pregnancy & Maternity	Census 2011 TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Marriage and Civil Partnership	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact

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.

Current data suggests that 32% of vehicles using stop and shop parking bays are diesel fuelled. However, given the forthcoming ULEZ implementation and other modal changes set out in the *ULEZ Readiness* programme this is expected to reduce. Vehicles using stop and shop (previously known as 'Pay and display) are operated by non-residents as well as by Haringey residents and businesses. However, in terms of equalities impact assessment, given that residents in any CPZ who keep and use a vehicle are eligible for residential and visitor permits, ward level data from sources such as the Office for National Statistics (ONS) are used for the purpose of examining the impact on different protected groups. We also use public and statutory consultations to help identify issues affecting protected groups.

- **Sex** Women make up 50.5% of Haringey's population.
- **Gender Reassignment** This data is not held at a borough level. The Equality and Human Rights Commission estimate that there are between 300,000-500,000 transgender people in the UK
- **Age** Haringey has a relatively young population - a quarter of the population is under the age of 20. At borough level, this age group accounts for 4% of the population.
- **Disability** 14% of residents have a long term health problem that limits their day to day activity, lower than England but in line with London.
- **Race and Ethnicity** Haringey is the 5th most ethnically diverse borough in the country and is the third highest London Borough for in-migration from Eastern European countries. Over 65% of residents come from non-White British communities, compared to 20% in England, 55% for London and nearly 81% of our school children.
- **Sexual Orientation** 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 6,500 residents.
- **Religion** 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%), Jewish (3%). Hindu (1.8%) and Sikh (0.3%). 25% of Haringey residents stated that they did not have a religion, This compares with 21% for London.
- **Marriage and Civil Partnership** 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.

Haringey is one of the most deprived areas of the UK (24th out of 236). Haringey is also in the top three London Boroughs for Eastern European in-migration. Job Seekers Allowance claimants are the 2nd highest in London. Therefore, some lower-income households will struggle with the cost of car ownership if they drive older, higher polluting vehicles due to the financial implications of the diesel surcharge. However, the improved air quality identified after the introduction of Covid restrictions confirm the substantial health benefits that can be achieved by reduced presence of polluting vehicles

Impact on Service Users / Inequalities Identified

While use of public transport and all travel is strongly discouraged during the current Covid restrictions, the proposed diesel surcharge is not planned to take effect until late 2021 by which time it is anticipated that Covid transmission and infection will be under control following the comprehensive vaccination programme.

Sex

Diesel Surcharge for short term pay to park / stop and shop parking

The surcharge will augment existing measures to actively discourage vehicles with high emissions and thereby improve air quality and reduce health inequalities. Consultation feedback – most notably in the Muswell Hill town centre area - confirms that residents are concerned at stop and shop parking spaces being occupied by trade vehicles and delivery vans – many of which are diesel-fuelled

Gender Reassignment

There is no evidence or published information to indicate either positive or negative impact on people transitioning gender as a result of the proposed diesel surcharge. The Government Equalities Office estimates there are between 200,000-500,000 transgender people in the UK but Haringey does not hold data on how many people in the borough identify as transgender.

It is anticipated that people with this protected characteristic will not be negatively or differentially affected by the introduction of a diesel surcharge for stop and shop (pay to park) bays

Age

increased charges and permit prices will negatively impact on older drivers who are more likely to have mobility issues, drive older and diesel vehicles, and who rely on those regular family/carer visits which

need to use stop and shop parking bays. However, both older people and young children will benefit from measures designed to discourage high pollutant vehicles and encourage healthier travel modes. The main benefits will be in terms of improved health as a result of better air quality. Haringey's Air Quality Action Plan sets out how older people and younger people are more vulnerable to the effects of air pollution. The Air Quality Action Plan can be accessed here: http://www.minutes.haringey.gov.uk/documents/s112468/Appendix%20B%20Haringey%20Final%20AQAP%202019-24%2028.10.19.pdf

Disability

While increased charges will affect those who may have to use older, higher polluting vehicles, this is offset by the fact that motorists with disabilities (including hidden disabilities) can apply for a Blue Badge which will entitle them to a free resident parking permit and this includes free parking in stop and shop bays. Disabled residents who require family and carer visits will be disadvantaged if they need to pay for their carers' parking.

Race and Ethnicity

BAME communities in Haringey are concentrated in areas that have higher than average levels of air pollution. As an indication, the proportion of non-White British communities is 83% in Northumberland Park, compared with 35% in Muswell Hill, and Haringey's Air Quality Action Plan sets out the relative levels of air pollution in these two wards and demonstrates that levels are higher in Northumberland Park. The Air Quality Action Plan can be accessed here: http://www.minutes.haringey.gov.uk/documents/s112468/Appendix%20B%20Haringey%20Final%20AQAP%202019-24%2028.10.19.pdf.

Health inequalities are considerably higher amongst Black African and Caribbean groups than in the White population, and poor air quality is linked to multiple respiratory and cardiovascular conditions, which significantly increases the risk of death from Covid-19. It is therefore expected that this group will benefit from this additional measure to discourage high polluting vehicles, as it will improve air quality and reduce exposure to air pollution.

Haringey's Borough Plan EqIA reports that BAME groups are more likely than others to be earning below the London living wage, and to be in receipt of benefits. Groups with lower incomes may be negatively impacted by the increase in parking costs and will be impacted if they need to drive a more polluting car because they will be less able to afford lower polluting or electric vehicles.

Sexual Orientation

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 around 7000 residents. There are no statistics or other evidence to suggest that LGBTQ individuals would be negatively or positively affected by the diesel surcharge on stop and shop parking. Clearly there are disadvantages to all those faced with increased parking charges if they drive high polluting or diesel cars, but there is no disproportionate or differential effect based on this protected characteristic.

Religion and Belief

There is no indication of any adverse or disproportionate impact on faith groups as a result of changes to pricing policy on stop and shop parking bays. As with all residents, pedestrians and cyclists, there will be benefits from improved air quality and fewer polluting vehicles on the streets

Pregnancy and Maternity

Expectant mothers and those caring for young babies will benefit from this measure to cut pollution and parking congestion. Long term exposure to air pollution is associated with low birthweight (which leads to a higher risk of complications and long-term health effects). While expectant mothers may not be able to access all of the opportunities available from this measure designed to reduce polluting car use, they and babies and young children will benefit from improvements in air quality.

Marital status and Civil Partnership

The 2011 Census indicated that Haringey had a higher proportion of couples in a registered same sex civil partnership than England and London. The diesel surcharge for stop and shop parking will not cause adverse or differential impact on people in marriages or civil partnerships.

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

Public consultations are conducted regularly in-house on individual projects undertaken by Traffic Management on the introduction of measures. Statutory consultation will be carried out prior to any implementation of the diesel surcharge, should the measure be approved by Cabinet. Consultation reviews are carried out periodically across the borough to assess parking issues and needs and identify what changes or improvements may be needed. Our policy on all highways and parking consultations is to encourage residents and businesses to comment not only on proposed measures but more generally on issues affecting the street scene environment.

Market research studies including Tottenham Quality of Life Survey, Turnpike Lane Shopping Survey and Green Lanes District Scheme Surveys will continue to inform the council of equalities issues and concerns that are important for residents' quality of life.
Future consultations will include analysis of views by protected characteristics as a means of monitoring the introduction of measures defined by the Parking Transformation Programme and actioned by the Parking Action Plan, as well as the ULEZ Readiness programme which initiated consideration of diesel surcharges.

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?

Parking consultation results confirm that residents value the ability offered to park close to home and not have to walk long distances to get to and from their cars especially when carrying heavy shopping or accompanied by small children. The consultations also confirm that residents feel safer walking on roads which are not heavily parked because clearer roads give improved visibility and residents report feeling safer as a result. There is considerable concern at the extent of trade vehicles and online / internet delivery vans occupying both residential and stop and shop parking spaces - to the disadvantage of residents and visitors.

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
Women are more likely than men to be primary carers to young children, and more likely than men to head single parent households. They therefore may be negatively impacted by increases in parking permit costs; however, they will benefit from reduced air pollution. Carers to young

children will be encouraged to take advantage of more sustainable travel options including public transport although we recognise this is not a practical option during the current Covid epidemic

Positive	X	Negative	X	Neutral impact		Unknown Impact	

2. Gender reassignment
There is insufficient data on people undergoing or who have undergone gender reassignment; however it is anticipated that the impact on people undergoing or who have undergone gender reassignment will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact		Unknown Impact	X

3. Age
Younger and older age groups will derive considerable health benefits from less traffic congestion, less pollution, and safer roads. Older people who rely more on car use and may well own older higher polluting diesel vehicles will probably not benefit from any surcharge on stop and shop parking charges although this will be offset by reduced air pollution and by improved availability of parking space

Older people are more likely to be dependent on cars for travel, particularly as they are also more likely to have a disability. The diesel surcharge for stop and shop parking does not aim to eliminate car use but to further encourage use of less polluting vehicles which, as current Covid restrictions have shown, result in much improved air quality with associated health benefits.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

4. Disability
Disabled people will benefit from lower pollution levels, safer streets and reduced parking congestion.

However, charges for visitors and carers using stop and shop parking bays may adversely impact individuals with disabilities who require significant numbers of carer and family visits. Allocated disabled bays and free issue of a resident permit to Blue Badge holders will have some positive impact. The measure will also be monitored through consultations and these consultations will seek to identify any differential impact on individuals with disabilities.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

5. Race and ethnicity
This group are particularly vulnerable to poor air quality due to the overrepresentation of BAME communities in areas in Haringey where pollution levels are high. They will benefit accordingly from improvements in air quality and modal shift. However, those on low incomes, who are more likely to be from BAME communities, who drive higher polluting vehicles will be disadvantaged by increased stop and shop parking charges for higher polluting diesel vehicles.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

6. Sexual orientation
It is anticipated that the impact of the diesel surcharge measure on people who identify as LGB will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

7. Religion or belief (or no belief)
It is anticipated that faith and religious groups will be overrepresented among those who benefit from improvements in air quality and from parking controls that facilitate access to places of worship.

Positive	X	Negative		Neutral impact		Unknown Impact	

8. Pregnancy and maternity
Pregnant women and women with babies younger than 6 months old are more likely to be reliant on cars for travel. They therefore may be negatively impacted if they drive diesel cars. However, expectant mothers and mothers up to 6 months after birth will benefit from better air quality, and less congested streets. Overall the measure is expected to have a positive impact on this group.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

9. Marriage and Civil Partnership
It is anticipated that the impact of these recommendations on people in a civil partnership will be the same as for people who are married.

Positive		Negative		Neutral impact	X	Unknown Impact	

10. Groups that cross two or more equality strands e.g. young black women
Older BAME people may be more impacted by the diesel surcharge and increased prices for visitor and stop and shop parking, but it is worth noting that they will also benefit more from lower air pollution. Younger BAME people in the areas of the Borough with higher levels of air pollution will benefit more from reduced air pollution.

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

The Diesel surcharge measure is not considered to result in any direct/indirect discrimination for any groups that share the protected characteristics.

The diesel surcharge and wider related measures set out in the ULEZ Readiness programme are designed to bring benefits for all residents in Haringey. All residents will benefit from a reduction in traffic congestion and high polluting vehicles; improved health from improved air quality; and safer streets. These are seen as mitigating against the impact of increased parking charges which do impact on low income groups. The diesel surcharge measure therefore represents an additional step towards addressing health inequalities affecting groups who share the protected characteristics.

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.	Y
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality.	N
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.	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 relevant protected characteristics are impacted?	Action	Lead officer	Timescale
Reducing the reliance on the private car (resulting from surcharges for polluting vehicles will affect older people and older BAME residents, and women who are more likely to rely on cars	Provide options for choosing more sustainable modes of transport and also use public consultations to collect views from those who do need to use cars to identify any problems	Head of Operations	Ongoing
Surcharges for higher polluting vehicles and extension of parking charges can impact adversely on those who rely on regular visits from family and from carers, especially if they have to buy larger numbers of visitor permits	The needs of those affected will be addressed in further consultations and reviews on the operation of parking controls. Dates of consultations will be defined and agreed by the Head of Service who will also require that Consultations include provision for these requirements	Head of Operations	Ongoing

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:
The impact will be monitored through feedback from residents, consultations, ward councillors and other representative groups.

7. Authorisation	
EqIA approved by ..... (Assistant Director/ Director)	Date .....

8. Publication *Please ensure the completed EqIA is published in accordance with the Council's policy.*

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

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 between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

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 protect 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	Resident and Business Permits Pricing increase
Service area	Operations
Officer completing assessment	Greville Percival
Equalities/ HR Advisor	Melissa Nalubwama-Mukasa
Cabinet meeting date (if applicable)	April 2021
Director/Assistant Director	Stephen McDonnell, Director of Environment and Neighbourhoods

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*

Proposed Resident Permits Pricing increase

A further development to the Parking permit and Charges (ULEZ Readiness) Report identifies an additional measure designed to provide accessible parking for all users, discourage unnecessary use of private vehicles, and encourage more use of sustainable travel modes. The key measure subject to this EqIA is:

- Resident Permits Pricing: an increase of £30 per annum on existing permit charges for high CO2 emission vehicles.

The Council already operates an emission charging structure and as such this is in line with existing policy. The measure represents an above inflation increase for higher polluting vehicles to support the climate change policy – most noticeably in terms of air quality improvement. The measure proposes an increase of £30 per annum on higher polluting vehicles. Based on current data there are at present approximately 7000 residential and business permits issued to higher polluting vehicles. This figure is likely to reduce as residents and businesses change vehicles and reduce vehicle use encouraged by the extension of the ULEZ programme into Haringey in 2021. Emissions from vehicles are a major contributor to poor air quality and the introduction of this measure will further encourage people to rethink the number, type and use of their cars and vans.

While use of public transport and any non-local travel is discouraged during the current Covid restrictions, the proposed permits price increase is not planned to take effect until late 2021 by which time it is anticipated that Covid transmission and infection will be mitigated by the comprehensive vaccination programme carried out at vaccination centres, GP surgeries, and pharmacies. Reduced vehicular traffic as a result of Covid restrictions has already shown benefits in terms of improved air quality.

Key Stakeholders

Key Stakeholders comprise all residents and those who need to use public highway parking facilities and pay to park bays. Key stakeholders also comprise those who use public transport, walk, and cycle - including Haringey residents, businesses, and services. Those with disabilities, young children, expectant mothers, and older people are groups most at risk from toxic air pollutants and who will benefit from lower air pollution levels.

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	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html	No impact
Gender Reassignment	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	No impact
Age	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Disability	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Race & Ethnicity	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Sexual Orientation	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Religion or Belief (or No Belief)	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Pregnancy & Maternity	Census 2011 TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Marriage and Civil Partnership	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact

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.

Equalities monitoring data is not available for holders of parking permits but based on current permit data there are currently approximately 7000 residential and business permits issued to higher polluting vehicles. Given that residents in any property in a CPZ who keep and use a vehicle are eligible for residential and visitor permits, ward level data from sources such as the Office for National Statistics (ONS) are used for the purpose of examining the impact on different protected groups.
We also use public and statutory consultations to help identify issues affecting protected groups.

- **Sex:** Women make up 50.5% of Haringey's population.

- **Gender Reassignment:** This data is not held at a borough level. The Government Equalities Office estimates that there are between 200,000-500,000 transgender people in the UK.
- **Age:** Haringey has a relatively young population - a quarter of the population is under the age of 20. At borough level, this age group accounts for 4% of the population.
- **Disability:** 14% of residents have a long term health problem that limits their day to day activity, lower than England but in line with London.
- **Race and Ethnicity:** Haringey is the 5th most ethnically diverse borough in the country and is the third highest London Borough for in-migration from Eastern European countries. Over 65% of residents come from non-White British communities, compared to 20% in England, 55% for London and nearly 81% of our school children.
- **Sexual Orientation** 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 6,500 residents.
- **Religion** 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%), Jewish (3%). Hindu (1.8%) and Sikh (0.3%). 25% of Haringey residents stated that they did not have a religion, This compares with 21% for London.
- **Marriage and Civil Partnership** 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.

Haringey is one of the most deprived areas of the UK (24th out of 236). Job Seekers Allowance claimants are the 2nd highest in London. Therefore, some low-income households will struggle with the cost of car ownership if they drive older, higher polluting vehicles due to the financial implications for them of increased permit charges for such vehicles. The Council already operates an emissions charging structure and as such this measure is in line with this strategy.

Impact on Service Users / Inequalities Identified

Sex

Charge increase on the current parking permit CO2 bandings

The surcharge will actively discourage vehicles with high emissions and thereby improve air quality and reduce health inequalities. Consultation feedback confirms that all residents - especially women - feel safer when streets are not crowded with parked vehicles.

Positive impact is expected by discouraging households who operate multiple vehicles from contributing to local air pollution and from taking up excessive parking spaces.

Gender Reassignment

Charge increase on the current parking permit CO2 bandings

There is no evidence or published information to indicate either positive or negative impact on people transitioning gender because of increased permit charges. The Government Equalities Office estimates that there are between 200,000-500,000 transgender people in the UK but Haringey does not hold data on how many people in the borough identify as transgender.

It is not expected that people with this protected characteristic will be negatively or differentially affected by incrementally increased parking charges for higher polluting (CO2) vehicles

Age

Charge increase on the current parking permit CO2 bandings

Increased charges and permit prices will negatively impact on older residents who are more likely to have mobility issues, drive older and diesel vehicles, and who rely on regular family/carer visits and will therefore need to purchase significant quantities of Visitor Permits. However, both older people and

young children will benefit from measures designed to discourage high polluting vehicles and encourage sustainable travel modes. There will be benefits in terms of improved health resulting from better air quality. Haringey's Air Quality Action Plan sets out how older people and younger people are more vulnerable to the effects of air pollution. The Air Quality Action Plan can be accessed here: http://www.minutes.haringey.gov.uk/documents/s112468/Appendix%20B%20Haringey%20Final%20AQAP%202019-24%2028.10.19.pdf

Disability

Charge increase on the current parking permit CO2 bandings

While increased charges will affect those who may have to use older, higher polluting vehicles, this is offset by the fact that motorists with disabilities (including hidden disabilities) can apply for a Blue Badge and are entitled to a free resident parking permit.

Race and Ethnicity

Charge increase on the current parking permit CO2 bandings

BAME communities in Haringey are concentrated in areas such as Tottenham and Wood Green which have above average levels of air pollution. For instance, the proportion of non-White British communities is 83% in Northumberland Park, compared with 35% in Muswell Hill, and Haringey's Air Quality Action Plan sets out the relative levels of air pollution in these two wards and demonstrates that levels are higher in Northumberland Park. The Air Quality Action Plan can be accessed here: http://www.minutes.haringey.gov.uk/documents/s112468/Appendix%20B%20Haringey%20Final%20AQAP%202019-24%2028.10.19.pdf. It is therefore expected that this group will benefit from the measures to discourage high polluting vehicles, as this will improve air quality and reduce these communities' exposure to pollution.

Haringey's Borough Plan EqIA reports that BAME groups are more likely than others to be earning below the London living wage, and to be in receipt of benefits. Groups with lower incomes may be negatively impacted by the increase in parking costs and will be impacted if they need to drive a more polluting car because they will be less able to afford lower polluting and electric vehicles.

Sexual Orientation

Charge increase on the current parking permit CO2 bandings

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 around 7000 residents. There are no statistics or other evidence to suggest that LGBTQ individuals would be negatively or positively affected by the charges. There are disadvantages to all residents faced with increased permit charges if they drive high polluting or diesel cars, but there is no disproportionate or differential effect based on this protected characteristic.

Religion and Belief

Charge increase on the current parking permit CO2 bandings

There is no indication of any adverse or disproportionate impact on faith groups as a result of changes to pricing policy. As with all residents, there will be benefits from improved air quality and fewer polluting vehicles on the streets

Pregnancy and Maternity

Charge increase on the current parking permit CO2 bandings

Expectant mothers and those caring for babies will benefit from this measure to cut pollution and parking congestion. Long term exposure to air pollution is associated with low birthweight (which leads to a higher risk of complications and long-term health effects). While expectant mothers may not be able to access all of the opportunities available from measures designed to reduce car use, they and babies and young children will benefit from improvements in air quality

By reducing the number of high polluting vehicles on streets, this measure will also provide positive impact in terms of improved air quality and healthier streets

Marital status and Civil Partnership
Charge increase on the current parking permit CO2 bandings
The 2011 Census indicated that Haringey had a higher proportion of couples in a registered same sex civil partnership than England and London. Increased parking permit charges will not cause adverse or differential impact on people in marriages or civil partnerships. People in marriages and in civil partnerships will be treated the same in all aspects of the programme.

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

Public consultations (in-house) are carried out on projects undertaken by Traffic Management including measures such as permit charges and other policy issues. The practice on all highways and parking consultations is to encourage residents and businesses to comment not only on proposed measures but to give their views more generally on issues affecting the street scene environment. The feedback received, is designed to ensure informed and inclusive policy and practice.
Market research studies including Tottenham Quality of Life Survey, Turnpike Lane Shopping Survey and Green Lanes District Scheme Surveys are good examples of how the council prioritises community engagement.
Future consultations will include analysis of views by protected characteristics as a means of monitoring the introduction of measures defined by the Parking Transformation Programme and actioned by the Parking Action Plan and the ULEZ Readiness programme from which the current proposed measure has been developed

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?

Parking consultation results confirm that residents value being able to park close to home and not have to walk long distances to get to and from their cars especially when carrying heavy shopping or accompanied by small children. The consultations also confirm that residents feel safer walking on roads which are not heavily parked because clearer roads give improved visibility and residents report feeling safer as a result.

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
Women are more likely than men to be primary carers to young children, and more likely than men to head single parent households. They therefore may be negatively impacted by increases in parking permit costs; however, they will benefit from reduced air pollution. Carers to young children will be encouraged to take advantage of more sustainable travel options including public transport but those who do need to drive will be helped by any reduction in parking congestion resulting from the proposal.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

2. Gender reassignment
There is insufficient data on people undergoing or who have undergone gender reassignment; however it is anticipated that the impact on people undergoing or who have undergone gender reassignment will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact		Unknown Impact	X

3. Age
Younger and older age groups will derive considerable health benefits from less traffic congestion, less pollution, and safer roads. Older people who rely more on car use will benefit from parking controls which make it easier to park close to home and facilitate visits from family and carers.

Older people are more likely to be dependent on cars for travel, particularly as many also have a disability. Older people may therefore be negatively impacted by reduction in private car use as a result of permit surcharges for higher polluting vehicles.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

4. Disability
Disabled people will benefit from lower pollution levels, safer streets and reduced parking congestion.

However, restrictions on visitor permits may adversely impact individuals with disabilities who require a higher than average number of carer and family visits. Allocated disabled bays and free issue of a resident permit to Blue Badge holders have positive impact. The effect of increased permit charges will be monitored through consultations which identify differential impact on individuals with disabilities.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

5. Race and ethnicity
This group are particularly vulnerable to poor air quality due to the overrepresentation of BAME communities in areas in Haringey where pollution levels are high. They will benefit accordingly from improvements in air quality and modal travel shift. However, those on low incomes, who are more likely to be from BAME communities, and those who drive higher polluting vehicles will be disadvantaged by increased permit prices.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

6. Sexual orientation
It is anticipated that the impact of increased permit charges on people who identify as LGB will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

7. Religion or belief (or no belief)
It is anticipated that faith and religious groups will be among those who benefit from improvements in air quality and from parking controls that facilitate access to places of worship.

Positive	X	Negative		Neutral impact		Unknown Impact	

8. Pregnancy and maternity
Pregnant women and women with babies younger than 6 months old are more likely to be reliant on cars for travel. They therefore may be negatively impacted by increase in parking permit costs. However, expectant mothers and mothers up to 6 months after birth will benefit from better air quality, and less congested streets. Overall the permit charging measure will have a positive impact on this group.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

9. Marriage and Civil Partnership
It is anticipated that the impact of these recommendations on people in a civil partnership will be the same as for people who are married.

Positive		Negative		Neutral impact	X	Unknown Impact	

10. Groups that cross two or more equality strands e.g. young black women
Older BAME people may be more impacted by the increased prices for resident permits, but they will also benefit more from lower air pollution. Younger BAME people in the areas of the Borough with higher levels of air pollution will benefit more from reduced air pollution.

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

Increase prices for parking permit CO2 bandings is not considered to result in any direct/indirect discrimination for any groups that share the protected characteristics.

The measure is designed to bring benefits for all residents in Haringey. All residents will benefit from a reduction in traffic congestion and lower levels of polluting vehicles; improved health from improved air quality; and safer streets. These are seen as mitigating against the impact of increased parking charges which do impact on low income groups. The measure therefore represents a further step towards addressing health inequalities affecting groups who share the protected characteristics.

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.	Y
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality.	N
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.	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 relevant protected characteristics are impacted?	Action	Lead officer	Timescale
Reducing the reliance on the private car (resulting from permit surcharges for polluting vehicles will affect older people and older BAME residents, and women who are more likely to rely on cars	Provide options for choosing more sustainable modes of transport and also use public consultations to collect views from those who do need to use cars to identify any problems	Head of Operations	Ongoing
Resident permit surcharges for higher polluting vehicles and extension of parking charges can impact adversely on those who rely on regular visits from family and from carers, especially if they have to buy large numbers of visitor permits	The needs of those affected will be addressed in further consultations and reviews on the operation of controlled parking zones - specifically including having reduced operating hours in Controlled Parking Zones. Dates of consultations will be defined and agreed by the Head of Service who will also require that Consultations include	Head of Operations	Ongoing

	provision for these requirements		

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:

The impact will be monitored through feedback from residents, consultations, ward councillors and other representative groups.

7. Authorisation

EqIA approved by ..... (Assistant Director/ Director)	Date .....

8. Publication

Please ensure the completed EqIA is published in accordance with the Council's policy.

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

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 between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

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 protect 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	Visitor Parking. Future charging structure and Visitor vouchers - pricing structure change
Service area	Operations
Officer completing assessment	Greville Percival
Equalities/ HR Advisor	Melissa Nalubwama-Mukasa
Cabinet meeting date (if applicable)	January 2021
Director/Assistant Director	Stephen Mc Donnell, Director of Environment and Neighbourhoods

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*

Visitor Parking. Future charging structure and Visitor vouchers - pricing structure change

It is current policy to charge to parking permits and for that charge to be set at a level that influences take up and encourages the use of sustainable modes of transport and air quality improvement. The measure consists of increasing visitors parking permits tariff by 6% annually - for 5 years. Those proposals support air quality and climate change policies, encouraging a move to more sustainable forms of transport. This measure will make the cost of running a car more expensive when parked on the road in stop and shop (pay-to-park bays and in visitor parking bays in Controlled Parking Zones. This could impact car owners on a low income.

Due to the current COVID restrictions and government guidance we are not encouraging use of public transport during the current Covid restrictions. The pricing structure change is not planned to take effect until late 2021 by which time it is anticipated that Covid transmission and infection will be offset by the comprehensive vaccination programme currently underway. Reduced vehicular traffic as a result of Covid restrictions has confirmed the improved air quality as a result.

Cost increases are not considered that significant when compared to the overall cost of running a vehicle and in considering the benefit of being able to find parking space more easily. Although permit charges will increase, they still represent a small portion of the cost of running a motor vehicle and are good value compared to providing an off-street parking space in a car park or new driveway. Consultations show that residents and their visitors are primarily concerned with having parking spaces readily available and that effective enforcement is carried out to stop extraneous parking.

Key Stakeholders

Key Stakeholders comprise all residents and those who need to use stop and shop parking facilities and pay to park bays. Key stakeholders also comprise those who use public transport, walk, and cycle - including Haringey residents, businesses and services. Those with disabilities, young children, expectant mothers, and older people are groups most at risk from toxic air pollutants will benefit from lower air pollution levels as a result of reduced vehicle traffic.

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	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html	No impact
Gender Reassignment	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	No impact
Age	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Disability	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Race & Ethnicity	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Sexual Orientation	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Religion or Belief (or No Belief)	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Pregnancy & Maternity	Census 2011 TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Marriage and Civil Partnership	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact

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.

Equalities monitoring data is not available for holders of parking permits. Data is not captured at the application stage for any permits. However, given that residents in any property in a CPZ who keep and use a vehicle are eligible for residential and visitor permits, ward level data from sources such as the Office for National Statistics (ONS) are used for the purpose of examining the impact on different protected groups. We also use public and statutory consultations to help identify issues affecting protected characteristics.

- **Sex** Women make up 50.5% of Haringey's population.
- **Gender Reassignment** This data is not held at a borough level. The Equality and Human Rights Commission estimate that there are between 300,000-500,000 transgender people in the UK

- **Age** Haringey has a relatively young population - a quarter of the population is under the age of 20. At borough level, this age group accounts for 4% of the population.
- **Disability** 14% of residents have a long-term health problem that limits their day to day activity, lower than England but in line with London.
- **Race and Ethnicity** Haringey is the 5th most ethnically diverse borough in the country and is the third highest London Borough for in-migration from Eastern European countries. Over 65% of residents come from non-White British communities, compared to 20% in England, 55% for London and nearly 81% of our school children.
- **Sexual Orientation** 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 6,500 residents.
- **Religion** 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%), Jewish (3%). Hindu (1.8%) and Sikh (0.3%). 25% of Haringey residents stated that they did not have a religion. This compares with 21% for London.
- **Marriage and Civil Partnership** 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.

Haringey is one of the most deprived areas of the UK (24th out of 236). Job Seekers Allowance claimants are the 2nd highest in London. Therefore, some low-income households will struggle with the cost of car ownership if they drive older, higher polluting vehicles. By promoting practical alternatives to car travel (safer walking and cycling, more reliable public transport) and having less congested, safer and healthier streets; the measure will help all residents while being of particular benefit to people who are disadvantaged by traffic and parking congestion due to their protected characteristic. These groups include older people, those with disabilities (including hidden disabilities) expectant mothers and young children. While use of public transport is strongly discouraged during the current Covid restrictions, the changes to visitor permit pricing will not be introduced until late 2021 by which time it is anticipated that Covid transmission and infection will be under control following the comprehensive vaccination programme.

Some groups may not be able to fully engage in 'active travel' and will rely on private vehicle use. The introduction of free resident parking permits will benefit disabled badge holders. Furthermore, reduced traffic levels will help those with mobility impairments as well as older people and pregnant women by making it easier to park close to home and when using a car to visit local shopping areas for short stay parking. Many residents complain that current levels of parking demand often make it very difficult when they need to drive out for shopping or appointments, because they often cannot find a parking space on their return.

Impact on Service Users / Inequalities Identified

Sex

Future charging structure and Visitor vouchers - pricing structure change

This proposal will have no apparent benefit or disadvantage to any particular sex. The pricing and charging structure will however further discourage vehicles with high emissions and so improve air quality and reduce health inequalities

Gender Reassignment

Future charging structure and Visitor vouchers - pricing structure change

There is no evidence or published information to indicate either positive or negative impact on people transitioning gender as a result of the proposals in the Report. The Government Equalities Office estimates that there are between 200,000-500,000 transgender people in the UK but Haringey does not hold data on how many people in the borough identify as transgender.

Age

Future charging structure and Visitor vouchers - pricing structure change

People of all ages who need to buy visitor parking permits for friends and family visits will be impacted by the increased charges. Those people of working age who drive to work, visit friends and family, and use visitor parking bays where increased charges apply, may be more impacted than other car users. Retired people may have less disposable income to be able to pay for visitor parking permits, but people aged 65+ will continue to benefit from concessionary discounts on visitors parking charges. Those aged 60 and over continue to qualify for free public transport. Children and young people under the age of 17 who do not drive will not be directly impacted by the proposal.

Disability

Future charging structure and Visitor vouchers - pricing structure change

While increased charges will affect those with older, higher polluting vehicles, this is offset by the fact that motorists with disabilities (including hidden disabilities) can apply for a Blue Badge and will also be entitled to a free resident parking permit. Disabled residents who require family and carer visits will be disadvantaged if they need to buy increased quantities of higher priced visitor permits. Those with a registered disability and have a blue badge will continue to be able to park for free.

Race and Ethnicity

Future charging structure and Visitor vouchers - pricing structure change

BAME communities in Haringey are concentrated in areas that have higher than average levels of air pollution. Greenspace Information for Greater London (GiGL GLA 2014) confirms that all 8 wards in the west of the borough have '100% of homes with good access to green space. Conversely in the central and eastern parts of the borough, West Green, Noel Park, Woodside, and Tottenham Green have less than 50% of homes with good access to nature. It is therefore expected that improved air quality resulting from reduced visitor parking will reduce these communities' exposure to pollution. Groups with lower incomes may be negatively impacted by the increase in visitor parking charges.

Sexual Orientation

Future charging structure and Visitor vouchers - pricing structure change

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 around 7000 residents. There are no statistics or other evidence to suggest that LGBTQ individuals would be negatively or positively affected by the charges. There are disadvantages to all residents faced with increased visitor permit charges, but there is no disproportionate or differential effect on this protected characteristic.

Religion and Belief

Future charging structure and Visitor vouchers - pricing structure change

This proposal will have no apparent benefit or disadvantage to any particular religion. There will be positive benefits to all groups from improved air quality and fewer polluting vehicles on the streets

Pregnancy and Maternity

Future charging structure and Visitor vouchers - pricing structure change

Expectant mothers and those caring for young babies will benefit from this measure to cut pollution and parking congestion. Long term exposure to air pollution is associated with low birthweight (which leads to a higher risk of complications and long-term health effects). While expectant mothers may not be able to access all of the opportunities available from measures designed to reduce car use, they and babies and young children will benefit from improvements in air quality

Marital status and Civil Partnership

Future charging structure and Visitor vouchers - pricing structure change

The 2011 Census indicated that Haringey had a higher proportion of couples in a registered same sex civil partnership than England and London. This proposal will have no particular impact on marital status and does not treat same sex couples or those in civil partnerships less or more favourably than anyone else.

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

Public consultations are conducted regularly in-house on individual projects undertaken by Operations Traffic Management on the introduction of measures in the ULEZ Readiness programme. Consultation reviews are planned across the borough including a full assessment of parking issues and needs in order to identify what changes or improvements may be needed. Reviews will include examining the longer term effects on parking of the covid pandemic. Our policy on all highways and parking consultations is to encourage residents and businesses to comment not only on proposed measures but more generally on issues affecting the street scene environment and the feedback received has informed measures in the MTFS and ULEZ Readiness Programme.
Market research studies including Tottenham Quality of Life Survey, Turnpike Lane Shopping Survey and Green Lanes District Schemes are carried out to provide feedback to the council on the practical parking issues and challenges facing residents, businesses, and visitors.

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?

Parking consultation results confirm that residents and their visitors value the ability offered to park close to shops, services, and to find conveniently located parking facilities when visiting friends or family - especially when carrying heavy shopping or accompanied by small children. National and London policy measures are also in place to discourage extraneous parking and parking by high polluting vehicles. Future consultations will specifically include analysis of views by protected characteristics as a means of monitoring the introduction of this and other measures set out in the MTFS.

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
Women are more likely than men to be primary carers to young children, and more likely than men to head single parent households. They therefore may be negatively impacted by increases in parking permit costs; however, they will benefit from reduced air pollution. Carers to young children will be encouraged to take advantage of more sustainable travel options including public transport when it is permitted safe to do so following the comprehensive vaccination programme.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

2. Gender reassignment
There is insufficient data on people undergoing or who have undergone gender reassignment; however it is anticipated that the impact on people undergoing or who have undergone gender reassignment will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact		Unknown Impact	X

3. Age
Younger age groups will derive considerable health benefits from less traffic congestion, less pollution, and safer roads.
Older people are more likely to be dependent on cars for travel, particularly as they are also more likely to have a disability. While all will benefit from lower traffic pollution and cleaner air, older people may be negatively impacted by reduction in private car use as a result of permit surcharges for older and higher polluting vehicles. The measure does not aim to eliminate car use but to encourage use of less polluting vehicles. Older people who do rely more on car use will be assisted by parking controls which make it easier to park close to shops and services and this will also make it easier for those who rely on regular visits from family and carers.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

4. Disability
The charging arrangement will have no apparent adverse effect on disabled people. Those with a registered disability and have a blue badge will continue to be able to park for free. However, increased charges for visitor permits may adversely impact individuals with disabilities who require a higher than average number of carer and family visits; although it is anticipated that there will be improved availability of visitor parking space.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

5. Race and ethnicity
This group are particularly vulnerable to poor air quality due to the overrepresentation of BAME communities in areas in Haringey where pollution levels are high. They will benefit accordingly from improvements in air quality and modal shift. However, those on low incomes, who are more likely to be from BAME communities, who drive higher polluting vehicles will be disadvantaged by increased permit prices.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

6. Sexual orientation
It is anticipated that the impact of ULEZ Readiness measures on people who identify as LGBT will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

7. Religion or belief (or no belief)

It is anticipated that the impact of these recommendations on people in this protected group will be the same as for people who do not share this protected characteristic

Positive		Negative		Neutral impact	X	Unknown Impact	

8. Pregnancy and maternity
Pregnant women and women with babies younger than 6 months old are more likely to be reliant on cars for travel. They therefore may be negatively impacted by increase in visitor parking permit costs. However, expectant mothers and mothers up to 6 months after birth will benefit from better air quality, and less congested streets.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

9. Marriage and Civil Partnership
It is anticipated that the impact of these recommendations on people in a civil partnership will be the same as for people who are married.

Positive		Negative		Neutral impact	X	Unknown Impact	

10. Groups that cross two or more equality strands e.g. young black women
Older BAME people may be more impacted by the diesel surcharge and increased prices for visitor permits, but it is worth noting that they will also benefit more from lower air pollution. Younger BAME people in the areas of the Borough with higher levels of air pollution will benefit more from reduced air pollution.

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

The ***Future charging structure and Visitor vouchers - pricing structure change*** is not considered to result in any direct/indirect discrimination for any groups that share the protected characteristics.

The proposal is designed to bring benefits for all residents who will benefit from a reduction in traffic congestion and high polluting vehicles; improved health from being enabled to take up active travel options and from improved air quality; and safer streets. These are seen as mitigating against the impact of increased parking charges which do impact on low income groups. The proposal therefore represents one in a number of measures designed to address health

inequalities affecting groups who share the protected characteristics. It also complies with national measures relating to climate change and air quality.

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.	Y
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality.	N
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.	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 relevant protected characteristics are impacted?	Action	Lead officer	Timescale
Reducing the reliance on the private car (resulting from increased charges will affect older people and older BAME residents, and those who are more likely to rely on cars / visitors	Provide options for choosing more sustainable modes of transport and also use public consultations to collect views from those who do need to use cars to identify any problems		
Resident permit surcharges for higher polluting vehicles and extension of parking charges can impact adversely on those who rely on regular visits from family and from carers, especially if they have to buy large numbers of visitor permits	The needs of those affected will be addressed in ongoing consultations and reviews on the operation of stop and shop / pay-to-park parking. Dates of consultations will be defined and agreed by the Head of Service who will also require that Consultations include provision for these requirements		

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:
The impact will be monitored through feedback from residents, consultations, ward councillors and other representative groups.

7. Authorisation	
EqIA approved by ..... (Assistant Director/ Director)	Date .....

8. Publication *Please ensure the completed EqIA is published in accordance with the Council's policy.*

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

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 between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

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 protect 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	Introduction of Sunday parking charges in car parks and in stop and shop parking bays
Service area	Operations
Officer completing assessment	Greville Percival
Equalities/ HR Advisor	Melissa Nalubwama-Mukasa
Cabinet meeting date (if applicable)	January 2021
Director/Assistant Director	Stephen McDonnell, Director of Environment and Neighbourhoods

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*

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

The Council's MTFS Report develops several measures initially outlined in the 2019 *Parking Transformation Programme* designed to provide accessible parking for all users, discourage unnecessary use of higher-polluting vehicles, and encourage more use of sustainable travel modes. While modal transport shift away from private cars is impractical during the current Covid epidemic (because private cars are safer because of reduced transmission risk) , the introduction of Sunday parking charges in car parks and in pay to park (stop and shop) locations would not come into effect until late 2021 by which time it is anticipated that Covid transmission and infection will be mitigated by the comprehensive vaccination programme carried out at local vaccination centres, GP surgeries, and pharmacies. Reduced vehicular traffic as a result of Covid restrictions has confirmed the improved air quality as a result. Even during current Covid restrictions we would expect the introduction of Sunday parking charges (and associated enforcement) to have net positive impact for those using town centre shops and services.

The main element of the policy subject to this EqIA are:

- Introduction of Sunday charges in and in Car Parks and in Stop and Shop (previously known as 'Pay & Display) parking facilities in Haringey's town centre shopping and leisure / services areas.

This will regulate parking and improve availability of parking spaces. This proposal also supports the delivery of our transport and air quality action plan objectives. It is clear from consultations, and parking surveys in Green Lanes, Muswell Hill, and from the recent Turnpike Lane Customer Survey that extensive parking space in and around town centre shopping areas is taken up by trade vans and other vehicles used by shop owners and managers, and by shop staff. This occurs on Sundays as well as weekdays but is more of a problem on Sundays when there are no parking controls or charges in place.

At present we do not have clear information (positive or negative) about the impact of Sunday Car Park charges on people attending places of religion/worship. We need more information on this and we will therefore use the Statutory Consultation to contact churches and places of worship across the borough in order to have clarity on advantages or disadvantages of Sunday charges in car parks.

The introduction of Sunday parking charges is generally needed to respond to changing patterns of behaviour within the town centres on Sundays and to cater for increased demands for parking which in some instances can be as high on a Sunday as it is on weekdays. Not only will it help residents and others who want to visit our town centre shopping areas by helping ensure regular turnover of valuable parking locations improving accessibility for some people, but will also help deal with the problem of vans and cars left parked over the weekends when charges don't apply. Any absence of parking charges and enforcement tends to attract extraneous parking which does not help either residents or businesses.

Key Stakeholders

Key Stakeholders comprise all residents and those who need to use public highway parking facilities and pay to park bays. Key stakeholders also comprise those who use public transport, walk, and cycle - including Haringey residents, businesses, and services. Those with disabilities, young children, expectant mothers, and older people are groups most at risk from toxic air pollutants and who will benefit significantly from lower air pollution levels.

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	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html	No impact
Gender Reassignment	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf	No impact
Age	Haringey Equalities Profile http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf GLA London Ward Profiles https://londondatastore-upload.s3.amazonaws.com/instant-atlas/ward-profiles-html/atlas.html TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Disability	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Race & Ethnicity	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Sexual Orientation	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Religion or Belief (or No Belief)	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact
Pregnancy & Maternity	Census 2011 TfL Roads Taskforce Technical note 12: http://content.tfl.gov.uk/technical-note-12-how-many-cars-are-there-in-london.pdf	No impact
Marriage and Civil Partnership	Haringey Equalities Profile *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	No impact

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.

Current data suggests that 32% of vehicles using stop and shop parking bays are diesel fuelled. However, given the forthcoming ULEZ implementation and other modal changes set out in the *ULEZ Readiness* programme this is expected to reduce. Vehicles using car parks and stop & shop (previously known as 'Pay & Display) are owned by non-residents as well as by Haringey residents and businesses. However, in terms of equalities impact assessment, ward level data from sources such as the Office for National Statistics (ONS) are used for the purpose of examining the impact on different protected groups. We also use public and statutory consultations to help identify issues affecting protected groups.

- **Sex** Women make up 50.5% of Haringey's population.
- **Gender Reassignment** This data is not held at a borough level. The Equality and Human Rights Commission estimate that there are between 300,000-500,000 transgender people in the UK
- **Age** Haringey has a relatively young population - a quarter of the population is under the age of 20. At borough level, this age group accounts for 4% of the population.
- **Disability** 14% of residents have a long-term health problem that limits their day to day activity, lower than England but in line with London.
- **Race and Ethnicity** Haringey is the 5th most ethnically diverse borough in the country and is the third highest London Borough for in-migration from Eastern European countries. Over 65% of residents come from non-White British communities, compared to 20% in England, 55% for London and nearly 81% of our school children.
- **Sexual Orientation** 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 6,500 residents.
- **Religion** 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%), Jewish (3%). Hindu (1.8%) and Sikh (0.3%). 25% of Haringey residents stated that they did not have a religion, This compares with 21% for London.
- **Marriage and Civil Partnership** 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.

Haringey is one of the most deprived areas of the UK (24th out of 236). Haringey is also in the top three London Boroughs for Eastern European in-migration. Job Seekers Allowance claimants are the 2nd highest in London. Therefore, some lower-income households will struggle with the cost of car ownership if they drive older, higher polluting vehicles. However, the improved air quality identified after the introduction of Covid restrictions confirm the substantial health benefits that can be achieved by reduced presence of polluting vehicles on streets and in car parks

Impact on Service Users / Inequalities Identified

While all travel is strongly discouraged during the current Covid restrictions, the proposed Sunday charges are not planned to take effect until late 2021 by which time it is anticipated that Covid transmission and infection will be under control following the comprehensive vaccination programme.

Sex

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

The charges will work in conjunction with other related measures to discourage vehicles with high emissions and thereby improve air quality and reduce health inequalities. Survey feedback, as mentioned in the introduction above, confirms that many residents and visitors are concerned at stop and shop parking spaces being taken up by trade vehicles and delivery vans.

Gender Reassignment

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

There is no evidence or published information to indicate either positive or negative impact on people transitioning gender as a result of the proposed measure. The Government Equalities Office estimates there are between 200,000-500,000 transgender people in the UK, but Haringey does not hold data on how many people in the borough identify as transgender.

It is anticipated that people with this protected characteristic will not be negatively or differentially affected by the introduction of Sunday charges for stop and shop (pay to park) or car park bays

Age

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

Increased charges and permit prices will negatively impact on older drivers who are more likely to have mobility issues, drive older and diesel vehicles, and who need to drive to local shops and services. However, both older people and young children will benefit from measures designed to ensure that there is good availability of parking space. There will be additional benefits in terms of improved health as a result of better air quality. Haringey's Air Quality Action Plan sets out how older people and younger people are more vulnerable to the effects of air pollution. The Air Quality Action Plan can be accessed here:
http://www.minutes.haringey.gov.uk/documents/s112468/Appendix%20B%20Haringey%20Final%20AQAP%202019-24%2028.10.19.pdf

Disability

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

While increased charges will affect those who may have to use older, higher polluting vehicles, this is offset by the fact that motorists with disabilities (including hidden disabilities) can apply for a Blue Badge which will entitle them to a free parking in stop and shop bays. Some disabled residents who require family and carer visits could be disadvantaged if their carers and other visitors need to use car parks or stop and shop pays when visiting on Sundays.

Race and Ethnicity

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

BAME communities in Haringey are concentrated in areas that have higher than average levels of air pollution. As an indication, the proportion of non-White British communities is 83% in Northumberland Park, compared with 35% in Muswell Hill, and Haringey's Air Quality Action Plan sets out the relative levels of air pollution in these two wards and demonstrates that levels are higher in Northumberland Park. The Air Quality Action Plan can be accessed here:
http://www.minutes.haringey.gov.uk/documents/s112468/Appendix%20B%20Haringey%20Final%20AQAP%202019-24%2028.10.19.pdf. It is therefore expected that this group will benefit from this additional measure to discourage extraneous parking, as it will improve air quality and reduce exposure to air pollution.

Haringey's Borough Plan EqIA reports that BAME groups are more likely than others to be earning below the London living wage, and to be in receipt of benefits. Groups with lower incomes may be negatively impacted by the increase in parking costs if they drive more polluting cars because they will be less able to afford lower polluting or electric vehicles.

Sexual Orientation

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

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 around 7000 residents. There are no statistics or other evidence to suggest that LGBTQ individuals would be negatively or positively affected by the introduction of Sunday parking charges in car parks and stop and shop bays. Clearly there are economic disadvantages to all those faced with increased parking charges, but there is no disproportionate or differential effect based on this protected characteristic.

Religion and Belief

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

There is no clear indication of any adverse or disproportionate impact on faith groups as a result of changes to pricing policy on stop and shop parking bays or in car parks. Improved availability of parking space on Sundays will have positive impact. We need more information on how car park charges could affect those attending places of worship and we will therefore use the Statutory Consultation to contact churches and places of worship across the borough in order to have clarity on impact on this group of Sunday charges in car parks.

Pregnancy and Maternity

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

Expectant mothers and those caring for young babies will benefit from this measure to cut pollution and parking congestion. Long term exposure to air pollution is associated with low birthweight (which leads to a higher risk of complications and long-term health effects). While expectant mothers may not be able to access all of the opportunities available from this measure, they and babies and young children will benefit from improvements in air quality.

Marital status and Civil Partnership

Introduction of Sunday parking charges in car parks and in stop and shop parking bays

The 2011 Census indicated that Haringey had a higher proportion of couples in a registered same sex civil partnership than England and London. The Sunday charges for stop and shop and car parks will not cause adverse or differential impact on people in marriages or civil partnerships.

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

Public consultations are conducted regularly in-house on individual projects undertaken by Traffic Management on the introduction of measures. Statutory consultation will be carried out prior to any implementation of the Sunday parking charges, should the measure be approved by Cabinet. Consultation reviews are carried out periodically across the borough to assess parking issues and needs and identify what changes or improvements may be needed. Our policy on all highways and parking consultations is to encourage residents and businesses to comment not only on proposed measures but more generally on issues affecting the street scene environment.

Market research studies including the Turnpike Lane Shopping Survey, Green Lanes District Scheme Surveys and Muswell Hill Town Centre consultation have assisted in informing the council of equalities issues and concerns that are important for residents' quality of life.
Future consultations will include analysis of views by protected characteristics as a means of monitoring the introduction of measures defined in the MTFS and other policy instruments

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?

Parking consultation results confirm that residents value the ability offered to park close to home and not have to walk long distances to get to and from their cars especially when carrying heavy shopping or accompanied by small children. The consultations also confirm that residents feel safer walking on roads which are not heavily parked because clearer roads give improved visibility and residents report feeling safer as a result. There is considerable concern at the extent of trade

vehicles and online / internet delivery vans occupying both residential and stop and shop parking spaces - to the disadvantage of residents, shop customers and visitors.

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
Women are more likely than men to be primary carers to young children, and more likely than men to head single parent households. They therefore may be negatively impacted by introduction of Sunday parking charges. However, they will benefit from increased availability and choice of parking space as well as reduced air pollution.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

2. Gender reassignment
There is insufficient data on people undergoing or who have undergone gender reassignment; however it is anticipated that the impact on people undergoing or who have undergone gender reassignment will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact		Unknown Impact	X

3. Age
Younger and older age groups will derive considerable health benefits from less traffic congestion, less pollution, and safer roads. Older people who rely more on car use and may well own older higher polluting diesel vehicles will probably not benefit from any surcharge on stop and shop and car parks charges although this will be offset by improved availability of parking space

Older people are more likely to be dependent on cars for travel, particularly as they are also more likely to have a disability. The Sunday parking charges do not aim to eliminate car use but to discourage extraneous parking and keep more parking spaces available to those who need them.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

4. Disability
Disabled people will benefit from lower pollution levels, safer streets and reduced parking congestion.

However, Sunday charges for visitors and carers using car parks and stop and shop parking bays may adversely impact individuals with disabilities who require significant numbers of carer and family visits, but this will be offset by improved parking space availability. Free parking will remain

available to Blue Badge holders. The measure will also be monitored through consultations and these will seek to identify any differential impact on individuals with disabilities.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

5. Race and ethnicity

This group are particularly vulnerable to poor air quality due to the overrepresentation of BAME communities in areas in Haringey where pollution levels are high. They will benefit accordingly from improvements in air quality and parking availability. However, those on low incomes, who are more likely to be from BAME communities, who drive higher polluting vehicles will be disadvantaged by the introduction of Sunday car park and stop and shop charges.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

6. Sexual orientation

It is anticipated that the impact of the Sunday parking charges measure on people who identify as LGB will be the same as for people who do not share this protected characteristic.

Positive		Negative		Neutral impact	X	Unknown Impact	

7. Religion or belief (or no belief)

It is anticipated that faith and religious groups will be overrepresented among those who benefit from improvements in air quality and from parking charges that facilitate access to places of worship. We do however need more information and we will therefore use the Statutory Consultation to contact churches and places of worship across the borough to have more clarity on the impact of Sunday charges in car parks. It should be noted that for other religions and faiths whose holy days fall on other days of the week when controls and charges apply, no exemptions are granted. The availability of public transport, the concessions offered to disabled drivers, the elderly and the disabled on Transport for London all contribute to mitigating the adverse impacts of Sunday parking charges.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

8. Pregnancy and maternity

Pregnant women and women with babies younger than 6 months old are more likely to be reliant on cars for travel. They therefore may be negatively impacted by the increased costs. However, expectant mothers and mothers up to 6 months after birth will benefit from better air quality, and less congested streets and car parks. Overall the measure is expected to have a positive impact on this group.

Positive	X	Negative	X	Neutral impact		Unknown Impact	

9. Marriage and Civil Partnership

It is anticipated that the impact of these recommendations on people in a civil partnership will be the same as for people who are married.

Positive		Negative		Neutral impact	X	Unknown Impact	

10. Groups that cross two or more equality strands e.g. young black women

Older BAME people may be more impacted by the Sunday charges for car parks / stop and shop parking, but it is worth noting that they will also benefit more from lower air pollution. Younger BAME people in the areas of the Borough with higher levels of air pollution will benefit more from reduced air pollution.

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

The introduction of the Sunday parking charges measure is not considered to result in any direct/indirect discrimination for any groups that share the protected characteristics.

The Sunday charges and wider related measures set out in the MTFS and related programmes are designed to bring benefits for all residents in Haringey. All residents will benefit from a reduction in traffic congestion and high polluting vehicles; improved health from improved air quality; and safer streets. These are seen as mitigating against the impact of increased parking charges which do impact on low income groups. The measure therefore represents an additional step towards addressing health inequalities affecting groups who share the protected characteristics.

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.	Y
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality.	N
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.	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 relevant protected	Action	Lead officer	Timescale

characteristics are impacted?			
Reducing the reliance on the private car (resulting from increase parking charges will affect older people and older BAME residents, and women who are more likely to rely on cars	Provide options for choosing more sustainable modes of transport and also use public consultations to collect views from those who do need to use cars to identify any problems	Head of Operations	Ongoing
Extension of parking charges can impact adversely on those who rely on regular visits from family and from carers, especially if they have to buy larger numbers of visitor permits	The needs of those affected will be addressed in further consultations and reviews on the operation of parking controls. Dates of consultations will be defined and agreed by the Head of Service who will also require that Consultations include provision for these requirements	Head of Operations	Ongoing

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:

The impact will be monitored through feedback from residents, consultations, ward councillors and other representative groups.

7. Authorisation

EqIA approved by ..... (Assistant Director/ Director)	Date .....

8. Publication

Please ensure the completed EqIA is published in accordance with the Council's policy.

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

EQUALITY IMPACT ASSESSMENT

The Council has a public sector equality duty under the Equalities Act (2010) to have due regard 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.

The three parts of the duty apply 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.

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 protect 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	Charging for Managed Accounts
Service area	Commissioning
Officer completing assessment	Raj Darbhanga
Equalities/ HR Advisor	Lucy Fisher
Cabinet meeting date (if applicable)	June 2019
Director/Assistant Director	John Everson

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*

Introduce charging administration fees for appointeeship

The Council, as part of its Medium Term Financial Strategy (MTFS), agreed to the proposal to introduce administration fees for the management of accounts. Specifically, this is for the Department for Work and Pensions (DWP) **appointeeship clients** and clients who are **self-funders**.

The Council has a duty to manage its finances and recover the cost of the services it provides where appropriate.

Adults have the right to manage their own financial affairs. However, this may be difficult for some individuals due to lack of capacity, illness and or disability.

Where a person becomes unable to manage their own financial affairs and has not put into place a lasting power of attorney, the matter can be taken to the Department for Work and Pensions (DWP) and/or Court of Protection to request a third party is put into place to support the individual.

The third party can be a friend, family member or an organisation (including the Council as corporate appointee). Where the individual requiring this support only has DWP income, then an appointee can be appointed by the DWP.

Most local authorities provide a money management service for adult social care users who are unable to manage their own financial affairs. The Council recognises the importance of supporting vulnerable adults to manage their finances and to protect them from potential or actual financial abuse.

The council currently only becomes DWP appointee or court appointed deputy for finances as a last resort where there is no other party (or suitable party due to safeguarding concerns) to undertake this role.

What is appointeeship:

A Department for Work and Pensions appointee is the person who is appointed by the DWP to manage an individual's DWP income.

The appointee responsibility includes making and maintaining any benefit claims, collecting payments and managing the money including the payment of bills.

Current Practice:

Currently the Council does not charge administration fees for the management of appointeeship clients as it does for deputyship clients, where there are administration fees for managing client funds and assets.

The full set of deputyship charges for local authorities are set out by the Court of Protection (Practice Direction 19B Fixed Costs in the Court of Protection).

Proposal:

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The Council is currently able to charge Court of Protection clients based on legislative guidance issued by the Court of Protection. There is no national policy governing charging for DWP appointeeship. Policy and charges are therefore subject to local Council decisions.

As the number of DWP clients increase, the council recognises the administrative costs of managing appointee client accounts is increasing and there is a need to off-set this increasing cost. As the level and type of service provided to appointeeship clients is similar to deputyship clients, the proposal is to introduce **annual administration fees** comparable with deputyship charges for appointeeship clients.

The proposed fees applicable from 01 October 2019 for DWP appointeeship clients is as follows:

It should be noted that the likely fee that will apply to all DWP appoint clients will be the Category II fee (see below) and the savings proposal of £70K is based on this fee only. It should also be noted that the fees are comparable with deputyship charges.

Category	Description	Fee Amount not exceeding
Category I	Work up to and including the date the DWP appoint the LBH council as the corporate appointee. This fee will not be applied to existing clients (unless they are converted to court of protection). This will be a one-off fee.	£745
Category II	Annual management fee where LBH acts as corporate appointee for DWP income/ Benefits (a) For the first year (b) For the second year and subsequent years Where the net savings of an individual are below £16,000 an annual management fee not exceeding 3.5% of the client's net assets on the anniversary of the DWP appointing the council as corporate appointee.	 £745 £650
Category III	Annual management fee for property where the council is involved in the maintenance of the property. This will only be applied with agreement of client or family and service manager.	£300
Category IV	Preparation of appointee annual report. This will be optional and will only apply with agreement of client or family and service manager where requested.	£216

Where the appointeeship ends before the date the annual fees are due to be charged then pro rata fees will be calculated.

The above fees are based on Practice Direction 19B Fixed Costs in the Court of Protection. The fees and charges are subject to change and we change these fees in line with practice Directions set out above.

For existing clients as at 01 April 2019 (proposed implementation date):

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1. For clients with savings over £16K and where the council has been DWP corporate appointee for over a year, the first (category II) fee to be applied at 01 June will be £650 and **not** £745. If the appointment has been for under a year, then a pro-rata fee will apply.

2. For DWP appointee clients who have less than £16K in savings and where the council has been DWP corporate appointee for over a year, the first annual management fee (category II) will be 3.5% of the savings held on 01 June 2019. If the appointment has been under a year, then a pro-rata fee will apply.

OR:

For existing DWP corporate appointee clients the category II fee will apply on the anniversary date the council was appointed DWP appointee.

What will this mean:

The proposal will impact on current corporate DWP appointee clients where the council manages their DWP income / benefits.

Consultation

This will be necessary if the proposal is to go ahead. Any consultation will need to involve the clients affected to ensure the introduction of administration charges does not have an adverse effect or impact on their wellbeing.

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	Mosaic data of service users	N/A
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	Current data on service users does not breakdown	N/A

No Belief)	by religion or belief.	
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.

See 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 outline which groups you may target and how you will have targeted them

Further information on consultation is contained within accompanying EqIA guidance

A consultation will take place. All clients, their cares and stakeholders will be consulted through a questionnaire and face to face engagements and drop in sessions in various locations in the borough will be arranged with the view to ascertain the views of current, their carers of the adults who receive service in Haringey.

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?

N/A at this stage.

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

Those affected will be either current or future service users of Adult Social care and where the council manages their DWP income.

1. Sex

As of August 2018, of the 188 service users whose income is managed by the council through DWP Appointeeship, there were 101 male users (54%) and 87 female users (46%). This proposal will therefore impact a slightly larger proportion of males. This is in contrast with the wider population receiving adult social care, where females are over-represented. 1881 Adult Social Care Service Users were female (54%) and 1625 were male (46%).

This compares to a broadly even gender split in the wider Haringey population, where 49% of residents are female and 51% are male.

There is limited concern around this protected characteristic, as males are only slightly more likely to be affected than females.

2. Gender reassignment

Data on gender reassignment among appointees is not available, so it is therefore not possible to say whether this group is more likely to be appointees or not. While there is not data to suggest that transgender people are more likely to be recipients of adult social care, according to the charity Stonewall this group is more likely to lack support from their families, and therefore could be more likely to become appointees.

During the consultation we will try to capture information from people who identify as transgender, to minimise any disproportionate impact the proposed changes could have on this group.

3. Age

As of 9 August 2018, of the 188 service users where the council manages their DWP income, 129 are 61+ (61%) and 59 are under 61 years of age (29%). This age group is also over-represented in the wider cohort of Adult Social Care users: of the 3514 Adult Social Care Users, 2038 are 61+ (58%).

While the proposal will impact all age groups, it is expected that the impact will fall mostly on those aged 61+.

During the consultation we will try to capture information from those aged 61+, to minimise any disproportionate impact the proposed changes could have on this group.

4. Disability

Care and support is provided to vulnerable adults all of whom have a disability. Adults who receive this service and where their DWP income is managed by the council through DWP Appointeeship will be affected by this proposal.

During the consultation we will try to capture information from people with a disability, to minimise any disproportionate impact the proposed changes could have on this group.

5. Race and ethnicity

As of 09 August 2018, the ethnicity of the 188 service users is as follows:

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Asian / Asian British	7	4%
Black / African / Caribbean / Black British	57	30%
Mixed / Multiple	2	1%
White	102	54%
Other Ethnic Group	9	5%
Unidentified	11	6%

The impact of this proposed change will impact across all ethnicity groups, however, there is likely to be a greater impact for the following groups: Black / African / Caribbean / Black British and White. This is expected as these groups are predominant in the people being provided the Appointeeship service, as well as Adult Social Care. This also supported by the overall Haringey data from the Haringey (2017 Greater London Authority) projections.

During the consultation we will try to capture information from people from different ethnic groups, to minimise any disproportionate impact the proposed changes could have on this group.

6. Sexual orientation

Data on sexual orientation among appointees is not available, so it is therefore not possible to say whether this group is more likely to be appointees or not. There is not data to suggest that LGBT people are more likely to be appointees, and therefore this group is not expected to be disproportionately impacted by the proposal.

During the consultation we will try to capture information from LGBT residents, to minimise any disproportionate impact the proposed changes could have on this group.

7. Religion or belief (or no belief)

Data on religion or belief among appointees is not available, so it is therefore not possible to say whether this group is more likely to be appointees or not. There is not data to suggest that people of certain faiths are more likely to be appointees, and therefore the proposal is not expected to have a disproportionate impact on this area.

During the consultation we will try to capture information from people of different religions, to minimise any disproportionate impact the proposed changes could have on this group.

8. Pregnancy and maternity

Data on pregnancy and maternity among appointees is not available, so it is therefore not possible to say whether this group is more likely to be appointees or not. However, given that the majority of appointees are aged 61+, there is not an expectation that this group is more likely to be appointees, and therefore the proposal is not expected to have a disproportionate impact on this area.

9. Marriage and Civil Partnership

Data on marriage and civil partnership status among appointees is not available, so it is therefore not possible to say whether one group is more or less likely to be appointees. There is not data to suggest that those in a marriage or civil partnership are more likely to be appointees, and therefore this group is not expected to be disproportionately impacted by the proposal.

10. Groups that cross two or more equality strands e.g. young black women

Older people with a disability are more likely to be impacted by the proposed changes, therefore during the consultation we will try to capture information from people from this group, to minimise

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any disproportionate impact the proposed changes could have on them.

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

Implementation of this proposal would affect current and future adult social care service users aged 18 and over, where the council manages their benefit income through Department for Work and Pensions (DWP) Appointeeship.

The policy will continue to provide an equitable process through current financial assessments and contributions based on affordability.

Analysis indicates that changes to the contributions policy could impact on the protected characteristics of disability, age and ethnicity. Consultation will seek to identify whether this is the case and to explore how the impact could be minimised.

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. 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.	N
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly set out below 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
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.	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 relevant protected characteristics are impacted?	Action	Lead officer	Timescale
Potential impact on income for any resident affected.	All subject to individual assessment and engagement with individual on any potential impact.	Raj Darbhanga	From date of implementation and ongoing.

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:

We will keep details of all individuals assessed for charging and monitor any impact.

7. Authorisation

EqIA approved by ..... (Assistant Director/ Director)	Date 24 April 2019

8. Publication

Please ensure the completed EqIA is published in accordance with the Council's policy.

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

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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 between those with a 'relevant protected characteristic' and those without one;
- Fostering good relations between those with a 'relevant protected characteristic' and those without one.

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 protect 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	Selective Property Licensing
Service area	Community Safety and Enforcement
Officer completing assessment	Lynn Sellar
Equalities/ HR Advisor	Hugh Smith
Cabinet meeting date (if applicable)	TBC
Director/Assistant Director	Stephen McDonnell Director Eubert Malcom AD

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*

Selective licensing is a tool that local Authorities can use to tackle issues within the private housing sector which is affecting them locally. A designation may be made to combat problems in an area experiencing Low housing demand, High Anti-social behaviour, poor property conditions, population churn, a high level of deprivation or high levels of crime. The proposed scheme will make it a legal requirement for owners of privately rented homes to licence those premises with the Council. The aim of the scheme is to ensure the private rented market offers good quality, safe housing for our tenants and to also ensure that these properties are well managed so that it doesn't impact on tenants and the local community alike.

At present research has been undertaken to evidence our need for a licensing scheme using data and information available to us about Haringey Borough, its residents, the effect the private rented market is having on our residents and the impact that poorly managed property has on Council services. The Licensing of Houses in Multiple Occupation (HMO) accommodation already exist within the borough.

The scheme will involve those persons responsible for single household privately rented properties to licence with the Council. The aim of the scheme is to improve living conditions for tenants and ensure the property is effectively managed. Key stakeholders will be ;-

- Tenants
- Landlords/letting agents
- Wider residents

The proposed scheme will require Consultation, Cabinet approval and approval from Secretary of State.

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	*Equalities Profile of Haringey – 2013 Mid Year estimates:* *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	
Gender Reassignment	*Borough wide profile not available*	
Age	*Equalities Profile of Haringey – 2013 Mid Year estimates:* *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	
Disability	*Equalities Profile of Haringey – 2013 Mid Year estimates:* *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	
Race & Ethnicity	*Equalities Profile of Haringey – 2013 Mid Year estimates:* *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	
Sexual Orientation	*Borough wide profile not available*	
Religion or Belief (or No Belief)	*Equalities Profile of Haringey – 2013 Mid Year estimates:* *http://www.haringey.gov.uk/sites/haringeygovuk/files/equalities_profile_of_haringey.pdf*	
Pregnancy & Maternity	*Borough wide profile not available*	
Marriage and Civil Partnership	*Equalities Profile of Haringey – 2013 Mid Year estimates:* *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.

Our research and data analysis has indicated that a Selective licensing scheme is required within predominantly the east of Haringey borough and is likely to cover at least 12 of the 19 wards in Haringey.

The scheme is legally only allowed to target privately rented homes and it is our proposal to include within this designation only those occupied by single households as other licensing scheme cover those privately rented homes which are multiply occupied.

Within the approved designation all groups who own, manage or live in privately rented accommodation are likely to be affected by the introduction of a property licensing scheme. 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 the 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 force 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.

Property Licensing can therefore 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 affected by low level neighbourhood anti-social behaviour such as fly tipping and noise.

Haringey is an exceptionally diverse and fast-changing borough.

Haringey has a population of 254,900 according to the 2011 National Census made up of 101,955 households. The number of households in Haringey has continued to increase since 2011.

The borough ranks as one of the most deprived in the country with pockets of severe deprivation in the east. Haringey is the 84th most deprived borough in England (based on those with the highest proportion of LSOAs that fall within the 10 per cent most deprived in England)

Home ownership in Haringey remains lower than London at 38.9% with the level of private renting amongst the highest in London. The level of over occupancy in Haringey is significantly above that for London.

The 2011 census recorded a reduction in full time workers and an increase in part time and self-employed workers. The 2011 census recorded that more people in Haringey identified as never having worked or in long-term unemployment than in London. Over a quarter of households (28%) living in Haringey have no adult in employment. This figure is similar to that of London as a whole.

Our key finding of our analysis in relation to key equalities characteristics are as follows:-

Age
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). 38% of the borough's population is aged 25-39, which is higher than the London level. The Borough has a higher proportion of young adults and a smaller proportion of older

people than in the rest of London. There are more children living in the East of our borough than in the west both in absolute terms and as a proportion of the population.

The private rented sector (PRS) is increasingly being used as an alternative to home ownership for young people who cannot afford to get onto the property ladder. We know that private renting is being used increasingly by families with young children. Haringey has a higher than average population of young adults and so it is likely that young adults are over-represented in the private rented sector.

Young children are over-represented in the private rented sector and notably in properties which are in poorer condition. Moreover, private renters are, on average, younger than social renters and owner occupiers, with a mean age of 40 years (compared with 52 years for social renters and 57 years for owner occupiers).

We do not have data on the age profile of landlords in Haringey. In the operation of this scheme we will take steps to monitor the extent to which affected landlords share the protected characteristics, including the extent to which older people are represented among landlords.

Disability
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.

In 2016-17, 23% of privately rented households in the UK reported a household member with a long-term illness or disability. It is therefore likely that a higher proportion of residents in the private rented sector have a long-term illness or disability than in the population of Haringey as a whole.

The English House Condition Survey 2015-16 identified that 23% of households in the private rented sector included at least one member who had a long-term illness or disability, lower than the proportion of such households in the social rented sector; where 49% of households included someone with a long-term illness or disability. Among owner-occupiers, 29% of households had at least one member with a disability or long-term illness. Although this is higher than in the private rented sector, this might be due to the fact that owners are in general older than renters and are therefore might more likely to have age-related illness or disability.

We do not have data on landlords in Haringey. In the operation of this scheme we will take steps to monitor the extent to which affected landlords share the protected characteristics, including the extent to which individuals with disabilities are represented among landlords.

Gender reassignment
The council does not have local data regarding this protected characteristic. There is no reason to believe that there will be specific impacts for this protected group and we will try to ensure that discrimination, harassment and victimisation is tackled based upon this and any other protected group.

Pregnancy and maternity

The number of children born to Haringey residents has been increasing year on year since 2002 in line with the London and England trend. The birth rate (births per 1000 of the population) in Haringey has been consistently higher than London in this period until 2008 and is now level with London. In 2012 there were 4,209 births in Haringey.

Lone parents, of whom the vast majority are women, are over-represented in the private rented sector and notably in properties which are in poorer condition relative to the population of Haringey as a whole.

Race and Ethnicity

Almost two-thirds of the borough's population, and over 70% of its young people, are from ethnic minority backgrounds. Haringey's population is the fifth most ethnically diverse 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 in the west of the borough to 83.4% in Northumberland Park in the east of the borough.

Both at a national level and in Haringey, BAME individuals are over-represented in the private rented sector and notably in properties which are in poorer condition. It is notable that migrants are more likely than UK nationals to live in private-rented accommodation.

We do not have data on the racial profile of landlords in Haringey. In the operation of this scheme we will take steps to monitor the extent to which affected landlords share the protected characteristics, including the extent to which BAME groups are represented among landlords.

Religion and belief

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 Islam (14.3%) – higher than London (12.3%) - and Judaism (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%).

We do not have local data regarding the representation of this protected group in the private rented sector. However, we know that recent and second-generation migrants in the UK are likely to live in the private rented sector rather than social or privately-owned housing. It is likely that a significant proportion of these individuals will be members of minority faith groups and are therefore represented among private rented sector tenants.

We do not have data on the religious/faith profile of landlords in Haringey. In the operation of this scheme we will take steps to monitor the extent to which affected landlords share the protected characteristics, including the extent to which faith groups are represented among landlords.

Sex
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.

The English House Condition Survey 2015-16 identified that 61% of households in the PRS had a male Household Reference Person (HRP). Lone parents, of whom the vast majority are women, are over-represented in the private rented sector and notably in properties which are in poorer condition.

Sexual orientation
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.

We do not have local data regarding the representation of this protected group in the private rented sector. There is no reason to believe that there will be specific impacts for this protected group and we will try to ensure that discrimination, harassment and victimisation is tackled based upon this and any other protected group.

Marriage and Civil partnership.
A third of the population of Haringey is made up of single households.
Lone parent households account for 10% of the borough's household make up.
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.

We do not have local data regarding the representation of this protected group in the private rented sector. There is no reason to believe that there will be specific impacts for this protected group and we will try to ensure that discrimination, harassment and victimisation is tackled based upon this and any other protected group.

People in marriages and people in civil partnerships will be treated the same in all aspects of the proposed scheme.

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

It is a statutory requirement for relevant stakeholders to be consulted as part of the Selective Licensing approval process.
The consultation period will be a minimum of 12 weeks, our approach will be to use a external company to undertake our consultation engagement and for the results to be independently evaluated by this third party to ensure compliance.

It is envisaged that a wide range of consultation techniques will be used to ensure that all sections of the community have an opportunity to take part. This includes:

- Email to landlords/Letting Agents operating in Haringey Council.
- Hand delivered letters to every household within the proposed designation area.
- Letters hand delivered to identified private sector properties in the borough.
- Leaflets, Posters and paper questionnaires distributed to Libraries.
- Information available on the Council's, web site.
- Officers attending the Borough Wide Neighbourhood Watch Meeting and local Neighbourhood Watch meetings.
- Details of the consultation emailed to all London Boroughs to share with their landlord' forums/letting agents.
- Press release by third parties, radio, local Journals and the press have been used in the past,
- Stakeholder engagement with organisations and groups such as :-
    - Bridge Renewal Trust
    - HFH Resident' Associations
    - Neighbourhood Watch representatives.
    - Landlords/agents
    - Met Police
    - London fire Authority

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?

None has yet been undertaken.

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** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

The outcome of licensing is to improve standards within the PRS, and so tenants of any sex are likely to be positively impacted. We can reasonably anticipate benefits for women, as the vast majority of lone parent households in Haringey are headed by women and these households are overrepresented in the private rented sector.

We have no data as to the sex of landlords in Haringey but the proposal will affect any landlord or letting agent equally regardless of their sex and we do not anticipate a disproportionate impact based on this protected characteristic.

Positive	X	Negative		Neutral impact		Unknown Impact	

2. **Gender reassignment** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

We do not have local data regarding the representation of individuals who identify as a gender different to the one they were assigned at birth in the private rented sector. Our consultation findings lead us to believe that there will not be specific impacts for this protected group, but we will ensure that this group will not be subjected to discrimination, harassment and victimisation due to their protected characteristic. If any inequity in treatment is identified we will take steps to rectify this.

Positive		Negative		Neutral impact		Unknown Impact	X

3. **Age** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

The private rented sector (PRS) is increasingly being used as an alternative to home ownership for young people who cannot afford to get onto the property ladder. We also know that private renting is being used increasingly by families with young children. Additional licensing is targeted at houses in multiple occupation, including properties, which are likely to be shared houses as well as bedsit and studio accommodation, which tend to be a cheaper forms of renting and therefore more accessible to young adults who are more likely to be on low incomes. The impact of this proposal for young people in the private rented sector is going to be positive as it will help ensure that the quality of accommodation they are accessing is good and that the landlord they are renting from is fit and proper..

We have no data as to the age of landlords in Haringey but the proposal will affect any landlord or letting agent equally regardless of their age and we do not anticipate a disproportionate impact based on this protected characteristic

Positive	X	Negative		Neutral impact		Unknown Impact	

4. **Disability** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

14% of Haringey residents have long term health problems that limits their day to day activity, which is lower than England but in line with London. 23% of households in the private rented sector included at least one member who had a long-term illness or disability. It is therefore likely that individuals with disabilities are over-represented among private-rented sector tenants and therefore those impacted by the proposal..

HMO licensing would not be able to take into consideration an individual tenant's disability or needs associated with their disability when applying standards. The effect of licensing overall however would be positive for these households in improving overall housing conditions.

We have no data as to how many landlords in Haringey have disabilities but the proposal will affect any landlord or letting agent equally and we do not anticipate a disproportionate impact based on this protected characteristic.

Positive	X	Negative		Neutral impact		Unknown Impact	

5. **Race and ethnicity** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

We know from the 2011 census that Haringey is the 5th most diverse borough in the country. 65% of residents come from non-white British communities.
In summary 45% of the population was born outside of Britain. The main nationalities of non-UK-born residents are Polish, Turkish, Jamaican, Irish, Ghanaian and Somalian.

Individuals and groups from ethnic minority backgrounds are over-represented among private-rented sector tenants. The impact of this proposal, in improving conditions in the private-rented sector, will therefore be positive overall for this protected characteristic.

We have no data as to the ethnicity of landlords in Haringey but the proposal will affect any landlord or letting agent equally regardless of their ethnicity and we do not anticipate a disproportionate impact based on this protected characteristic

Positive	X	Negative		Neutral impact		Unknown Impact	

6. **Sexual orientation** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

We do not have local data on the representation of LGBT individuals in private rented sector accommodation. Consultation findings relating to similar schemes lead us to believe that there will not be specific impacts for this protected group, but we will ensure that this group will not be subjected to discrimination, harassment and victimisation due to their protected characteristic. If any inequity in treatment is identified we will take steps to rectify this.

Positive		Negative		Neutral impact	X	Unknown Impact	

7. **Religion or belief (or no belief)** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

Haringey is one of the most religiously diverse places in the UK. At the time of the 2011 census the most common religion in Haringey was Christianity, accounting for 45% of residents, this is less than London. The next most common faith is Islam (14.3%) and Judaism (3%). Hindu and Sikh faiths are under-represented in Haringey compared to London. As we know the PRS is the most likely tenure for new communities and will therefore provide housing for a large diverse population it is very likely that different faith groups will be represented. Licensing will improve the condition of private rented housing and will therefore have a positive impact for households from religious minorities.

We have no data as to the faith of landlords in Haringey but the proposal will affect any landlord or letting agent equally regardless of their faith and we do not anticipate a disproportionate impact based on this protected characteristic

Positive	X	Negative		Neutral impact		Unknown Impact	

8. **Pregnancy and maternity** *(Please outline a summary of the impact the proposal will have on this protected characteristic and cross the box below on your assessment of the overall impact of this proposal on this protected characteristic)*

It is highly likely that due to the age demographics of those living in the PRS and the over-representation of lone parents that pregnancy and maternity is a characteristic that will be impacted on by licensing. The link between poor living accommodation and health is well evidenced, as is the impact of poor standards of accommodation on children's health and development. Licensing will affect positively on both maternity and pregnancy through improving these standards for residents.

Positive	X	Negative		Neutral impact		Unknown Impact	

9. **Marriage and Civil Partnership** *(Consideration is only needed to ensure there is no discrimination between people in a marriage and people in a civil partnership)*

People who are in a civil partnership will be treated the same as people who are married.

Positive		Negative		Neutral impact	X	Unknown Impact	

10. Groups that cross two or more equality strands e.g. young black women

Groups that are likely to be over-represented among those affected by the proposal include:

- Young women
- Young people from BAME communities
- Young people with disabilities
- Ethnic minority individuals with disabilities
- Ethnic minority individuals from minority faith communities

These groups are all likely to be over-represented in the private rented sector and are therefore all likely to be positively impacted by the proposal's aim to improve conditions in the private rented sector.

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 relevant protected characteristics?**
- **Will the proposal help to advance equality of opportunity between groups who share a relevant 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 relevant protected characteristic and those who do not?**

This analysis has concluded that, overall, the extension of HMO licensing is likely to have a positive impact on all tenants and those with protected characteristics in particular. Licensing will have the greatest impact on those who are disadvantaged and who have little or no choice but having to rent in the private sector, including specific groups of tenants who share protected characteristics. .

A key purpose of the scheme is to improve housing conditions and reduce property related antisocial behaviour which will benefit residents across all protected characteristics and particularly more vulnerable groups. 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. The proposal will therefore advance equality of opportunity to high quality housing for individuals and groups who share protected characteristics.

We do not anticipate any direct discrimination for any group that shares protected characteristics. The results of previous consultations has identified some potential adverse indirect impacts for lower income groups, particularly young people, migrants, single parents, if landlords decide to increase rents as a direct result of licensing. However, based on our existing licensing schemes in Haringey and that of other Councils who have introduced licensing, we believe that this is very unlikely to materialise and so the likelihood of this impact is very low.

The proposal will help to foster good relations between individuals and groups who share protected characteristics and those who do not by improving accommodation standards and fostering greater community stability for groups who are unable to access social housing or homeownership. Better managed private sector dwellings also improve the quality of life of many other Haringey residents, as they are often indirectly affected by low level neighbourhood anti-social behaviour such as fly tipping and noise

. .

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. 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.	Y
Adjust the proposal: the EqIA identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality. Clearly set out below 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*
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.	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 relevant 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:
The following measures will help to monitor the equalities impact of the proposal: • A full consultation with wide range of stakeholders • Assessment of any impact and feedback • Revising this EQIA based on consultation results • Use of Haringey's equalities monitoring form in the operation of the scheme and analysis of completed forms

7. Authorisation	
EqIA approved by ..... (Assistant Director/ Director)	Date .....

8. Publication *Please ensure the completed EqIA is published in accordance with the Council's policy.*

Please contact the Policy & Strategy Team for any feedback on the EqIA process.

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Haringey Council
Written Statement/Record of a decision made by an officer under delegated authority

Decision Maker (Post Title)	Director of Finance and Section 151 Officer
Subject of the decision	2021-22 Council Tax Base Report
Date of decision	31st January 2021
Decision	I approve the recommendation as set out in the attached report: That, the council tax base for 2021-22 is set at 76,544 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012; and That the assumed collection rate is set at 95.5% for 2021-22.
Reasons for the decision	The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the s151 officer in consultation with the cabinet member for Finance. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It represents a measure of the taxable capacity of the Council and when multiplied by the band D council tax rate indicates the Council's tax generating potential for that year.
Details of any alternative options considered and rejected by the officer when making the decision	No alternatives were considered as this is a requirement of a Statutory Instrument.
<u>Conflicts of interest – Executive decisions</u> **Details of any conflict of interest declared by a Cabinet Member who is consulted by the officer which relates to the decision and details of dispensation granted by the Council's Head of Paid Service**	None
<u>Conflicts of interest – Non executive decisions</u> **Where the decision is taken under an express delegation e.g. by a Committee, the name of any Member who declared a conflict of interest in relation to this matter at the committee meeting,**	N/A

Title of any document(s), including reports, considered by the officer and relevant to the above decision or where only part of the report is relevant to the above decision, that part) **These documents need to be attached to the copy of this record/statement kept by the Authority but must not be published if they contain exempt information**	2021-22 Local government finance settlement report including the 2021-22 council tax report that sets the referendum principle. https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2021-to-2022
Reasons for exemption with reference to categories of exemption specified overleaf, or **Reason why decision is confidential (see overleaf)** **Note: decisions containing exempt or confidential information falling within the categories specified overleaf are not required to be published.**	N/A
Communicating your decision: **Who needs to know about this decision and is a plan in place to tell them? (officers in your department, in other departments where necessary, members, external stakeholders).**	In accordance with the Council's constitution, the Cabinet Member for Finance has been consulted on the contents of this report.
Signature of Decision Maker	
Name of Decision Maker	Jon Warlow, Director of Finance and Section 151 Officer
Does the decision need to be published? **Yes** √ **No**	

Title: Council Tax base for 2021/22

Report authorised by: Jon Warlow, Director of Finance and Section 151 Officer

Lead Officer: Andrei Moclinda, Principal Accountant

Ward(s) affected: All
Report for Key/

Non-Key Decision: Key decision

1. Describe the issue under consideration

1.1. This report sets out the recommended Council Tax Base for 2021/22. Regulations require the council tax base to be set by 31st January each year.

2. Introduction

2.1. The determination of the council tax base is an important element of the Council's budget setting process. This is because, it is the estimated base that is multiplied by the average council tax amount to derive the amount of council tax precept that the Council will budget for in 2021/22.

2.2. A total of 672 additional properties have come into rating since the previous Council Tax Base report was published in January 2020. Compared to the actual pre-pandemic caseload, when projecting forward into 2021/22 the number of CTRS Claimants has increased by 6% for 2020/21 and is forecast to further increase by 9% for 2021/22.

2.3. A key element of the council tax base calculation is the projected collection rate. In-year monitoring of Council Tax collection has indicated a drop of 1% in the collection rate. As a result, this has been prudently adjusted down by 1% for 2021/22 – from 96.5% to 95.5%.

2.4. These adjustments have resulted in the number of Band D equivalent properties being reduced by 1,999 compared to the previous year. This equates to a decrease of approximately £2.7m compared to the last financial year (excluding any additional income that will arise from the proposed increase in the Band D amount and Adult Social Care Precept). The 2021/22 Budget/MTFSS 2021/26 to be reported to Cabinet on 9 February highlights the impact this will have on assumed income but acknowledges that this will largely be offset by the one-off Local Council Tax Support Grant allocation announced in the Spending Round 2020.

2.5. The Provisional Local Government Finance Settlement issued in December 2020 confirmed Local Authorities have the power to increase Council Tax by 1.99%, as well as to charge an additional 3% for the Adult Social Care Precept. As a result, and subject to Full Council approval on February 22nd, an increase of 4.99% in the Band D charge will be implemented and the financial impact forms part of the proposed Budget/Medium-Term Financial Strategy (MTFS).

3. Recommendations

3.1. That:

- the London Borough of Haringey's council tax base is **76,544** for the year 2021/22 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, detailed in Statutory Instrument 2012:2914 which came into force on 30th November 2012.

- the assumed collection rate will be 95.5% for 2021/22.

4. Reason for Decision

4.1. The Council is required to set its council tax base by the 31st January each year. The Council has delegated the decision for setting the council tax base to the Section 151 Officer in consultation with the Cabinet Member for Finance and Strategic Regeneration.

4.2. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It is the estimate of the taxable capacity of the Council, and when multiplied by the band D council tax rate, determines the Council Tax precept for next year.

5. Alternative options considered

5.1. No alternatives were considered as this is a statutory requirement.

6. Background information

6.1. The Council as Billing Authority is required to calculate the tax base for the Borough in order for it to calculate its own council tax and is also required to notify this figure by 31st January each year to any major precepting authority (the Greater London Authority) as well as the levying bodies (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority and London Pension Fund Authority) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.

6.2. The calculation of the council tax base is prescribed by regulations. It is the aggregate of estimated number of properties in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions which are likely to apply and any estimated increase / decrease in the list in the forthcoming year. The Council levies council tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D; these proportions are set out in statute. Finally, the council must estimate its rate of council tax collection for the year and apply this figure to arrive at the council tax base figure.

6.3. As a result of the Covid-19 Pandemic, the number of CTRS claimants is higher than in the previous year and is projected to increase further in 2021/22. The 2020/21 collection rate has also been impacted by the pandemic leading to a prudent 1% reduction in assumed collection rate for 2021/22 The Tax Base Calculation takes both of these into account.

6.4. The calculation below sets the tax base and not the council tax amount itself which is due to be set on 22nd February 2021 at Full Council.

7. Calculation of the Billing Authority's Council Tax base

7.1. The calculation is in two parts; 'A' (the Relevant Amount), which is the calculation of the estimated adjusted band D properties, and 'B', the estimated level of collection.

Relevant Amount

7.2. The calculation of 'A' – the relevant amounts for each band is complex and includes several calculations which are shown in detail in Appendices 1 & 2. The resultant relevant number of properties per band is summarised in the table below:

Band	Relevant Amount (i.e. Number of Dwellings)
A	2,878
B	9,122
C	21,655
D	20,010
E	10,911
F	6,807
G	7,400
H	1,368
TOTAL	**80,151**

***Relevant amounts have been rounded for presentation purposes**

7.3. The relevant amount (i.e. total number of properties after adjusting for estimated impact of proposed changes to CTRS) is 1,999 lower than the relevant amount for 2020/21. This decrease is attributed to the estimated 9% increase in CTRS Claimants and a 1% reduction in the collection rate.

Collection Rate

7.4. The collection rate (B) is the council's estimate of the proportion of the overall council tax collectable for the year that will ultimately be collected. This is expressed as a percentage.

7.5. In arriving at a decision on the collection rate a number of factors need to be taken into account which includes:

- Appeals against valuation
- The mobility of the local population, particularly in the private rented sector
- The level and timeliness of information available when properties are sold, or let *and*
- The customer's ability to pay

7.6. For 2021/22 collection rates are forecast at 95.5%.

Council Tax Base

7.7. The tax base is calculated by applying the following formula:

A x B = T

Where:

A is the total amount of the relevant amounts for that year
B is the authority's estimate of its collection rate for that year.
T is the calculated tax base for that year

7.8. In accordance with the requirements of the regulations and following the calculations in Appendix 1 to this report and above, the calculation of the Council Tax Base (T) for the London Borough of Haringey in 2021/22 is as follows:

2021/22	
Total Amount of Relevants (A)	80,151
X	
Collection Rate (B)	95.5%
Council Tax Base (T)	**76,544**

8. Contribution to Strategic Outcomes

8.1. The calculation of the council tax base is prescribed in law. Whilst the council tax base may have some impact on the Council's ability to generate revenue and therefore assist with delivery of corporate goals, the Council needs to adhere to the prescribed technical calculation set out by law in deriving its council tax base.

9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Chief Finance Officer's Comments

9.1. The council tax base set out in this report and any projected surplus/deficit on the council tax collection fund as at 31 March 2021 will be used to set the council tax amount for 2021/22 that will be recommended to Full Council on 22nd February 2021 .

Assistant Director of Corporate Governance's Comments

9.2. Article 4, part 2, section 4.01 of the Council's constitution delegates the decision on setting the council tax to the s151 officer in consultation with CAB and the Cabinet Member for Finance.

9.3. The Local Government Finance Act 1992 requires the Council to calculate its council tax base by the 31st January in calculating the council tax amount due in the following financial year and to also notify all precepting/levying bodies of its council tax base.

Equality Comments

9.4. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

9.5. 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.

9.6. The proposed decision is to Haringey's Council Tax base and the assumed collection rate for 2021/22. The Council as Billing Authority has a statutory duty to calculate the tax base for the borough and notify this figure to the relevant authorities annually on January 31st. Forecast calculations have been modelled using data gathered from previous years and information on new properties in the borough.

9.7. It is forecast that the number of Council Tax Reduction Scheme (CTRS) claimants will be higher than in the previous year due to the impact of the Covid-19 pandemic, and it is projected to increase further in 2021/22. This impacts the collection rate noted in the report. Calculating the boroughs tax base does not impact on a resident's ability to access the CTRS and will have a neutral or no impact on those with a protected characteristic.

10. Use of Appendices

10.1. Appendix 1 & 2 – Calculation of the estimated adjusted band D properties for the London Borough Haringey 2021/22.

11. Local Government (Access to Information) Act 1985

11.1. For access to the background papers or any further information please contact Andrei Moclinda, Principal Accountant.

APPENDIX 1

Calculation of the Billing Authority's Tax Base

1 Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (S.I. 1992 No.612) and amended by (S.I. 2012 No. 2914) states that a Billing Authority's Council Tax Base for a financial year shall be calculated by applying the formula –

'A' x 'B'

Where 'A' is the total of the relevant amounts for each of the Valuation Bands which are shown or likely to be shown in the Authority's Valuation list as at 30 November in the year prior to the year in question, adjusted for estimated discounts, exemptions, disregards, increases / decreases; and where 'B' is the Authority's estimate of its collection rate for that year.

2 The Regulations state that item **'A'** should be calculated by applying the following formula:

((H – Q + E + J) – Z (F / G) where

H is the number of chargeable dwellings in that band

Q is a factor to take account of the discounts of council tax payable. It is calculated as Q = (R x S)

R is the number of discounts estimated to be payable in respect of these dwellings

S is the percentage relating to each discount classification

E is a factor to take account of any premiums to be added to the Council tax base

J is the amount of any adjustment in respect of changes in the number of chargeable dwellings, discounts or premiums calculated by the authority in accordance with paragraph 7 due to factors such as:

(a) New properties and properties being banded

(b) Variations in number of exempt properties

(c) Successful Appeal against bandings

(d) Variations in the number of discounts

Z is the total amount that the authority estimates will be applied in relation to the authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band.

F is the relevant prescribed proportion of council tax to be paid for each dwelling in that band.

G is the relevant prescribed proportion of council tax to be paid for Band D

APPENDIX 1

3 Appendix 2 sets out the detailed calculations for **A** for the London Borough of Haringey but the summary is set out below:-

Calculation Item	Disabled Band A	A	B	C	D	E	F	G	H	2021/22 Total
H	-1	7,807	19,014	34,078	26,352	10,890	5,336	4,653	694	**108,824**
Q	0	-1,089	-2,441	-3,057	-1,655	-595	-216	-149	-18	**-9,220**
E	0	69	92	55	80	24	14	12	14	**360**
J	0	0	0	0	0	0	0	0	0	**0**
(H-Q+E+J)	**-1**	**6,788**	**16,665**	**31,076**	**24,777**	**10,320**	**5,134**	**4,516**	**690**	**99,965**
Z	0	-2,470	-4,937	-6,714	-4,767	-1,392	-421	-76	-6	**-20,784**
(H-Q+E+J) - Z	**-1**	**4,318**	**11,728**	**24,362**	**20,010**	**8,927**	**4,712**	**4,440**	**684**	**79,181**
F/G		0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
((H-Q+E+J) - Z) x (F/G)		**2,878**	**9,122**	**21,655**	**20,010**	**10,911**	**6,807**	**7,400**	**1,368**	**80,151**

The table below compares the 2021/22 calculations with those for 2020/21 and highlights where the biggest changes are estimated to occur.

Calculation Item	2020/21 Tax Base	2021/22 Tax Base	Change
H	108,142	108,824	682
Q	-9,084	-9,220	-136
E	132	360	228
(H-Q+E)	**99,191**	**99,965**	**775**
Z	-18,685	-20,784	-2,099
(H-Q+E) - Z	**80,506**	**79,181**	**-1,324**
((H-Q+E) - Z) x (F/G)	**81,392**	**80,151**	**-1,241**
Collection Rate	96.50%	95.50%	
Council tax base	**78,543**	**76,544**	**-1,999**

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Annex 2

Cash Limit analysed at Priority Level 2021/22

Priority Area	2021/22 £000
Housing	16,104
People - Children	57,800
People - Adults	82,740
Place	23,667
Economy	6,641
Your Council	35,124
Council Wide	27,001
Council Cash Limit	249,077

n.b. some minor budget re-allocations have taken place between the Priority budgets since the Cabinet report of 9th February 2021, while the total Council cash limit remains unchanged.

Annex 3a

Haringey Council – Reserves Policy

Background

1. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.

2. CIPFA has issued Local Authority Accounting Panel (LAAP) Bulletin No.55, Guidance Note on Local Authority Reserves and Balances and LAAP Bulletin 99 (Local Authority Reserves and Provisions). Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.

3. This note sets out the Council's policy for compliance with the statutory regime and relevant non-statutory guidance.

Overview

4. The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management.

5. The Council will maintain:

   - a General Fund general reserve;
   - a Housing Revenue Account (HRA) general reserve; and
   - a number of earmarked reserves.

6. Additionally, the Council is required to maintain ***unusable*** reserves to comply with accounting requirements although, as the term suggests, these reserves are not available to fund expenditure.

General Fund general reserve

7. The purpose of the general reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should mitigate against immediate service reductions if there were any unforeseen financial impacts.

8. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves. The level will be expressed as a cash sum over the period of the general fund medium-

term financial strategy. The level will also be expressed as a percentage of the general funding requirement (to provide an indication of financial context).

HRA general reserve

9. The purpose of the HRA general reserve is similar to the General Fund general reserve above except applied to the ring-fenced HRA. The HRA 10-year Financial Plan assumes a revenue contribution to capital outlay (RCCO). This will enable the council to react to changes in government policies and manage risks associated with the extensive expansion programme. The plan also assumes a working balance of £14.2m.

Earmarked reserves

10. The purpose of earmarked reserves is to enable sums to be set aside for specific purposes or in respect of potential or contingent liabilities where the creation of a provision is not required or permitted.

11. The Council will maintain the following earmarked reserves:

a. Schools Reserve - This balance represents the net balances held by the Council's 61 schools. The Secretary of State for Education allows Local Authorities to have within their Scheme for Financing Schools, a provision whereby surplus balances that are deemed excessive can be withdrawn from the school in question and applied elsewhere within the Dedicated Schools Budget.

b. Transformation Reserve - This reserve is earmarked for the costs associated with the Council's Transformation programmes including the investment necessary to deliver longer term efficiencies and change, together with the associated costs of redundancies and decommissioning.

c. Services Reserve - It is Council policy that services may request funds to be carried forward, subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained. This reserve also includes the Dedicated Schools Grant (DSG) balance which is currently a negative £10.2m balance with a further £6.5m estimated to be added at the end of 2020/21. It is planned that this amount will be recouped in future years to bring this into a positive position. Government guidance is that this balance cannot be met from general fund resources without secretary of state approval.

d. PFI lifecycle Reserve - The PFI reserve is increased by PFI grant received in excess of contractual payments. This will be utilised to fund future years' PFI related costs.

e. Treasury Reserve - this reserve represents funds the Council has set aside for the potential repayment of debt and for funding of future capital expenditure.

f. **Insurance Reserve -** The Council self-insures a number of risks including liability, property and theft. Insurance claims are erratic in their timings and so the Council maintains a reserve to smooth the charge to the Council's revenue account in the same way as a premium to an external insurance provider would smooth charges to the revenue account.

g. **Unspent Grants Reserve -** This reserve holds grant income recognised in the CIES when received, but which will finance related expenditure in future years.

h. **Labour Market Growth Resilience Reserve -** It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

i. **Financing Reserve -** The financing reserve is a key tool for managing the impact of financial plans from one year to another. This reserve requires balances to be at different levels year to year depending on the demand as identified through previous and current budget plans.

j. **IT Infrastructure Reserve -** The Council has built into base budgets, a limited provision for the planned maintenance and renewal of certain assets as, by their nature these costs are irregular in their occurrence. The IT infrastructure reserve spreads the charge to revenue for this type of expenditure.

k. **Resilience Reserve -** This reserve will be used as a one-off measure to offset non-delivery / delay of planned savings and other budget risks contained within the MTFS. It will provide additional robustness and financial resilience for the Council.

l. **Covid-19 Reserve -** This grant reserve is to help mitigate the costs and loss of income that will arise from the COVID-19 Pandemic. The opening balance represents a payment of £8.1m made by central government to the Council at the end of March 2020 which by accounting rules must be recognised as revenue immediately and transferred to reserves. This will be utilised in full in the 2020/21 financial year. It is likely that further sums, including Section 31 grants in respect of business rate reliefs, will be transferred to this reserve as part of the 2020/21 year end process.

m. **Homes for Haringey Reserve:** This reserve is earmarked for Homes for Haringey and it helps to fund the Company's innovation, growth and unforeseen cost pressures. The use of this reserve is regulated by the Management Agreement with the Council. Homes for Haringey may request the Council to consider proposals to use this reserve during the financial planning process.

Management and control

12. The schools reserve and the insurance reserve are clearly defined and require no further authority for the financing of relevant expenditure.

13. The use of all other reserves requires budgetary approval in the normal way.

14. All reserves are reviewed as part of the budget preparation, financial management and closing processes.

Reporting and review

15. The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves where necessary. The Corporate Committee will consider actual reserves when approving the statement of accounts each year.

16. The Council will review the reserves policy on an annual basis.

Annex 3b

RESERVES AND THEIR ADEQUACY

1. General Fund General Reserve

1.1. The judgement on the adequacy of the general fund general reserve needs to reflect the risk management and financial control processes that are in place, and the residual risk of emergencies or unexpected events. For this purpose, identification of the key risks is done in three ways:

- identification of risks during the financial planning and budget setting process as set out in the main report;
- risk assessment of the agreed investment and savings proposals in the agreed budget package, and;
- key risks identified, monitored and managed through the Council's risk management strategy and framework.

1.2. The calculation of the potential financial impact of these assessed risks has been undertaken and in the light of this, it is considered that the level of the General Fund un-earmarked balance which is maintained at £15.8m during 2021/22 is appropriate.

1.3. The risks set out in Annex 3c assess a potential financial impact at £20.8m for 2021/22; the Chief Finance Officer (CFO) regards the range set out above as being sufficient to cover the potential risks. It is, however, clear that resources for managing potential risk are not significantly greater than the level of risk identified, so the CFO is specifically highlighting the need for robust budget management in 2021/22 including the efficient delivery of agreed savings.

1.4. The 2021/22 figure for general balances (£15.8m) represents 6.3% of the Council's budget requirement.

1.5. The estimates of the reserves position at period 10 2020/21, including earmarked and un-earmarked reserves for the General Fund, Schools and the HRA are detailed in the following table. It should be noted however, that by the nature of these reserves, the timing of when draw down may be required is uncertain and thus unless specific timeframes have been identified no draw down is assumed.

Annex 3b - Projected Reserves Position (Based on the position at Period 10 - 2020/21)

		FORECAST			
Description (£'000)	**Balance at 31/03/20**	**Transfer In 2020-21**	**Transfer Out 2020-21**	**Transfers during Qtr4**	**Balance at 31/03/21**
General Fund Reserve	**(15,827)**	**0**	**0**		**(15,827)**
General Fund earmarked reserves:					
Insurance reserve	**(6,240)**	0	0		(6,240)
Financing reserve *	**(1,691)**	0	0		(1,691)
Transformation reserve	**(10,646)**		1,300	2,753	(6,593)
IT infrastructure reserve	**0**	0	0		0
Schools reserve	**(10,325)**	(9)	9		(10,325)
Services reserve	**(6,826)**	(70)	291		(6,605)
PFI lifecycle reserve	**(15,080)**	0	0		(15,080)
Treasury reserve	**(5,046)**	0	0		(5,046)
Unspent grants reserve	**(8,978)**	0	609		(8,369)
Labour market growth resilience reserve	**(513)**	0	67		(445)
Budget resilience reserve	**(7,303)**	0	0		(7,303)
GF earmarked reserves:	**(72,648)**	**(79)**	**2,276**	**2,753**	**(67,698)**
DSG Deficit Balance	**10,200**			6,500	16,700
Covid 19 grant reserve	**(8,094)**			8,094	0
Total General Fund Usable Reserves	**(86,369)**	**(79)**	**2,276**	**17,347**	**(66,825)**
Housing Revenue Account (HRA)	**(14,874)**	**0**	**0**	**0**	**(14,874)**
HRA earmarked Reserves:					
Homes for Haringey	**(709)**	**0**	**0**	**0**	**(709)**
HRA earmarked reserves	**(709)**	**0**	**0**	**0**	**(709)**
Total HRA Usable Reserves	**(15,583)**	**0**	**0**	**0**	**(15,583)**

** n.b. any of the Collection Fund surplus (£8.8m) not required to balance the 2020/21 budget is expected to be moved into this reserve at Year End*

Annex 3c

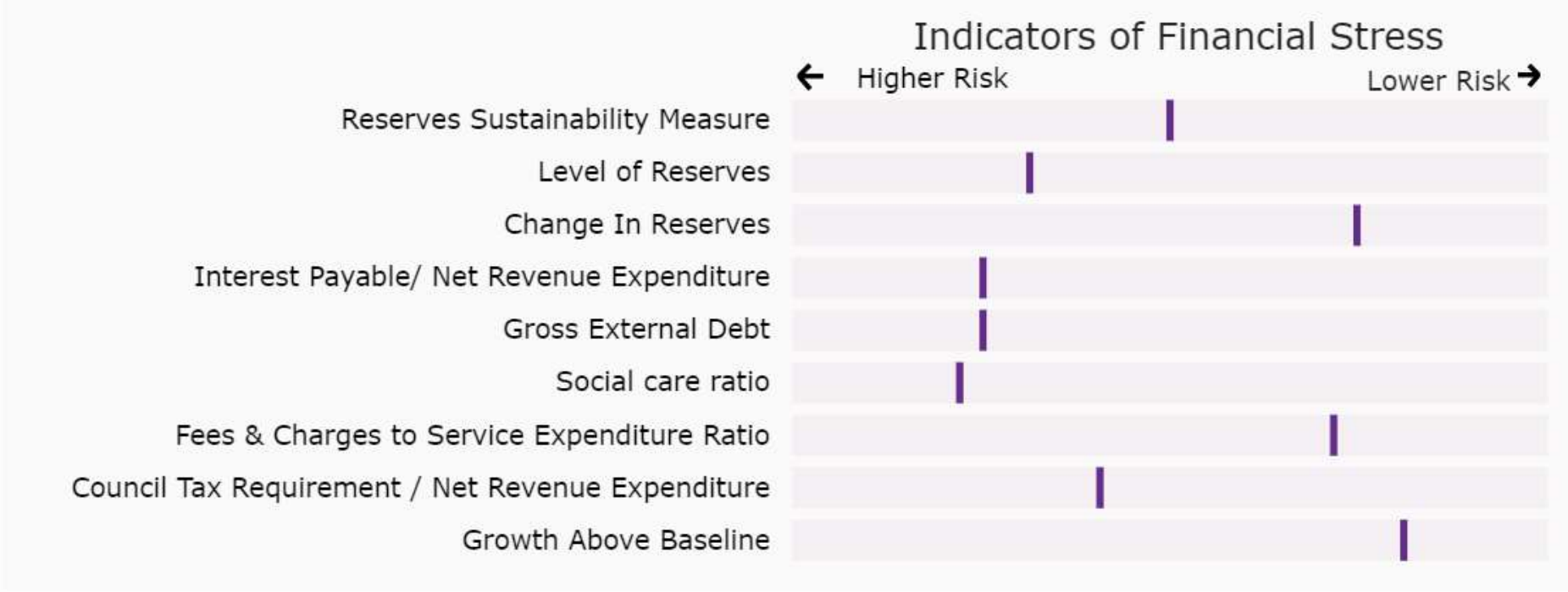
Adequacy of Reserves - Risk Assessment 2021/22

Three key assessment areas:

1. Identification of risks via the financial planning and budget setting process as set out in the main report;
2. Risk assessment of the agreed investment and budget reductions proposals in the proposed budget package, and;
3. Key risks identified, monitored and managed through the Council's risk management strategy in the corporate risk register.

	Net Budget Exposure	Risk	Residual Impact
	£m	%	£m
1. Budget Process			
Children's Services	57.8	A High-level risk assessment (10%) has been applied to the budget amount potentially at risk	14.8
Adults Social Services	82.7		
Temporary Accommodation	7.5		
2. Budget Reduction Proposals			
- Delivery Programme	10.3	High risk (10%) on savings proposals for 2021/22	1.0
3. Other Service Unidentified Risks		Estimated	5.0
Total Risks			**20.8**
Less Resilience Reserve			7.3
Less un-earmarked (General) reserves for the above			15.8
Available after risks			**2.3**

CIPFA Financial Resilience Index – Comparison with London Boroughs



Indicator	Description	Relationship to risk and interpretation
Reserves Sustainability Measure	This indicator is the ratio between the current level of reserves and the average change in reserves in each of the past three years. A negative value (which implies reserves have increased) or one greater than 100 is recoded to 100.	The indicator provides a measure of how long (in years) it will take for a council to completely denude its reserves, if they continue to use reserves at the same rate as in the previous three years. A low value suggests that there is a risk that the authority will run out of reserves. A high value says, that on current trends, they are unlikely to deplete their reserves.
Level of Reserves	This is the ratio of the current level of reserves (total useable excluding public health & schools) to the council's net revenue expenditure. We have set the figure at 100% for a small number of district councils to remove the impact of extreme outliers.	A low level of reserves may indicate that a council has low capacity to cope with financial shocks. It will also face a risk should expenditure exceed income.
Change in Reserves	This indicator shows the average percentage change in reserves (total useable excluding public health and schools) over the past three years.	A council that is using up its reserves may be at risk if they do not move to a more balanced budget.
Interest Payable / Net Revenue Expenditure	This indicator is the ratio of Interest Payable and Net Revenue Expenditure.	This indicator aims to provide a better insight in terms of the budget flexibility of a council. Should a council have a high proportion of its expenditure dedicated to repaying debt, this could limit the council's flexibility to make further savings.
Gross External Debt	This indicator compares the gross external debt held by the council to the total revenue reserves (excl. Schools and Public Health).	This is a cover ratio that would give some idea of how proportionate a council's borrowing activity is compared to the reserves of the authority.
Social care ratio	This indicator is the ratio of total spending on adults' and children's social care to net revenue expenditure.	This indicator provides a measure of the degree of flexibility within a council's budget. Spending on these items is less likely to be reduced compared to other categories. A high ratio suggests the council has little flexibility to make further savings, potentially leading to risk.
Fees & Charges to Service Expenditure Ratio	This indicator shows the proportion of fees and charges against the council's total service expenditure.	Fees and charges are an increasing source of income. Thus, compared to the service expenditure a council incurs, a relatively low level of fees and charges may suggest a limited capacity to ensure budget flexibility.
Council Tax Requirement / NRE	This indicator shows the ratio of council tax as a proportion of net expenditure.	As locally raised council tax becomes more important, a lower ratio may be associated with difficulties in raising the income necessary to support spending.
Growth Above the Baseline	The Growth above the baseline figure is calculated as the difference between the baseline funding level and retained rates income, over the baseline funding level. The data for this is obtained from the RO and the 2019/20 Business Rates Levy and Safety net calculator.	A higher growth above the baseline may indicate a larger risk.

Annex 4

London Borough of Haringey
Treasury Management Strategy Statement 2021/22

1. Introduction

1.1. Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

1.2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

1.3. Investments held for service purposes or for commercial profit are considered are considered in section 6 of this report, in line with the 2018 MHCLG Guidance.

2. External Context – provided by the Council's appointed treasury advisor, Arlingclose

2.1. **Economic background:** The impact on the UK from coronavirus, lockdown measures, the roll out of vaccines, as well as the trading arrangement with the European Union (EU), will remain a major influence on the Authority's treasury management strategy for 2021/22.

2.2. The Bank of England (BoE) maintained Bank Rate at 0.10% in December 2020 and Quantitative Easing programme at £895 billion having extended it by £150 billion in the previous month. The Monetary Policy Committee (MPC) voted unanimously for both, but no mention was made of the potential future use of negative interest rates. In the November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks to the economic outlook outlined in the November MPR.

2.3. UK Consumer Price Inflation (CPI) for November 2020 registered 0.3% year on year, down from 0.7% in the previous month. Core inflation, which excludes the more volatile components, fell to 1.1% from 1.5%. The most recent labour market data for the three months to October 2020 showed the unemployment rate rose to 4.9% while the employment rate fell to 75.2%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In October, the headline 3-month average annual growth rate for wages were 2.7% for total pay and 2.8% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.9% while regular pay was up 2.1%.

2.4. GDP growth rebounded by 16.0% in Q3 2020 having fallen by -18.8% in the second quarter, with the annual rate rising to -8.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well below its pre-pandemic peak. Looking ahead, the BoE's November MPR forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

2.5. GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in November, the fourth successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

2.6. The US economy contracted at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

2.7. Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization

2.8. **Credit outlook:** After spiking in late March as coronavirus became a global pandemic, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainty around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 is likely to be significantly lower than in previous years.

2.9. The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

2.10. Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, as does the UK not achieving a Brexit deal, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

2.11. **Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

2.12. Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central

case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

2.13. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

2.14. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 0.75%, and that new long-term loans will be borrowed at an average rate of 3.0%.

3. Local Context

3.1. On 30th November 2020, the Authority held £509.9m of borrowing and £46.4m of treasury investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1a: Balance sheet summary – cumulative forecast Capital Financing Requirement (CFR) and borrowing balances

	31.3.20 Actual £m	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
General Fund CFR	449.2	614.9	748.0	853.3	924.0	963.2	949.9
HRA CFR	274.3	424.9	552.9	737.2	912.9	1036.2	1058.6
Total CFR	**723.4**	**1039.8**	**1,300.9**	**1,590.5**	**1,836.9**	**1,999.4**	**2,008.5**
Less: Other debt liabilities *	-31.2	-27.3	-23.5	-19.5	-15.3	-10.9	-08.4
Loans CFR	**692.3**	**1012.5**	**1,277.4**	**1,571.0**	**1,821.6**	**1,988.5**	**2,000.1**
Less: Internal borrowing	-160.6	-200.6	-200.5	-200.3	-200.1	-201.9	-196.0
CFR Funded by External Borrowing	**531.7**	**811.9**	**1077.0**	**1,370.7**	**1,621.5**	**1,786.5**	**1,804.1**
Breakdown of external borrowing:							
Existing Borrowing**	531.7	495.4	480.9	473.5	452.3	445.6	441.1
New Borrowing to be raised	0.0	316.5	596.0	897.3	1169.2	1,340.9	1,363.0

* leases and PFI liabilities that form part of the Authority's total debt

** shows only loans to which the Authority is committed and excludes optional refinancing

3.2. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

3.3. The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £1,363m over the forecast period.

3.4. CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1a shows that the Authority expects to comply with this recommendation during the course of the MTFS.

3.5. The capital plans which underpin the borrowing requirement above are dealt with in the council's main budget report (in particular the Capital Strategy section). All of the Council's capital programme is robustly scrutinised and tested to ensure that the capital plans are affordable and prudent. The above shows the five year effects of the Council's capital programme, however all capital plans are assessed in their entirety (i.e. some schemes are for a greater than 5 year time frame).

3.6. The breakdown of the borrowing position at each financial year end for both the General Fund and the HRA is shown below:

Table 1b: Year end borrowing position summary

	31.3.20 Actual £m	31.3.21 Estimate £m	31.3.22 Forecast £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
General Fund (GF)	242.0	386.6	523.7	633.1	708.3	750.0	745.1
Housing Revenue Account (HRA)	289.7	425.3	553.2	737.6	913.2	1036.5	1058.9
Total	**531.7**	**811.9**	**1,077.0**	**1,370.7**	**1,621.5**	**1,786.5**	**1,804.1**

4. Borrowing Strategy

4.1. The Authority currently holds £495m million of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1a shows that the Authority expects to increase its borrowing by up to £596m by the end of 2021/22. The Authority may also borrow additional sums to reduce its existing internal borrowing to satisfy future years' borrowing requirements, providing this does not exceed the authorised limit for borrowing as set out in table 2 of this report.

4.2. **Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

4.3. **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. However, given the size of the Council's capital programme, and the need to diversify the Council's debt portfolio to further minimise refinancing risk. Long term borrowing will also be required during 2021/22, so the strategy will be to fulfil the Council's borrowing requirement during the financial year with a mixture of long and short term borrowing.

4.4. By doing so, the Authority is able to reduce net borrowing costs. The benefits of short term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2021/22 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

4.5. The Authority has in recent years raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pension funds and local authorities, and may investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority has not done this in the past and has no plans to engage in such activity, and will thus retain its access to PWLB loans.

4.6. Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

4.7. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Haringey Pension Fund and the London Collective Investment Vehicle)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

4.8. **Other sources of debt finance:** In addition, capital finance may be raised using methods that are not borrowing, but may be classed as other debt liabilities. Where any of these alternative sources of financing are to be utilised, further approvals would be required in line with the Council's Constitution:

- Leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

4.9. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report.

4.10. **LOBOs:** The Authority holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £75m of these LOBOs have options during 2021/22, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so, however, it recognises that lenders are highly unlikely to offer this while the interest rates on existing loans remain above prevailing rates.

4.11. Some LOBO lenders are now open to negotiating premature exit terms from LOBO loans via payment of a premium to the lender. Haringey Council's policy will be to exit LOBO agreements if the costs of replacing the loans, including all premium, transaction and funding costs, generate a material net revenue saving for the Council over the life of the loan in net present value terms, and all costs are consistent with Haringey's approved medium term financial strategy. Whether to repay a LOBO loan will be determined by the S151 Officer, in line with Haringey's constitution.

4.12. When loans are prematurely repaid, there is usually a premium payable to the lender, to compensate them for interest forgone at the contractual rate, where prevailing interest rates are lower. Haringey would need to refinance LOBOs by raising borrowing for both the original sum borrowed, and the premium payable to the lender. However, this type of arrangement can prove beneficial where interest savings exceed premium costs. Replacing LOBOs, that contain an option for lenders to increase the rate, with fixed rate debt will reduce refinancing and interest rate risk.

4.13. As the Council's borrowing portfolio grows in line with its capital spending plans, the LOBOs will continue to shrink as a proportion of the Council's total borrowing.

4.14. **Short-term and variable rate loans**: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

4.15. **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

4.16. **Borrowing Limits:** The council's total borrowing limits are set out in table 2 below.

4.17. The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The Indicator separately identifies borrowing from other long term liabilities such as finance leases. The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

4.18. The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit. The Operational Boundary and Authorised Limit apply at the total level.

4.19. The Chief Finance Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Corporate Committee.

Table 2: Borrowing Limits

	2020/21 limit £m	2021/22 limit £m	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m
Authorised limit – borrowing	979.6	1,207.4	1,501.0	1,751.6	1,918.5	1,930.1
Authorised limit – PFI & leases	30.9	31.0	25.7	20.2	14.4	11.1
Authorised limit – total external debt	**1010.5**	**1,238.4**	**1,526.7**	**1,771.8**	**1,932.9**	**1,941.2**
Operational boundary - borrowing	929.6	1,157.4	1,451.0	1,701.6	1,868.5	1,880.1
Operational boundary – PFI & leases	28.1	28.2	23.4	18.4	13.1	10.1
Operational boundary – total external debt	**957.7**	**1,185.6**	**1,474.4**	**1,720.0**	**1,881.6**	**1,890.2**

5. Treasury Investment Strategy

5.1. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £31.9 and £166.6 million, and similar levels are expected to be maintained in the forthcoming year. It is a requirement of the Markets in Financial Instruments Directive II (MiFID) that the Council maintains an average investment balance of at least £10m, in order to maintain professional client status (see also paragraph 11.7)

5.2. **Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

5.3. **Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

5.4. **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to maintain its policy of utilising highly creditworthy and highly liquid investments such as loans to other local authorities, AAA rated money market funds and the Debt Management Office (part of HM treasury). If the Authority were to consider diversifying into more secure and/or higher yielding asset classes during 2021/22, in particular for the estimated £10m that is available for longer-term investment due to being required for the MiFID professional client status, this would be the subject of further reports as it would represent a change in.

5.5. **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

5.6. **Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time Limit	Counterparty Limit	Sector Limit
The UK Government	50 years	£Unlimited	N/A
Local authorities & other government entities	25 years	£5m	Unlimited
Banks (secured)*	2 years	£5m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building Societies (unsecured) *	13 months	£5m	£20m
Reigstered providers (unsecured) *	5 years	£5m	£20m
Money market funds	N/A	£5m	Unlimited
Strategic pooled funds	N/A	£5m	Unlimited
Real Estate Investment Trusts	N/A	£5m	Unlimited

5.7. **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

5.8. **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

5.9. **Bank Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

5.10. **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

5.11. **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

5.12. **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over banks of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

5.13. **Pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

5.14. **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

5.15. **Operational bank accounts:** The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

5.16. **Risk assessment and credit ratings**: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.17. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.18. **Other information on the security of investments**: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

5.19. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

5.20. **Investment limits**: The Authority's revenue reserves available to cover investment losses are forecast to be £5 million on 31st March 2021. In order that no more than 100% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

5.21. Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral

development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

	Cash limit
Any single organisation, except the UK Central Government	£5 m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£5m per country
Registered providers and registered social landlords	£5m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates	£5m in total
Money market funds*	£25m in total
Real estate investment trusts	£5m in total

* These limits apply for both Haringey Council and Haringey pension Fund, so the limit for Money Market Funds is £5m per MMF and £25m aggregate limit for the Council, and £25m for the Pension Fund.

5.22. **Liquidity management**: The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

6. Investment Strategy

6.1. Non Treasury Management Investments

6.1.1. The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

6.1.2. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

6.2. Treasury Management Investments

6.2.1. The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £10 million and £50 million during the 2021/22 financial year.

6.2.2. **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

6.2.3. **Further details:** Full details of the Authority's policies and its plan for 2021/22 for treasury management investments are covered in the previous section, section 5 of this report.

6.3. Service Investments

6.3.1. **Contribution:** The Council lends money to third parties such as its subsidiaries, its suppliers, local businesses, local charities, housing associations, local residents and its employees to support local public services and stimulate local economic growth.

6.3.2. **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, it will be ensured that any new loans made will remain proportionate to the size of the Authority. Balances as at 31.03.2020 were as follows:

Table 5: Loans for service purposes in £ millions

Category of borrower	31.3.2020 actual		
	Balance owing	Loss allowance	Net figure in accounts
Subsidiaries	16.9	-0.3	16.6
Local businesses	4.7	-0.7	4.0
Local charities	47.9	-43.5	4.3
Local residents	0.1	0.0	0.1
Employees	0.1	0.0	0.1
TOTAL	**69.7**	**-44.6**	**25.2**

6.3.3. The largest balance above relates to Alexandra Palace debts (shown under local charities). There are historic debt balances owed by the Trust that have not been legally discharged, totalling £47.9m. Much of this loan, £43.1m, is legally outstanding but does not currently have repayments being made, this debt dates back to previous decades when the Council expended funds on behalf of the Trust. Although the £43.1m debt has not been legally discharged, the Council has agreed that it will only seek to recover this when the Trust is in a position to repay amounts due. The remainder of the outstanding amount are more recent loans relating to works carried out on the Ice Rink and West Storage Yard – these are being repaid in line with the original loan agreements. The loans to local business include the opportunity investment fund, and a loan to a business who operates some of Haringey's leisure facilities.

6.3.4. Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts from 2019/20 onwards are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

6.3.5. **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans by weighing up the service outcomes any such loan could provide against the creditworthiness of the recipient. This is done on a case by case basis, given the low number of such arrangements. This forms part of the Council's capital programme, further details of which are in the Council's annual medium term financial strategy.

6.4. **Commercial Investments: Property**

6.4.1. Contribution: The Council holds properties which are classified as 'investment properties' in the Council's statement of accounts. These properties are all within the local area, therefore contributing to the Council's local placemaking duties, and include approximately 200 shops, offices and other commercial premises. The revenue stream associated with these (net of the costs of maintaining the properties) forms part of the Council's annual budget, therefore contributing to the resources available to the Council to spend on local public services. Any future acquisitions that the Council makes in this area will be made with reference to the CIPFA Prudential Property Investment guidance issued in 2019.

6.4.2. The value of investment properties disclosed in the 2019/20 statement of accounts was £88.6m.

7. Capacity, Skills, Culture and Advice

7.1. CIPFA's Treasury Management Code of Practice requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

7.2. Given the significant amounts of money involved, it is crucial members have the necessary knowledge to take treasury management decisions. Training sessions are arranged for members to keep their knowledge up to date.

7.3. The needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

7.4. The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is reviewed by the Council's treasury management staff.

7.5. Appropriately skilled and experienced finance and legal staff members work with service departments to ensure that the risks associated with any projects they undertake, and compliance with regulation and statutory guidance are properly understood, and form a key consideration in any decision making process.

7.6. The Council's constitution has clearly defined roles and responsibilities for treasury management responsibilities, both for members, committees, and officers.

8. Investment Indicators

8.1. The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure because of its investment decisions.

8.2. **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses.

Table 6: Total investment exposure

Total investment exposure	31.03.2020 Actual	31.03.2021 Forecast	31.03.2022 Forecast
Treasury management investments	92.3	15.0	15.0
Service investments: Loans	25.2	24.8	24.4
Commercial investments: Property	88.6	88.6	88.6
TOTAL INVESTMENTS	206.1	128.4	128.0

8.3. **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

Table 7: Investments funded by external borrowing

Investments funded by borrowing	31.03.2020 Actual	31.03.2021 Forecast	31.03.2022 Forecast
Treasury management investments	0.0	0.0	0.0
Service investments:	19.3	19.8	20.5
Commercial investments: Property	68.1	71.1	74.7
TOTAL FUNDED BY BORROWING	87.4	90.9	95.2

8.4. **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 8: Investment rate of return

Investments net rate of return	2019/20 Actual	2020/21 Forecast	2021/22 Forecast
Treasury management investments	0.70%	0.75%	0.75%
Service investments:	1.19%	1.19%	1.19%
Commercial investments: Property	6.16%	4.00%	4.00%
ALL INVESTMENTS	3.11%	3.08%	3.08%

9. Treasury Management Indicators

9.1. The Authority measures and manages its exposures to treasury management risks using the following indicators.

9.2. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	*Above A-, score of 7 or lower*

9.3. **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling 3 month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£10m

9.4. **Interest rate exposures**: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£2m
Upper limit on one-year revenue impact of a 1% fall in interest rates	£2m

9.5. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

9.6. **Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%

10 years and above	100%	0%

9.7. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

9.8. **Total short term borrowing:** the Council has used short term borrowing (under 1 year in duration) from other local authorities extensively in recent years, as an alternative to longer term borrowing from PWLB, due to the lower interest rates, and corresponding revenue savings. Short term borrowing could also be raised from other counterparties such as banks. Short term borrowing exposes the Council to refinancing risk: the risk that interest rates rise quickly over a short period of time, and are at significantly higher rates when loans mature and new borrowing has to be raised. With this in mind, the Authority will set a limit on the total amount of short term borrowing that has no associated protection against interest rate rises, as a proportion of all borrowing.

Short term borrowing	Limit
Upper limit on short term borrowing that exposes the Council to interest rate rises as a percentage of total borrowing	30%

9.9. **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£10m	£10m	£10m

10. Minimum Revenue Provision Policy Statement

10.1. Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

10.2. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

10.3. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement only incorporates options recommended in the Guidance.

10.4. The Council's MRP policy was reviewed and revised to better reflect the rules set out in the prudential code and government guidance around prudent provision for

repayment of borrowed capital. The revised policy, which took effect from 1 April 2016, ensured that provision for capital repayment is made over a period that is commensurate with the period in which the asset purchased provides benefits.

General Fund MRP policy: borrowing before 2007/08

10.5. The Council calculates MRP on historic debt based on the Capital Financing Requirement (CFR) as at 1 April 2007.

10.6. The Council calculates the MRP charge based on 2% of that CFR, fixed at the same cash value so that the whole debt is repaid after 50 years in total.

10.7. The historic MRP policy for borrowing incurred before 2007/08 led to MRP charges that exceeded what prudence required during the period from 1 April 2007 to 31 March 2016. This resulted in a cumulative charge at 31 March 2016 that was in excess of what is considered prudent and appropriate under the current policy. To reflect the historic over-provision the Council undertakes an annual review to determine whether to make a realignment of MRP charged to the General Fund, using the policy set out above, to recognise the excess sum charged to that point.

10.8. The following conditions will apply to the annual review:

- Total MRP after applying realignment will not be less than zero in any financial year.
- The cumulative total of the MRP realignment will never exceed the amount of historical over-provision calculated to 31 March 2016.

10.9. The table below summarises the historic overprovision position on pre 2008 General Fund expenditure:

Table 9: Summary of historic overprovision of MRP on pre 2008 GF expenditure

	£m
MRP provided between 2008-2016 under previous policy to 31.3.2016	78.0
MRP required to be provided between 2008-2016 under current policy	45.2
Overprovision as at 31.3.2016	32.9

10.10. The remaining overprovision of MRP as at 31.3.2020 was £12.7m. The estimated MRP charges relating to pre 2008 general fund expenditure are summarised in the table below, due to the historic overprovision, MRP charges are estimated to be nil until part way through 2022/23 at which point the historic overprovision will be cleared.

Table 10: Estimated MRP charges on GF pre 2008 expenditure

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m	£m
MRP charge on pre 2008 GF expenditure	5.0	5.0	5.0	5.0	5.0	5.0
Less: historic overprovision	-5.0	-5.0	-2.7	0.0	0.0	0.0
Net MRP charge for pre 2008 expenditure	0.0	0.0	2.3	5.0	5.0	5.0

General Fund MRP policy: prudential borrowing from 2007/08

10.11. For borrowing incurred on schemes described by the Government as Prudential Borrowing or Unsupported Borrowing, MRP will be calculated over the estimated remaining useful life applicable to the expenditure (usually the useful life of the asset it is financing) using the Annuity repayment method in accordance with Option 3 of the guidance.

10.12. This means that MRP will be calculated on an annuity basis (like many domestic mortgages) over the estimated life of the asset, at an appropriate interest rate. Estimated life periods will be determined by the Section 151 Officer under delegated powers.

10.13. In accordance with the provisions in the guidance, MRP will be first charged in the financial year following the one in which the entire asset to which the charge relates, becomes fully operational.

10.14. Financial agreements such as loans, investments or where assets are to be acquired for future development (including where capital receipts are part of the business case), will not, at the discretion of the CFO, attract MRP. This discretion will be applied where it is reasonable to assume that the initial capital investment will be returned to the Council in full at maturity or over a defined period.

HRA MRP policy

10.15. There is no statutory requirement to make an annual MRP charge for HRA assets, and the Authority does not currently plan to do this given the current low level of debt per property that the Council holds, and the fact that sums charged as depreciation in the HRA are spent on major repairs to the Authority's housing stock to ensure they remain in suitable condition. This policy will be kept under annual review.

Concession Agreements

10.16. MRP in relation to concession agreements (e.g. PFI contracts) and finance leases are calculated on an asset life method using an annuity repayment profile, consistent with the method for all prudential borrowing since 2007/08. Estimated life periods will be determined under delegated powers.

Finance Leases

10.17. For assets acquired by finance leases, including leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Statutory capitalisations

10.18. For expenditure which does not create a fixed asset, but is statutorily capitalised and subject to estimated life periods that are referred to in the guidance, these estimated periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

10.19. Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, at the discretion of the Section 151 Officer.

10.20. The Section 151 Officer may approve that such debt repayment provision may be made from capital receipts or from revenue provision.

11. Related Matters

11.1. The CIPFA Code requires the Authority to include the following in its treasury management strategy.

11.2. **Financial derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the

expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

11.3. The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

11.4. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

11.5. In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

11.6. **Housing Revenue Account:** On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

11.7. **Markets in Financial Instruments Directive**: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, this most appropriate status.

12. Revenue Budget Implications

12.1. The budget for investment income in 2021/22 is £0.2 million, based on an average investment portfolio of £25 million at an interest rate of 0.75%. This is assumed to remain constant throughout the MTFS.

12.2. The budget for debt interest paid in 2021/22 is detailed in the table below for both the General Fund and HRA. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

12.3. The table below demonstrates the revenue budgets in both the General Fund and HRA for both interest costs on borrowing, and Minimum Revenue Provision charges. The Council's capital programme is moving to a financing strategy that seeks to ensure that investment via the capital programme is self-financing. The self-financing schemes will

normally only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. The level of these savings is demonstrated in the table below.

Table 11: Revenue budget for interest costs and MRP:

	2020/21 Forecast	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget
	£m	£m	£m	£m	£m	£m
MRP - pre 2008 expenditure	0.0	0.0	2.3	5.0	5.0	5.0
MRP - post 2008 expenditure	5.5	8.7	14.2	17.4	20.8	24.0
Total MRP	**5.5**	**8.7**	**16.4**	**22.5**	**25.8**	**29.0**
Interest Costs (General Fund)	4.5	8.6	9.0	10.9	12.2	12.4
Total Gross Capital Financing Costs (General Fund)	**10.0**	**17.4**	**25.4**	**33.4**	**38.0**	**41.5**
Offsetting Savings for self financing schemes	-0.7	-5.2	-8.9	-12.3	-14.7	-15.2
Total Net Capital Financing Costs (General Fund)	**9.3**	**12.2**	**16.5**	**21.0**	**23.3**	**26.3**
Interest Costs (HRA)	**16.4**	**16.2**	**22.9**	**30.0**	**35.7**	**38.8**

13. Other Options Considered

13.1. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance (S151 Officer) having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic & Interest Rate Forecast - December 2020

Underlying assumptions:

- The medium-term global economic outlook has improved with the distribution of vaccines, but the recent upsurge in coronavirus cases has worsened economic prospects over the short term.
- Restrictive measures and further lockdowns are likely to continue in the UK and Europe until the majority of the population is vaccinated by the second half of 2021. The recovery period will be strong thereafter, but potentially longer than previously envisaged.
- Signs of a slowing UK economic recovery were already evident in UK monthly GDP and PMI data, even before the second lockdown and Tier 4 restrictions. Employment is falling despite an extension to support packages.
- The need to support economic recoveries and use up spare capacity will result in central banks maintaining low interest rates for the medium term.

- Brexit will weigh on UK activity. The combined effect of Brexit and the after-effects of the pandemic will dampen growth relative to peers, maintain spare capacity and limit domestically generated inflation. The Bank of England will therefore maintain loose monetary conditions for the foreseeable future.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid longer-term inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or the deployment of vaccines.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out, especially with likely emergency action in response to a no-deal Brexit.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain, and indeed appear heightened, in the near term, as the government reacts to the escalation in infection rates and the Brexit transition period ends.

	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Official Bank Rate													
Upside risk	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3-month money market r.													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	0.30	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
1yr money market rate													
Upside risk	0.05	0.05	0.10	0.10	0.15	0.20	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	0.15	0.15	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Downside risk	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
5yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.20	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	0.40	0.45	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
10yr gilt yield													
Upside risk	0.30	0.35	0.40	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.25	0.30	0.35	0.35	0.40	0.40	0.45	0.45	0.50	0.55	0.55	0.55	0.60
Downside risk	0.50	0.50	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
20yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.90	0.90
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
50yr gilt yield													
Upside risk	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70	0.70
Arlingclose Central Case	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.80	0.80
Downside risk	0.30	0.30	0.35	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Annex 5

The Formal Budget Resolution

The Council is recommended to resolve, in accordance with the Local Government Finance Act 1992 (the 'Act'), as amended by the Localism Act 2011, as follows:

1. It is noted that on 31st January 2021 the Director of Finance and Section 151 Officer, after consultation with the Cabinet Member for Finance, calculated the 2021/22 Council Tax Base for the whole Council area as 76,544.

2. The Council Tax Requirement for the Council's own purposes for 2021/22 is calculated as **£110,303,004**

3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:

   a) **£972,429,327**

      being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;

   b) **£862,126,323**

      being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;

   c) **£110,303,004** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year;

   d) **£1441.04**

      being the Council Tax Requirement at 3(c) above, divided by the Council Tax Base at 1, above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;

4. To note that the Greater London Authority has issued a precept to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

Valuation Bands

LONDON BOROUGH OF HARINGEY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
960.70	1120.82	1280.93	1441.04	1761.28	2081.51	2401.75	2882.10

GREATER LONDON AUTHORITY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
242.44	282.85	323.25	363.66	444.47	525.29	606.10	727.32

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1203.14	1403.67	1604.18	1804.70	2205.75	2606.80	3007.85	3609.42

6. Pursuant to Section 52ZB of the Act and the principles determined by the Secretary of State to apply to local authorities in England in 2021/22 as set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2021/22, it is determined that the Council's relevant basic amount of Council Tax for the year is not excessive.

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